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2003

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APPENDIX I

International Reserves

Total international reserves, including gold, increased by 9 percent during 2002 and stood at SDR 2.1 trillion at the end of the year (Table I.1). Foreign exchange reserves, which constitute the largest component of official reserve holdings, grew by 8 percent, to SDR 1.8 trillion. IMF-related assets, which make up the rest of nongold reserves, increased by 12 percent, to SDR 86 billion. The market value of gold held by monetary authorities increased by 13 percent in 2002, to SDR 235 billion at year-end.[1]

Foreign Exchange Reserves

Foreign exchange reserves represented 95 percent of nongold assets at the end of 2002. The developing countries, which held 63 percent of all foreign exchange reserves at the end of 2002, increased their holdings by 10 percent, to SDR 1.1 trillion, following comparable increases in the previous two years. During 2002, the foreign exchange holdings of industrial countries rose by 5 percent, to SDR 653 billion.

In 2002, the foreign exchange assets of the oil-exporting developing countries, which amount to about 10 percent of all developing countries' foreign exchange reserves, declined by 2 percent, to SDR 103 billion. Foreign exchange reserves of the net creditor developing country group rose by 11 percent, to SDR 222 billion, and those of net debtor countries grew by 10 percent, to SDR 889 billion at the end of 2002. Foreign exchange reserves of net debtors without debt-servicing problems increased by 13 percent, to SDR 753 billion, while those of countries with debt-servicing problems decreased by 4 percent, to SDR 136 billion.

Holdings of IMF-Related Assets

During 2002, total IMF-related assets (that is, reserve positions in the IMF and SDRs) increased by 12 percent, following an increase of 16 percent in the preceding year. Industrial countries hold a majority of IMF-related assets: 81 percent at the end of 2002. The increase in IMF-related assets was attributable mainly to a 16 percent growth in members' reserve positions in the IMF—which consist of members' reserve tranche and creditor positions—to SDR 66 billion. SDR holdings of IMF members have remained broadly constant at SDR 20 billion.

Gold Reserves

The market value of gold reserves increased by 13 percent, to SDR 235 billion, reflecting an increase of 14 percent in the SDR price of gold in 2002; the physical stock of official gold declined by 1 percent. The share of gold in officially held reserves declined gradually to 11 percent by the end of 2002, whereas in the early 1980s gold comprised about half of all officially held reserves. Most of the gold reserves (83 percent) are held by industrial countries: gold constituted 21 percent of these countries' total reserves at the end of 2002. Gold reserves accounted for 4 percent of the total reserves of the developing countries.

Developments During the First Quarter of 2003

During the first quarter of 2003, total reserve assets rose by SDR 43 billion, whereas foreign exchange reserves increased by SDR 50 billion over the same period. Reflecting a decline in the SDR price of gold since the end of 2002, the market value of gold reserves declined by SDR 9 billion during the first quarter of 2003, while the physical stock of official gold declined by SDR 4 billion. Holdings of IMF-related assets increased by SDR 2 billion.

Currency Composition of Foreign Exchange Reserves

The currency composition of foreign exchange reserves has changed gradually over the past decade, with the share of U.S. dollar holdings in foreign exchange reserves rising from 57 percent in 1993 to 68 percent in 1999 and staying at that level through the end of 2001 (Table I.2). In 2002, however, the share of U.S. dollar holdings declined slightly, to 65 percent, with euro holdings gaining share. The euro, which replaced 11 European currencies and the European currency unit (ECU) on January 1, 1999, accounted for 15 percent of total foreign exchange reserves in 2002, somewhat higher than its average since 1999. Given that, at the introduction of the euro, the Eurosystem's reserves previously denominated in euro legacy currencies[2] became domestic assets of the euro area, the share of the euro in 1999–2002 is not directly comparable with the previous years' combined share of the four euro legacy currencies identified in Table I.2: deutsche mark, French franc, Netherlands guilder, and private ECU. How-

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

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

Table I.1

Official Holdings of Reserve Assets[1]

(In billions of SDRs)

	1997	1998	1999	2000	2001	2002	March 2003
All countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	47.1	60.6	54.8	47.4	56.9	66.1	67.6
SDRs	20.5	20.4	18.5	18.5	19.6	19.7	19.8
Subtotal, IMF-related assets	**67.6**	**81.0**	**73.2**	**65.9**	**76.4**	**85.7**	**87.4**
Foreign exchange	1,197.0	1,166.3	1,297.7	1,485.4	1,627.8	1,763.4	1,813.5
Total reserves excluding gold	**1,264.7**	**1,247.3**	**1,371.0**	**1,551.3**	**1,704.2**	**1,849.1**	**1,900.9**
Gold[2]							
Quantity (*millions of ounces*)	888.5	968.3	967.0	952.1	942.7	930.6	926.5
Value at London market price	191.1	197.9	204.5	200.5	207.4	234.6	225.8
Total reserves including gold	**1,455.7**	**1,445.2**	**1,575.4**	**1,751.8**	**1,911.6**	**2,083.7**	**2,126.7**
Industrial countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	41.3	53.9	46.8	39.7	47.0	53.7	54.7
SDRs	15.5	15.8	14.7	14.4	16.0	15.8	15.1
Subtotal, IMF-related assets	**56.8**	**69.8**	**61.5**	**54.1**	**62.9**	**69.5**	**69.8**
Foreign exchange	520.9	475.8	526.1	596.2	620.4	653.0	656.6
Total reserves excluding gold	**577.7**	**545.6**	**587.6**	**650.3**	**683.4**	**722.5**	**726.5**
Gold[2]							
Quantity (*millions of ounces*)	732.5	808.7	810.4	796.5	783.5	769.8	765.8
Value at London market price	157.5	165.3	171.4	167.8	172.4	194.1	186.6
Total reserves including gold	**735.2**	**710.9**	**759.0**	**818.1**	**855.7**	**916.6**	**913.1**
Developing countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	5.7	6.7	8.0	7.7	9.9	12.3	12.8
SDRs	5.0	4.5	3.7	4.1	3.6	3.9	4.7
Subtotal, IMF-related assets	**10.8**	**11.2**	**11.7**	**11.8**	**13.5**	**16.2**	**17.6**
Foreign exchange	676.2	690.5	771.6	889.2	1,007.3	1,110.3	1,156.8
Total reserves excluding gold	**687.0**	**701.7**	**783.4**	**900.9**	**1,020.8**	**1,126.6**	**1,174.4**
Gold[2]							
Quantity (*millions of ounces*)	156.0	159.6	156.6	155.5	159.2	160.7	160.7
Value at London market price	33.5	32.6	33.1	32.8	35.0	40.5	39.2
Total reserves including gold	**720.5**	**734.3**	**816.5**	**933.7**	**1,055.8**	**1,167.1**	**1,213.6**
Net debtor developing countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	4.3	5.1	5.7	5.4	6.4	8.1	8.4
SDRs	3.9	3.3	3.1	3.3	2.7	2.9	3.8
Subtotal, IMF-related assets	**8.1**	**8.4**	**8.8**	**8.7**	**9.2**	**11.0**	**12.2**
Foreign exchange	538.1	550.0	609.3	705.7	806.7	888.9	919.0
Total reserves excluding gold	**546.3**	**558.3**	**618.1**	**714.4**	**815.8**	**899.9**	**930.3**
Gold[2]							
Quantity (*millions of ounces*)	147.9	151.3	148.7	147.7	151.3	153.2	153.1
Value at London market price	31.8	30.9	31.4	31.1	33.3	38.6	37.3
Total reserves including gold	**578.1**	**589.3**	**649.5**	**745.5**	**849.1**	**938.5**	**967.6**
Net debtor developing countries without debt-servicing problems							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	3.8	4.6	4.9	4.6	5.7	7.3	7.6
SDRs	3.0	2.6	2.4	2.1	2.1	1.9	2.1
Subtotal, IMF-related assets	**6.8**	**7.3**	**7.3**	**6.7**	**7.8**	**9.3**	**9.7**
Foreign exchange	403.8	428.3	489.4	571.6	664.5	752.6	781.2
Total reserves excluding gold	**410.6**	**435.6**	**496.6**	**578.3**	**672.3**	**761.9**	**790.4**
Gold[2]							
Quantity (*millions of ounces*)	102.8	105.7	103.5	102.8	106.4	108.1	107.9
Value at London market price	22.1	21.6	21.9	21.7	23.4	27.3	26.3
Total reserves including gold	**432.7**	**457.2**	**518.5**	**600.0**	**695.7**	**789.2**	**816.7**

Source: International Monetary Fund, *International Financial Statistics.*

Note: Components may not sum to totals because of rounding.

[1]End of year figures for all years except 2003. "IMF-related assets" comprise reserve positions in the IMF and SDR holdings of all IMF members. The entries under "Foreign exchange" and "Gold" comprise official holdings of those IMF members for which data are available and certain countries or areas.

[2] One troy ounce equals 31.103 grams. The market price is the afternoon price fixed in London on the last business day of each period.

Table I.2
Share of National Currencies in Total Identified Official Holdings of Foreign Exchange, End of Year[1]
(In percent)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
All countries										
U.S. dollar	56.6	56.5	56.9	60.2	62.2	65.7	67.9	67.6	67.7	64.8
Japanese yen	7.7	7.9	6.8	6.0	5.2	5.4	5.5	5.2	4.9	4.5
Pound sterling	3.0	3.3	3.2	3.4	3.6	3.9	4.0	3.8	4.0	4.4
Swiss franc	1.1	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.7
Euro	—	—	—	—	—	—	12.6[2]	13.0[2]	13.2[2]	14.6[2]
Deutsche mark	13.7	14.2	13.7	13.0	12.8	12.2	—	—	—	—
French franc	2.3	2.4	2.3	1.9	1.4	1.6	—	—	—	—
Netherlands guilder	0.7	0.5	0.4	0.3	0.4	0.4	—	—	—	—
ECUs[3]	8.2	7.7	6.8	5.9	5.0	0.8	—	—	—	—
Unspecified currencies[4]	6.8	6.6	9.2	8.6	8.7	9.3	9.4	9.7	9.7	11.0
Industrial countries										
U.S. dollar	50.2	50.8	51.8	56.1	57.9	66.7	72.8	72.7	73.3	70.1
Japanese yen	7.8	8.2	6.6	5.6	5.8	6.6	6.6	6.3	5.6	4.8
Pound sterling	2.2	2.3	2.1	2.0	1.9	2.2	2.3	2.0	1.8	2.2
Swiss franc	0.3	0.2	0.1	0.1	0.1	0.2	0.1	0.2	0.3	0.6
Euro	—	—	—	—	—	—	10.6[2]	10.4[2]	9.7[2]	11.3[2]
Deutsche mark	16.4	16.3	16.4	15.6	15.9	13.4	—	—	—	—
French franc	2.6	2.4	2.3	1.7	0.9	1.3	—	—	—	—
Netherlands guilder	0.4	0.3	0.2	0.2	0.2	0.2	—	—	—	—
ECUs[3]	15.2	14.6	13.4	12.0	10.9	1.9	—	—	—	—
Unspecified currencies[4]	4.8	5.0	7.0	6.7	6.4	7.4	7.6	8.3	9.2	11.1
Developing countries										
U.S. dollar	64.1	62.9	62.0	64.0	65.8	64.9	64.2	63.8	63.8	61.3
Japanese yen	7.5	7.6	6.9	6.4	4.7	4.5	4.6	4.4	4.3	4.3
Pound sterling	4.0	4.4	4.3	4.8	5.1	5.1	5.3	5.2	5.5	5.8
Swiss franc	2.0	1.7	1.5	1.4	1.1	1.1	1.1	1.0	0.9	0.8
Euro	—	—	—	—	—	—	14.1	14.9	15.6	16.8
Deutsche mark	10.5	11.9	11.0	10.6	10.3	11.2	—	—	—	—
French franc	2.0	2.4	2.3	2.0	1.8	1.9	—	—	—	—
Netherlands guilder	1.0	0.8	0.6	0.5	0.6	0.5	—	—	—	—
ECUs[3]	—	—	—	—	—	—	—	—	—	—
Unspecified currencies[5]	9.1	8.3	11.4	10.3	10.6	10.8	10.7	10.7	9.9	10.9

Note: Components may not sum to total because of rounding.
[1]Only IMF member countries that report their official holdings of foreign exchange are included in this table.
[2]Not comparable with the combined share of euro legacy currencies in previous years because it excludes the euros received by euro-area members when their previous holdings of other euro-area members' legacy currencies were converted into euros on January 1, 1999.
[3]In the calculation of currency shares, the ECU is treated as a separate currency. ECU reserves held by the monetary authorities existed in the form of claims on both the private sector and European Monetary Institute (EMI), which issued official ECUs to European Union central banks through revolving swaps against the contribution of 20 percent of their gross gold holdings and U.S. dollar reserves. On December 31, 1998, the official ECUs were unwound into gold and U.S. dollars; hence, the share of ECUs at the end of 1998 was sharply lower than a year earlier. The remaining ECU holdings reported for 1998 consisted of ECUs issued by the private sector, usually in the form of ECU deposits and bonds. On January 1, 1999, these holdings were automatically converted into euros.
[4]The residual is equal to the difference between total foreign exchange reserves of IMF member countries and the sum of the reserves held in the currencies listed in the table.
[5]The calculations here rely to a greater extent on IMF staff estimates than do those provided for the group of industrial countries.

ever, after adjusting the data to take into account only holdings of these currencies outside the euro area, their combined share in 1998 was virtually identical to the share of the euro in 1999.

The share of the Japanese yen in total foreign exchange reserves declined from 8 percent at end-1993 to 5 percent at the end of 1997 and stayed at about that level through 2002. During the past decade, the share of pound sterling has remained around 3 and 4 percent, and that of the Swiss franc approximately 1 percent. The share of unspecified currencies, which include currencies not identified in Table I.2, as well as foreign exchange reserves for which no information on currency composition is available, rose to 11 percent in 2002.

For industrial countries, the share of U.S. dollar holdings increased throughout the 1990s to reach 73 percent in 2001 and declined to 70 percent at the end of 2002. The shares of the euro in those countries' foreign exchange reserves rose to 11 percent in 2002, whereas that of the Japanese yen declined by less than 1 percentage point. Shares of pound sterling and the Swiss franc have been practically unchanged over the past ten years, but the share of unspecified currencies rose to 11 percent in 2002.

Table I.3

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

(In millions of SDRs)

	1994	1995	1996	1997	1998	1999	2000	2001	2002
U.S. dollar									
Change in holdings	32,570	73,551	121,245	87,828	18,418	103,998	120,295	87,185	29,895
Quantity change	57,314	78,573	103,269	45,172	48,561	85,745	74,526	51,852	112,651
Price change	–24,744	–5,023	17,976	42,656	–30,143	18,254	45,769	35,332	–82,756
Year-end value	423,269	496,819	618,064	705,892	724,310	828,308	948,603	1,035,788	1,065,682
Japanese yen									
Change in holdings	6,007	19	2,685	–3,197	981	7,256	6,306	1,221	–120
Quantity change	3,124	3,089	8,021	–56	–3,489	–1,983	11,054	8,655	–1,160
Price change	2,883	–3,070	–5,336	–3,141	4,470	9,238	–4,749	–7,434	1,040
Year-end value	59,030	59,048	61,733	58,536	59,517	66,772	73,078	74,300	74,180
Pound sterling									
Change in holdings	3,992	3,240	7,354	6,182	1,124	6,197	5,087	7,170	11,058
Quantity change	4,129	3,834	3,259	4,632	2,761	6,359	6,464	6,685	9,242
Price change	–136	–594	4,095	1,550	–1,637	–162	–1,377	485	1,816
Year-end value	24,612	27,852	35,206	41,388	42,512	48,709	53,796	60,966	72,024
Swiss franc									
Change in holdings	–932	210	881	–35	–54	241	1,745	131	2,206
Quantity change	–1,372	–541	1,811	75	–128	1,208	1,449	33	955
Price change	439	751	–930	–109	74	–966	296	98	1,252
Year-end value	6,689	6,899	7,780	7,745	7,691	7,933	9,678	9,809	12,015
Euro									
Change in holdings	—	—	—	—	—	6,958[2]	28,149	19,685	37,902
Quantity change	—	—	—	—	—	25,600	31,501	22,962	16,776
Price change	—	—	—	—	—	–18,642	–3,353	–3,277	21,126
Year-end value	—	—	—	—	—	154,026	182,174	201,859	239,761
Deutsche mark									
Change in holdings	11,862	13,296	14,050	11,896	–11,478	—	—	—	—
Quantity change	7,081	6,817	20,159	22,336	–15,364	—	—	—	—
Price change	4,781	6,478	–6,109	–10,440	3,886	—	—	—	—
Year-end value	106,414	119,709	133,759	145,655	134,176	—	—	—	—
French franc									
Change in holdings	1,912	1,974	–981	–3,388	2,224	—	—	—	—
Quantity change	1,262	668	–334	–2,037	1,860	—	—	—	—
Price change	650	1,307	–647	–1,352	364	—	—	—	—
Year-end value	18,081	20,055	19,074	15,686	17,910	—	—	—	—
Netherlands guilder									
Change in holdings	–512	–301	–330	1,138	–569	—	—	—	—
Quantity change	–731	–547	–152	1,443	–708	—	—	—	—
Price change	219	246	–178	–305	140	—	—	—	—
Year-end value	4,070	3,769	3,439	4,577	4,009	—	—	—	—
European currency unit									
Change in holdings	959	1,665	985	–3,240	–47,848	—	—	—	—
Quantity change	–1,035	–1,157	1,833	515	–49,304	—	—	—	—
Price change	1,994	2,822	–849	–3,755	1,456	—	—	—	—
Year-end value	57,613	59,278	60,262	57,022	9,174	—	—	—	—
Sum of the above[3]									
Change in holdings	55,859	93,653	145,888	97,183	–37,201	124,650	161,581	115,391	80,941
Quantity change	69,773	90,736	137,865	72,079	–15,812	116,929	124,995	90,187	138,463
Price change	–13,914	2,917	8,023	25,103	–21,389	7,721	36,586	25,204	–57,523
Year-end value	699,777	793,431	939,319	1,036,501	999,300	1,105,749	1,267,330	1,382,721	1,463,662
Total official holdings[4]									
Change in holdings	60,720	121,995	154,291	108,574	–30,765	131,431	187,685	142,355	135,608
Year-end value	812,188	934,182	1,088,473	1,197,047	1,166,282	1,297,713	1,485,398	1,627,753	1,763,361

Note: Components may not sum to totals because of rounding.

[1]The currency composition of foreign exchange is based on the IMF's currency survey and on estimates derived mainly, but not solely, from official national reports. The numbers in this table should be regarded as estimates that are subject to adjustment as more information is received. Quantity changes are derived by multiplying the changes in official holdings of each currency from the end of one quarter to the next by the average of the two SDR prices of that currency prevailing at the corresponding dates. This procedure converts the change in the quantity of national currency from own units to SDR units of account. Subtracting the SDR value of the quantity change so derived from the quarterly change in the SDR value of foreign exchange held at the end of two successive quarters and cumulating these differences yields the effect of price changes over the years shown.

[2]Represents the change from end-1998 holdings of euro legacy currencies by official institutions outside the euro area.

[3]Each item represents the sum of the currencies above.

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

The share of the U.S. dollar in developing countries' foreign exchange reserves declined to 61 percent in 2002, at the lower end of historical values over the past decade. Holdings of the euro rose to 17 percent of those countries' foreign exchange reserves, 1 percentage point higher than its share in 2001. During the past decade, the share of the Japanese yen has gradually decreased by about 3 percentage points, to 4 percent at the end of 2002, while the share of pound sterling has increased by about 2 percentage points, to 6 percent. The share of the Swiss franc has remained virtually unchanged at 1 percent since 1997. Unspecified currencies accounted for 11 percent of developing countries' foreign exchange reserves in 2002.

Changes in the SDR value of foreign exchange reserves can be decomposed into quantity and valuation (price) changes (Table I.3). Official reserves held in U.S. dollars increased by SDR 30 billion in 2002, as an increase of SDR 113 billion in the quantity of U.S. dollar holdings was offset by a valuation decline of SDR 83 billion. Euro holdings increased by SDR 38 billion, reflecting a quantity increase of SDR 17 billion and a valuation increase of SDR 21 billion. Japanese yen holdings remained unchanged, as a quantity decline offset a valuation increase. Pound sterling and Swiss franc holdings increased by SDR 11 billion and SDR 2 billion, respectively, reflecting increases in both quantity and valuation.

APPENDIX II

Financial Operations and Transactions

The tables in this appendix supplement the information given in Chapter 8 on the IMF's financial operations and policies. Components may not sum to total because of rounding.

Table II.1
Arrangements Approved During Financial Years Ended April 30, 1953–2003

Financial Year	Number of Arrangements					Amounts Committed Under Arrangements[1] (In millions of SDRs)				
	Stand-By	EFF	SAF	PRGF	Total	Stand-By	EFF	SAF	PRGF	Total
1953	2	—	—	—	2	55	—	—	—	55
1954	2	—	—	—	2	63	—	—	—	63
1955	2	—	—	—	2	40	—	—	—	40
1956	2	—	—	—	2	48	—	—	—	48
1957	9	—	—	—	9	1,162	—	—	—	1,162
1958	11	—	—	—	11	1,044	—	—	—	1,044
1959	15	—	—	—	15	1,057	—	—	—	1,057
1960	14	—	—	—	14	364	—	—	—	364
1961	15	—	—	—	15	460	—	—	—	460
1962	24	—	—	—	24	1,633	—	—	—	1,633
1963	19	—	—	—	19	1,531	—	—	—	1,531
1964	19	—	—	—	19	2,160	—	—	—	2,160
1965	24	—	—	—	24	2,159	—	—	—	2,159
1966	24	—	—	—	24	575	—	—	—	575
1967	25	—	—	—	25	591	—	—	—	591
1968	32	—	—	—	32	2,352	—	—	—	2,352
1969	26	—	—	—	26	541	—	—	—	541
1970	23	—	—	—	23	2,381	—	—	—	2,381
1971	18	—	—	—	18	502	—	—	—	502
1972	13	—	—	—	13	314	—	—	—	314
1973	13	—	—	—	13	322	—	—	—	322
1974	15	—	—	—	15	1,394	—	—	—	1,394
1975	14	—	—	—	14	390	—	—	—	390
1976	18	2	—	—	20	1,188	284	—	—	1,472
1977	19	1	—	—	20	4,680	518	—	—	5,198
1978	18	—	—	—	18	1,285	—	—	—	1,285
1979	14	4	—	—	18	508	1,093	—	—	1,600
1980	24	4	—	—	28	2,479	797	—	—	3,277
1981	21	11	—	—	32	5,198	5,221	—	—	10,419
1982	19	5	—	—	24	3,106	7,908	—	—	11,014
1983	27	4	—	—	31	5,450	8,671	—	—	14,121
1984	25	2	—	—	27	4,287	95	—	—	4,382
1985	24	—	—	—	24	3,218	—	—	—	3,218
1986	18	1	—	—	19	2,123	825	—	—	2,948
1987	22	—	10	—	32	4,118	—	358	—	4,476
1988	14	1	15	—	30	1,702	245	670	—	2,617
1989	12	1	4	7	24	2,956	207	427	955	4,545
1990	16	3	3	4	26	3,249	7,627	37	415	11,328
1991	13	2	2	3	20	2,786	2,338	15	454	5,593
1992	21	2	1	5	29	5,587	2,493	2	743	8,826

Table II.1 *(concluded)*

Financial Year	Number of Arrangements					Amounts Committed Under Arrangements[1] (In millions of SDRs)				
	Stand-By	EFF	SAF	PRGF	Total	Stand-By	EFF	SAF	PRGF	Total
1993	11	3	1	8	23	1,971	1,242	49	527	3,789
1994	18	2	1	7	28	1,381	779	27	1,170	3,357
1995	17	3	—	11	31	13,055	2,335	—	1,197	16,587
1996	19	4	1	8	32	9,645	8,381	182	1,476	19,684
1997	11	5	—	12	28	3,183	1,193	—	911	5,287
1998	9	4	—	8	21	27,336	3,078	—	1,738	32,152
1999	5	4	—	10	19	14,325	14,090	—	998	29,413
2000	11	4	—	10	25	15,706	6,582	—	641	22,929
2001	11	1	—	14	26	13,093	–9	—	1,249	14,333
2002	9	—	—	9	18	39,439	—	—	1,848	41,287
2003	10	2	—	10	22	28,597	794	—	1,180	30,571

[1]Includes augmentations less approved reductions of committed amounts.

Table II.2

Arrangements in Effect at End of Financial Years 1991–2003[1]

Financial Year	Number of Arrangements as of April 30					Amounts Committed Under Arrangements as of April 30 (In millions of SDRs)				
	Stand-By	EFF	SAF	PRGF	Total	Stand-By	EFF	SAF	PRGF	Total
1991	14	5	12	14	45	2,703	9,597	539	1,813	14,652
1992	22	7	8	16	53	4,833	12,159	101	2,111	19,203
1993	15	6	4	20	45	4,490	8,569	83	2,137	15,279
1994	16	6	3	22	47	1,131	4,504	80	2,713	8,428
1995	19	9	1	27	56	13,190	6,840	49	3,306	23,385
1996	21	7	1	28	57	14,963	9,390	182	3,383	27,918
1997	14	11	—	35	60	3,764	10,184	—	4,048	17,996
1998	14	13	—	33	60	28,323	12,336	—	4,410	45,069
1999	9	12	—	35	56	32,747	11,401	—	4,186	48,334
2000	16	11	—	31	58	45,606	9,798	—	3,516	58,920
2001	17	8	—	37	62	34,906	8,697	—	3,298	46,901
2002	13	4	—	35	52	44,095	7,643	—	4,201	55,939
2003	15	3	—	36	54	42,807	4,432	—	4,450	51,689

[1]Certain figures have been restated to exclude expired arrangements.

Table II.3

Stand-By and Extended Arrangements in Effect During Financial Year Ended April 30, 2003

(In millions of SDRs)

	Arrangement Dates		Amounts Approved		Undrawn Balance	
Member	**Effective date**	**Expiration date**	**Prior to FY2003**	**In FY2003**	**At date of termination**	**As of April 30, 2003**
Argentina	3/10/2000	1/24/2003	16,937	—	7,180	—
Argentina	1/24/2003	8/31/2003	—	2,175	—	1,201
Bolivia	4/2/2003	4/1/2004	—	86	—	43
Bosnia and Herzegovina	8/2/2002	11/1/2003	—	68	—	36
Brazil	9/14/2001	9/6/2002	12,144	—	759	—
Brazil	9/6/2002	12/31/2003	—	22,821	—	15,215
Bulgaria	2/27/2002	2/26/2004	240	—	—	104
Colombia	1/15/2003	1/14/2005	—	1,548	—	1,548
Croatia	3/19/2001	5/18/2002	200	—	200	—
Croatia	2/3/2003	4/2/2004	—	106	—	106
Dominica	8/28/2002	8/27/2003	—	3	—	1
Ecuador	3/21/2003	4/20/2004	—	151	—	121
Guatemala	4/1/2002	3/31/2003	84	—	84	—
Jordan	7/3/2002	7/2/2004	—	85	—	75
Latvia	4/20/2001	12/19/2002	33	—	33	—
Lithuania	8/30/2001	3/29/2003	87	—	87	—
Macedonia, FYR	4/30/2003	6/15/2004	—	20	—	20
Peru	2/1/2002	2/29/2004	255	—	—	255
Romania	10/31/2001	10/15/2003	300	—	—	110
Serbia and Montenegro[1]	6/11/2001	5/13/2002	200	—	—	—
Sri Lanka	4/20/2001	9/19/2002	200	—	—	—
Turkey	2/4/2002	12/31/2004	12,821	—	—	2,381
Uruguay	4/1/2002	3/31/2005	594	1,534	—	798
Total for Stand-By Arrangements			44,095	28,597	8,343	22,014
Colombia	12/20/1999	12/19/2002	1,957	—	1,957	—
Indonesia	2/4/2000	12/31/2003	3,638	—	—	1,032
Jordan	4/15/1999	5/31/2002	128	—	—	—
Serbia and Montenegro[1]	5/14/2002	5/13/2005	—	650	—	450
Sri Lanka	4/18/2003	4/17/2006	—	144	—	124
Ukraine	9/4/1998	9/3/2002	1,920	—	727	—
Total for Extended Arrangements			7,643	794	2,684	1,606
Total			**51,738**	**29,391**	**11,027**	**23,620**

[1]Effective February 4, 2003, the Federal Republic of Yugoslavia changed its name to Serbia and Montenegro.

Table II.4

Arrangements Under the Poverty Reduction and Growth Facility in Effect During Financial Year Ended April 30, 2003

(In millions of SDRs)

	Arrangement Dates		Amounts Approved		Undrawn Balance	
Member	Effective date	Expiration date	Prior to FY2003	In FY2003	At date of termination	As of April 30, 2003
Albania	6/21/2002	6/20/2005	—	28	—	20
Armenia	5/23/2001	5/22/2004	69	—	—	29
Azerbaijan	7/6/2001	7/5/2004	80	—	—	64
Benin[1]	7/17/2000	3/31/2004	27	—	—	4
Bolivia[2]	9/18/1998	6/7/2002	101	—	37	—
Burkina Faso[3]	9/10/1999	12/9/2002	39	—	—	—
Cambodia[4]	10/22/1999	2/28/2003	59	—	—	—
Cameroon	12/21/2000	12/20/2003	111	—	—	48
Cape Verde	4/10/2002	4/9/2005	9	—	—	6
Chad[5]	1/7/2000	12/6/2003	48	—	—	10
Congo, Dem. Rep. of	6/12/2002	6/11/2005	—	580	—	133
Côte d'Ivoire	3/29/2002	3/28/2005	293	—	—	234
Djibouti[6]	10/18/1999	1/17/2003	19	—	5	—
Ethiopia	3/22/2001	3/21/2004	100	—	—	31
Gambia, The	7/18/2002	7/17/2005	—	20	—	17
Georgia	1/12/2001	1/11/2004	108	—	—	59
Ghana[7]	5/3/1999	11/30/2002	229	—	53	—
Guinea	5/2/2001	5/1/2004	64	—	—	39
Guinea-Bissau	12/15/2000	12/14/2003	14	—	—	9
Guyana	9/20/2002	9/19/2005	—	55	—	49
Honduras[8]	3/26/1999	12/31/2002	157	—	48	—
Kenya[9]	8/4/2000	8/3/2003	190	—	—	156
Kyrgyz Republic	12/6/2001	12/5/2004	73	—	—	38
Lao People's Dem. Rep.	4/25/2001	4/24/2004	32	—	—	18
Lesotho	3/9/2001	3/8/2004	25	—	—	11
Madagascar[10]	3/1/2001	11/30/2004	79	—	—	45
Malawi	12/21/2000	12/20/2003	45	—	—	39
Mali[11]	8/6/1999	8/5/2003	51	—	—	6
Mauritania[12]	7/21/1999	12/20/2002	42	—	—	—
Moldova	12/21/2000	12/20/2003	111	—	—	83
Mongolia	9/28/2001	9/27/2004	28	—	—	24
Mozambique[13]	6/28/1999	6/27/2003	87	—	—	17
Nicaragua	12/13/2002	12/12/2005	—	98	—	91
Niger	12/22/2000	12/21/2003	59	—	—	25
Pakistan	12/6/2001	12/5/2004	1,034	—	—	603
Rwanda	8/12/2002	8/11/2005	—	4	—	3
São Tomé and Príncipe	4/28/2000	4/27/2003	7	—	5	—
Senegal	4/28/2003	4/27/2006	—	24	—	24
Sierra Leone	9/26/2001	9/25/2004	131	—	—	56
Sri Lanka	4/18/2003	4/17/2006	—	269	—	231
Tajikistan	12/11/2002	12/10/2005	—	65	—	57
Tanzania[14]	4/4/2000	6/30/2003	135	—	—	15
Uganda	9/13/2002	9/12/2005	—	14	—	12
Vietnam	4/13/2001	4/12/2004	290	—	—	166
Zambia[15]	3/25/1999	3/28/2003	254	24	41	—
Total			4,201	1,180	189	2,474

[1]Extended from 7/16/03.
[2]Extended from 9/17/01.
[3]Extended from 9/9/02.
[4]Extended from 10/21/02.
[5]Extended from 1/6/03.
[6]Extended from 10/17/02.
[7]Extended from 5/2/02.
[8]Extended from 3/25/02.
[9]Became inoperative on 1/13/03.
[10]Extended from 2/29/04.
[11]Extended from 8/05/02.
[12]Extended from 7/20/02.
[13]Extended from 6/27/02.
[14]Extended from 4/3/03.
[15]Augmented by SDR 24.45 million on 5/29/02. Extended from 3/24/02.

Table II.5
Summary of Disbursements, Repurchases, and Repayments, Financial Years Ended April 30, 1948–2003
(In millions of SDRs)

Financial Year	Disbursements					Repurchases and Repayments				Total Fund Credit Outstanding[2]
	Purchases[1]	Trust Fund loans	SAF loans	PRGF loans	Total	Repurchases	Trust Fund repayments	SAF/PRGF repayments	Total	
1948	606	—	—	—	606	—	—	—	—	133
1949	119	—	—	—	119	—	—	—	—	193
1950	52	—	—	—	52	24	—	—	24	204
1951	28	—	—	—	28	19	—	—	19	176
1952	46	—	—	—	46	37	—	—	37	214
1953	66	—	—	—	66	185	—	—	185	178
1954	231	—	—	—	231	145	—	—	145	132
1955	49	—	—	—	49	276	—	—	276	55
1956	39	—	—	—	39	272	—	—	276	72
1957	1,114	—	—	—	1,114	75	—	—	75	611
1958	666	—	—	—	666	87	—	—	87	1,027
1959	264	—	—	—	264	537	—	—	537	898
1960	166	—	—	—	166	522	—	—	522	330
1961	577	—	—	—	577	659	—	—	659	552
1962	2,243	—	—	—	2,243	1,260	—	—	1,260	1,023
1963	580	—	—	—	580	807	—	—	807	1,059
1964	626	—	—	—	626	380	—	—	380	952
1965	1,897	—	—	—	1,897	517	—	—	517	1,480
1966	2,817	—	—	—	2,817	406	—	—	406	3,039
1967	1,061	—	—	—	1,061	340	—	—	340	2,945
1968	1,348	—	—	—	1,348	1,116	—	—	1,116	2,463
1969	2,839	—	—	—	2,839	1,542	—	—	1,542	3,299
1970	2,996	—	—	—	2,996	1,671	—	—	1,671	4,020
1971	1,167	—	—	—	1,167	1,657	—	—	1,657	2,556
1972	2,028	—	—	—	2,028	3,122	—	—	3,122	840
1973	1,175	—	—	—	1,175	540	—	—	540	998
1974	1,058	—	—	—	1,058	672	—	—	672	1,085
1975	5,102	—	—	—	5,102	518	—	—	518	4,869
1976	6,591	—	—	—	6,591	960	—	—	960	9,760
1977	4,910	32	—	—	4,942	868	—	—	868	13,687
1978	2,503	268	—	—	2,771	4,485	—	—	4,485	12,366
1979	3,720	670	—	—	4,390	4,859	—	—	4,859	9,843
1980	2,433	962	—	—	3,395	3,776	—	—	3,776	9,967
1981	4,860	1,060	—	—	5,920	2,853	—	—	2,853	12,536
1982	8,041	—	—	—	8,041	2,010	—	—	2,010	17,793
1983	11,392	—	—	—	11,392	1,555	18	—	1,574	26,563
1984	11,518	—	—	—	11,518	2,018	111	—	2,129	34,603
1985	6,289	—	—	—	6,289	2,730	212	—	2,943	37,622
1986	4,101	—	—	—	4,101	4,289	413	—	4,702	36,877
1987	3,685	—	139	—	3,824	6,169	579	—	6,749	33,443
1988	4,153	—	445	—	4,597	7,935	528	—	8,463	29,543
1989	2,541	—	290	264	3,095	6,258	447	—	6,705	25,520
1990	4,503	—	419	408	5,329	6,042	356	—	6,398	24,388
1991	6,955	—	84	491	7,530	5,440	168	—	5,608	25,603
1992	5,308	—	125	483	5,916	4,768	—	1	4,770	26,736
1993	8,465	—	20	573	9,058	4,083	—	36	4,119	28,496
1994	5,325	—	50	612	5,987	4,348	52	112	4,513	29,889
1995	10,615	—	14	573	11,175	3,984	4	244	4,231	36,837
1996	10,870	—	182	1,295	12,347	6,698	7	395	7,100	42,040
1997	4,939	—	—	705	5,644	6,668	5	524	7,196	40,488
1998	20,000	—	—	973	20,973	3,789	1	595	4,385	56,026
1999	24,071	—	—	826	24,897	10,465	—	627	11,092	67,175
2000	6,377	—	—	513	6,890	22,993	—	634	23,627	50,370
2001	9,599	—	—	630	10,229	11,243	—	588	11,831	48,691
2002	29,194	—	—	952	30,146	19,207	—	769	19,976	58,699
2003	21,784	—	—	1,218	23,002	7,784	—	928	8,712	72,879

[1]Includes reserve tranche purchases.
[2]Excludes reserve tranche purchases; includes outstanding associated loans from the Saudi Fund for Development.

Table II.6
Purchases and Loans from the IMF, Financial Year Ended April 30, 2003
(In millions of SDRs)

Member	Reserve Tranche	Stand-By/ Credit Tranche	Extended Fund Facility	SRF	Total Purchases	PRGF Loans	Total Purchases and Loans[1]
Afghanistan	4	—	—	—	4	—	4
Albania	—	—	—	—	—	8	8
Argentina	—	973	—	—	973	—	973
Armenia	—	—	—	—	—	30	30
Benin	—	—	—	—	—	8	8
Bolivia	—	43	—	—	43	—	43
Bosnia and Herzegovina	—	32	—	—	32	—	32
Brazil	—	4,879	—	10,437	15,316	—	15,316
Bulgaria	—	104	—	—	104	—	104
Burkina Faso	—	—	—	—	—	6	6
Burundi	—	10	—	—	10	—	10
Cambodia	—	—	—	—	—	17	17
Cameroon	—	—	—	—	—	16	16
Cape Verde	—	—	—	—	—	1	1
Chad	—	—	—	—	—	5	5
Congo, Dem. Rep. of	61	—	—	—	61	447	507
Djibouti	—	—	—	—	—	5	5
Dominica	—	2	—	—	2	—	2
Ecuador	—	30	—	—	30	—	30
Ethiopia	—	—	—	—	—	10	10
Gambia, The	—	—	—	—	—	3	3
Georgia	—	—	—	—	—	23	23
Grenada	—	3	—	—	3	—	3
Guinea	—	—	—	—	—	13	13
Guyana	—	—	—	—	—	6	6
Indonesia	—	—	1,170	—	1,170	—	1,170
Jordan	—	11	61	—	72	—	72
Kyrgyz Republic	—	—	—	—	—	23	23
Lao, PDR	—	—	—	—	—	5	5
Lesotho	—	—	—	—	—	4	4
Madagascar	—	—	—	—	—	11	11
Malawi	—	17	—	—	17	—	17
Mali	—	—	—	—	—	14	14
Mauritania	—	—	—	—	—	12	12
Moldova	—	—	—	—	—	9	9
Mozambique	—	—	—	—	—	8	8
Nicaragua	—	—	—	—	—	7	7
Niger	—	—	—	—	—	8	8
Pakistan	—	—	—	—	—	258	258
Romania	—	138	—	—	138	—	138
Rwanda	—	—	—	—	—	1	1
Serbia and Montenegro[1]	—	50	200	—	250	—	250
Sierra Leone	—	—	—	—	—	19	19
Sri Lanka	—	48	21	—	69	38	107
Tajikistan	—	—	—	—	—	8	8
Tanzania	—	—	—	—	—	20	20
Timor-Leste	2	—	—	—	2	—	2
Turkey	—	2,246	—	—	2,246	—	2,246
Uganda	—	—	—	—	—	2	2
Uruguay	36	1,079	—	129	1,243	—	1,243
Vietnam	—	—	—	—	—	41	41
Zambia	—	—	—	—	—	133	133
Total	**102**	**9,664**	**1,451**	**10,566**	**21,784**	**1,218**	**23,002**

[1]Effective February 4, 2003, the Federal Republic of Yugoslavia changed its name to Serbia and Montenegro.

Table II.7
Repurchases and Repayments to the IMF, Financial Year Ended April 30, 2003
(In millions of SDRs)

Member	Stand-By/ Credit Tranche	Extended Fund Facility	Others[1]	Total Repurchases	SAF/PRGF and Trust Fund Repayments	Total Repurchases and Repayments
Albania	3	—	—	3	6	10
Algeria	—	188	84	272	—	272
Argentina	781	434	—	1,215	—	1,215
Armenia	—	—	6	6	8	14
Azerbaijan	—	6	38	44	6	50
Bangladesh	61	—	—	61	14	76
Belarus	—	—	23	23	—	23
Benin	—	—	—	—	12	12
Bolivia	—	—	—	—	21	21
Bosnia and Herzegovina	25	—	—	25	—	25
Brazil	373	—	—	373	—	373
Bulgaria	114	4	19	137	—	137
Burkina Faso	—	—	—	—	12	12
Burundi	—	—	—	—	2	2
Cambodia	—	—	1	1	8	9
Cameroon	—	—	—	—	3	3
Chad	—	—	—	—	5	5
Congo, Dem. Rep. of	127	8	23	157	143	300
Congo, Republic of	4	—	—	4	3	6
Côte d'Ivoire	—	—	—	—	67	67
Croatia	—	24	60	84	—	84
Djibouti	2	—	—	2	—	2
Dominican Republic	20	—	—	20	—	20
Equatorial Guinea	—	—	—	—	1	1
Estonia	—	—	9	9	—	9
Ethiopia	—	—	—	—	12	12
Gabon	—	10	—	10	—	10
Georgia	—	—	9	9	19	29
Ghana	—	—	—	—	11	11
Guinea	—	—	—	—	11	11
Guinea-Bissau	1	—	—	1	1	2
Guyana	—	—	—	—	13	13
Haiti	8	—	—	8	3	11
Honduras	24	—	—	24	6	30
Indonesia	1,559	118	—	1,678	—	1,678
Jamaica	—	14	—	14	—	14
Jordan	—	54	17	71	—	71
Kenya	—	—	—	—	14	14
Kyrgyz Republic	—	—	8	8	14	22
Lao People's Dem. Rep.	—	—	—	—	8	8
Latvia	—	—	8	8	—	8
Lesotho	—	—	—	—	2	2
Lithuania	—	58	9	66	—	66
Macedonia, FYR	—	—	8	8	2	9
Madagascar	—	—	—	—	4	4
Malawi	—	—	—	—	6	6
Mali	—	—	—	—	20	20
Mauritania	—	—	—	—	13	13
Moldova	—	6	8	14	—	14
Mongolia	—	—	—	—	6	6
Mozambique	—	—	—	—	18	18
Nepal	—	—	—	—	3	3
Nicaragua	—	—	—	—	4	4
Niger	—	—	—	—	5	5
Pakistan	19	30	176	225	40	266

Table II.7 *(concluded)*

Member	Stand-By/ Credit Tranche	Extended Fund Facility	Others[1]	Total Repurchases	SAF/PRGF and Trust Fund Repayments	Total Repurchases and Repayments
Panama	—	4	—	4	—	4
Peru	—	134	—	134	—	134
Philippines	253	132	—	385	—	385
Romania	28	—	31	60	—	60
Russian Federation	177	745	359	1,281	—	1,281
Rwanda	2	—	—	2	—	2
Senegal	—	—	—	—	24	24
Sierra Leone	—	—	—	—	24	24
Sri Lanka	—	—	—	—	34	34
St. Kitts and Nevis	1	—	—	1	—	1
Sudan	7	15	1	22	—	22
Tajikistan	7	—	—	7	25	32
Tanzania	—	—	—	—	17	17
Thailand	913	—	—	913	—	913
Togo	—	—	—	—	8	8
Turkey	174	—	—	174	—	174
Uganda	—	—	—	—	32	32
Ukraine	36	20	83	140	—	140
Uruguay	57	—	—	57	—	57
Uzbekistan	—	—	17	17	—	17
Vietnam	—	—	4	4	48	52
Yemen, Republic of	2	2	—	4	—	4
Zambia	—	—	—	—	169	169
Zimbabwe	—	1	—	1	1	2
Total	4,776	2,008	1,000	7,784	928	8,712

[1]Includes Compensatory and Contingency Financing Facility and Systemic Transformation Facility.

Table II.8

Outstanding IMF Credit by Facility and Policy, Financial Years Ended April 30, 1995–2003

(In millions of SDRs and percent of total)

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

[1]Includes outstanding credit tranche and emergency purchases.
[2]Includes outstanding associated loans from the Saudi Fund for Development.
[3]Less than ½ of 1 percent of total.

Table II.9
Summary of Bilateral Contributions to the PRGF and PRGF-HIPC Trusts
(In millions of SDRs; as of April 30, 2003)

	PRGF Trust		PRGF-HIPC Trust
	Subsidy contributions "as needed"[1]	Loan commitments[2]	Subsidies and HIPC grant contributions "as needed"[3]
Total	**3,490.2**	**15,722.7**	**1,561.6**
Major industrial countries	**2,294.0**	**12,864.8**	**880.5**
Canada	204.3	700.0	48.8
France	474.4	2,900.0	82.2
Germany	197.7	2,750.0	127.2
Italy	157.8	1,380.0	63.6
Japan	723.1	5,134.8	144.0
United Kingdom	358.9	—	82.2
United States	177.7	—	332.6
Other advanced countries	**980.8**	**2,452.8**	**299.7**
Australia	14.8	—	24.8
Austria	62.8	—	14.3
Belgium	120.8	350.0	35.3
Denmark	66.9	100.0	18.5
Finland	42.1	—	8.0
Greece	39.6	—	6.3
Iceland	4.6	—	0.9
Ireland	8.1	—	5.9
Israel	—	—	1.8
Korea	60.0	92.7	15.9
Luxembourg	14.1	—	0.7
Netherlands	141.6	450.0	45.4
New Zealand	—	—	1.7
Norway	45.5	150.0	18.5
Portugal	5.3	—	6.6
San Marino	—	—	0.05
Singapore	32.7	—	16.5
Spain	26.2	708.4	23.3
Sweden	186.3	—	18.3
Switzerland	109.5	601.7	37.0
Fuel-exporting countries	**17.2**	**49.5**	**93.1**
Algeria	—	—	5.5
Brunei Darussalam	—	—	0.1
Gabon[4]	—	—	2.5
Iran, Islamic Republic of	2.0	—	2.2
Kuwait	—	—	3.1
Libya	—	—	7.3
Nigeria	—	—	13.9
Oman	—	—	0.8
Qatar	—	—	0.5
Saudi Arabia	15.1	49.5	53.5
United Arab Emirates	—	—	3.8
Other developing countries	**184.9**	**355.6**	**221.1**
Argentina[5]	35.1	—	16.2
Bangladesh	0.9	—	1.7
Barbados	—	—	0.4
Belize	—	—	0.3
Botswana	2.3	—	5.7
Brazil	—	—	15.0
Cambodia	—	—	0.04
Chile	4.0	—	4.4
China	14.9	200.0	19.7
Colombia	—	—	0.9
Cyprus	—	—	0.8
Egypt	13.3	155.6	1.3
Ghana	—	—	0.5
India	13.2	—	22.9
Indonesia	6.1	—	8.2
Jamaica	—	—	2.7

Table II.9 *(concluded)*

	PRGF Trust		PRGF-HIPC Trust
	Subsidy contributions "as needed"[1]	Loan commitments[2]	Subsidies and HIPC grant contributions "as needed"[3]
Malaysia	46.0	—	12.7
Malta	2.1	—	1.1
Mauritius	—	—	0.1
Mexico	—	—	54.5
Micronesia, F. S.	—	—	0.00[6]
Morocco	9.7	—	1.6
Pakistan	4.0	—	3.4
Paraguay	—	—	0.1
Peru	—	—	2.5
Philippines	—	—	6.7
Samoa	—	—	0.00[6]
South Africa	—	—	28.6
Sri Lanka	—	—	0.6
St. Lucia	—	—	0.1
St. Vincent and the Grenadines	—	—	0.1
Swaziland	—	—	0.01
Thailand	17.2	—	4.5
Tunisia	1.8	—	1.5
Turkey	11.6	—	—
Uruguay	2.6	—	2.2
Vietnam	—	—	0.4
Countries in transition	**13.4**	**—**	**42.9**
Croatia	—	—	0.4
Czech Republic	13.4	—	4.1
Estonia	—	—	0.5
Hungary	—	—	6.0
Latvia	—	—	1.0
Poland	—	—	12.0
Russian Federation	—	—	14.6
Slovak Republic	—	—	4.0
Slovenia	—	—	0.4
Pending contributions to the PRGF-HIPC Trust ("as needed")[3]			**24.1**
Bahrain	—	—	0.9
Dominican Republic	—	—	0.5
Fiji	—	—	0.1
Grenada	—	—	0.1
Lebanon	—	—	0.4
Maldives	—	—	0.01
Venezuela	—	—	20.4
Tonga	—	—	0.02
Trinidad and Tobago	—	—	1.6
Vanuatu	—	—	0.1

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

Table II.10

Holdings of SDRs by All Participants and by Groups of Countries as Percentage of Their Cumulative Allocations of SDRs, at End of Financial Years Ended April 30, 1994–2003

			Nonindustrial Countries[2]			
					Net debtor countries	
	All Participants[1]	Industrial Countries[2]	All nonindustrial countries	Net creditor countries	All net debtor countries	Heavily indebted poor countries
1994	71.0	77.9	56.3	222.5	47.7	12.5
1995	90.9	105.1	60.4	263.9	49.8	14.1
1996	91.4	102.4	67.9	285.5	56.6	17.4
1997	87.2	99.8	60.5	303.6	47.8	17.3
1998	95.0	107.0	69.4	323.7	56.1	24.1
1999	81.1	94.6	52.5	170.7	46.3	26.3
2000	84.6	95.0	62.5	174.1	56.6	20.6
2001	86.6	101.6	54.6	204.2	46.5	12.4
2002	91.5	107.7	56.9	227.9	44.7	14.6
2003	93.0	102.4	72.0	173.7	57.7	17.1

[1]Consists of member countries that are participants in the SDR Department. At the end of FY2003, of the total SDRs allocated to participants in the SDR Department (SDR 21.4 billion), SDR 1.5 billion was not held by participants, but instead by the IMF and prescribed holders.

[2]Based on *IFS* classification (International Monetary Fund, *International Financial Statistics*, various years).

Table II.11
Key IMF Rates, Financial Year Ended April 30, 2003
(In percent)

Period Beginning	SDR Interest Rate and Unadjusted Rate of Remuneration[1]	Basic Rate of Charge[1]	Period Beginning	SDR Interest Rate and Unadjusted Rate of Remuneration[1]	Basic Rate of Charge[1]
2002					
May 1	2.28	2.82	November 4	2.10	2.59
May 6	2.30	2.84	November 11	1.98	2.45
May 13	2.30	2.84	November 18	1.99	2.46
May 20	2.33	2.88	November 25	1.97	2.43
May 27	2.31	2.85			
			December 2	1.96	2.42
June 3	2.32	2.87	December 9	1.92	2.37
June 10	2.32	2.87	December 16	1.92	2.37
June 17	2.31	2.85	December 23	1.94	2.40
June 24	2.32	2.87	December 30	1.91	2.36
July 1	2.30	2.84	**2003**		
July 8	2.33	2.88	January 6	1.91	2.36
July 15	2.28	2.82	January 13	1.90	2.35
July 22	2.29	2.83	January 20	1.89	2.33
July 29	2.25	2.78	January 27	1.88	2.32
August 5	2.22	2.74	February 3	1.86	2.30
August 12	2.21	2.73	February 10	1.84	2.27
August 19	2.21	2.73	February 17	1.82	2.25
August 26	2.23	2.75	February 24	1.81	2.24
September 2	2.25	2.78	March 3	1.76	2.17
September 9	2.22	2.74	March 10	1.73	2.14
September 16	2.24	2.77	March 17	1.76	2.17
September 23	2.22	2.74	March 24	1.75	2.16
September 30	2.19	2.70	March 31	1.74	2.15
October 7	2.19	2.70	April 7	1.72	2.12
October 14	2.18	2.69	April 14	1.74	2.15
October 21	2.23	2.75	April 21	1.77	2.19
October 28	2.20	2.72	April 28	1.75	2.16

[1]Under the FY2003 decision on burden sharing, the rate of remuneration was adjusted downward and the rate of charge was adjusted upward to share the burden of protecting the IMF's income from overdue charges and of contributing to the IMF's precautionary balances. The amounts generated from burden sharing in FY2003 are refundable when overdue charges are paid and when overdue obligations cease to be a problem. The basic rate of charge presented is the effective rate following the retroactive reduction that was implemented after the end of the financial year. The basic rate of charge, which was set at 128.0 percent of the SDR interest rate, was reduced to 123.5 percent of the SDR interest rate as a result of the retroactive reduction.

Table II.12
Members That Have Accepted the Obligations of Article VIII, Sections 2, 3, and 4, of the Articles of Agreement

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

Table II.12 *(concluded)*

Member	Effective Date of Acceptance	Member	Effective Date of Acceptance
Portugal	September 12, 1988	Switzerland	May 29, 1992
Qatar	June 4, 1973	Tanzania	July 15, 1996
Romania	March 25, 1998	Thailand	May 4, 1990
Russian Federation	June 1, 1996	Timor-Leste	July 23, 2002
Rwanda	December 10, 1998	Togo	June 1, 1996
St. Kitts and Nevis	December 3, 1984	Tonga	March 22, 1991
St. Lucia	May 30, 1980	Trinidad and Tobago	December 13, 1993
St. Vincent and the Grenadines	August 24, 1981	Tunisia	January 6, 1993
Samoa	October 6, 1994	Turkey	March 22, 1990
San Marino	September 23, 1992	Uganda	April 5, 1994
Saudi Arabia	March 22, 1961	Ukraine	September 24, 1996
Senegal	June 1, 1996	United Arab Emirates	February 13, 1974
Serbia and Montenegro[1]	May 15, 2002	United Kingdom	February 15, 1961
Seychelles	January 3, 1978	United States	December 10, 1946
Sierra Leone	December 14, 1995	Uruguay	May 2, 1980
Singapore	November 9, 1968	Vanuatu	December 1, 1982
Slovak Republic	October 1, 1995	Venezuela	July 1, 1976
Slovenia	September 1, 1995	Yemen, Republic of	December 10, 1996
Solomon Islands	July 24, 1979	Zambia	April 19, 2002
South Africa	September 15, 1973	Zimbabwe	February 3, 1995
Spain	July 15, 1986		
Sri Lanka	March 15, 1994		
Suriname	June 29, 1978		
Swaziland	December 11, 1989		
Sweden	February 15, 1961		

[1]Effective February 4, 2003, the Federal Republic of Yugoslavia changed its name to Serbia and Montenegro.

Table II.13

De Facto Exchange Rate Arrangements and Anchors of Monetary Policy as of April 30, 2003

Classification of De Facto Exchange Rate Regimes and Monetary Policy Frameworks

This classification system is based on members' actual, de facto regimes, which may differ from their officially announced arrangements. The scheme ranks exchange rate regimes on the basis of the degree of flexibility of the arrangement or a formal or informal commitment to a given exchange rate path. It distinguishes between the more rigid forms of pegged regimes, such as currency board arrangements; other conventional fixed-peg regimes against a single currency or a basket of currencies; exchange rate bands around a fixed peg; crawling-peg arrangements; and exchange rate bands around crawling pegs, in order to help assess the implications of the choice of exchange rate regime for the degree of independence of monetary policy. This includes a category to distinguish the exchange arrangements of those countries that have no separate legal tender. The system presents members' exchange rate regimes against alternative monetary policy frameworks with the intention of using both criteria as a way of providing greater transparency in the classification scheme and to illustrate that different forms of exchange rate regimes could be consistent with similar monetary frameworks. The following explains the categories.

Exchange Rate Regimes

Exchange Arrangements with No Separate Legal Tender

The currency of another country circulates as the sole legal tender (formal dollarization), or the member belongs to a monetary or currency union in which the same legal tender is shared by the members of the union. Adopting such regimes is a form of surrendering the monetary authorities' independent control over domestic monetary policy.

Currency Board Arrangements

A monetary regime based on an explicit legislative commitment to exchange domestic currency for a specified foreign currency at a fixed exchange rate, combined with restrictions on the issuing authority to ensure the fulfillment of its legal obligation. This implies that domestic currency be issued only against foreign exchange and that it remain fully backed by foreign assets, eliminating traditional central bank functions, such as monetary control and lender of last resort, and leaving little scope for discretionary monetary policy; some flexibility may still be afforded, depending on how strict the rules of the boards are.

Other Conventional Fixed Peg Arrangements

The country (formally or de facto) pegs its currency at a fixed rate to another currency or a basket of currencies, where the basket is formed from the currencies of major trading or financial partners and weights reflect the geographical distribution of trade, services, or capital flows. The currency composites can also be standardized, such as those of the SDR. There is no commitment to keep the parity irrevocably. The exchange rate may fluctuate within a narrow margin of less than ±1 percent around a central rate or the maximum and minimum value of the exchange rate may remain within a narrow margin of 2 percent for at least three months. The monetary authority stands ready to keep the fixed parity through direct intervention (i.e., via sale/purchase of foreign exchange in the market) or indirect intervention (e.g., via aggressive use of interest rate policy, imposition of foreign exchange regulations or exercise of moral suasion that constrains foreign exchange activity, or through intervention by other public institutions). Flexibility of monetary policy, though limited, is greater than in hard pegs, because traditional central banking functions are still possible, and the monetary authority can adjust the level of the exchange rate, although relatively infrequently.

Pegged Exchange Rates within Horizontal Bands

The value of the currency is maintained within certain margins of fluctuation of at least ±1 percent around a formal or a de facto fixed central rate. It also includes the arrangements of the countries in the exchange rate mechanism (ERM) of the European Monetary System (EMS), which was replaced with the ERM II on January 1, 1999. There is a limited degree of monetary policy discretion, with the degree of discretion depending on the band width.

Crawling Pegs

The currency is adjusted periodically in small amounts at a fixed rate or in response to changes in selective quantitative indicators, such as past inflation differentials vis-à-vis major trading partners, differentials between the target inflation and expected inflation in major trading partners, and so forth. The rate of crawl can be set to generate inflation-adjusted changes in the currency (backward looking), or set at a preannounced fixed rate and/or below the projected inflation differentials (forward looking). Maintaining a credible crawling peg imposes constraints on monetary policy in a similar manner as a fixed-peg system.

Exchange Rates within Crawling Bands

The currency is maintained within certain fluctuation margins of at least ±1 percent around a central rate, which is adjusted periodically at a fixed rate or in response to changes in selective quantitative indicators. The degree of flexibility of the exchange rate is a function of the width of the band, with bands chosen to be either symmetric around a crawling central parity or to widen gradually with an asymmetric choice of the crawl of upper and lower bands (in the latter case, there may not be a preannounced central rate). The commitment to maintain the exchange rate within the band continues to impose constraints on monetary policy, with the degree of policy independence being a function of the band width.

Managed Floating with No Predetermined Path for the Exchange Rate

The monetary authority influences exchange rate movements through active intervention to counter the long-term trend of the exchange rate without specifying a predetermined exchange rate path or without having a specific exchange rate target. Indicators for managing the rate are broadly judgmental—e.g., balance of payments position, international reserves, parallel market developments—and adjustments may not be automatic. Intervention may be direct or indirect. A distinction is made between "tightly managed floating"—where intervention takes the form of very tight monitoring that generally results in a stable exchange rate without having a clear exchange rate path, with the aim of permitting authorities an extra degree of flexibility in deciding the tactics to achieve a desired path—and "other managed floating," where the exchange rate is influenced in a more ad hoc fashion.

Independently Floating

The exchange rate is market determined, with any foreign exchange intervention aimed at moderating the rate of change and preventing undue fluctuations in the exchange rate, rather than at establishing a level for it. In these regimes, monetary policy is, in principle, independent of exchange rate policy.

Monetary Policy Frameworks

The exchange rate regime is presented against alternative monetary policy frameworks in order to present the role of the exchange rate in broad economic policy and help identify potential sources of inconsistency in the monetary–exchange rate policy mix.

Exchange Rate Anchor

The monetary authority stands ready to buy/sell foreign exchange at given quoted rates to maintain the exchange rate at its preannounced level or range; the exchange rate serves as the nominal anchor or intermediate target of monetary policy. This type of regime covers exchange rate regimes with no separate legal tender; CBAs; fixed pegs with and without bands; and crawling pegs with and without bands, where the rate of crawl is set in a forward-looking manner.

Monetary Aggregate Anchor

The monetary authority uses its instruments to achieve a target growth rate for a monetary aggregate, such as reserve money, M1, and M2, and the targeted aggregate becomes the nominal anchor or intermediate target of monetary policy.

Table II.13 *(continued)*

Inflation-Targeting Framework

This involves the public announcement of medium-term numerical targets for inflation with an institutional commitment by the monetary authority to achieve these targets. Additional key features include increased communication with the public and the markets about the plans and objectives of monetary policymakers and increased accountability of the central bank for obtaining its inflation objectives. Monetary policy decisions are guided by the deviation of forecasts of future inflation from the announced inflation target, with the inflation forecast acting (implicitly or explicitly) as the intermediate target of monetary policy.

Fund-Supported or Other Monetary Program

This involves implementation of monetary and exchange rate policies within the confines of a framework that establishes floors for international reserves and ceilings for net domestic assets of the central bank. Because the ceiling on net domestic assets limits increases in reserve money through central bank operations, indicative targets for reserve money may be appended to this system.

Other

The country has no explicitly stated nominal anchor but rather monitors various indicators in conducting monetary policy, or there is no relevant information available for the country.

Exchange Rate Regime (number of countries)	Monetary Policy Framework[1] Exchange rate anchor	Monetary aggregate target	Inflation-targeting framework	IMF-supported or other monetary program	Other
Exchange arrangements with no separate legal tender (41)	***Another currency as legal tender*** Ecuador El Salvador[4] Kiribati Marshall Islands Micronesia Palau Panama San Marino Timor-Leste ***ECCU***[2] Antigua and Barbuda Dominica* Grenada St. Kitts and Nevis St. Lucia St. Vincent and the Grenadines ***CFA franc zone*** ***WAEMU*** Benin* Burkina Faso Côte d'Ivoire* Guinea-Bissau* Mali* Niger* Senegal Togo ***CAEMC*** Cameroon* Central African Rep. Chad* Congo, Rep. of Equatorial Guinea Gabon				***Euro area***[3] Austria Belgium Finland France Germany Greece Ireland Italy Luxembourg Netherlands Portugal Spain
Currency board arrangements (7)	Bosnia and Herzegovina* Brunei Darussalam Bulgaria* China—Hong Kong, SAR Djibouti Estonia Lithuania				
Other conventional fixed peg arrangements (42)	***Against a single currency (33)*** Aruba Bahamas, The[5] Bahrain Bangladesh Barbados Belize Bhutan Cape Verde* China†[6] Comoros[7] Eritea Guinea*[6] Jordan*[6] Kuwait[6] Lebanon[6] Lesotho* Macedonia, FYR[6] Malaysia Maldives[6] Namibia Nepal Netherlands Antilles Oman Qatar Saudi Arabia Suriname[5, 6] Swaziland Syrian Arab Republic[6] Turkmenistan[6] Ukraine[6] United Arab Emirates Venezuela Zimbabwe[6] ***Against a composite (9)*** Botswana[5] Fiji Latvia Libya Malta Morocco Samoa Seychelles Vanuatu	China† [6]			

Table II.13 *(continued)*

Exchange Rate Regime (number of countries)	Monetary Policy Framework[1]: Exchange rate anchor		Monetary aggregate target	Inflation-targeting framework	IMF-supported or other monetary program	Other
Pegged exchange rates within horizontal bands (5)[8]	***Within a cooperative arrangement ERM II (1)*** Denmark	***Other band arrangements (4)*** Cyprus Hungary† Sudan[6] Tonga	Sudan[6]	Hungary†		
Crawling pegs (5)	Bolivia Costa Rica[6] Nicaragua* Solomon Islands[6] Tunisia		Tunisia			
Exchange rates within crawling bands (5)[9]	Belarus Honduras Israel† Romania[6] Slovenia†[6]		Slovenia†[6]	Israel†		
Managed floating with no pre-announced path for the exchange rate (46)			Cambodia[5] Egypt[5] Gambia, The* Ghana Guyana* Indonesia* Iran, I.R. of Jamaica[6] Mauritius São Tomé and Príncipe Zambia	Czech Rep. Thailand	Argentina Azerbaijan Croatia Ethiopia Kenya Kyrgyz Republic Lao PDR[5] Moldova[6] Mongolia Pakistan Rwanda Serbia and Montenegro[11] Tajikistan Vietnam	Afghanistan Algeria[3] Angola[3] Burundi[3] Dominican Rep.[3, 5] Guatemala[3] Haiti[3, 6] India[3] Iraq[10] Kazakhstan[3] Mauritania Myanmar[3, 5, 6] Nigeria Paraguay[3] Russian Federation Singapore[3] Slovak Rep.[3] Trinidad and Tobago Uzbekistan[3, 5]
Independently floating (36)			Malawi* Sierra Leone* Sri Lanka Uruguay Yemen, Rep. of	Australia Brazil* Canada Chile[5] Colombia Iceland Korea Mexico New Zealand Norway Peru*† Philippines Poland South Africa Sweden Turkey* United Kingdom	Albania Armenia Congo, Dem. Rep. of Georgia Madagascar Mozambique Tanzania Uganda	Japan[3] Liberia[3] Papua New Guinea[3] Somalia[5, 10] Switzerland[3] United States[3]

Sources: IMF Country Reports; and *International Financial Statistics.*

[1]An asterisk (*) indicates that the country has an IMF-supported or other monetary program. A dagger (†) indicates that the country adopts more than one nominal anchor in conducting monetary policy (it should be noted, however, that it would not be possible, for practical reasons, to infer from this table which nominal anchor plays the principal role in conducting monetary policy).

[2]These countries have a currency board arrangement.

[3]The country has no explicitly stated nominal anchor, but rather monitors various indicators in conducting monetary policy.

Table II.13 *(concluded)*

[4]For El Salvador, the printing of new colones, the domestic currency, is prohibited, but the existing stock of colones will continue to circulate, along with the U.S. dollar as legal tender until all colón notes wear out physically.

[5]The member maintains an exchange arrangement involving more than one market. The arrangement shown is that maintained in the major market.

[6]The regime operating de facto in the country is different from its de jure regime.

[7]Comoros has the same arrangement with the French Treasury as the CFA franc zone countries do.

[8]The band widths for these countries are Cyprus (±15%), Denmark (±2.25%), Hungary (±15%), Sudan (±2%), and Tonga (±5%).

[9]The band widths for these countries are Belarus (±5%), Honduras (±7%), Israel (±22%), and Romania and Slovenia (unannounced).

[10]Insufficient information on the country is available for classification.

[11]Effective February 4, 2003, the Federal Republic of Yugoslavia changed its name to Serbia and Montenegro.

APPENDIX III

Principal Policy Decisions of the Executive Board

A. Disposition of Net Income for FY2003

1. SDR 69 million of the Fund's net income for FY2003 derived from the application of paragraph 2 of Decision No. 12730-(02/43),[1] adopted April 26, 2002, shall be placed to the Fund's Special Reserve after the end of the financial year.

2. The expense derived from the application of International Accounting Standard 19—Employee Benefits during FY2003 shall be charged against the Fund's Special Reserve and shall be recorded separately in the financial records of the Fund (EBS/03/43, 4/7/03).

Decision No. 12987-(03/36)
April 21, 2003

B. Rate of Charge on Use of Fund Resources for FY2004

1. Notwithstanding Rule I-6(4)(a), effective May 1, 2003, the proportion of the rate of charge referred to in Rule I-6(4) to the SDR interest rate under Rule T-1 shall be 132 percent.

2. The net income target for FY2004 shall be SDR 108 million. Any net income for financial year 2004 in excess of SDR 108 million shall be used to reduce retroactively the proportion of the rate of charge for financial year 2004. If net income for financial year 2004 is below SDR 108 million, the amount of projected net income for financial year 2005 shall be increased by the equivalent of that shortfall. For the purpose of this provision, net income shall be calculated without taking into account net operational income generated by the surcharges on purchases under the Supplemental Reserve Facility and Contingent Credit Lines, the surcharge on purchases in the credit tranches and under the Extended Fund Facility or the effect on income of the implementation of International Accounting Standard 19—Employee Benefits (EBS/03/43, 4/7/03).

Decision No. 12988-(03/36)
April 21, 2003

C. Burden Sharing—Implementation in FY2004

Section I. Principles of Burden Sharing

1. The financial consequences for the Fund that stem from the existence of overdue financial obligations shall be shared between debtor and creditor member countries.

2. The sharing shall be applied in a simultaneous and symmetrical fashion.

[1]See *Selected Decisions*, Twenty-Seventh Issue (December 31, 2002), page 386.

Section II. Determination of the Rate of Charge

The rate of charge referred to in Rule I-6(4) shall be adjusted in accordance with the provisions of Section IV of this decision and Section IV of Executive Board Decision No. 12189-(00/45),[2] adopted April 28, 2000.

Section III. Adjustment for Deferred Charges

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

Section IV. Amount for Special Contingent Account–1

1. An amount of SDR 94 million shall be generated during financial year 2004 in accordance with the provisions of this Section and shall be placed to the Special Contingent Account–1 referred to in Decision No. 9471-(90/98), adopted June 20, 1990.

2. (a) In order to generate the amount to be placed to the Special Contingent Account–1 in accordance with paragraph 1 of this Section, notwithstanding Rule I-6(4)(a) and (b) and Rule I–10, the rate of charge referred to in Rule I-6(4) and, subject to the limitation in (b), the rate of remuneration prescribed in Rule I-10 shall be adjusted in accordance with the provisions of this paragraph.

   (b) Notwithstanding paragraph 1 above, adjustments to the rate of charge and the rate of remuneration under this paragraph shall be rounded to two decimal places. No adjustment in the rate of remuneration under this paragraph shall be carried to the point where the average remuneration coefficient would be reduced below 85 percent for an adjustment period.

   (c) The adjustments under this paragraph shall be made as of May 1, 2003, August 1, 2003, November 1, 2003, and February 1, 2004; shortly after July 31 for the period May 1 to July 31; shortly after October 31 for the period from August 1 to October 31; shortly after January 31 for the period from November 1 to January 31; shortly after April 30 for the period from February 1 to April 30.

3. (a) Subject to paragraph 3 of Decision No. 8780-(88/12), adopted January 29, 1988, the balances held in the Special Contingent Account–1 shall be distributed in accordance with the provisions of this paragraph to members that have paid additional charges or have received reduced remuneration as a result of the adjustment when there are no outstanding

[2]Ibid., page 378.

overdue charges and repurchases, or at such earlier time as the Fund may decide.

(b) Distributions under (a) shall be made in proportion to the amounts that have been paid or have not been received by each member because of the respective adjustments.

(c) If a member that is entitled to a payment under this paragraph has any overdue obligation to the Fund in the General Department at the time of payment, the member's claim under this paragraph shall be set off against the Fund's claim in accordance with Decision No. 8271-(86/74),[3] adopted April 30, 1986, or any subsequent decision of the Fund.

(d) Subject to paragraph 4 of Decision No. 8780-(88/12), adopted January 29, 1988, if any loss is charged against the Special Contingent Account–1, it shall be recorded in accordance with the principles of proportionality set forth in (b).

Section V. Review

The operation of this decision shall be reviewed when the adjustment in the rate of remuneration reduces the remuneration coefficient to the limit set forth in paragraph 2(b) of Section IV of this decision and Section IV of Executive Board Decision No. 12189-(00/45),[4] adopted April 28, 2000 (EBS/03/43, 4/7/03).

Decision No. 12989-(03/36)
April 21, 2003

D. Surcharges on Purchases Under Supplemental Reserve Facility and Contingent Credit Lines, and in Credit Tranches and Under Extended Fund Facility —Disposition of Net Operating Income

For financial year 2004, after meeting the cost of administering the PRGF Trust, any remaining net operational income generated by the surcharges on purchases under the Supplemental Reserve Facility and the Contingent Credit Lines and the surcharges on purchases in the credit tranches and under the Extended Fund Facility shall be placed, after the end of that financial year, to the General Reserve (EBS/03/43, 4/7/03).

Decision No. 12990-(03/36) SRF/CCL
April 21, 2003

E. Review of System of Special Charges

The Fund has reviewed the system of special charges applicable to overdue obligations to the General Resources Account, the Structural Adjustment Facility, and the Trust Fund (EBS/03/43, 4/7/03).

Decision No. 12991-(03/36) G/SAF/TR
April 21, 2003

F. Framework Administered Account for Technical Assistance Activities—Pacific Financial Technical Assistance Center Subaccount

In accordance with the terms and conditions of the Instrument establishing the Framework Administered Account for Technical Assistance Activities (Decision No. 10942-(95/33)),[5] as amended, the Fund hereby approves the establishment of the "Pacific Financial Technical Assistance Center Subaccount," which shall be used by the Fund to administer resources to be contributed by the Government of Australia, and any subsequent Contributors, as described in EBS/02/84, 5/15/02.

Decision No. 12751-(02/52)
May 22, 2002

G. Framework Administered Account for Technical Assistance Activities—Africa Regional Technical Assistance Centers Subaccount

In accordance with the terms and conditions of the Instrument establishing the Framework Administered Account for Technical Assistance Activities (Decision No. 10942-(95/33)),[6] as amended, the Fund hereby approves the establishment of the Africa Regional Technical Assistance Centers Subaccount, which shall be used by the Fund to administer resources to be contributed by the Governments of France, the Federal Republic of Germany, Italy, the Netherlands, Norway/Ministry of Foreign Affairs, Sweden, and the United Kingdom, and any subsequent Contributors, as described in EBS/02/135 (7/26/02).

Decision No. 12832-(02/88)
August 9, 2002

H. Implementation of Procedures for Surveillance: 2002 Review

The Executive Board has reviewed the general implementation of the Fund's surveillance over members' exchange rate policies, as required by paragraph VI of Procedures for Surveillance contained in the document entitled "Surveillance over Exchange Rate Policies" attached to Decision No. 5392-(77/63),[7] adopted April 29, 1977, as amended. The next review shall be conducted no later than August 10, 2002.

The Executive Board has reviewed the document entitled "Surveillance over Exchange Rate Policies" attached to Decision No. 5392-(77/63), adopted April 29, 1977, as amended, as required by paragraph 2 of that decision. The next review of the document shall be conducted no later than August 10, 2002.

Decision No. 12178-(00/41)
April 10, 2000,
as amended by Decision Nos. 12713-(02/38), April 5, 2002, and 12792-(02/75),
July 10, 2002

I. Implementation of Procedures for Surveillance: 2002 Review

The Executive Board has reviewed the general implementation of the Fund's surveillance over members' exchange rate policies, as required by paragraph VI of Procedures for Surveillance contained in the document entitled "Surveillance over Exchange Rate Policies" attached to Decision No. 5392-(77/63), adopted April 29, 1977, as amended. The next review shall be conducted no later than July 15, 2004.

[3] Ibid., page 372.
[4] Ibid., page 378.
[5] Ibid., page 150.
[6] Ibid., page 150.
[7] Ibid., page 10.

The Executive Board has reviewed the document entitled "Surveillance over Exchange Rate Policies" attached to Decision No. 5392-(77/63), adopted April 29, 1977, as amended, as required by paragraph 2 of that decision. The next review of the document shall be conducted no later than July 15, 2004 (SM/02/184, Sup. 1, 6/18/02).

Decision No. 12793-(02/76)
July 15, 2002

J. Biennial Review of Implementation of Fund Surveillance and of 1977 Surveillance Review—Changes in Article IV Consultation Cycles

1. Each member presently receiving financial assistance under a Fund arrangement shall immediately be placed on the 24-month consultation cycle and, in future, whenever a Fund arrangement is approved for a member, that member shall automatically be placed on the 24-month consultation cycle. Article IV consultations with such members shall be conducted in accordance with the procedures specified below.

2. Article IV consultations with a member receiving financial assistance under a Fund arrangement will be expected to be completed within 24 months of the date of completion of the previous Article IV consultation with that member, except that the consultation cycle will be shortened under the following circumstances:

(a) where the most recent Article IV consultation with the member was completed 6 months or more before the date of approval of the relevant arrangement, the next Article IV consultation with that member will be expected to be completed by the later of (i) 6 months after the date of approval of the arrangement, and (ii) 12 months, plus a grace period of three months, after the date of completion of the previous Article IV consultation; and

(b) where, with respect to a member whose circumstances do not fall within paragraph 2(a), a program review under an arrangement for that member is not completed by the date for completion specified in the arrangement, the next Article IV consultation with that member will be expected to be completed by the later of (i) 6 months after the date specified in the arrangement for completion of the review, and (ii) 12 months, plus a grace period of 3 months, after the date of completion of the previous Article IV consultation, provided, however, that, where the relevant program review is completed before the later of the dates specified in (i) and (ii) above, the next Article IV consultation will be expected to be completed within 24 months of the date of completion of the previous Article IV consultation with that member.

Upon the expiration or cancellation of an arrangement for a member, that member shall automatically be placed on the standard 12-month consultation cycle and the next Article IV consultation with that member will be expected to be completed by the later of (i) 6 months after such expiration or cancellation, and (ii) 12 months, plus a grace period of 3 months, after the date of completion of the previous Article IV consultation, but in no event later than 24 months after the completion of the previous Article IV consultation (SM/02/184, Sup. 1, 6/18/02, Sup. 3, 9/5/02).

Decision No. 12794-(02/76), July 15, 2002,
as amended by Decision No. 12854-(02/96),
September 12, 2002

K. Modalities for Surveillance over Euro-Area Policies in Context of Article IV Consultations with Member Countries

The current frequency of Article IV consultations with individual euro-area countries, which are generally on the standard 12-month cycle, will be maintained.

There will be twice-yearly staff discussions with EU institutions responsible for common policies in the euro area. These discussions will be held separately from the discussions with individual euro-area countries, but are considered an integral part of the Article IV process for each member. The discussions with individual euro-area countries will be clustered, to the extent possible, around the discussions with the relevant EU institutions.

There will be an annual staff report and Board discussion on Euro-Area Policies in the Context of the Article IV Consultations with Member Countries, which will be considered part of the Article IV consultation process with individual members. In addition to monetary and exchange rate policies, the staff report will also cover from a regional perspective other economic policies relevant for Fund surveillance. Staff will report informally to the Board on the second round of discussions with EU institutions to provide adequate context for bilateral consultations with euro-area countries that do not coincide broadly with the annual Board discussion on the euro area.

There will be a summing up of the conclusion of the Board's annual discussion on Euro-Area Policies in the Context of the Article IV Consultations with Member Countries. It will be cross-referenced in the summings up for the Article IV consultations with euro-area countries at the conclusion of the Article IV process for each country. To the extent that the summing up for the euro area covers economic policies that apply to all EU member countries and that are considered relevant for Fund surveillance, the pertinent parts of the summing up for the euro area could also be referred to in the bilateral Article IV consultations with EU member countries that are not part of the euro area (SM/02/359, 11/21/02).

Decision No. 12899-(02/119)
December 4, 2002

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

Pursuant to Paragraph 4 of the Resolution of the Board of Governors No. 53–2,[8] "Increase in Quotas of Fund Members—Eleventh General Review," the Executive Board decides that notices of consent from members to increases in their quotas must be received in the Fund by 6:00 p.m., Washington time, on January 31, 2003.

Decision No. 12802-(02/78)
July 19, 2002

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

Pursuant to Paragraph 4 of the Resolution of the Board of Governors No. 53–2, "Increase in Quotas of Fund Members—Eleventh General Review," the Executive Board

[8]Ibid., pages 680–84.

decides that notices of consent from members to increases in their quotas must be received in the Fund by 6:00 p.m., Washington time, on July 31, 2003 (EBD/03/3, 1/15/03).

Decision No. 12930-(03/3)
January 23, 2003

N. PRGF Trust and PRGF-HIPC Trust—Reserve Account—September 2002 Review

Pursuant to Decision No. 10286-(93/23)[9] ESAF, the Fund has reviewed the adequacy of the Reserve Account of the PRGF Trust, and determines that amounts held in the account are sufficient to meet all obligations which could give rise to a payment from the Reserve Account to lenders to the Loan Account of the PRGF Trust in the six months from April 1, 2002, to September 30, 2002 (SM/02/273, 8/21/02).

Decision No. 12847-(02/94) PRGF
September 6, 2002

O. Establishment of a Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations

1. The Fund adopts the Instrument to Establish a Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations, which is annexed to this decision.

2. The Fund shall conduct semiannual reviews of the financing of the Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations.

Decision No. 11436-(97/10)
February 4, 1997,
as amended by Decision Nos.11492-(97/45), April 24, 1997,
11861-(98/131) ESAF, December 18, 1998,
12087-(99/118) PRGF, October 21, 1999,
effective November 2, 1999,
12132-(00/9) PRGF, January 27, 2000,
12349-(00/118), December 1, 2000,
12561-(01/85) PRGF, August 23, 2001,
effective September 19, 2001,
12680-(02/17) PRGF, February 20, 2002
12696-(02/27) PRGF, March 15, 2002, and
12777-(02/65), June 20, 2002,
and 12874-(02/110),
October 25, 2002

P. Access Policy in Capital Account Crises—Modifications to Supplemental Reserve Facility and Follow-Up Issues Related to Exceptional Access Policy

Decision No. 11627-(97/123),[10] adopted December 17, 1997, on the Supplemental Reserve Facility and Contingent Credit Lines shall be amended as follows:

1. In Section I on the Supplemental Reserve Facility, paragraphs 6(a) and (b) shall read:

"6 (a) A member making purchases under this section shall repurchase the outstanding amounts of its currency resulting from such purchases within two and a half to three years from the date of each purchase in two equal installments; the first installment shall become due two and a half years and the second installment shall become due three years from the date of each purchase.

(b) The member will be expected to repurchase those amounts six months before they become due, provided that the Fund may, upon request by the member, decide to extend one or more such repurchase expectations by six months. If a member fails to make a repurchase as expected, the Fund may require the member to make the repurchase in question within a specified period not to exceed the repurchase schedule under (a) above."

2. In Section II on Contingent Credit Lines,

(i) a new paragraph 18 bis shall be added:

"18 bis

(a) A member making purchases under this section shall repurchase the outstanding amounts of its currency resulting from such purchases within two to two and a half years from the date of each purchase in two equal semi-annual installments; the first installment shall become due two years and the second installment two and a half years from the date of each purchase.

(b) The member will be expected to repurchase those amounts one year before they become due, provided that the Fund may, upon request by the member, decide to extend each such repurchase expectation by up to one year. If a member fails to make a repurchase as expected, the Fund may require the member to make the repurchase in question within a specified period not to exceed the repurchase schedule under (a) above.

(c) The Fund shall not approve, and the Managing Director shall not recommend for approval, a request for the use of the general resources of the Fund by a member that is failing to meet a repurchase expectation under (b) above. Provision shall be made in each stand-by and extended arrangement for the suspension of further purchases under the arrangement whenever a member fails to meet a repurchase expectation under (b) above."

(ii) in paragraph 19, the reference to "paragraph 6" shall be deleted.

3. The changes made by this decision to the Supplemental Reserve Facility shall apply only to purchases made after the date of this decision.

Decision No. 12943-(03/15)
February 21, 2003

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

Pursuant to Decision No. 10286-(93/23) ESAF,[11] adopted on February 22, 1993, as amended, the Fund has reviewed

[9]Ibid., page 413.
[10]Ibid., pages 325 and 627.
[11]Ibid., page 413.

the adequacy of balances in the Reserve Account of the PRGF Trust, and determines that they are sufficient to meet all obligations that could give rise to payments from the Account to lenders to the Loan Account of the PRGF Trust in the six months from April 1, 2003, to September 30, 2003 (SM/03/100, 3/21/03).

Decision No. 12979-(03/31) PRGF
March 31, 2003

R. Joint Vienna Institute—Amendment of Agreement

The Managing Director is authorized to consent to the First Amendment to the Agreement for the Establishment of the Joint Vienna Institute pursuant to Article XI of that Agreement (EBAP/03/16, 2/11/03).

Decision No. 12941-(03/13)
February 19, 2003

Appendix IV

Relations with Other International Organizations

In the face of uneven global economic recovery and heightened geopolitical tensions, close cooperation between the IMF and other international organizations continued to be of critical importance over FY2003. In an increasingly integrated financial system, identifying risks and generating sustained and widespread momentum for economic growth require a high level of collaboration among the Fund, the World Bank, the United Nations (UN) and its specialized agencies, the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD), the Bank for International Settlements (BIS), regional development banks, and intergovernmental groups.

Regional Representation and Technical Assistance

The IMF's offices in Europe and the Regional Office for Asia and the Pacific maintain close ties with other international organizations. In FY2003, the Fund's offices in Europe were reorganized to establish a new presence in Brussels and to streamline the staffing and management of the three European offices (Paris, Geneva, and Brussels). The new Brussels Office was created to enhance cooperation with European Union institutions, strengthen IMF surveillance activities in the area, and mount more effective outreach with a range of Brussels-based agencies.

The Paris Office remains the center of the IMF's European representation, liaising with regional and international institutions located in Europe and contributing to the Fund's European operations focusing on multilateral and regional surveillance. Paris Office staff regularly represent the Fund at donor and surveillance committees of the OECD in Paris, and one member of the Paris Office staff serves on the Secretariat of the Group of Ten (G-10). Additionally, they keep close contact with the BIS in Basel, and attend, on an ad hoc basis, meetings of organizations such as the Financial Action Task Force (FATF), the European Parliament, and the Council of Europe.

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

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

The Africa Regional Technical Assistance Center (AFRITAC) in East Africa was opened in Dar es Salaam, Tanzania, on October 24, 2002, to strengthen locally based technical assistance and training, and thus to further efforts by the IMF and World Bank, in cooperation with donor parties, to build country ownership of poverty reduction efforts. Five such AFRITACs are planned for sub-Saharan Africa; the next to open will strengthen capacity building in West Africa. Originally planned to be based in Abidjan, it has temporarily been relocated to Bamako, Mali, because of civil unrest in Côte d'Ivoire. The IMF provides similar technical assistance to assist its members in improving their economic and fiscal management practices in the Asia-Pacific region through the Pacific Financial Technical Assistance Center (PFTAC) and in the Caribbean through the Caribbean Regional Technical Assistance Center (CARTAC). The IMF also provides policy-related training to public sector officials and private sector managers through its support of the Joint Africa Institute, the Joint Vienna Institute, and the Singapore Regional Training Institute. Each of these facilities offers courses and seminars on topics of relevance to regional capacity building.

Collaboration with the World Bank

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

As the missions of the two institutions have evolved, it has been necessary periodically to redefine the rules of engagement and division of labor between the two organizations, with a view toward enhancing their overall effectiveness. Building upon the momentum of the previous year to strengthen the framework for Bank-Fund collaboration, the two institutions continued in FY2003 to consider ways to streamline and focus conditionality so as to strengthen country ownership of policy reform programs, thereby making them more effective. In August 2002, the Executive Boards of the IMF and the Bank reviewed the experience gained to date in implementing the Guidance Note on Operationalizing Bank-Fund Collaboration in Country Programs and Conditionality, issued in spring 2002. The Guidance Note forms the basis for collaboration on country programs and conditionality between the area departments of the Fund and the regional departments at the Bank. This review indicated broad support for the approach taken in the Guidance Note (see Chapter 4), and recommended that a further review should be undertaken in two years' time.

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

On March 14 and 18, 2003, the IMF's Executive Board reviewed experience to date with the FSAP. Ninety-five countries have already participated or agreed to participate in an FSAP assessment, including a significant number of systemically or regionally important countries and economies. Given the increasing number of countries now participating in the FSAP, the Fund and Bank will continue to work closely together over the coming year on developing ways to further streamline, focus, and prioritize the program.

Given synergies with assessments of prudential supervisory standards, the FSAP provides a suitable context to undertake assessments of countries' efforts in respect of anti-money-laundering (AML) and combating the financing of terrorism (CFT). In its communiqué of September 28, 2002, the International Monetary and Financial Committee endorsed the earlier conditional agreement by the Boards of the Fund and Bank to add the Financial Action Task Force (FATF) 40 + 8 Recommendations to the list of standards for which ROSCs are prepared. In October 2002, the FATF Plenary endorsed the common AML/CFT methodology document developed by the Fund and Bank over FY2002, and agreed that it would be used in both Fund-Bank-led ROSCs and those led by the FATF and FATF-style regional bodies (FSRBs). Following this endorsement, on October 15, 2002 the Fund and Bank initiated a 12-month pilot program of AML/CFT assessments using the common methodology. It is expected that between 45 and 56 assessments will be completed over this period, including at least 36 led by IMF/Bank staff. Planning and executing the pilot program has involved extensive coordination and cooperation among the Fund, Bank, the FATF, FSRBs, and their members.

The joint Financial Sector Liaison Committee (FSLC) provides another mechanism for close Fund-Bank cooperation in identifying financial system weakness. Established in 1998, the FSLC helps to integrate into a coherent joint work program the various financial sector tasks assigned to the two institutions, and to facilitate coordination with the work of other institutions, especially in relation to reform of the financial sector. In September 2002, the FSLC reported to the Boards of the Fund and the Bank, focusing particularly on its ongoing work to improve the coordination of financial technical assistance between the two institutions, as well as with other donor organizations.

One of the most important areas of IMF and World Bank cooperation is their work toward the common objective of stimulating economic growth through the reduction of poverty and through debt relief. Launched by the Bank and Fund in 1996, the HIPC Initiative is a comprehensive approach to debt reduction for poor countries that entails coordinated action by the international financial community, including multilateral institutions. The HIPC Initiative is based on the country's continued effort toward macroeconomic adjustment and structural and social policy reforms, while also providing financing for social sector programs—primarily basic health and education. All countries requesting HIPC Initiative assistance must have adopted a Poverty Reduction Strategy Paper (PRSP) through a broad-based participatory process. Fund and Bank staff work closely together in evaluating PRSPs and Interim Poverty Reduction Strategy Papers (I-PRSPs). The staffs of both institutions work together to prepare Joint Staff Assessments (JSAs) of the PRSPs, for referral to the Executive Boards of both institutions for decision. Over FY2003, 28 JSAs were completed by Fund and Bank staff.

Relations with the United Nations

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

During FY2003, collaboration between the IMF and the UN continued to focus on the challenges of financing development around the world. Following the commitments made at the UN International Conference on Financing for Development (FfD) in Monterrey, Mexico, in 2001 (the "Monterrey Consensus"), attention has increasingly focused on translating broad concepts for reducing poverty into a program for implementation. In his remarks to the annual High-Level Meeting of the UN Economic and Social Council (ECOSOC) held in New York on July 1, 2002, Managing Director Horst Köhler noted the need for concrete actions for addressing the "foremost challenge" of poverty and achieving measurable progress toward the Millennium Development Goals (MDGs). On July 11–13, 2002, IMF officials met with ministers and representatives of several other international organizations, including the UN, World Bank, OECD, the Asian and African Development Banks, and the European Commission in Rosendal, Norway, for informal discussions on maintaining a dynamic process for progressing the agreements reached at Doha and Monterrey.

Those objectives, and the importance of reducing poverty, were subsequently reaffirmed by Heads of State at the World Summit on Sustainable Development held in Johannesburg, South Africa, during August 29–September 5, 2002. The summit confirmed the primacy of macroeconomic stability and growth as the foundation of sustainable development, and recognized the Poverty Reduction Strategy Paper (PRSP) approach, suitably extended to encompass environmental concerns, as the basis of national sustainable development programs, where applicable. The Plan of Implementation agreed at the summit also confirms the commitments toward reducing poverty in the areas of trade and finance, globalization, institutional arrangements, and governance, all of which are directly relevant to the Fund's mandate and work. The IMF, World Bank, and United Nations Environment Program (UNEP) presented a joint paper on "Financing for Sustainable Development" at the summit, and IMF staff participated in several panel discussions.

At the following High-Level Meeting of the ECOSOC held on April 14, 2003, Deputy Managing Director Eduardo Aninat reiterated the Fund's strong commitment to poverty reduction in the context of its mandate, and cochaired a roundtable discussion on the domestic policies required to help achieve the MDGs. The continuing dialogue among the UN's ECOSOC, the Bretton Woods institutions, and the WTO is an important means of enhancing policy coherence at national, regional, and international levels, since it brings together the different cultures of finance, trade, development, and foreign affairs.

Liaison with Other Intergovernmental Groups

As a member of the Financial Stability Forum (FSF), the IMF takes the lead on developing, organizing, and carrying out a process for assessing Offshore Financial Centers' adherence to international standards. IMF staff attended the eighth meeting of the FSF held on September 3–4, 2002, in Toronto, Canada, at which progress on development of a methodology for Reports on Standards and Codes was noted. IMF staff also attended the FSF's second regional meeting with financial stability authorities from the Asia-Pacific region in Beijing on October 11–12, 2002, and the ninth meeting of the FSF in Berlin on March 24–25, 2003. The Chairman of the FSF participated as an observer at the October 2002 and April 2003 meetings of the International Monetary and Financial Committee.

Collaboration between the IMF and World Trade Organization (WTO) takes place formally as well as informally, as outlined in their Cooperation Agreement signed in December 1996. Under the agreement, the IMF has observer status in WTO meetings and regularly attends formal meetings of most WTO bodies. In particular, IMF staff participate in the WTO-led Integrated Framework for Trade-Related Technical Assistance (a joint effort by six agencies, including the World Bank), contributes to the work of the WTO Working Group on Trade, Debt and Finance, and is a regular member of the Committee on Balance of Payments Restrictions. On August 9, 2002, First Deputy Managing Director Anne Krueger met with the outgoing Director-General of the WTO (Mr. Michael Moore) to explore avenues for cooperation in research. The Managing Director subsequently met with the incoming Director-General, Dr. Supachai Pantichpakdi, on October 13, 2002, to discuss areas where the Fund's cooperation with the WTO may be particularly effective in the support of the Doha Development Agenda.

Throughout FY2003, the IMF continued to participate actively in the meetings and activities of other major intergovernmental groups, including the Group of Seven (G-7), Group of Ten (G-10), Group of Twenty (G-20), and Group of Twenty-Four (G-24). First Deputy Managing Director Anne Krueger attended the Annual Meeting of the G-20 Finance Ministers and Central Bank Governors on November 22–23, 2002. The Managing Director attended the meeting of G-7 Ministers and Central Bank Governors in Paris on February 22, 2003.

Cooperation with Regional Development Banks

Whether working to prevent crises, alleviate poverty, combat financial abuse, or strengthen the global economic system, the IMF works closely with the world's multilateral and regional development banks. This collaboration includes formulation and implementation of policies in the economic and financial areas, release of information, and exchange of staff visits. In FY2003, the IMF worked with the Islamic Development Bank to facilitate establishment of the Islamic Financial Services Board; with the Inter-American Development Bank (IDB) to address the crisis in Uruguay; and with the African Development Bank (AfDB) to launch the AFRITACs. The Fund also participated with the European Bank for Reconstruction and Development (EBRD), Asian Development Bank (AsDB), World Bank, and other donor organizations in cosponsoring the third Forum on Poverty Reduction Strategies for the Commonwealth of Independent States (CIS-7), held in Almaty, Kazakhstan, on December 11–13, 2002. Deputy Managing Director Shigemitsu Sugisaki opened the follow-up high-level CIS-7 conference in Lucerne, Switzerland, in January 2003, which focused on "The Low-Income Countries of the CIS: Progress and Challenges in Transition" (see Box 5.2 in Chapter 5).

Role of IMF Management

In a globalized world, close cooperation among financial, trade, and development organizations is essential. Efforts to prevent crises and to promote growth depend upon the coordinated actions of many international institutions. This is especially true in times of economic uncertainty. IMF management plays an important role in promoting this multilateral collaboration in many international forums.

During April 28–May 3, 2002, Managing Director Horst Köhler conducted his third tour of the African continent since assuming office. He visited Dar es Salaam, Kinshasa, Abidjan, Ouagadougou, and Accra, where he attended meetings with heads of state, participated in a series of workshops, and held discussions with a broad cross section of society on a range of topics of importance to Africa. At the High-Level Meeting of the ECOSOC in New York on July 1, 2002, he reaffirmed the

IMF's commitment to the implementation of the Monterrey consensus. The Managing Director addressed the Treasury Select Committee of the House of Commons in London on July 4, 2002, and discussed the IMF's work program and the fundamental changes it had undertaken in the areas of transparency, surveillance, conditionality, standards and codes, and other areas of the IMF's core business. At the Symposium to Commemorate the 50th Anniversary of Japan's membership in the IMF and World Bank, held in Tokyo on September 10, 2002, he spoke of the importance of strong leadership by the advanced economies to bolster investor confidence and sustain global economic recovery, and the specific need for Japan to undertake decisive reforms of the banking and corporate sectors and pursue antideflationary macroeconomic policies. The Managing Director traveled to Latin America during December 6–12, 2002, in order to meet with the presidents of Brazil, Colombia, and Chile—his second visit to Latin America since taking office. On March 11, 2003, he spoke at the Bank of Spain on the prospects for economic recovery in Latin America, noting that Mexico and Chile had been bright spots in an area facing particularly difficult economic circumstances, and that better policies in several countries, including Brazil and Colombia, had enabled them to withstand these pressures reasonably well.

The IMF's Deputy Managing Directors also attended many conferences, meetings, and seminars throughout the year. On July 17, 2002, First Deputy Managing Director Anne Krueger addressed a National Bureau for Economic Research (NBER) conference on the lessons to be learned from the crisis in Argentina and how these could be used to raise the effectiveness of IMF efforts to prevent and resolve financial crises. Ms. Krueger participated in a panel discussion on "A World Without Globalization" at the World Economic Forum meeting held in Davos, Switzerland, on January 23–28, 2003. Deputy Managing Director Shigemitsu Sugisaki presented remarks on international perspectives on achieving financial stability at the first annual forum of the APEC Finance and Development Program in Beijing on May 26, 2002. Deputy Managing Director Eduardo Aninat delivered the keynote address at the opening of the AFRITAC in East Africa on October 24, 2002, and spoke of the importance of capacity building in Africa to develop strong and independent domestic institutions that are both a precondition to economic development and an insurance policy against external shocks. Mr. Aninat also traveled to Latin America in January 2003, and outlined a "self-help" agenda at conferences at the University of Viña del Mar in Chile and the Central Bank in Lima, Peru.

Appendix V

External Communications

In FY2003, the IMF continued to develop its ongoing efforts to improve understanding of and support for the Fund and its activities. Particular importance was placed on two-way communication with people through nonofficial channels, as the Fund continues to engage in self-assessment and reform and seeks to learn from its interlocutors. (For an account of developments in the IMF's initiative to become more transparent and open to outside input, see Chapter 7.) Some activities in the main areas of external communications are described in this Appendix.

Public Statements and Publications

In accordance with the IMF's transparency policy, a further large volume of *policy and country papers,* and summaries of Board discussions, was released during FY2003. The Fund's external website *(www.imf.org)* continued to be the primary vehicle for dissemination. During the year, an average of 120 items a month were added to the *What's New* section of the website.

Enhancements were made to the site's search feature and navigation. New sections continued to be added, especially for Resident Representatives.

Inviting comments from the public on IMF policy proposals via the external website and in specially convened meetings and conferences has become commonplace. Recent examples include the Poverty Reduction Strategy Paper and Poverty Reduction and Growth Facility reviews, the review of IMF conditionality, and the establishment and work program of the Independent Evaluation Office.

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

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

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

The Media

Press briefings covering the IMF by the Director of the External Relations Department were held at headquarters for Washington-based journalists roughly every two weeks. Transcripts and videos of the briefings were posted on the IMF's website shortly afterwards.

Press Releases on decisions taken by the Executive Board, and *News Briefs* expressing the views of management and senior staff on topical matters, were posted on the website and also distributed directly by fax to journalists and others. Over the course of the financial year, roughly 350 press releases and other communications to the press were prepared and distributed. From December 31, 2002, the *News Brief* series was consolidated into the *Press Release* series.

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

To reach wider audiences in a variety of countries and languages, the IMF has begun more frequently to prepare *media articles*—"op-eds," which appear opposite a newspaper's editorials—on country-specific issues. In particular, opportunities are being sought to place op-eds at important junctures, for instance, at the conclusion of an Article IV consultation or approval of a Fund arrangement.

Outreach to Civil Society

In December 2002, the IMF undertook a *survey of outreach activities* in its member countries. The survey confirmed that extensive outreach was being conducted by Fund staff, but revealed considerable variation across countries and regions. In general, the IMF's dialogue with civil society, parliaments, and the media appears well-established in Africa and in the transition countries of Asia and Europe.

Following the Executive Board's review of the IMF's external communications strategy, the Fund initiated an examination of its *relations with civil society organizations* (CSOs). To ensure that the process was independent and reflected a balanced spectrum of views from civil society, the IMF approached an outside expert to facilitate the discussion within the Fund and seek ideas from a variety of CSOs. One intended output of this study is a guide to good practices for IMF staff relations with CSOs.

The IMF also developed the *Civil Society Newsletter* into a quarterly electronic format, to disseminate information about

Fund activities and policies of particular concern to civil society.

Public Outreach

IMF staff expanded efforts to *engage students, academics, and the policy research community*, and participated in discussions and delivered presentations on the IMF's work, including governance, globalization, trade, and regional and country matters. In FY2003, some 170 separate briefings were given, along with the launching of biannual briefings to Washington-area "think tanks" to provide background on key issues surrounding upcoming Spring and Annual Meetings.

The IMF Center hosted close to 13,000 visitors in 2003. Well-established educational segments such as the "IMF in Action" and "Money Matters" were supplemented by new website educational offerings, such as interactive money and trading games for younger students, "Where in the World and What in the World is Money?" and "Trading Around the World." Special events hosted by the Center in 2003 included the Carolyn Ball Award ceremony honoring retired IMF economist Margaret de Vries; the Global Ethics Exhibit, highlighting the role of religion and ethics in promoting peace and understanding; and the Peace Pole award presented to the IMF for its role in promoting international monetary and exchange rate cooperation. The Center also served as a polling station for the Foggy Bottom community during the mayoral election.

Through the *IMF Civic Program*, over $665,000 was donated to charities working to reduce poverty in the Washington, D.C., metropolitan region and in low-income countries. Close coordination between IMF staff and families and their World Bank and Inter-American Development Bank counterparts played an important part in strengthening these initiatives. In addition, goods—such as used computers and furniture—were donated to charitable and educational organizations.

Table V.1

Publications Issued, Financial Year Ended April 30, 2003

*Available in English and selected other languages in full text on the IMF's website *(www.imf.org)*.

Reports and Other Documents

*Annual Report of the Executive Board for the Financial Year Ended April 30, 2002**
(Chinese, English, French, German, and Spanish). Free.

Annual Report on Exchange Arrangements and Exchange Restrictions, 2002
$110; $55 to full-time university faculty members and students.

Summary Proceedings of the Fifty-Sixth Meeting of the Board of Governors (2001).* Free.

*The IMF Committee on Balance of Payments Statistics, Annual Report, 2002.** Free.

Selected Decisions and Selected Documents of the International Monetary Fund, 27th edition. Free.

IMF Financial Statements, Quarters ended April 30, 2002; October 31, 2002; January 31, 2003. Free.

Periodic Publications

Balance of Payments Statistics Yearbook
Vol. 53, 2002. A two-part yearbook. $98 a year.

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

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

Government Finance Statistics Yearbook
Vol. 26, 2002 (Introduction and titles of lines in English, French, and Spanish). $80.

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

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

*IMF Staff Papers: Special Issue of the Proceedings of the Second Annual Research Conference (*Vol. 49, 2002). $18.

*IMF Research Bulletin**
Quarterly. Free.

*IMF Survey**
Twice monthly, once in December (English, French, and Spanish). Private firms and individuals are charged an annual rate of $109. Vol. 32–2002 (English), Vol. 32–2002 (French), and Vol. 32–2002 (Spanish).

Occasional Papers

No. 214. *Advanced Country Experiences with Capital Account Liberalization,* by Age Bakker and Bryan Chapple. 2002.

No. 216. *Is the PRGF Living Up to Expectations?—An Assessment of Program Design,* by Sanjeev Gupta, Mark Plant, Benedict Clements, Thomas Dorsey, Emanuele Baldacci, Gabriela Inchauste, Shamsuddin Tareq, and Nita Thacker. 2002.

No. 217. *Managing Financial Crises: Recent Experience and Lessons for Latin America,* edited by Charles Collyns and G. Russell Kincaid. 2003.

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

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

World Economic and Financial Surveys

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

Table V.1 *(concluded)*

Global Financial Stability Report, June, September, December 2002, March 2003.
$49; $46 to full-time university faculty members and students.

Exchange Arrangements and Foreign Exchange Markets: Developments and Issues, March 2003.
$42; $35 to full-time university faculty members and students.

Books and Seminar Volumes

Building Strong Banks Through Surveillance and Resolution, edited by Charles A. Enoch, David Marston and Michael W. Taylor. $38.

China: Competing in the Global Economy, edited by Wanda Tseng and Markus Rodlauer. $26.

Governance, Corruption, and Economic Performance, edited by George T. Abed and Sanjeev Gupta. $37.50.

Guyana: Experience with Macroeconomic Stabilization and Structural Adjustment and Poverty Reduction, by Philippe Egoumé-Bossogo, Ebrima Faal, Raj Nallari, and Ethan Weisman. $18.

Into the EU: Policy Frameworks in Central Europe, prepared by a staff team led by Robert Feldman and C. Maxwell Watson. $26.

Japan's Lost Decade: Policies for Economic Revival, edited by Timothy Callen and Jonathan D. Ostry. $28.

Korean Crisis and Recovery, edited by David T. Coe and Se-Jik Kim. $32.

Statistical Implications of Inflation Targeting: Getting the Right Numbers and Getting the Numbers Right, by Carol S. Carson, Charles A. Enoch and Claudia H. Dziobek. $42.50.

Sweden's Welfare State: Can the Bumblebee Keep Flying? by Subhash M. Thakur, Michael J. Keen, Balázs Horváth, and Valerie Cerra. $23.50.

The West Bank and Gaza: Economic Performance, Prospects, and Policies—Achieving Prosperity and Confronting Demographic Challenges, by Rosa A. Valdivieso, Ulric Erickson von Allmen, Geoffrey J. Bannister, Hamid R. Davoodi, Felix Fischer, Eva Jenkner, and Mona Said (Arabic). $25.

Manuals and Guides

Coordinated Portfolio Investment Survey Guide (Second Edition), by the Statistics Department (English, French, and Spanish). $26.

Government Finance Statistics Manual 2001, by the Statistics Department (Spanish, Chinese). $50.

International Reserves and Foreign Currency Liquidity for a Data Template, by Anne Y. Kester (French and Russian). $23.

Manual of Statistics of International Trade in Services, by staffs of the UN, EU, IMF, OECD, UNCTAD, and WTO (English). $30.

Manual on Fiscal Transparency, prepared by the Fiscal Affairs Department (Russian). $19.50.

Measuring the Non-Observed Economy: A Handbook, by staffs of the OECD, IMF, ILO, and Interstate Statistical Committee of the CIS (English). $50.

Monetary and Financial Statistics Manual, by the Statistics Department (Arabic). $40.

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

Economic Issues Series*

No. 26. *Rural Poverty In Developing Countries: Implications for Public Policy*, by Vito Tanzi and Howell Zee (Arabic). Free.

No. 28. *Moral Hazard: Does IMF Financing Encourage Imprudence by Borrowers and Lenders?* Timothy Lane and Steven Phillips (English, French, Spanish, Chinese, and Russian). Free.

No. 29. *The Pension Puzzle: Prerequisites and Policy Choices in Pension Design,* by Nicholas Barr (French, Spanish, Chinese, and Russian). Free.

No. 30. *Hiding in the Shadows: The Growth of the Underground Economy,* by Friedrich Schneider with Dominik Enste (French, Spanish, and Russian). Free.

No. 31. *Corporate Sector Restructuring: The Role of Government in Times of Crisis,* by Mark R. Stone (English). Free.

Pamphlet Series*

No. 45. *Financial Organization and Operations of the IMF,* Sixth Edition, by the Treasurer's Department (French, Spanish, and Russian). Free.

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

No. 54. *Fiscal Dimensions of Sustainable Development,* by Sanjeev Gupta, Michael J. Keen, Benedict J. Clements, Kevin T. Fletcher, Luiz R. De Mello, Jr., and Muthukumara Mani (English, French, and Spanish). Free.

Guide to the IMF Series*

What Is the International Monetary Fund? (Arabic.) Free.

Independent Evaluation Office Reports

Evaluation of Prolonged Use of IMF Resources, by the Independent Evaluation Office. $25

Working Papers and Policy Discussion Papers*

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

Working Papers 02/78–02/240 and 03/1–91 were issued in FY2003. $15 each; $375 for annual subscription.

Policy Discussion Papers 02/7–02/13 and 03/1–03/2 were issued in FY2003. $10 each; annual subscription is included as part of the subscription to Working Papers.

Country Reports*

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

Country Reports 02/92–02/270 and 03/1–03/120 were issued in FY2003. $15 each.

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

Telephone: (202) 623–7430
Telefax: (202) 623–7201
E-mail: *publications@imf.org*
Internet: *http://www.imf.org*

Additional information about the IMF and its publications and videos—including the current *Publications Catalog*, a searchable IMF Publications Database, and ordering information and forms—is available on the World Wide Web (*www.imf.org*).

APPENDIX VI

Press Communiqués of the International Monetary and Financial Committee and the Development Committee

International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund

PRESS COMMUNIQUÉS

Sixth Meeting, Washington D.C., September 28, 2002

1. The International Monetary and Financial Committee held its sixth meeting in Washington, D.C., on September 28, 2002, under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom.

The Global Economy and Financial Markets

2. The Committee observes that the global economic recovery is proceeding, although at a slower pace than expected earlier this year. Growth is expected to strengthen in the near term, supported by a strong policy response across the international community. However, there remain downside risks and uncertainties, as well as medium-term challenges associated with persistent imbalances, underscoring the need for vigilance. IMF members should continue to be ready to adapt policies as necessary in order to foster broad and sustained growth, to strengthen policy and regulatory frameworks, and to support durable poverty reduction. The Committee underscores the importance of stability in oil markets at prices reasonable for consumers and producers.

3. In the advanced economies, growth generally is expected to strengthen. However, monetary policymakers should remain ready to respond to developments where necessary and to ease policy further if the risk of economic weakness intensifies and inflation prospects remain subdued. In Japan, monetary easing should help end deflation. In many countries, there is scope for automatic stabilizers to operate, but fiscal policy needs to be attentive to the medium-term challenge of consolidation in order to ensure sustainable debt levels, improve the scope to respond flexibly to future economic shocks, and help address challenges such as those associated with population aging. Structural reforms should also be pursued vigorously to further improve growth prospects and strengthen resilience:

- In the United States, the actions under way to strengthen corporate governance, accounting, and auditing are important to underpin confidence;
- In Europe, further reforms, particularly in labor and product markets, are needed;
- In Japan, banking and corporate restructuring should be vigorously pursued, in particular addressing the issue of nonperforming loans.

4. Performance in emerging markets has been mixed, reflecting both global developments and domestic circumstances. While growth in Asia has picked up strongly, several economies in Latin America in particular are facing a deterioration in conditions due to external developments, country-specific vulnerabilities, and policy uncertainties. In countries that have room to maneuver, the policy stance should generally remain accommodative, but countries facing external financing difficulties will need to continue to give priority to restoring market confidence. The Committee welcomes Brazil's commitment to sound policies. It acknowledges the positive steps taken in recent months by Argentina to address its difficult economic situation, and urges the authorities, in cooperation with the Fund, to move quickly to reach agreement on a sustainable economic program that could receive the support of the international financial institutions and provide the basis for the reestablishment of stability and growth.

5. Many of the developing countries have also been affected by global developments and adverse movements in commodity prices, as well as domestic circumstances. The Committee reiterates the need for sustained international efforts to fight poverty. The Global Development Compact embodied in the Monterrey Consensus and the Doha Development Agenda—based on mutual accountability, country ownership, sound domestic policies and institutions, good governance, increased and more effective international support, and commitment to an open multilateral trading system—was reaffirmed at the World Summit in Johannesburg. The Committee looks forward to the effective implementation, with international assistance, of the New Partnership for Africa's Development (NEPAD) to strengthen institutional foundations, governance, and infrastructure. Stressing the critical importance of technical assistance to

support this effort, the Committee looks forward to the important contribution that the AFRITACs will play. It also calls for urgent international assistance to address the human and economic toll exacted by the drought in southern Africa. It also stresses the positive role of the CIS-7 initiative in improving prospects for enhanced growth and reduced poverty.

6. The Committee underscores the vital importance for global growth and effective development of achieving substantial trade liberalization in the Doha round of multilateral trade negotiations, which will benefit both developed and developing countries. Urgent progress is essential in enlarging market access for developing countries and phasing out trade-distorting subsidies in developed countries. Developing countries should also further liberalize their trade regimes to maximize growth and development opportunities. Trade-related technical assistance is also important to support developing countries' capacity building.

Strengthening Crisis Prevention and Resolution

7. The Committee welcomes the Managing Director's report on the IMF in a Process of Change, which sets out the reforms under way to make the Fund more effective in promoting greater financial stability and stronger global growth, the progress which is being made, and the agenda for the period ahead.

8. The Committee supports the steps taken by the Fund to improve the quality and effectiveness of its policy advice, and to help countries strengthen policy frameworks and prevent crises. These are the key priorities for surveillance. In particular, the Committee:

- stresses that rigorous vulnerability assessments will be key to the Fund's crisis prevention efforts, and, in this regard, welcomes the progress in improving the framework for assessing debt sustainability and looks forward to its application to all members;
- welcomes in this context the increased focus on the interactions between external shocks and domestic vulnerabilities, the strengthened focus on global capital markets in the Fund's multilateral surveillance, and the recent steps to further improve data provision by members to the Fund;
- emphasizes the importance of surveillance of systemically important countries and their impact on the global economy;
- supports the Fund's ongoing work to ensure that surveillance in program countries reassesses economic developments and strategy from a fresh perspective; and
- underlines the need for high-quality and persuasive surveillance of all member countries to help them act promptly to minimize emerging vulnerabilities and avoid policies that might have negative regional or global effects.

The Committee will review, at its next meeting, ways of further enhancing the effectiveness of Fund surveillance. It looks forward to further progress in the voluntary publication of country staff reports, building on the positive role that improved transparency and data dissemination by the Fund and its membership are playing in informing the public and supporting financial market assessments.

9. The Committee notes the substantial progress on the Financial Sector Assessment Program and the standards and codes initiative, including their increasing integration into Fund surveillance. It looks forward to the forthcoming reviews of these initiatives, and calls on the Fund to consider ways to build on this progress, together with the World Bank and relevant standard-setting bodies, to address gaps, strengthen technical assistance, and promote broader participation. The Committee notes the importance of enhanced standards and principles on corporate governance, accounting, and auditing, and of stronger national practice. It also underscores the role that precautionary access to Fund financing can play in safeguarding sound policy frameworks in the face of uncertainty in international capital markets. The Committee looks forward to the forthcoming review of the Contingent Credit Lines.

10. The Committee endorses the Fund's continuing work on private sector involvement and a stronger framework for crisis resolution to provide members and markets with greater clarity and predictability, including about the decisions the Fund will take in crisis management. In particular, the Committee welcomes the work under way to strengthen the policy on exceptional access to Fund resources. This involves more clearly defined criteria to justify exceptional access, and strengthened procedures for early consultation and decision making. The priority now is to finalize and implement the new framework, and the Committee calls for a progress report by the Spring meetings.

11. The Committee strongly welcomes the progress made with the contractual and statutory approaches to restructuring unsustainable sovereign debts. It welcomes the ongoing dialogue on collective action clauses in the G-10 and other fora with private creditors and emerging market sovereign issuers. Going forward, the Committee encourages the official community, the private sector, and sovereign debt issuers to continue working together to develop collective action clauses, and to promote their early inclusion in international sovereign bond issues; in that regard, it welcomes the recent decision by many countries to include collective action clauses. The Committee also calls on the Fund to consider the issues further and to develop, for consideration at its next meeting, a concrete proposal for a statutory sovereign debt restructuring mechanism to be considered by the membership.

The Fund's Role in Low-Income Countries

12. The Committee supports the Fund's continuing role in helping poor countries address the challenge of meeting the Millennium Development Goals by supporting economic reforms aimed at accelerating growth and reducing poverty. It welcomes the increased momentum in countries' efforts to develop and implement their PRSPs, and the Fund's and donors' efforts to align their support more closely with PRSPs. It recognizes that there may be a need to consider mobilizing new PRGF resources if high demand for PRGF financing continues. The Committee stresses the importance of: sound macroeconomic frameworks that can respond flexibly to changes in the external environment; identifying ways to encourage higher and sustainable growth; good governance; improving public expenditure and financial management systems; and using poverty and social impact analysis more systematically, and building country capacity

in this area. The Committee encourages the Fund and Bank to continue their collaboration on these issues and looks forward to reviewing progress. Furthermore, it looks forward to considering the results of the Fund's work to better meet the diverse needs of its low-income members, including those stemming from disruptive exogenous shocks and emergence from conflict.

13. The Committee welcomes the progress made on the HIPC Initiative, allowing countries to benefit from lower debt servicing and higher social spending. It recognizes that significant challenges remain to ensure that countries achieve a lasting exit from unsustainable debt. The Committee reaffirms the commitment to implement the initiative and finance it fully to help countries overcome the burden of unsustainable debt, and underscores that the HIPC Initiative has the flexibility to provide additional debt relief at the completion point to help countries that have suffered a fundamental change in their economic circumstances due to exceptional exogenous shocks. These elements, together with sustained commitment to sound economic policies—including efforts to improve resilience to external shocks, to manage debt prudently, and to reinforce good governance—and new financing on appropriately concessional terms, should provide a basis for long-term sustainability. The Committee notes that the financing shortfall in the HIPC Trust Fund could be up to $1 billion, and welcomes the recent pledges of support. It calls on other governments to make firm pledges and contributions as a matter of urgency. Furthermore, it urges all official and commercial creditors that have not yet done so to fully participate in the HIPC Initiative. The Committee acknowledges that the issues of HIPC-to-HIPC debt relief and creditor litigation raise serious issues that should be addressed.

Combating Money Laundering and the Financing of Terrorism

14. The Committee welcomes the actions taken by many countries to combat money laundering and the financing of terrorism, in response to the action plan agreed in Ottawa last year, and urges countries that have not fully responded to do so urgently. It also urges rapid progress on the exchange of information between authorities. The Committee commends the substantial progress made by the Fund, in close collaboration with the Bank, in advancing the action plan. It endorses the conditional addition of the Financial Action Task Force (FATF) recommendations to the list of standards and codes for which Reports on the Observance of Standards and Codes (ROSCs) are prepared, and looks forward to the final adoption of the methodology and an early start of the 12-month pilot program of assessments and accompanying ROSCs. The Committee encourages countries to make available additional experts and resources for the IMF/World Bank pilot program, welcomes the pledges made so far, and urges the IMF and World Bank to coordinate closely with the strong international and bilateral efforts to provide critically important technical assistance. The Committee looks forward to an interim report at its next meeting and a full report at the conclusion of the pilot program.

Other Issues

15. The Committee welcomes the adoption by the Fund's Executive Board of new guidelines on conditionality, thus bringing to a successful conclusion the review of conditionality initiated by the Managing Director two years ago. The consistent implementation of these guidelines will help enhance the effectiveness of Fund-supported programs by fostering national ownership and streamlining conditionality, focusing it on elements critical to the success of members' economic programs. The Committee stresses that strengthened collaboration with the World Bank is an integral part of these efforts to enable both institutions to provide complementary and effective support.

16. The Committee stresses the importance of the Fund having adequate resources to fulfill its financial responsibilities. Quotas should reflect developments in the international economy. The Committee notes that the Executive Board is continuing its consideration of the Twelfth General Review of Quotas and will present its report to the Board of Governors by January 2003. It recommends an early implementation of the Fourth Amendment.

17. The Committee welcomes the first report of the Independent Evaluation Office on "Prolonged Use of Fund Resources" to the Executive Board. It welcomes the establishment by Fund Management of an internal task force to propose steps to carry forward the report's recommendations, as appropriate.

18. The next meeting of the IMFC will be held in Washington, D.C., on April 12, 2003.

Annex: International Monetary And Financial Committee Attendance September 28, 2002

Chairman
Gordon Brown

Managing Director
Horst Köhler

Members or Alternates
Ibrahim A. Al-Assaf, Minister of Finance and National Economy, Saudi Arabia
Julio Marcelino V. Bessa, Minister of Finance, Angola
Sir Edward George, Governor, Bank of England, United Kingdom
(Alternate for Gordon Brown, Chancellor of the Exchequer, United Kingdom)
Tobias Nóbrega, Minister of Finance, República Bolivariana de Venezuela
(Alternate for Diego L. Castellanos, Governor, Banco Central de Venezuela)
Peter Costello, Treasurer of the Commonwealth of Australia
Dai Xianglong, Governor, People's Bank of China
Ernst Welteke, President, Deutsche Bundesbank, Germany
(Alternate for Hans Eichel, Minister of Finance, Germany)
Nicolás Eyzaguirre, Minister of Finance, Chile
Geir Hilmar Haarde, Minister of Finance, Iceland
Hans Hoogervorst, Minister of Finance, The Netherlands
Mohammed K. Khirbash, Minister of State for Finance and Industry, United Arab Emirates
Aleksei Kudrin, Deputy Chairman of the Government and Minister of Finance, Russian Federation

Mohammed Laksaci, Governor, Banque d'Algérie
Pedro Sampaio Malan, Minister of Finance, Brazil
John Manley, Minister of Finance, Canada
Francis Mer, Minister of Economy, Finance and Industry, France
Paul H. O'Neill, Secretary of the Treasury, United States
Didier Reynders, Minister of Finance, Belgium
Syahril Sabirin, Governor, Bank Indonesia
Masaru Hayami, Governor, Bank of Japan (Alternate for Masajuro Shiokawa, Minister of Finance, Japan)
Jaswant Singh, Minister of Finance and Company Affairs, India
Paul Toungui, Minister of State, Minister of Finance, Economy, Budget and Privatization, Gabon
Giulio Tremonti, Minister of Economy and Finance, Italy
Kaspar Villiger, President of the Swiss Confederation and Minister of Finance, Switzerland

Observers

Yilmaz Akyuz, Director, Division for Globalization and Development Strategies, United Nations Conference on Trade and Development (UNCTAD)
Andrew D. Crockett, Chairman, Financial Stability Forum (FSF)
Willem F. Duisenberg, President, European Central Bank (ECB)
André Icard, Deputy General Manager, Bank for International Settlements (BIS)
Donald J. Johnston, Secretary-General, Organization for Economic Cooperation and Development (OECD)
Ian Kinniburgh, Director, Development Policy Analysis, Department of Economic and Social Affairs, United Nations (UN)
Eddy Lee, Director, International Policy Group Department, International Labor Organization (ILO)
Trevor A. Manuel, Chairman, Joint Development Committee
Pedro Solbes Mira, Commissioner for Economic and Monetary Affairs, European Commission
Supachai Panitchpakdi, Director-General, World Trade Organization (WTO)
James D. Wolfensohn, President, World Bank

Seventh Meeting, Washington D.C., April 12, 2003

1. The International Monetary and Financial Committee held its seventh meeting in Washington, D.C., on April 12, 2003, under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom.

Global Economic Outlook

2. Meeting at a time of economic uncertainty, the Committee reaffirms its commitment to close international cooperation to strengthen confidence and support the global recovery. It underscores the importance of continued vigilance. But with readiness to adjust policies as necessary and determined further action on the structural front, the world economy has the prospect of strengthening growth and renewed prosperity. Substantial and concrete progress with multilateral trade liberalization is a key priority for the coming months and has the full political commitment of Ministers.

3. In the advanced economies, sound fundamentals and policies should deliver stronger growth in the second half of the year. With inflationary pressures well contained, monetary policies should remain accommodative, and in many countries there is room to ease monetary policy further if needed. On the fiscal side, the automatic stabilizers should be generally allowed to operate, though in many countries action is needed to address medium-term fiscal pressures, including those arising from aging populations. The advanced economies have a shared responsibility to go further in implementing structural reforms—to enhance prospects for a sustained broad-based world recovery that helps correct global imbalances. In the United States, policies consistent with a sound medium-term fiscal position remain important. In Europe, labor and product market reforms need to be accelerated. In Japan, further steps are needed to strengthen the banking and corporate sectors and end deflation, accompanied by a start toward strengthening the medium-term fiscal position.

4. Emerging market countries will need to continue to strengthen their policies for macroeconomic stability and structural reforms and therefore their resilience to adverse global developments. In countries facing external financing constraints, efforts to sustain macroeconomic stability will continue to be key to restoring confidence. For all countries, the continued implementation of reforms to strengthen banking and corporate sectors and underpin growth remains a priority. The IMF has a key role to play in supporting these efforts.

5. Prospects for stronger growth in low-income countries should be supported by improved economic policies, stronger institutions, progress in resolving regional conflicts, and increased donor resources, including through debt relief under the HIPC Initiative. Sustained implementation of sound policies, supported by strong ownership and the Monterrey Consensus, will remain key to reducing poverty and meeting the Millennium Development Goals (MDGs). African countries need to continue to press ahead with the wide-ranging reforms embedded in the New Partnership for Africa's Development (NEPAD)—in particular to improve the quality of their institutions and ensure peace and security. The Committee reiterates the importance of technical assistance, including the contribution of AFRITACs and other regional technical assistance centers. It calls on the international community to urgently mobilize additional assistance to address the serious food shortage in Africa.

6. The Committee notes that the present situation in Iraq poses significant challenges, with an urgent need to restore security, relieve human suffering, and promote economic growth and poverty reduction. We support a further UN Security Council resolution. We further note that engagement by the international community, including the Bretton Woods institutions, would be essential for sustained economic, social, and political development in Iraq, recognizing that the Iraqi people have the responsibility to implement the right policies and build their own future. The IMF and the World Bank stand ready to play their normal role in Iraq's redevelopment at the appropriate time. They will also monitor closely the impact of the conflict on all their members and stand ready to help and support those adversely affected. It is important to address the debt issue, and we look forward to early engagement of the Paris Club.

7. The Committee—having greatly benefited from the views of Dr. Supachai Panitchpakdi, Director-General of the World Trade Organization—underscores the urgency of concrete progress toward multilateral trade liberalization under the Doha Round through the continued commitment of the international community. This will be critical in supporting higher economic growth and poverty reduction, and enabling developing countries to participate more fully in the benefits of globalization. The Committee accordingly calls on industrial, emerging, and developing countries to play their part in renewed efforts to address obstacles to further progress in advance of the ministerial meeting of the World Trade Organization in Cancún next September. Urgent progress is needed in a number of areas, including agriculture, where better market access and lower trade distorting subsidies are particularly important for developing countries. The IMF, in collaboration with other international institutions, stands ready to support members' closer regional cooperation in the context of deeper integration into world markets.

Strengthening Crisis Prevention

8. The Committee reiterates the importance it attaches to strengthening the IMF's crisis prevention capacity and welcomes the steps in many countries to improve economic resilience and financial stability. However, there is still room for further improvement. Going forward, sustained implementation of a strengthened framework of bilateral, regional, and multilateral surveillance will be essential to provide more robust assessments of crisis vulnerabilities, debt sustainability, currency mismatches and other balance sheet and capital account developments, as well as further progress in strengthening data provision to the IMF and data dissemination to the public.

9. The Committee welcomes progress with the standards and codes process and the Financial Sector Assessment Program (FSAP) and the role these play in enhancing IMF surveillance. It calls on the IMF to continue to move forward with these initiatives to strengthen members' institutions, policy frameworks, and financial sectors, including through technical assistance. It stresses the importance of further enhancing the quality and effectiveness of standards and codes assessments, and calls on the IMF to implement quickly agreed measures to strengthen prioritization, technical assistance, and follow up of FSAP and ROSC assessments. In this context, the Committee looks forward to the further work of the Financial Stability Forum and standard-setting bodies on strengthening the content and coverage of standards in accounting, auditing, and corporate governance, and on improving transparency and financial disclosure.

10. The Committee supports the IMF's continued efforts to make surveillance more comprehensive and accountable, including through strengthening the IMF's policy advice on reducing vulnerabilities; greater attention to the spillovers from policies in countries of systemic or regional importance; more effective use of the IMF's cross-country experience; enhanced awareness of political economy factors; and bringing to bear a fresh perspective in surveillance of program countries. The Committee looks forward to the IMF's further work on surveillance and other crisis prevention issues and a report on progress for this year's Annual Meetings.

11. The Committee welcomes the increase in voluntary publication of country staff reports, but notes that the rate of publication across countries and regions remains uneven. It looks forward to further progress through the forthcoming review of the IMF's transparency policy, and stresses that the candor of the IMF's analysis and advice should be preserved.

12. The Committee emphasizes support for ways to achieve the objectives of the Contingent Credit Lines (CCL) in encouraging policies to reduce vulnerabilities and providing a means of support for members with strong policies in dealing with global financial developments. It looks forward to a report on how best to promote these objectives following the conclusion of the review of the facility.

Improving the Capacity to Resolve Financial Crises

13. Effective crisis resolution mechanisms, by promoting sound policies and better functioning capital markets, contribute to crisis prevention. The Committee welcomes the strengthened framework on access to IMF resources. This includes: the substantive criteria for exceptional access in capital account crises; and strengthened procedures, such as early involvement of the Executive Board in the process and a separate report evaluating the case for exceptional access. Consistent implementation of the framework will provide members and markets with clarity and predictability about IMF decisions in crises.

14. The Committee welcomes the inclusion of collective action clauses (CACs) by several countries, most recently Mexico, in international sovereign bond issues. It also welcomes the announcement that, by June of this year, those EU countries issuing bonds under foreign jurisdictions will include CACs. The Committee welcomes the work of the G-10, emerging markets, and the private sector in contributing to the development of CACs. It looks forward to the inclusion of CACs in international bond issues becoming standard market practice, and calls on the IMF to promote the voluntary inclusion of CACs in the context of its surveillance. The Committee welcomes recent initiatives to formulate a voluntary code of conduct for debtors and their creditors, which will improve the restructuring process, and encourages the IMF to contribute to this work.

15. The Committee welcomes the work of the IMF in developing a concrete proposal for a statutory sovereign debt restructuring mechanism (SDRM) and expresses its appreciation for the IMF management and staff's efforts. The extensive analysis and consultation undertaken in developing the proposal have served to promote better understanding of the issues to be addressed in bringing about orderly resolution of crises. The Managing Director's report sets out the current position. The Committee, while recognizing that it is not feasible now to move forward to establish the SDRM, agrees that work should continue on issues raised in its development that are of general relevance to the orderly resolution of financial crises. These issues include intercreditor equity considerations, enhancing transparency and disclosure, and aggregation issues. The IMF will report on progress at the Committee's next meeting.

Implementing Initiatives to Support Low-Income Countries

16. The Committee recognizes the urgent need to address the challenge of meeting the Millennium Development Goals, and reiterates that the IMF continues to have an important role to play in assisting low-income countries'

progress toward them. This will require enhanced efforts by developing and developed countries working in partnership. The Committee stresses the importance of sound macroeconomic policies and strong public expenditure and financial management systems. The Committee recognizes the urgent need to enhance market access and to increase the level and effectiveness of donor resources for developing countries. Proposals to achieve this, including facilities, are being considered, and the Committee looks forward to progress in the coming months. Building on countries' Poverty Reduction Strategy Papers (PRSPs), the Committee encourages the IMF to work with low-income countries to strengthen further the alignment of the PRGF, domestic budgets, and the PRSP approach. This will be facilitated through more realistic economic projections, systematic analysis of the sources of growth, effective Bank-Fund collaboration, and flexibility in program design, including to accommodate higher aid inflows. The Committee encourages donors to coordinate and harmonize their assistance in line with PRSP priorities, and to provide technical assistance to help members build the needed capacity to design and operationalize PRSP strategies and to improve public expenditure management. It endorses further work on the linkages between growth and poverty reduction, including the role of the private sector. The Committee also looks forward to the review of the role of the IMF in low-income countries over the medium term, and its paper on helping low-income countries to deal with shocks.

17. The Committee welcomes the further progress made in implementing the HIPC Initiative, but notes that some countries have experienced delays in reaching the completion point, and that other eligible countries are facing obstacles to participation in the Initiative. It looks forward to a review of these issues at its next meeting. The Committee reaffirms its commitment to the full financing of the Initiative. It urges all creditors to participate fully, and encourages further Bank-Fund efforts to help creditor and debtor countries address HIPC-to-HIPC debt relief and creditor litigation issues. It emphasizes the need to ensure lasting debt sustainability, which will require both the full implementation and financing of the Initiative, and continued sound economic policies, good governance, and prudent debt management. In this context, the Committee welcomes the efforts by some countries to provide additional debt relief beyond HIPC terms. The Committee supports joint Bank-Fund work to improve its assessments of longer-term debt sustainability for heavily indebted poor countries, and looks forward to a progress report at the next meeting.

Other Issues

18. The Committee welcomes the further actions by members to combat money laundering and the financing of terrorism, and notes with satisfaction the progress with the 12-month pilot program of AML/CFT assessments. It underscores the importance of continued close cooperation between the IMF, the World Bank, the FATF, and regional bodies to complete the pilot successfully, and of further enhancing the delivery of critically needed technical assistance. The Committee encourages all members to adopt AML/CFT laws and practices consistent with the agreed international standards, and looks forward to a full report at the conclusion of the pilot program.

19. The Committee considers it important that, as pointed out in the Monterrey Consensus, all members should have an adequate voice and representation in the institution. It welcomes recent administrative steps to strengthen the capacity of the African constituencies. The Committee notes that the Twelfth General Review of Quotas has been concluded and that the IMF is well positioned to meet the projected needs of its members. The Committee looks forward to receiving a status report by the 2003 Annual Meetings on the adequacy of IMF resources, the distribution of quotas, and measures to strengthen IMF governance, consistent with the resolution of the Board of Governors, in the context of the Thirteenth General Review of Quotas. The Committee recommends completion of the ratification of the Fourth Amendment.

20. The Committee welcomes the thorough follow-up being given to the first report of the Independent Evaluation Office on prolonged use of IMF resources. It looks forward to future IEO reports as a way of enhancing the listening and learning culture within the IMF.

21. The Committee expresses its appreciation of the work of Eduardo Aninat as Deputy Managing Director.

22. The next meeting of the IMFC will be held in Dubai, on September 21, 2003.

Annex: International Monetary and Financial Committee Attendance April 12, 2003

Chairman
Gordon Brown

Managing Director
Horst Köhler

Members or Alternates

Hamad Al-Sayari, Governor, Saudi Arabian Monetary Agency
(Alternate for Ibrahim A. Al-Assaf, Minister of Finance and National Economy, Saudi Arabia)

Sir Edward George, Governor, Bank of England, United Kingdom
(Alternate for Gordon Brown, Chancellor of the Exchequer, United Kingdom)

Felipe Pérez Martí, Minister of Planning and Development, República Bolivariana de Venezuela
(Alternate for Diego L. Castellanos, Governor, Banco Central de Venezuela)

Ian Campbell, Parliamentary Secretary to the Treasurer, Australia
(Alternate for Peter Costello, Treasurer of the Commonwealth of Australia)

Job Graca, Deputy Minister of Finance, Angola
(Alternate for José Pedro de Morais, Jr., Minister of Finance, Angola)

Hans Eichel, Minister of Finance, Germany

Geir Hilmar Haarde, Minister of Finance, Iceland

A.H.E.M. Wellink, President, De Nederlandsche Bank N.V.
(Alternate for Hans Hoogervorst, Minister of Finance, The Netherlands)

Jamaludin Mohd Jarjis, Finance Minister II, Malaysia

Mohammed K. Khirbash, Minister of State for Finance and Industry, United Arab Emirates
Aleksei Kudrin, Deputy Chairman of the Government and Minister of Finance, Russian Federation
Mohammed Laksaci, Governor, Banque d'Algérie
Roberto Lavagna, Minister of Economy, Argentina
John Manley, Minister of Finance, Canada
Francis Mer, Minister of Economy, Finance and Industry, France
Antonio Palocci, Minister of Finance, Brazil
Guy Quaden, Governor, Banque Nationale de Belgique (Alternate for Didier Reynders, Minister of Finance, Belgium)
Masajuro Shiokawa, Minister of Finance, Japan
Bimal Jalan, Governor, Reserve Bank of India (Alternate for Jaswant Singh, Minister of Finance and Company Affairs, India)
John W. Snow, Secretary of the Treasury, United States
Paul Toungui, Minister of State, Minister of Finance, Economy, Budget and Privatization, Gabon
Giulio Tremonti, Minister of Economy and Finance, Italy
Kaspar Villiger, Minister of Finance, Switzerland
Li Ruogu, Assistant Governor, People's Bank of China (Alternate for Zhou Xiaochuan, Governor, People's Bank of China)

Observers

Oscar de Rojas, Acting Head, Financing for Development Office, Department of Economic and Social Affairs, United Nations (UN)
Willem F. Duisenberg, President, European Central Bank (ECB)
Heiner Flassbeck, Chief, Macroeconomic and Development Policies Branch, United Nations Conference on Trade and Development (UNCTAD)
Donald J. Johnston, Secretary-General, Organization for Economic Cooperation and Development (OECD)
Malcolm D. Knight, General Manager, Bank for International Settlements (BIS)
Caio Koch-Weser, Interim Chairman, Financial Stability Forum (FSF)
Eddy Lee, Economic Adviser and Director, International Policy Group Department, International Labor Organization (ILO)
Trevor A. Manuel, Chairman, Joint Development Committee
Pedro Solbes, Commissioner for Economic and Monetary Affairs, European Commission
Supachai Panitchpakdi, Director-General, World Trade Organization (WTO)
James D. Wolfensohn, President, World Bank

Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries (Development Committee)

PRESS COMMUNIQUÉS

Sixty-Sixth Meeting, Washington D.C., September 28, 2002

1. We met today to discuss implementation of the strategies and decisions agreed in Monterrey and Johannesburg and achieving debt sustainability for heavily indebted poor countries.

2. At our meeting last April, we welcomed the very important progress achieved in Monterrey laying out a new partnership between developed and developing countries, based on mutual responsibility and accountability, to achieve measurable improvements in sustainable growth and poverty reduction. We welcomed the announcements by a number of donors of significant increases in their ODA. Earlier this month, the WSSD concluded in Johannesburg with a number of decisions that provide additional direction to our task of eradicating poverty and achieving sustainable development. A series of important commitments were made in the areas of water and sanitation, energy, health, agriculture, biodiversity, and ecosystem management, accompanied by the launch of implementation initiatives. Today we committed ourselves with a new vigor and determination to implement the agreed strategies and partnerships and to use our future meetings regularly to review progress through clear and measurable indicators. Building on the outcomes of Monterrey and Johannesburg, we also intend to have further discussions on global public goods.

3. The global community must now convert the ideas and the shared approaches agreed in Doha, Monterrey, and Johannesburg into concrete action and measure ongoing progress. Experience has repeatedly shown that progress will only be made through implementation of sound and sustainable country-driven strategies. To make existing and new aid commitments more effective, these strategies must also be supported by better coordination and cooperation among development partners and by effective alignment of donor support with country strategies. We underline our commitment to work together and with civil society and the private sector, under the leadership of the government concerned, in a coherent way to achieve concrete results.

4. We reaffirmed the crucial importance of trade as a source of growth and poverty reduction. We recognized that it is essential for developed countries to do more to open their markets and eliminate trade-distorting subsidies for products that represent major potential exports for developing countries, such as agriculture, textiles, and clothing. At the same time, we recognized the importance of continued efforts towards trade liberalization in developing countries as part of an overall development strategy, in conjunction with the necessary policies and capacities that facilitate an appropriate supply response and minimize the adjustment burdens on the poor. We therefore welcomed the increased attention to trade issues in the work of the World Bank and International

Monetary Fund in support of a successful Doha Development Agenda. We urged intensified efforts to mainstream trade in the development dialogue with the Bank's members, with an enhanced operational focus on building both institutional and physical capacity to help developing countries take advantage of new trade opportunities.

5. Last April, we endorsed a World Bank plan to help make primary education a reality for all children by 2015 and gender equality in primary and secondary education by 2005. Today we reviewed implementation of the Fast Track Initiative and requested a progress report on results achieved for our next meeting. In addition, we considered the challenges of scaling up activities in two additional areas—HIV/AIDS/Communicable Diseases and water and sanitation. We urged the World Bank to pursue its work in these areas.

6. We endorsed the overall approach set out for discussion today for making results central to the management of development programs in both developing countries and in development agencies. We urged the Bank to expedite implementation of the action plan for increasing its results orientation and to intensify its work with multilateral and bilateral partners to share information on planned and ongoing country development activities, including diagnostic work and operational support, as a basis for enhanced alignment of donor support for national development strategies. We also urged increased use of joint evaluations of donor programs, especially for country and sector program support, to complement assessments of individual agencies' performance, including as development partners. We highlighted the need for increased and coordinated donor support for capacity building, including for results-oriented monitoring and evaluation and statistics. We asked the Bank to report on these efforts at our next meeting.

7. We recognized the need for intensified efforts to harmonize operational policies and procedures of bilateral and multilateral agencies at the institutional and country levels so as to enhance aid effectiveness and efficiency and promote greater ownership by developing countries. We committed to further action in streamlining such policies, procedures, and requirements over the period leading to the high-level forum scheduled in Rome in February 2003 and beyond.

8. Recognizing the special challenges faced by Africa in meeting the Millennium Development Goals, we urge the Bank and the IMF to scale up assistance to these countries and to build on the NEPAD initiative as a unique opportunity to make significant and quick progress building on African leadership.

9. Our discussions have reinforced our conviction that major progress on achieving the Millennium Development Goals is possible. What is needed now is determined implementation of agreed strategies and partnerships on the part of both developed and developing countries, as well as multilateral agencies, and the setting out of a clear framework identifying responsibilities and accountabilities by which progress can be regularly measured. The Development Committee intends to contribute to moving this implementation agenda forward through regular monitoring and review of the policies, actions, and outcomes needed to achieve these goals. We request the Bank and the Fund to present proposals at our next meeting for taking this forward, while recognizing the role of the United Nations in monitoring the MDGs.

10. The Monterrey Summit also stressed the importance of greater coherence, coordination, and cooperation among multilateral organizations and the need to broaden and strengthen participation of developing countries and countries with economies in transition in international decision making and norm setting. The Summit encouraged the World Bank and the IMF to find pragmatic and innovative ways to further enhance participation of these countries and thereby to strengthen the international dialogue and work of these institutions. We requested the Bank and the Fund to prepare a background document to facilitate consideration of these important issues at our next meeting.

11. We welcomed the continued progress made on the HIPC Initiative and reconfirmed our commitment to its implementation and full financing. We fully support the objective of helping our poorest, most heavily indebted members achieve an enduring exit from unsustainable debt but we recognize that considerable challenges remain. Success will require: a sustained commitment by HIPC countries to improvements in domestic policies and economic management; capacity building for the management of financial assets and liabilities; full participation and delivery of relief by all affected creditors; and adequate and sufficiently concessional financing by international financial institutions and the donor community. We call upon all official and commercial creditors that have not yet done so to fully participate in the HIPC Initiative. We have asked the Bank and the Fund to undertake an early review of the difficult issues of HIPC-to-HIPC debt relief and creditor litigation. We stressed the urgency of meeting the financing shortfall of the HIPC Trust Fund, which could be up to $1 billion. We welcome the recent announcements of support and call upon other donor countries to make firm pledges and contributions as early as possible. At the same time, we reaffirm our commitment to ensuring that the cost of debt relief to IDA is not permitted to compromise IDA's resources, and we note the arrangements in place to accomplish this objective.

12. We reviewed further experience with PRSPs, which confirmed the broad findings of the joint Bank/Fund review earlier this year. The Committee is encouraged by the increased momentum in countries' efforts to develop and implement their PRSPs. We call on the Fund and Bank together with all donors to align their support with country PRSPs and to collaborate with each other to: strengthen their analysis of the sources of growth; streamline conditionality; help countries improve their public expenditure management systems; facilitate an environment conducive to private sector development; and intensify efforts to help countries undertake poverty and social impact analyses on a more systematic basis.

13. Finally, we reviewed the role being played by the Bank and Fund, in collaboration with other international institutions, in combating money laundering and the financing of terrorism (AML/CFT). We endorse the conditional addition of the FATF 40+8 Recommendations to the list of international standards and codes useful to the operational work of the Bank and the Fund, and the conditional beginning of the 12-month pilot program of comprehensive AML/CFT assessments and accompanying ROSCs, in accordance with the voluntary, cooperative, and uniform approach. We encourage the Bank and the Fund to continue to integrate these issues into their diagnostic and surveillance work

in line with their respective mandates and to enhance their technical and capacity-building efforts.

14. We express our deep condolences to the family of the late Mr. Bernard Chidzero, former Minister of Finance of Zimbabwe. Minister Chidzero served with great skill and distinction as Chairman of the Development Committee from 1986 to 1990.

15. The next meeting of the Development Committee will be held in Washington, D.C. on April 13, 2003.

Sixty-Seventh Meeting, Washington D.C., April 13, 2003

1. We met today to review progress in the work of implementing the strategies, partnerships, and actions agreed in Monterrey and Johannesburg to achieve the Millennium Development Goals[1] and to consider ways to enhance the voice and participation of developing and transition countries in our institutions.

2. Since our meeting last fall, the global environment has become more uncertain. Slower economic growth, the war in Iraq, and failure to make more substantive progress on the Doha Development Agenda add to the challenge of implementing the global development agenda. We therefore strongly reaffirmed our commitment to the global effort needed to reduce poverty in developing and transition countries and achieve the MDGs.

3. To accelerate progress toward these and related goals, we emphasized the need for policies by both developed and developing countries in partnership to generate stronger economic growth complemented by actions to enhance the capabilities of poor people to participate in growth and access key social services. For developing countries, three interrelated areas in particular require strengthened efforts: improving the environment for investment and private sector activity, including macroeconomic stability and supporting infrastructure; strengthening governance, including public financial management, and capacity in the private and public sector; and increasing human capital through broader and more effective delivery of basic and social services to the poor. Such stronger reform efforts by developing countries would lay the foundations for enhanced growth and private financing. As agreed at Monterrey, these efforts need to be matched with stronger support from developed countries, in particular through increased market access for developing country exports, debt relief, and increases in the volume, predictability and effectiveness of aid. Proposals to achieve this, including facilities, are being considered, and we look forward to progress in the coming months. We are pleased that on April 8, IDA's Thirteenth Replenishment became effective. We also reaffirmed our commitment to increased assistance to the sub-Saharan African and other countries that face special challenges in meeting the MDGs.

4. On improving aid quality, including its delivery and management aspects, we called for swift progress in implementing the results agenda and the agreements in the Rome Declaration on Harmonization. We underlined the central importance of anchoring strengthened efforts in country-owned strategies, as set out for low-income countries in PRSPs, linked to national budget processes and providing the country context within which donors and international agencies can align support.

5. We welcomed the progress on developing a global monitoring framework to allow the Committee to regularly assess progress and to reinforce accountabilities among developing and developed countries, as well as institutional partners, for the policies and actions for achieving the MDGs and related outcomes. We urged the Bank and the Fund to continue to work closely with partner agencies—UN, regional development banks, OECD/DAC, and WTO—using institutional mandates to guide the division of responsibilities for monitoring work. We called upon both multilateral agencies and bilateral donors to take the necessary steps to refine and harmonize their instruments of analysis and measurement. In this context, we urged the Bank, working in a participatory manner, to continue to improve the Country Policy and Institutional Assessment (CPIA) methodology and the transparency of its application. The urgency of the work on statistical capacity building, especially for those countries most at risk of not meeting the MDGs, was underlined. We look forward to the next global monitoring report.

6. Continuing progress on the Fast Track Initiative on Education for All was welcomed, although we recognized that more needs to be done to follow up on the commitment to adequately fund the initial seven countries and to provide the required support to other countries that meet the eligibility criteria. Furthermore, extra efforts are needed to achieve the 2005 MDG on gender parity in access to primary and secondary education. We asked, before our next meeting, to be informed on progress. We reviewed progress on water and sanitation and underlined the important contribution that these make to the other development goals. We welcomed the Bank's recent strategy to enhance support to the water sector and look forward to its implementation. We noted the recent report of the Panel on Financing Water Infrastructure, and asked the Bank to consider, before our next meeting, how it can implement relevant recommendations of the Panel report. We also considered progress in health and HIV/AIDS and encouraged the Bank to strengthen further its cooperation with other partners and to intensify its efforts at the country level. While each service sector will have to find its own approach to accelerating progress, we underlined the importance of anchoring the efforts to achieve MDG goals in country-owned strategies such as in PRSPs for low-income countries. We stressed that sound policies and efforts by developing countries should be supported by adequate and appropriate financing and we asked the Bank to report on progress in this regard at our next meeting.

7. We emphasized the critical role of investment in infrastructure for economic growth, and its linkages with the provision of social services and the attainment of the MDGs. We welcomed the Bank's renewed commitment to increase its support to such investment and asked the Bank to report on its further efforts at our next meeting.

8. Trade remains of crucial importance to growth and poverty reduction. At a time of global uncertainty, it is even more important to demonstrate that multilateral cooperation can succeed in meeting the ambitious targets set for the Doha Development Agenda. We urge countries to come to an

[1]From the UN Millennium Declaration, endorsed by Heads of State and Government in the UN General Assembly on September 8, 2000.

agreement quickly in those areas where Doha deadlines have already been missed. It is essential for developed countries to do more to liberalize their markets and eliminate trade-distorting subsidies, including in the areas of agriculture, textiles, and clothing, which are of particular importance for developing countries. At the same time, we emphasize the importance of trade facilitation and liberalization efforts in developing countries. These efforts must be integrated into an overall development strategy, in conjunction with the necessary policies, infrastructure, and institutional capacities that strengthen their ability to participate in international trade. We call on the Bank and the Fund to continue to step up their efforts to support trade. We urge that future Country Assistance Strategies include trade-enhancing lending operations and capacity building for member countries where such trade-related support is a clear country priority.

9. Enhancing the voice and effective participation of developing and transition countries in the work and decision making of the Bretton Woods Institutions can contribute importantly to strengthening the international dialogue and the effectiveness of these institutions. We welcomed the recent capacity-enhancing decisions by the Executive Boards of the Bank and the Fund and we urge them to consider additional steps that might be taken. These decisions will help to ensure that a more effective capacity exists to articulate the views and concerns of all members. We encourage potential donors to actively pursue the idea of creating a financing mechanism that could support independent research and advice in key policy areas. Broader and more far-reaching ideas have also been advanced to help achieve enhanced participation in the institutions. We note that a status report by the Fund Executive Board to the IMFC on the adequacy of IMF resources, the distribution of quotas and the strengthening of Fund governance is to be prepared for its next meeting. We requested the Boards of the Bank and Fund to consider and elaborate upon options with a potential for broad support, taking account of shareholder and institutional implications. On this basis, we will pursue our discussions of these matters and requested a progress report for our next meeting.

10. We welcomed the progress made on the HIPC Initiative and reconfirmed our commitment to its implementation and full financing. We recalled that achievement of long-term debt sustainability will require actions on the part of HIPC countries as well as development partners to complement debt relief under the enhanced HIPC Initiative. We also recalled that within existing guidelines, additional relief can be provided at the completion point, on a case-by-case basis. We welcomed the donor community pledges to close the financing gap in the HIPC Trust Fund and urged donors to translate these into concrete contributions in the coming months. We welcomed the recent paper by the Bank and the Fund that reviewed the difficult issues of creditor participation, including HIPC-to-HIPC debt relief and creditor litigation, and welcomed the decision by the Bank to explore options to assist with HIPC-to-HIPC debt. We once again reiterated the request that all official bilateral and commercial creditors that have not yet done so participate in the HIPC Initiative. We look forward to reviewing implementation, including any difficulties encountered in reaching decision and completion points, at our next meeting.

11. We noted that the present situation in Iraq poses significant challenges, with an urgent need to restore security, relieve human suffering, and promote economic growth and poverty reduction. We support a further UN Security Council resolution. We further note that engagement by the international community, including the Bretton Woods institutions, would be essential for sustained economic, social, and political development in Iraq, recognizing that the Iraqi people have the responsibility to implement the right policies and build their own future. The World Bank and the IMF stand ready to play their normal role in Iraq's redevelopment at the appropriate time. They will also monitor closely the impact of the conflict on all their members and stand ready to help and support those adversely affected. It is important to address the debt issue, and we look forward to early engagement of the Paris Club.

12. The next meeting of the Development Committee will be held in Dubai, United Arab Emirates, on September 22, 2003.

Executive Directors and Voting Power on April 30, 2003

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Appointed				
Nancy P. Jacklin *Meg Lundsager*	United States	371,743	371,743	17.11
Ken Yagi *Haruyuki Toyama*	Japan	133,378	133,378	6.14
Karlheinz Bischofberger *Ruediger von Kleist*	Germany	130,332	130,332	6.00
Pierre Duquesne *Sébastien Boitreaud*	France	107,635	107,635	4.95
Tom Scholar *Martin A. Brooke*	United Kingdom	107,635	107,635	4.95
Elected				
Willy Kiekens	Austria	18,973		
(Belgium)	Belarus	4,114		
Johann Prader	Belgium	46,302		
(Austria)	Czech Republic	8,443		
	Hungary	10,634		
	Kazakhstan	3,907		
	Luxembourg	3,041		
	Slovak Republic	3,825		
	Slovenia	2,567		
	Turkey	9,890	111,696	5.14
Jeroen Kremers	Armenia	1,170		
(Netherlands)	Bosnia and Herzegovina	1,941		
Yuriy G. Yakusha	Bulgaria	6,652		
(Ukraine)	Croatia	3,901		
	Cyprus	1,646		
	Georgia	1,753		
	Israel	9,532		
	Macedonia, former Yugoslav Republic of	939		
	Moldova	1,482		
	Netherlands	51,874		
	Romania	10,552		
	Ukraine	13,970	105,412	4.85
Hernán Oyarzábal	Costa Rica	1,891		
(República Bolivariana	El Salvador	1,963		
de Venezuela)	Guatemala	2,352		
Mario Beauregard	Honduras	1,545		
(Mexico)	Mexico	26,108		
	Nicaragua	1,550		
	Spain	30,739		
	Venezuela, República Bolivariana de	26,841	92,989	4.28
Pier Carlo Padoan	Albania	737		
(Italy)	Greece	8,480		
Harilaos Vittas	Italy	70,805		
(Greece)	Malta	1,270		
	Portugal	8,924		
	San Marino	420		
	Timor-Leste	332	90,968	4.19

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Elected ***(continued)***				
Ian E. Bennett	Antigua and Barbuda	385		
(Canada)	Bahamas, The	1,553		
Nioclás A. O'Murchú	Barbados	925		
(Ireland)	Belize	438		
	Canada	63,942		
	Dominica	332		
	Grenada	367		
	Ireland	8,634		
	Jamaica	2,985		
	St. Kitts and Nevis	339		
	St. Lucia	403		
	St. Vincent and the Grenadines	333	80,636	3.71
Vilhjálmur Egilsson	Denmark	16,678		
(Iceland)	Estonia	902		
Benny Andersen	Finland	12,888		
(Denmark)	Iceland	1,426		
	Latvia	1,518		
	Lithuania	1,692		
	Norway	16,967		
	Sweden	24,205	76,276	3.51
Michael J. Callaghan	Australia	32,614		
(Australia)	Kiribati	306		
Michael H. Reddell	Korea	16,586		
(New Zealand)	Marshall Islands	285		
	Micronesia, Federated States of	301		
	Mongolia	761		
	New Zealand	9,196		
	Palau	281		
	Papua New Guinea	1,566		
	Philippines	9,049		
	Samoa	366		
	Seychelles	338		
	Solomon Islands	354		
	Vanuatu	420	72,423	3.33
Sulaiman M. Al-Turki	Saudi Arabia	70,105	70,105	3.23
(Saudi Arabia)				
Abdallah S. Alazzaz				
(Saudi Arabia)				
Sri Mulyani Indrawati	Brunei Darussalam	2,402		
(Indonesia)	Cambodia	1,125		
Ismail Alowi	Fiji	953		
(Malaysia)	Indonesia	21,043		
	Lao People's Democratic Republic	779		
	Malaysia	15,116		
	Myanmar	2,834		
	Nepal	963		
	Singapore	8,875		
	Thailand	11,069		
	Tonga	319		
	Vietnam	3,541	69,019	3.18
Ismaila Usman	Angola	3,113		
(Nigeria)	Botswana	880		
Peter J. Ngumbullu	Burundi	1,020		
(Tanzania)	Eritrea	409		
	Ethiopia	1,587		
	Gambia, The	561		
	Kenya	2,964		
	Lesotho	599		
	Malawi	944		
	Mozambique	1,386		
	Namibia	1,615		
	Nigeria	17,782		
	Sierra Leone	1,287		

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Elected ***(continued)***				
	South Africa	18,935		
	Sudan	1,947		
	Swaziland	757		
	Tanzania	2,239		
	Uganda	2,055		
	Zambia	5,141		
	Zimbabwe	3,784	69,005	3.18
A. Shakour Shaalan	Bahrain	1,600		
(Egypt)	Egypt	9,687		
Oussama T. Kanaan	Iraq	5,290		
(Jordan)	Jordan	1,955		
	Kuwait	14,061		
	Lebanon	2,280		
	Libya	11,487		
	Maldives	332		
	Oman	2,190		
	Qatar	2,888		
	Syrian Arab Republic	3,186		
	United Arab Emirates	6,367		
	Yemen, Republic of	2,685	64,008	2.95
WEI Benhua	China	63,942	63,942	2.94
(China)				
WANG Xiaoyi				
(China)				
Fritz Zurbrügg	Azerbaijan	1,859		
(Switzerland)	Kyrgyz Republic	1,138		
Wieslaw Szczuka	Poland	13,940		
(Poland)	Serbia and Montenegro	4,927		
	Switzerland	34,835		
	Tajikistan	1,120		
	Turkmenistan	1,002		
	Uzbekistan	3,006	61,827	2.85
Aleksei V. Mozhin	Russia	59,704	59,704	2.75
(Russia)				
Andrei Lushin				
(Russia)				
Murilo Portugal	Brazil	30,611		
(Brazil)	Colombia	7,990		
Roberto Steiner	Dominican Republic	2,439		
(Colombia)	Ecuador	3,273		
	Guyana	1,159		
	Haiti	857		
	Panama	2,316		
	Suriname	1,171		
	Trinidad and Tobago	3,606	53,422	2.46
Abbas Mirakhor	Afghanistan	1,454		
(Islamic Republic of Iran)	Algeria	12,797		
Mohammed Daïri	Ghana	3,940		
(Morocco)	Iran, Islamic Republic of	15,222		
	Morocco	6,132		
	Pakistan	10,587		
	Tunisia	3,115	53,247	2.45
Yaga V. Reddy	Bangladesh	5,583		
(India)	Bhutan	313		
R.A. Jayatissa	India	41,832		
(Sri Lanka)	Sri Lanka	4,384	52,112	2.40
Guillermo Le Fort	Argentina	21,421		
(Chile)	Bolivia	1,965		
A. Guillermo Zoccali	Chile	8,811		
(Argentina)	Paraguay	1,249		
	Peru	6,634		
	Uruguay	3,315	43,395	2.00

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Elected ***(continued)***				
Damian Ondo Mañe	Benin	869		
(Equatorial Guinea)	Burkina Faso	852		
Laurean W. Rutayisire	Cameroon	2,107		
(Rwanda)	Cape Verde	346		
	Central African Republic	807		
	Chad	810		
	Comoros	339		
	Congo, Democratic Republic of	5,580		
	Congo, Republic of	1,096		
	Côte d'Ivoire	3,502		
	Djibouti	409		
	Equatorial Guinea	576		
	Gabon	1,793		
	Guinea	1,321		
	Guinea-Bissau	392		
	Madagascar	1,472		
	Mali	1,183		
	Mauritania	894		
	Mauritius	1,266		
	Niger	908		
	Rwanda	1,051		
	São Tomé and Príncipe	324		
	Senegal	1,868		
	Togo	984	30,749	1.41
			2,171,658[3,4]	99.92[5]

[1]Voting power varies on certain matters pertaining to the General Department with use of the IMF's resources in that Department.

[2]Percentages of total votes of 2,173,313 in the General Department and the Special Drawing Rights Department.

[3]This total does not include the votes of Somalia, which did not participate in the 2000 and 2002 Regular Election of Executive Directors. The total votes of this member are 692—0.03 percent of those in the General Department and Special Drawing Rights Department.

[4]This total does not include the votes of Liberia, which was suspended effective March 5, 2003, pursuant to Article XXVI, Section 2 *(b)* of the Articles of Agreement. The total votes of this member are 963—0.04 percent of those in the General Department and Special Drawing Rights Department.

[5]This figure may differ from the sum of the percentages shown for individual Directors because of rounding.

APPENDIX VIII

Changes in Membership of the Executive Board

Changes in the membership of the Executive Board between May 1, 2002, and April 30, 2003, were as follows:

Fernando Varela (Spain) relinquished his duties as Executive Director for Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, and Venezuela, effective June 30, 2002.

Hernán Oyarzábal (Venezuela), formerly Alternate Executive Director to Fernando Varela (Spain), was elected Executive Director by Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, and Venezuela, effective July 1, 2002.

Fernando Varela (Spain) was appointed Alternate Executive Director to Hernán Oyarzábal (Venezuela), effective July 1, 2002.

Vijay L. Kelkar (India) relinquished his duties as Executive Director for Bangladesh, Bhutan, India, and Sri Lanka, effective July 31, 2002.

Roberto Junguito (Colombia) relinquished his duties as Alternate Executive Director to Murilo Portugal (Brazil), effective July 31, 2002.

Yaga V. Reddy (India) was elected Executive Director by Bangladesh, Bhutan, India, and Sri Lanka on August 1, 2002.

Roberto Steiner (Colombia) was appointed Alternate Executive Director to Murilo Portugal (Brazil), effective August 26, 2002.

Ahmed Saleh Alosaimi (Saudi Arabia) relinquished his duties as Alternate Executive Director to Sulaiman Al-Turki (Saudi Arabia), effective September 12, 2002.

Abdallah S. Alazzaz (Saudi Arabia) was appointed Alternate Executive Director to Sulaiman Al-Turki (Saudi Arabia), effective September 13, 2002.

Alexandre Barro Chambrier (Gabon) completed his term of service as Executive Director for Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Republic of Congo, Côte d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, São Tomé and Príncipe, Senegal, and Togo, effective October 31, 2002.

Mohamad B. Chatah (Lebanon) relinquished his duties as Alternate Executive Director to A. Shakour Shaalan (Egypt), effective October 31, 2002.

Roberto Cippà (Switzerland) completed his term of service as Executive Director for Azerbaijan, Kyrgyz Republic, Poland, Serbia and Montenegro, Switzerland, Tajikistan, Turkmenistan, and Uzbekistan, effective October 31, 2002.

Dono Iskander Djojosubroto (Indonesia) completed his term of service as Executive Director for Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga, and Vietnam, effective October 31, 2002.

Kwok Mun Low (Singapore) relinquished his duties as Alternate Executive Director to Dono Iskander Djojosubroto (Indonesia), effective October 31, 2002.

Cyrus Rustomjee (South Africa) completed his term of service as Executive Director for Angola, Botswana, Burundi, Eritrea, Ethiopia, The Gambia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe, effective October 31, 2002.

Fernando Varela (Spain) relinquished his duties as Alternate Executive Director to Hernán Oyarzábal (Venezuela), effective October 31, 2002.

A. Guillermo Zoccali (Argentina) completed his term of service as Executive Director for Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay, effective October 31, 2002.

Sulaiman Al-Turki (Saudi Arabia) was reelected Executive Director by Saudi Arabia, effective November 1, 2002.

Ian E. Bennett (Canada) was reelected Executive Director by Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, St. Kitts and St. Nevis, St. Lucia, and St. Vincent and the Grenadines, effective November 1, 2002.

Mario Beauregard (Mexico) was appointed Alternate Executive Director to Hernán Oyarzábal (Venezuela), effective November 1, 2002.

Michael J. Callaghan (Australia) was reelected Executive Director by Australia, Kiribati, Korea, Marshall Islands, Federated States of Micronesia, Mongolia, New Zealand, Palau, Papua New Guinea, Philippines, Samoa, Seychelles, Solomon Islands, and Vanuatu, effective November 1, 2002.

Willy Kiekens (Belgium) was reelected Executive Director by Austria, Belarus, Belgium, Czech Republic, Hungary, Kazakhstan, Luxembourg, Slovak Republic, Slovenia, and Turkey, effective November 1, 2002.

Oláfur Ísleifsson (Iceland) was reelected Executive Director by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective November 1, 2002.

Sri Mulyani Indrawati (Indonesia) was elected Executive Director by Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga, and Vietnam, effective November 1, 2002.

Ismail Alowi (Malaysia) was appointed Alternate Executive Director to Sri Mulyani Indrawati (Indonesia), effective November 1, 2002.

Guillermo Le Fort (Chile), formerly Alternate Executive Director to A. Guillermo Zoccali (Argentina), was elected Executive Director by Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay, effective November 1, 2002.

Abbas Mirakhor (Islamic Republic of Iran) was reelected Executive Director by Algeria, Ghana, Islamic Republic of Iran, Morocco, Pakistan, and Tunisia, effective November 1, 2002.

Aleksei V. Mozhin (Russia) was reelected Executive Director by Russia, effective November 1, 2002.

Damian Ondo Mañe (Equatorial Guinea), formerly Alternate Executive Director to Alexandre Barro Chambrier (Gabon), was elected Executive Director by Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Republic of Congo, Côte d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, São Tomé and Príncipe, Senegal, and Togo, effective November 1, 2002.

Hernán Oyarzábal (Venezuela) was elected Executive Director by Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, and Venezuela, effective November 1, 2002.

Pier Carlo Padoan (Italy) was reelected Executive Director by Albania, Greece, Italy, Malta, Portugal, San Marino, and Timor-Leste, effective November 1, 2002.

Murilo Portugal (Brazil) was reelected Executive Director by Brazil, Colombia, Dominican Republic, Ecuador, Guyana, Haiti, Panama, Suriname, and Trinidad and Tobago, effective November 1, 2002.

Yaga V. Reddy (India) was reelected Executive Director by Bangladesh, Bhutan, India, and Sri Lanka, effective November 1, 2002.

Laurean Rutayisire (Rwanda) was appointed Alternate Executive Director to Damian Ondo Mañe (Equatorial Guinea), effective November 1, 2002.

A. Shakour Shaalan (Egypt) was reelected Executive Director by Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Maldives, Oman, Qatar, Syrian Arab Republic, United Arab Emirates, and Yemen, effective November 1, 2002.

Ismaila Usman (Nigeria), formerly Alternate Executive Director to Cyrus Rustomjee (South Africa), was elected Executive Director by Angola, Botswana, Burundi, Eritrea, Ethiopia, The Gambia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe, effective November 1, 2002.

WEI Benhua (China) was reelected Executive Director by China, effective November 1, 2002.

J. de Beaufort Wijnholds (Netherlands) was reelected Executive Director by Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, former Yugoslav Republic of Macedonia, Moldova, Netherlands, Romania, and Ukraine, effective November 1, 2002.

Fritz Zurbrügg (Switzerland) was elected Executive Director by Azerbaijan, Kyrgyz Republic, Poland, Serbia and Montenegro, Switzerland, Tajikistan, Turkmenistan, and Uzbekistan, effective November 1, 2002.

A. Guillermo Zoccali (Argentina) was appointed Alternate Executive Director to Guillermo Le Fort (Chile), effective November 1, 2002.

Peter J. Ngumbullu (Tanzania) was appointed Alternate Executive Director to Ismaila Usman (Nigeria), effective November 4, 2002.

Nancy P. Jacklin (United States) was appointed Executive Director by the United States on December 4, 2002.

Oussama T. Kanaan (Jordan) was appointed Alternate Executive Director to A. Shakour Shaalan, effective January 7, 2003.

J. de Beaufort Wijnholds (Netherlands) relinquished his duties as Executive Director for Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, former Yugoslav Republic of Macedonia, Moldova, Netherlands, Romania, and Ukraine, effective January 14, 2003.

Jeroen Kremers (Netherlands) was elected Executive Director by Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, former Yugoslav Republic of Macedonia, Moldova, Netherlands, Romania, and Ukraine, effective January 15, 2003.

Oláfur Ísleifsson (Iceland) relinquished his duties as Executive Director for Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective January 15, 2003.

Vilhjálmur Egilsson (Iceland) was elected Executive Director by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective January 16, 2003.

Diwa Guinigundo (Philippines) relinquished his duties as Alternate Executive Director to Michael J. Callaghan (Australia), effective March 2, 2003.

Michael H. Reddell (New Zealand) was appointed Alternate Executive Director to Michael J. Callaghan (Australia), effective March 3, 2003.

Hernán Oyarzábal (Venezuela) relinquished his duties as Executive Director for Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, and Venezuela, effective April 30, 2003.

Appendix IX

Financial Statements

April 30, 2003

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Suite 800W
1301 K Street NW
Washington DC 20005
Telephone (202) 414 1000
Facsimile (202) 414 1301

Report of the Independent Accountants

**To the Board of Governors
of the International Monetary Fund:**

In our opinion, the accompanying balance sheets and the related statements of income, changes in resources and cash flows give a true and fair view of the financial condition of the General Department of the International Monetary Fund (the "IMF") as at April 30, 2003 and 2002, and its results of operations and cash flows for the years then ended in conformity with International Accounting Standards. These financial statements are the responsibility of the IMF's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with International Standards on Auditing, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 162 to 167 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

June 16, 2003

General Department

Balance Sheets
as at April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Assets		
Credit outstanding	65,977,977	52,080,697
Usable currencies	97,028,740	102,460,003
Other currencies	47,692,348	54,625,246
Total currencies (Notes 3 and 4)	210,699,065	209,165,946
SDR holdings	962,641	1,484,927
Gold holdings (Note 5)	5,851,771	5,851,771
Receivables (Note 6)	576,570	500,670
Other assets (Notes 7 and 14)	714,092	752,987
Investments held in the Special Disbursement Account (Note 8)	2,590,349	2,537,301
Structural Adjustment Facility loans (Note 3)	136,816	341,692
Total Assets	221,531,304	220,635,294

	2003	2002
Liabilities and Resources		
Liabilities:		
Remuneration payable	244,544	272,187
Other liabilities	140,347	120,750
Special Contingent Account (Note 10)	1,401,019	1,307,019
Total Liabilities	1,785,910	1,699,956
Members' Resources:		
Quotas, represented by:		
Reserve tranche positions (Notes 2 and 4)	68,008,951	55,327,139
Subscription payments: Usable	97,028,740	102,460,003
Other	47,693,609	54,628,758
Total quotas	212,731,300	212,415,900
Reserves of the General Resources Account	4,286,929	3,640,445
Accumulated resources of the Special Disbursement Account	2,727,165	2,878,993
Total Liabilities and Resources	221,531,304	220,635,294

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

/s/ Eduard Brau
Director, Finance Department

/s/ Horst Köhler
Managing Director

General Department

Income Statements
for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Operational Income		
Interest and charges (Note 6)	2,295,250	1,985,921
Interest on SDR holdings	28,038	41,284
Investment income of the Special Disbursement Account	61,431	132,503
Other charges and income (Note 6)	131,629	157,496
	2,516,348	2,317,204
Operational Expenses		
Remuneration (Note 9)	1,201,347	1,293,961
Administrative Expenses (Note 13)	607,086	530,794
	1,808,433	1,824,755
Total Net Income	707,915	492,449
Net Income of the General Department comprises:		
Net Income of the General Resources Account	646,484	359,946
Income of the Special Disbursement Account	61,431	132,503
	707,915	492,449

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

General Department

Statements of Changes in Resources for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	Quotas	General Resources Account Special Reserve	General Resources Account General Reserve	General Resources Account Total Reserves	Special Disbursement Account Accumulated Resources
Balance at April 30, 2001	212,414,900	2,344,982	935,517	3,280,499	2,838,454
Quota subscriptions	1,000	—	—	—	—
Net income	—	46,242	313,704	359,946	132,503
Transfers from the Trust Fund	—	—	—	—	191
Transfers from the Supplementary Financing Facility Subsidy Account	—	—	—	—	103
Transfers to the PRGF Trust	—	—	—	—	(30,658)
Transfers to the PRGF-HIPC Trust	—	—	—	—	(61,600)
Balance at April 30, 2002	212,415,900	2,391,224	1,249,221	3,640,445	2,878,993
Quota subscriptions	315,400	—	—	—	—
Net (loss)/income	—	(9,770)	656,254	646,484	61,431
Transfers to the PRGF Trust	—	—	—	—	(149,259)
Transfers to the PRGF-HIPC Trust	—	—	—	—	(64,000)
Balance at April 30, 2003	212,731,300	2,381,454	1,905,475	4,286,929	2,727,165

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

General Department

Statements of Cash Flows for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Usable currencies and SDRs from operating activities		
Net income	707,915	492,449
Adjustments to reconcile net income to usable resources generated by operations:		
Changes in receivables and other assets	(37,005)	3,948
Changes in remuneration payable and other liabilities	(8,046)	(149,227)
Increase in the Special Contingent Account	94,000	94,000
Unrealized losses on investments	—	24,415
Usable currencies and SDRs from credit to members:		
Purchases in currencies and SDRs, including reserve tranche purchases	(21,783,516)	(29,194,497)
Repurchases in currencies and SDRs	7,783,894	19,207,036
Repayments of Structural Adjustment Facility loans	204,876	90,834
Net usable currencies and SDRs used in operating activities	**(13,037,882)**	**(9,431,042)**
Usable currencies and SDRs from investment activities		
Net acquisition of investments by the Special Disbursement Account	(53,048)	(155,788)
Net usable currencies and SDRs used by investment activities	**(53,048)**	**(155,788)**
Usable currencies and SDRs from financing activities		
Subscription payments in SDRs and usable currencies	78,850	250
Changes in composition of usable currencies	7,271,790	1,532,302
Transfers to the PRGF Trust, PRGF-HIPC Trust, and other accounts	(213,259)	(91,964)
Net usable currencies and SDRs provided by financing activities	**7,137,381**	**1,440,588**
Net decrease in usable currencies and SDRs	(5,953,549)	(8,146,242)
Usable currencies and SDRs, beginning of period	103,944,930	112,091,172
Usable currencies and SDRs, end of period	**97,991,381**	**103,944,930**

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

General Department

Notes to the Financial Statements as at April 30, 2003 and 2002

1. Purpose and Organization

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

General Resources Account

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

Special Disbursement Account

The assets and resources of the SDA are held separately from other accounts of the General Department. Resources of the SDA include transfers received from the Trust Fund, an account administered by the IMF, and part of the proceeds from the sales of the IMF's gold in the past (there were no gold sales in financial year 2003 or 2002). Income from the investment of gold profits in the SDA is to be transferred, as needed, to the Poverty Reduction and Growth Facility–Heavily Indebted Poor Countries Trust (PRGF-HIPC Trust), in accordance with decisions of the IMF. The SDA also holds outstanding loans extended under the Structural Adjustment Facility (SAF), which was established in March 1986 to provide balance of payments assistance on concessional terms to qualifying low-income developing country members.

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

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Revenue and Expense Recognition

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000, and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 U.S. dollars as of April 30, 2002).

Credit Outstanding

The IMF provides balance of payments assistance in accordance with established policies by selling to members, in exchange for their own currencies, SDRs or currencies of other members. When members make purchases, they incur obligations to repurchase the IMF's holdings of their currencies arising from the purchases within specified periods by payments in SDRs or other currencies, as determined by the IMF. Fund credit is subject to specific repayment schedules over periods which vary depending on the type of facility used. Repayment schedules comprise two elements: (i) repurchase expectations, aimed at securing early repayment from members in a position to do so, in keeping with a long-standing principle of the IMF that its resources should be used only as long as there is a balance of payments need, and (ii) repurchase obligations. Repayments on the *expectation* schedules can be extended by a period of up to one year for credit tranche and Supplemental Reserve Facility (SRF) purchases or three years for Extended Fund Facility (EFF) purchases (up to six months for SRF and one year for Contingent Credit Lines (CCL) purchases after February 21, 2003), upon a member's request if its external position is not sufficiently strong.

In financial year 2003, the IMF approved requests from Argentina to extend by one year repurchase expectations amounting to SDR 5.8 billion (one repurchase from Argentina in financial year 2002 for an amount of SDR 741 million was extended by one year). The financial year 2003 extensions include scheduled repurchase expectations in the period from May to August 2003 amounting to SDR 390 million. The IMF also approved requests from Ecuador, Sri Lanka and Uruguay to extend by one year repurchase expectations amounting to SDR 14 million, SDR 52 million and SDR 129 million arising during financial years 2004, 2004 and 2003, respectively.

A member is considered overdue after failure to make payment on a repurchase obligation. Failure to obtain an extension from the IMF for payment according to the repurchase expectations schedule date would result, inter alia, in a suspension of the right to make further purchases, including prospective purchases under an existing arrangement. 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 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 the First Special Contingent Account

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.

Debtor and creditor members share equally the financial consequences of overdue obligations under a mechanism referred to as burden sharing. The IMF recovers amounts equal to unpaid and deferred charges, excluding special charges, by adjusting the rates of charge and remuneration. Members that have borne the financial consequences of overdue charges will receive refunds only to the extent that overdue charges that had given rise to burden sharing adjustments are settled, and these adjustments are therefore not presented as liabilities. In view of the risk resulting from overdue credit, the IMF also accumulates balances in the first Special Contingent Account (SCA-1). In assessing the risk of impairment, the IMF considers balances in the SCA-1. Allocations to the SCA-1 are financed by further adjustments to the rates of charge and remuneration (see Note 10).

Currencies

Currencies consist of members' currencies and securities held by the IMF. Each member has the option to substitute non-negotiable and non-interest-bearing securities for the IMF's holdings of its currency that exceed ¼ of 1 percent of the member's quota. These securities are encashable by the IMF on demand.

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

Usable Currencies

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

Valuation of Currencies

Currencies, including securities, are valued in terms of the SDR on the basis of the currency/SDR exchange rate determined for each currency. Securities are not marketable, but can be converted into cash on demand. Each member is obligated to maintain, in terms of the SDR, the SDR value of the balances of its currency held by the IMF in the GRA. This requirement is referred to as the maintenance-of-value obligation. Whenever the IMF revalues its holdings of a member's currency, a receivable or a payable is established for the amount required to maintain the SDR value of the IMF's holdings of that currency. The currency balances in the balance sheet include these receivables and payables. All currencies were revalued in terms of the SDR on April 30, 2003 and 2002.

SDR Holdings

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

SDR Interest Rate

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

Gold Holdings

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

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

SAF Loans in the Special Disbursement Account

SAF loans in the SDA are held at historical cost. Allowances for loan losses would be established if and when the IMF expected 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. Repayments of all SAF loans are transferred to the PRGF Trust Reserve Account when received.

Investments in the Special Disbursement Account

The resources of the SDA are invested pending their use. Investments are made in debt securities and fixed-term deposits, either directly or by participation in an investment pool. Debt securities comprise securities issued by international financial organizations and domestic government bonds in the euro area, Japan, the United Kingdom and the United States. Investments are marked to market on the last business day of the accounting period. The carrying amounts of investments approximate their fair value. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations. Investment income comprises interest earned on investments, realized and unrealized gains and losses on investments, 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 valuation basket. Risk is further minimized by ensuring that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR valuation basket.

Fixed Assets

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

Quotas

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

Reserve Tranche Position

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

Reserves

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

Charges

The IMF levies periodic charges on members' use of IMF credit. The rate of charge is set as a proportion of the SDR interest rate. For financial year 2003, the basic rate of charge after the retroactive reduction in charges was 123.5 percent (116.4 percent during financial year ended April 30, 2002) 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. The average adjusted rate of charge before applicable surcharges for financial year 2003 was 2.74 percent (for financial year 2002 the average rate was 3.44 percent). A surcharge progressing from 150 to 500 basis points above the rate of charge applies to use of credit under the SRF and the CCL. In addition, credit outstanding in excess of 200 percent of quota, resulting from purchases after November 28, 2000 in the credit tranches and under the EFF (other than those under the SRF and CCL), is subject to a surcharge of 100–200 basis points. Special charges are levied on members' currency holdings that are not repurchased when due and on overdue charges. Special charges do not apply to members that are six months or more overdue to the IMF. A service charge is levied by the IMF on all purchases, except reserve tranche purchases. A refundable commitment fee is charged on Stand-By and Extended Arrangements. At the expiration or cancellation of an arrangement, the unrefunded portion of the commitment fee is taken into income.

Remuneration

The IMF pays interest, referred to as remuneration, on a member's reserve tranche position. The rate of remuneration is equal to the SDR interest rate, adjusted downward to finance a share of the nonpayment of charges and additions to the SCA-1. The average adjusted rate of remuneration for the financial year ended April 30, 2003 was 1.96 percent (2.65

percent for the financial year 2002). A portion of the reserve tranche is unremunerated and is equal to 25 percent of the member's quota on April 1, 1978—that part of the quota that was paid in gold prior to the Second Amendment of the Fund's Articles. For a member that joined the Fund after that date, the unremunerated reserve tranche is the same percentage of its initial quota as the average unremunerated reserve tranche was as a percentage of the quotas of all other members when the new member joined the Fund. The unremunerated reserve tranche remains fixed for each member in nominal terms, but because of subsequent quota increases, it is now significantly lower when expressed as a percentage of quota. The average is equal to 3.8 percent of quota at April 30, 2003 and 2002, but the actual percentage is different for each member.

Pension and Other Post-Retirement Obligations

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

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

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

Comparatives

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

During the current year, the presentation in the income statement of amounts collected for the SCA-1 has been changed. Since these amounts are refundable once arrears to the IMF are cleared, or earlier if the IMF so decides, the amounts are more properly reflected as adjustments to charges collected and remuneration paid. They are therefore no longer included in the income statement. Accordingly, comparative figures in the income statement for the year ended April 30, 2002 have been reclassified as follows: periodic charges have been decreased by SDR 47 million, remuneration has been increased by SDR 47 million and the allocation to the SCA-1 has been decreased by SDR 94 million. These reclassifications do not have any impact on the net income of the IMF for the year ended April 30, 2002.

Further, the operating results of the General Department have been amended to reflect a total revenues presentation for the income of the Special Disbursement Account and the General Resources Account with one single net income for the General Department.

3. Credit Outstanding

Changes in the outstanding use of IMF credit under the various facilities of the GRA during the years ended April 30, 2003 and 2002 were as follows:

	April 30, 2001	Purchases	Repurchases	April 30, 2002	Purchases	Repurchases	April 30, 2003
	In millions of SDRs						
Credit tranches	16,706	17,219	(5,698)	28,227	9,664	(3,993)	33,898
Extended Fund Facility	15,957	959	(1,425)	15,491	1,451	(2,000)	14,942
Supplemental Reserve Facility	4,085	10,891	(9,101)	5,875	10,566	(741)	15,700
Systemic Transformation Facility	1,933	—	(622)	1,311	—	(667)	644
Enlarged Access	430	—	(109)	321	—	(42)	279
Compensatory and Contingency Financing Facility	2,992	—	(2,246)	746	—	(332)	414
Supplementary Financing Facility	116	—	(6)	110	—	(9)	101
Total credit outstanding	42,219	29,069	(19,207)	52,081	21,681	(7,784)	65,978

As of April 30, 2003 and 2002, SDA loans and interest receivable computed at 0.5 percent a year, consisted of the following:

	2003	2002
	In millions of SDRs	
Structural Adjustment Facility loans	137	341
Interest accrued	1	8
Less: interest deferred	(1)	(8)
	137	341

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

Financial Year Ending April 30	General Resources Account	Special Disbursement Account
	In millions of SDRs	
2004	22,837	51
2005	17,476	40
2006	14,478	37
2007	5,656	—
2008	2,464	—
2009 and beyond	2,330	—
Overdue	737	9
Total	65,978	137

As of April 30, 2003 and 2002, use of credit in the GRA by the largest users was as follows:

	2003		2002	
	In millions of SDRs and as a percent of total GRA credit outstanding			
Largest user of credit	18,192	27.6%	14,510	27.9%
Three largest users of credit	45,382	68.8%	32,337	62.1%
Five largest users of credit	56,127	85.1%	41,143	79.0%

The five largest users of credit as of April 30, 2003 were Brazil, Turkey, Argentina, Indonesia, and the Russian Federation. Outstanding credit, by member, is provided in Schedule 1. The concentration of GRA outstanding credit by regional geographical area as of April 30, 2003 and 2002 was as follows:

	2003		2002	
	In millions of SDRs and as a percent of total GRA credit outstanding			
Africa	1,751	2.6%	2,195	4.2%
Asia and Pacific	8,742	13.3%	10,769	20.7%
Europe	7,704	11.7%	9,129	17.5%
Latin America and the Caribbean	30,824	46.7%	15,100	29.0%
Middle East and Turkey	16,957	25.7%	14,888	28.6%
Total	65,978	100%	52,081	100%

Overdue Obligations

At April 30, 2003, six members (as of April 30, 2002, seven members) were six months or more overdue in settling their financial obligations to the IMF. Four (five members as of April 30, 2002) 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 in the General Department were as follows:

	Repurchases and SAF Loans		Charges and SAF Interest	
	2003	2002	2003	2002
	In millions of SDRs			
Total overdue	746	1,033	993	1,055
Overdue for six months or more	726	1,010	982	1,039
Overdue for three years or more	663	977	900	930

The type and duration of the overdue amounts in the General Department as of April 30, 2003, were as follows:

	Repurchases and SAF Loans	Charges and SAF Interest	Total Obligation	Longest Overdue Obligation
	In millions of SDRs			
Liberia	201	245	446	May 1985
Somalia	105	94	199	July 1987
Sudan	357	646	1,003	July 1985
Zimbabwe	83	8	91	February 2001
Total	746	993	1,739	

4. Currencies

Changes in the IMF's holdings of members' currencies for the years ended April 30, 2003 and 2002 were as follows:

	April 30, 2001	Net Change	April 30, 2002	Net Change	April 30, 2003
	In millions of SDRs				
Members' quotas	212,415	1	212,416	315	212,731
Members' outstanding use of IMF credit in the GRA	42,219	9,862	52,081	13,897	65,978
Members' reserve tranche positions in the GRA	(46,733)	(8,594)	(55,327)	(12,682)	(68,009)
Administrative currency balances	3	(7)	(4)	3	(1)
Total currencies	207,904	1,262	209,166	1,533	210,699

Receivables and payables arising from valuation adjustments at April 30, 2003, when all holdings of currencies of members were last revalued, amounted to SDR 20,947 million and SDR 4,985 million, respectively (SDR 17,953 million and SDR 3,648 million, respectively, at April 30, 2002). 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 47,692 million (SDR 54,625 million as of April 30, 2002); of this amount SDR 28,335 million (SDR 28,996 million as of April 30, 2002) represents currencies of members that use IMF credit.

5. Gold Holdings

At April 30, 2003 and 2002, the IMF held 3,217,341 kilograms of gold, equal to 103,439,916 fine ounces of gold, at designated depositories. As of April 30, 2003, the value of the IMF's holdings of gold calculated at the market price was SDR 25.2 billion (SDR 25.1 billion at April 30, 2002).

6. Interest and Charges

As of April 30, 2003, the total holdings on which the IMF levies charges amounted to SDR 65,978 million (SDR 52,081 million as of April 30, 2002). Charges and other receivables due to the IMF as of April 30, 2003 and 2002 were as follows:

	2003	2002
	In millions of SDRs	
Periodic charges	1,568	1,546
Less: deferred income	(996)	(1,053)
	572	493
Other receivables	5	8
Receivables	577	501

Periodic charges for the years ended April 30, 2003 and 2002 consisted of the following:

	2003	2002
	In millions of SDRs	
Periodic charges	2,267	2,002
Adjustments for deferred charges, net of refunds	(28)	17
Settlements of deferred charges above/(below) income deferred	56	(33)
Total periodic charges	2,295	1,986

Interest earned on SAF loans for the years ended April 30, 2003 and 2002 amounted to SDR 8.4 million and SDR 1.1 million, respectively.

Special charges, service charges and the unrefunded commitment fees are included in *Other Charges and Income* which amounted to SDR 132 million (SDR 157 million for the year ended April 30, 2002).

7. Fixed Assets

Other assets include fixed assets, which at both April 30, 2003 and 2002 amounted to SDR 238 million, and consisted of:

	2003	2002
	In millions of SDRs	
Land and buildings	326	314
Equipment	39	45
Total fixed assets	365	359
Less: accumulated depreciation	(127)	(121)
Net fixed assets	238	238

8. Investments

As at April 30, 2003 the investments in the SDA consisted of fixed-term deposits with maturity of less than one year and amounted to SDR 2,590 million (SDR 2,537 million as at April 30, 2002). Fixed-term deposits include cash equivalents amounting to SDR 21 million (SDR 2,166 million as at April 30, 2002) comprising short-term deposits with maturities of less then ninety days.

Investment income for the years ended April 30 included the following:

	2003	2002
	In millions of SDRs	
Interest income	53	96
Realized gains	—	60
Unrealized losses	—	(25)
Total income	53	131

9. Remuneration

At April 30, 2003, total creditor positions on which the IMF paid remuneration amounted to SDR 61,428 million (SDR 48,817 million at April 30, 2002). Remuneration for the years ended April 30, 2003 and 2002 consisted of the following:

	2003	2002
	In millions of SDRs	
Remuneration	1,173	1,311
Adjustments for deferred charges net of refunds	28	(17)
	1,201	1,294

10. Deferred Income and the First Special Contingent Account

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 repurchases and charges, or at such earlier time as the IMF may decide. At April 30, 2003, the balances held in the SCA-1 amounted to SDR 1,401 million (SDR 1,307 million at April 30, 2002).

Cumulative charges, net of settlements, that have been deferred since May 1, 1986 and have resulted in adjustments to charges and remuneration amounted to SDR 810 million at April 30, 2003 (SDR 865 million at April 30, 2002). 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 1,072 million (SDR 994 million at April 30, 2002).

11. Borrowings

Under the General Arrangements to Borrow (GAB), the IMF may borrow up to SDR 18.5 billion when supplementary resources are needed, in particular, to forestall or to cope with an impairment of the international monetary system. The GAB became effective on October 24, 1962, and has been renewed through December 25, 2008. Interest on borrowings under the GAB is 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. In November 2002, the NAB was renewed through November 16, 2008. Interest on borrowings under the NAB is payable to the participants at the SDR interest rate or any such higher rate as may be agreed between the IMF and participants representing 80 percent of the total credit arrangement.

12. Arrangements and Commitments in the General Department

An arrangement is a decision of the IMF that gives a member the assurance that the IMF stands ready to provide SDRs or usable currencies during a specified period and up to a specified amount, in accordance with the terms of the arrangement. Credit under these arrangements is subject to interest and charges that are uniform to all members and that reflect the cost to the IMF of financing such credit, plus a margin. In addition, certain surcharges may apply. At April 30, 2003, the undrawn balances under the 18 arrangements that were in effect in the GRA amounted to SDR 23,620 million (SDR 26,908 million under 17 arrangements at April 30, 2002).

The IMF has committed to lease commercial office space through 2005. Expenditures totaling SDR 15 million will be incurred over this period.

13. Administrative Expenses

The administrative expenses for the years ended April 30, 2003 and 2002 were as follows:

	2003	2002
	In millions of SDRs	
Personnel	370	338
Pension and other related expenses	79	5
Travel	72	73
Other	88	117
Less: reimbursements for the administration of the SDR Department	(2)	(2)
Total administrative expenses, net of reimbursements	607	531

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

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

The GRA is to be reimbursed annually for expenses incurred in administering the SDA and the PRGF Trust. Following the establishment of the SRF and CCL and the consequent increase in net operational income, the Executive Board decided to forgo reimbursement of the expenses incurred in administering the PRGF Trust for financial years 2003 and 2002 and to transfer the amounts that would otherwise have been reimbursed to the GRA from the PRGF Trust Reserve Account, through the SDA, to the PRGF-HIPC Trust. These transfers amounted to SDR 64.0 million for financial year 2003 (SDR 61.6 million for financial year 2002) and have been included under transfers to the PRGF-HIPC Trust in the statement of income and changes in resources.

14. Pension and Other Post-Retirement Benefits

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

In December 2002, a plan amendment was adopted to allow certain periods of past employment to qualify for determination of participants' benefits in the SRP and the SRBP. This plan amendment will become operational in financial year 2004 and the estimated liability resulting from the amendment has been recognized in the actuarial valuation (SDR 32 million).

The obligations of the SRP, SRBP, and RSBIA are valued by independent actuaries every year using the Projected Unit Credit Method. The latest actuarial valuations were carried out as at April 30, 2003. The key assumptions used are as shown below. The present value of the defined-benefit obligation and current service cost was calculated using the Projected Unit Credit Method.

Amounts recognized in the balance sheet are as follows:

	2003				2002
	SRP	SRBP	RSBIA	Total	Total
	In millions of SDRs				
Fair value of plan assets	2,478	—	269	2,747	3,099
Present value of the defined benefit obligation	(1,934)	(99)	(421)	(2,454)	(2,884)
Unrecognized actuarial gains/(losses)	216	(41)	(76)	99	242
Unrecognized prior service cost	14	18	11	43	13
Net balance sheet asset/(liability)	774	(122)	(217)	435	470

Movement in the net balance sheet asset:

	2003				2002
	SRP	SRBP	RSBIA	Total	Total
	In millions of SDRs				
Net balance sheet asset/(liability), beginning of year	778	(108)	(200)	470	431
Income/(expense) recognized in income statement	(21)	(18)	(40)	(79)	(5)
Contributions paid	17	4	23	44	44
Net balance sheet asset/(liability), end of year	774	(122)	(217)	435	470

The expense recognized in the income statement includes SDR 40 million which represents the effect of a change in the actuarial cost resulting from a revision in some participants' data. This expense relates for the most part to the present value of the defined benefit obligation as originally estimated when IAS 19 was introduced in financial year 2000. The amounts recognized in the income statements are as follows:

	2003				2002
	SRP	SRBP	RSBIA	Total	Total
	In millions of SDRs				
Current service cost	69	12	25	106	116
Interest cost	158	8	37	203	186
Expected loss on assets	(248)	—	(26)	(274)	(295)
Amortization of actuarial loss/(gain)	—	—	2	2	(2)
Prior service cost	42	(2)	2	42	—
Total (income)/expense recognized in income statement	21	18	40	79	5
Actual (loss)/return on assets	(75)	0	3	(72)	(79)

Principal actuarial assumptions used:

	2003	2002
	In percent	
Discount rate	6.5	7.5
Expected return on plan assets	8.3	9.3
Future salary increases	4.0–6.75	6.4–10.8
Ultimate health care costs growth rates	4.0	5.5

Schedule 1

General Department

Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions, and Members' Use of Resources as at April 30, 2003

(In thousands of SDRs)

	General Resources Account				Credit Outstanding				
		IMF's holdings of currencies[1]			GRA				
Member	Quota	Total	Percent of quota	Reserve tranche position	Amount (A)	Percent[2]	+ SDA[3] (B)	+ PRGF Trust[4] (C)	= Total[5] (D)
Afghanistan, Islamic State of	120,400	119,688	99.4	728	—	—	—	—	—
Albania	48,700	45,350	93.1	3,355	—	—	—	61,229	61,229
Algeria	1,254,700	2,056,781	163.9	85,082	887,161	1.34	—	—	887,161
Angola	286,300	286,445	100.1	—	—	—	—	—	—
Antigua and Barbuda	13,500	13,499	100.0	6	—	—	—	—	—
Argentina	2,117,100	12,724,723	601.0	25	10,607,635	16.08	—	—	10,607,635
Armenia, Republic of	92,000	104,661	113.8	—	12,656	0.02	—	135,850	148,506
Australia	3,236,400	1,793,188	55.4	1,443,222	—	—	—	—	—
Austria	1,872,300	1,124,310	60.0	748,015	—	—	—	—	—
Azerbaijan	160,900	250,811	155.9	10	89,911	0.14	—	91,856	181,767
Bahamas, The	130,300	124,063	95.2	6,239	—	—	—	—	—
Bahrain, Kingdom of	135,000	66,099	49.0	68,932	—	—	—	—	—
Bangladesh	533,300	557,650	104.6	186	24,531	0.04	—	—	24,531
Barbados	67,500	62,594	92.7	4,916	—	—	—	—	—
Belarus, Republic of	386,400	415,608	107.6	20	29,208	0.04	—	—	29,208
Belgium	4,605,200	2,759,904	59.9	1,845,300	—	—	—	—	—
Belize	18,800	14,562	77.5	4,239	—	—	—	—	—
Benin	61,900	59,721	96.5	2,188	—	—	350	53,290	53,640
Bhutan	6,300	5,280	83.8	1,020	—	—	—	—	—
Bolivia	171,500	205,518	119.8	8,875	42,880	0.06	—	140,300	183,180
Bosnia and Herzegovina	169,100	261,009	154.4	—	91,904	0.14	—	—	91,904
Botswana	63,000	37,399	59.4	25,601	—	—	—	—	—
Brazil	3,036,100	21,228,575	699.2	—	18,191,872	27.57	—	—	18,191,872
Brunei Darussalam	215,200	157,127	73.0	58,288	—	—	—	—	—
Bulgaria	640,200	1,401,612	218.9	32,778	794,170	1.20	—	—	794,170
Burkina Faso	60,200	52,937	87.9	7,264	—	—	3,476	85,590	89,066
Burundi	77,000	86,266	112.0	360	9,625	0.01	—	—	9,625
Cambodia	87,500	88,021	100.6	—	521	—	—	75,300	75,821
Cameroon	185,700	185,125	99.7	613	—	—	—	223,098	223,098
Canada	6,369,200	3,663,916	57.5	2,705,292	—	—	—	—	—
Cape Verde	9,600	9,596	100.0	5	—	—	—	2,460	2,460
Central African Republic	55,700	55,569	99.8	134	—	—	—	24,480	24,480
Chad	56,000	55,719	99.5	282	—	—	—	77,281	77,281
Chile	856,100	474,057	55.4	382,045	—	—	—	—	—
China	6,369,200	3,625,683	56.9	2,743,564	—	—	—	—	—
Colombia	774,000	488,202	63.1	285,803	—	—	—	—	—
Comoros	8,900	8,362	94.0	540	—	—	270	—	270
Congo, Democratic Republic of	533,000	533,000	100.0	—	—	—	—	446,667	446,667
Congo, Republic of	84,600	95,558	113.0	536	11,480	0.02	—	9,727	21,207
Costa Rica	164,100	144,113	87.8	20,000	—	—	—	—	—
Côte d'Ivoire	325,200	324,721	99.9	482	—	—	—	355,099	355,099
Croatia, Republic of	365,100	364,943	100.0	159	—	—	—	—	—
Cyprus	139,600	90,492	64.8	49,115	—	—	—	—	—
Czech Republic	819,300	619,941	75.7	199,364	—	—	—	—	—
Denmark	1,642,800	928,518	56.5	714,288	—	—	—	—	—
Djibouti	15,900	15,699	98.7	1,100	899	—	—	13,630	14,529
Dominica	8,200	10,242	124.9	9	2,050	—	—	—	2,050
Dominican Republic	218,900	233,786	106.8	3	14,888	0.02	—	—	14,888
Ecuador	302,300	542,079	179.3	17,153	256,930	0.39	—	—	256,930
Egypt	943,700	943,716	100.0	—	—	—	—	—	—

Schedule 1 *(continued)*

	General Resources Account				Credit Outstanding				
		IMF's holdings of currencies[1]			GRA				
Member	Quota	Total	Percent of quota	Reserve tranche position	Amount (A)	Percent[2]	+ SDA[3] (B)	+ PRGF Trust[4] (C)	= Total[5] (D)
El Salvador	171,300	171,303	100.0	—	—	—	—	—	—
Equatorial Guinea	32,600	32,609	100.0	—	—	—	443	109	552
Eritrea	15,900	15,900	100.0	5	—	—	—	—	—
Estonia, Republic of	65,200	65,195	100.0	6	—	—	—	—	—
Ethiopia	133,700	126,520	94.6	7,188	—	—	7,766	94,056	101,822
Fiji	70,300	55,209	78.5	15,126	—	—	—	—	—
Finland	1,263,800	757,025	59.9	506,862	—	—	—	—	—
France	10,738,500	6,388,793	59.5	4,349,862	—	—	—	—	—
Gabon	154,300	203,658	132.0	179	49,531	0.08	—	—	49,531
Gambia, The	31,100	29,618	95.2	1,485	—	—	—	23,500	23,500
Georgia	150,300	171,113	113.8	10	20,813	0.03	—	193,800	214,613
Germany	13,008,200	7,758,331	59.6	5,249,939	—	—	—	—	—
Ghana	369,000	369,004	100.0	—[6]	—	—	—	264,545	264,545
Greece	823,000	500,550	60.8	322,451	—	—	—	—	—
Grenada	11,700	14,631	125.1	—	2,930	—	—	—	2,930
Guatemala	210,200	210,206	100.0	—	—	—	—	—	—
Guinea	107,100	107,026	99.9	75	—	—	—	99,000	99,000
Guinea-Bissau	14,200	17,040	120.0	—[6]	2,840	—	—	13,349	16,189
Guyana	90,900	90,902	100.0	—	—	—	492	65,768	66,260
Haiti	60,700	66,323	109.3	68	5,691	0.01	—	12,140	17,831
Honduras	129,500	138,687	107.1	8,627	17,813	0.03	—	119,148	136,961
Hungary	1,038,400	574,794	55.4	463,607	—	—	—	—	—
Iceland	117,600	99,016	84.2	18,585	—	—	—	—	—
India	4,158,200	3,669,344	88.2	488,881	—	—	—	—	—
Indonesia	2,079,300	8,402,605	404.1	145,500	6,468,801	9.80	—	—	6,468,801
Iran, Islamic Republic of	1,497,200	1,497,204	100.0	—	—	—	—	—	—
Iraq	504,000	504,013	100.0	—	—	—	—	—	—
Ireland	838,400	492,535	58.7	345,870	—	—	—	—	—
Israel	928,200	596,198	64.2	332,009	—	—	—	—	—
Italy	7,055,500	4,073,766	57.7	2,981,734	—	—	—	—	—
Jamaica	273,500	288,092	105.3	—	14,542	0.02	—	—	14,542
Japan	13,312,800	7,769,164	58.4	5,544,900	—	—	—	—	—
Jordan	170,500	500,747	293.7	52	330,297	0.50	—	—	330,297
Kazakhstan, Republic of	365,700	365,700	100.0	5	—	—	—	—	—
Kenya	271,400	258,795	95.4	12,612	—	—	—	64,616	64,616
Kiribati	5,600	5,601	100.0	5	—	—	—	—	—
Korea	1,633,600	1,222,627	74.8	411,069	—	—	—	—	—
Kuwait	1,381,100	815,983	59.1	565,125	—	—	—	—	—
Kyrgyz Republic	88,800	88,800	100.0	5	—	—	—	138,351	138,351
Lao People's Democratic Republic	52,900	52,900	100.0	—	—	—	—	30,011	30,011
Latvia, Republic of	126,800	136,296	107.5	55	9,531	0.01	—	—	9,531
Lebanon	203,000	184,168	90.7	18,833	—	—	—	—	—
Lesotho	34,900	31,361	89.9	3,543	—	—	—	15,133	15,133
Liberia	71,300	272,062	381.6	28	200,781	0.30	—	—	223,671
Libya	1,123,700	728,206	64.8	395,505	—	—	—	—	—
Lithuania, Republic of	144,200	186,018	129.0	16	41,831	0.06	—	—	41,831
Luxembourg	279,100	166,762	59.7	112,348	—	—	—	—	—
Macedonia, former Yugoslav Republic of	68,900	87,619	127.2	—	18,717	0.03	—	27,185	45,902
Madagascar	122,200	122,174	100.0	27	—	—	—	108,653	108,653
Malawi	69,400	84,462	121.7	2,290	17,350	0.03	—	50,117	67,467
Malaysia	1,486,600	877,957	59.1	608,649	—	—	—	—	—
Maldives	8,200	6,646	81.0	1,554	—	—	—	—	—
Mali	93,300	84,457	90.5	8,846	—	—	508	121,069	121,577
Malta	102,000	61,741	60.5	40,261	—	—	—	—	—
Marshall Islands	3,500	3,500	100.0	1	—	—	—	—	—

Schedule 1 *(continued)*

	General Resources Account				Credit Outstanding				
		IMF's holdings of currencies[1]			GRA				
Member	Quota	Total	Percent of quota	Reserve tranche position	Amount (A)	Percent[2]	+ SDA[3] (B)	+ PRGF Trust[4] (C)	= Total[5] (D)
Mauritania	64,400	64,406	100.0	—	—	—	—	77,500	77,500
Mauritius	101,600	87,125	85.8	14,476	—	—	—	—	—
Mexico	2,585,800	2,279,346	88.1	306,529	—	—	—	—	—
Micronesia, Federated States of	5,100	5,100	100.0	1	—	—	—	—	—
Moldova, Republic of	123,200	203,200	164.9	5	80,000	0.12	—	27,720	107,720
Mongolia	51,100	51,017	99.8	85	—	—	—	29,298	29,298
Morocco	588,200	517,760	88.0	70,441	—	—	—	—	—
Mozambique	113,600	113,600	100.0	7	—	—	—	144,375	144,375
Myanmar	258,400	258,402	100.0	—	—	—	—	—	—
Namibia	136,500	136,458	100.0	45	—	—	—	—	—
Nepal	71,300	65,557	91.9	5,746	—	—	—	1,679	1,679
Netherlands	5,162,400	3,018,010	58.5	2,144,401	—	—	—	—	—
New Zealand	894,600	530,258	59.3	364,357	—	—	—	—	—
Nicaragua	130,000	130,010	100.0	—	—	—	—	128,291	128,291
Niger	65,800	57,240	87.0	8,561	—	—	—	76,344	76,344
Nigeria	1,753,200	1,753,121	100.0	143	—	—	—	—	—
Norway	1,671,700	945,469	56.6	726,247	—	—	—	—	—
Oman	194,000	114,968	59.3	79,090	—	—	—	—	—
Pakistan	1,033,700	1,744,395	168.8	118	710,812	1.08	—	737,640	1,448,452
Palau	3,100	3,100	100.0	1	—	—	—	—	—
Panama	206,600	230,585	111.6	11,860	35,833	0.05	—	—	35,833
Papua New Guinea	131,600	216,778	164.7	368	85,540	0.13	—	—	85,540
Paraguay	99,900	78,428	78.5	21,475	—	—	—	—	—
Peru	638,400	745,433	116.8	—	107,000	0.16	—	—	107,000
Philippines	879,900	1,881,914	213.9	87,276	1,089,282	1.65	—	—	1,089,282
Poland, Republic of	1,369,000	855,136	62.5	513,864	—	—	—	—	—
Portugal	867,400	514,358	59.3	353,082	—	—	—	—	—
Qatar	263,800	155,709	59.0	108,092	—	—	—	—	—
Romania	1,030,200	1,393,613	135.3	—	363,408	0.55	—	—	363,408
Russian Federation	5,945,400	10,220,142	171.9	1,184	4,275,896	6.48	—	—	4,275,896
Rwanda	80,100	80,113	100.0	—	—	—	—	62,454	62,454
St. Kitts and Nevis	8,900	9,429	105.9	82	609	—	—	—	609
St. Lucia	15,300	15,295	100.0	7	—	—	—	—	—
St. Vincent and the Grenadines	8,300	7,800	94.0	500	—	—	—	—	—
Samoa	11,600	10,918	94.1	693	—	—	—	—	—
San Marino, Republic of	17,000	12,900	75.9	4,101	—	—	—	—	—
São Tomé and Príncipe	7,400	7,403	100.0	—[6]	—	—	—	1,902	1,902
Saudi Arabia	6,985,500	4,230,520	60.6	2,754,983	—	—	—	—	—
Senegal	161,800	160,345	99.1	1,457	—	—	—	178,158	178,158
Serbia and Montenegro	467,700	984,639	210.5	—	516,925	0.78	—	—	516,925
Seychelles	8,800	8,799	100.0	1	—	—	—	—	—
Sierra Leone	103,700	103,685	100.0	24	—	—	5,404	109,069	114,473
Singapore	862,500	496,791	57.6	365,867	—	—	—	—	—
Slovak Republic	357,500	357,505	100.0	—	—	—	—	—	—
Slovenia, Republic of	231,700	136,124	58.8	95,587	—	—	—	—	—
Solomon Islands	10,400	9,852	94.7	550	—	—	—	—	—
Somalia	44,200	140,907	318.8	—	96,701	0.15	8,840	—	112,004
South Africa	1,868,500	1,868,077	100.0	425	—	—	—	—	—
Spain	3,048,900	1,840,214	60.4	1,208,691	—	—	—	—	—
Sri Lanka	413,400	586,277	141.8	47,818	220,670	0.34	—	55,190	275,860
Sudan	169,700	526,647	310.3	11	356,927	0.54	—	—	416,155
Suriname	92,100	85,976	93.4	6,125	—	—	—	—	—
Swaziland	50,700	44,154	87.1	6,552	—	—	—	—	—
Sweden	2,395,500	1,362,919	56.9	1,032,588	—	—	—	—	—
Switzerland	3,458,500	1,983,225	57.3	1,475,292	—	—	—	—	—

Schedule 1 *(concluded)*

	General Resources Account				Credit Outstanding				
		IMF's holdings of currencies[1]			GRA				
Member	Quota	Total	Percent of quota	Reserve tranche position	Amount (A)	Percent[2]	+ SDA[3] (B)	+ PRGF Trust[4] (C)	= Total[5] (D)
Syrian Arab Republic	293,600	293,603	100.0	5	—	—	—	—	—
Tajikistan, Republic of	87,000	87,000	100.0	2	—	—	—	60,960	60,960
Tanzania	198,900	188,903	95.0	9,999	—	—	—	293,878	293,878
Thailand	1,081,900	1,219,383	112.7	20	137,500	0.21	—	—	137,500
Timor-Leste, The Democratic Republic of	8,200	8,200	100.0	1	—	—	—	—	—
Togo	73,400	73,095	99.6	305	—	—	—	35,838	35,838
Tonga	6,900	5,195	75.3	1,712	—	—	—	—	—
Trinidad and Tobago	335,600	249,238	74.3	86,366	—	—	—	—	—
Tunisia	286,500	266,335	93.0	20,167	—	—	—	—	—
Turkey	964,000	17,433,968	1,808.5	112,775	16,582,740	25.13	—	—	16,582,740
Turkmenistan, Republic of	75,200	75,200	100.0	5	—	—	—	—	—
Uganda	180,500	180,506	100.0	—[6]	—	—	—	183,571	183,571
Ukraine	1,372,000	2,689,977	196.1	3	1,317,977	2.00	—	—	1,317,977
United Arab Emirates	611,700	359,134	58.7	252,567	—	—	—	—	—
United Kingdom	10,738,500	6,218,175	57.9	4,520,352	—	—	—	—	—
United States	37,149,300	20,713,655	55.8	16,430,162	—	—	—	—	—
Uruguay	306,500	1,829,532	596.9	—	1,523,025	2.31	—	—	1,523,025
Uzbekistan, Republic of	275,600	317,163	115.1	5	41,563	0.06	—	—	41,563
Vanuatu	17,000	14,506	85.3	2,496	—	—	—	—	—
Venezuela, República Bolivariana de	2,659,100	2,337,199	87.9	321,902	—	—	—	—	—
Vietnam	329,100	333,127	101.2	5	4,027	0.01	—	263,120	267,147
Yemen, Republic of	243,500	287,739	118.2	13	44,250	0.07	—	238,750	283,000
Zambia	489,100	489,101	100.0	18	—	—	109,050	636,529	745,579
Zimbabwe	353,400	470,579	133.2	328	117,505	0.18	—	88,623	206,128
Total	212,731,300	210,699,065		68,008,951	65,977,977	100.00	136,599	6,667,296	72,870,452

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

[2] Represents the percentage used by each member of total use of GRA resources (column A).

[3] The Special Disbursement Account (SDA) of the General Department had financed loans under Structural Adjustment Facility (SAF) and Poverty Reduction Growth Facility (PRGF) arrangements.

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

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

[6] Less than SDR 500.

Schedule 2

General Department

Financial Resources and Liquidity Position in the General Resources Account as at April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Total Resources		
Currencies	210,699,065	209,165,946
SDR holdings	962,641	1,484,927
Gold holdings	5,851,771	5,851,771
Other assets[1]	905,771	860,720
Total resources	218,419,248	217,363,364
Less: **Non-Usable Resources**[2]	120,427,867	113,418,434
of which: Credit outstanding	65,977,977	52,080,697
Equals: **Usable Resources**[3]	97,991,381	103,944,930
Less: **Undrawn balances under GRA arrangements**[4]	23,620,403	26,695,937
Equals: **Uncommitted usable resources**	74,370,978	77,248,993
Plus: **Repurchases one year forward**[5]	19,066,175	12,511,585
Less: **Prudential balance**[6]	32,612,340	30,932,860
Equals: **One year forward commitment capacity (FCC)**[7]	60,824,813	58,827,718
Memorandum items:		
Resources available under borrowing arrangements	34,000,000	34,000,000
Quotas of members that finance IMF transactions	163,061,700	154,664,300
Net uncommitted usable resources[8]	60,589,269	64,748,491
Liquid liabilities[9]	68,008,951	55,327,139
Liquidity ratio[10]	89.1%	117.0%

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

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

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

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

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

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

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

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

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

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

Schedule 3

General Department

Status of Arrangements as at April 30, 2003

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Total Amount Agreed	Undrawn Balance
General Resources Account				
Stand-By Arrangements				
Argentina	January 24, 2003	August 31, 2003	2,174,500	1,201,300
Bolivia	April 2, 2003	April 1, 2004	85,750	42,870
Bosnia and Herzegovina	August 2, 2002	November 1, 2003	67,600	36,000
Brazil	September 6, 2002	December 31, 2003	22,821,120[1]	15,215,070
Bulgaria	February 27, 2002	February 26, 2004	240,000	104,000
Colombia	January 15, 2003	January 14, 2005	1,548,000	1,548,000
Croatia, Republic of	February 3, 2003	April 2, 2004	105,880	105,880
Dominica	August 28, 2002	August 27, 2003	3,280	1,230
Ecuador	March 21, 2003	April 20, 2004	151,000	120,800
Jordan	July 3, 2002	July 2, 2004	85,280	74,620
Macedonia, former Yugoslav Republic of	April 30, 2003	June 15, 2004	20,000	20,000
Peru	February 1, 2002	February 29, 2004	255,000	255,000
Romania	October 31, 2001	October 15, 2003	300,000	110,223
Turkey	February 4, 2002	December 31, 2004	12,821,200	2,381,400
Uruguay	April 1, 2002	March 31, 2005	2,128,300[2]	798,100
Total Stand-By Arrangements			42,806,910	22,014,493
Extended Arrangements				
Indonesia	February 4, 2000	December 31, 2003	3,638,000	1,032,180
Serbia and Montenegro	May 14, 2002	May 13, 2005	650,000	450,000
Sri Lanka	April 18, 2003	April 17, 2006	144,400	123,730
Total Extended Arrangements			4,432,400	1,605,910
Total General Resources Account			47,239,310	23,620,403

[1] Includes SDR 7.61 billion available until September 5, 2003 under the Supplemental Reserve Facility, of which SDR 3.8 billion was drawn.
[2] Includes SDR 128 million available under the Supplemental Reserve Facility which has been fully drawn.

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Report of the Independent Accountants

To the Board of Governors
of the International Monetary Fund:

In our opinion, the accompanying balance sheets and the related statements of income and cash flows give a true and fair view of the financial condition of the SDR Department of the International Monetary Fund (the "IMF") as at April 30, 2003 and 2002, and its results of operations and cash flows for the years then ended in conformity with International Accounting Standards. These financial statements are the responsibility of the IMF's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with International Standards on Auditing, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 173 to 178 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

June 16, 2003

SDR Department

Balance Sheets
as at April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002		2003	2002
Assets			**Liabilities**		
Charges receivable	93,221	119,954	Interest payable	93,562	120,458
Overdue assessments and charges (Note 3)	85,849	108,863			
Participants with holdings below allocations (Note 2)			Participants with holdings above allocations (Note 2)		
Allocations	11,967,946	12,484,980	SDR holdings	15,971,257	15,778,796
Less: SDR holdings	3,953,068	3,847,668	*Less:* allocations	9,465,384	8,948,350
Allocations in excess of holdings	8,014,878	8,637,312	Holdings in excess of allocations	6,505,873	6,830,446
			Holdings by the General Resources Account	962,641	1,484,927
			Holdings of SDRs by prescribed holders	631,872	430,298
Total Assets	8,193,948	8,866,129	Total Liabilities	8,193,948	8,866,129

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

/s/ Eduard Brau
Director, Finance Department

/s/ Horst Köhler
Managing Director

SDR Department

Income Statements
for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Revenue		
Net charges from participants with holdings below allocations	173,884	240,177
Assessments on SDR allocations	1,600	2,409
	175,484	242,586
Expenses		
Interest on SDR holdings		
Net interest to participants with holdings above allocations	134,405	186,618
General Resources Account	28,038	41,283
Prescribed holders	11,441	12,276
	173,884	240,177
Administrative expenses	1,600	2,409
	175,484	242,586
Net Income	—	—

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

SDR Department

Statements of Cash Flows
for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Cash flows from operating activities		
Receipts of SDRs		
Transfers among participants and prescribed holders	6,000,803	5,053,550
Transfers from participants to the General Resources Account	4,554,703	3,992,991
Transfers from the General Resources Account to participants and prescribed holders	5,076,989	4,944,808
Total Receipts of SDRs	15,632,495	13,991,349
Uses of SDRs		
Transfers among participants and prescribed holders	5,838,527	4,825,971
Transfers from participants to the General Resources Account	4,524,125	3,937,218
Transfers from the General Resources Account to participants and prescribed holders	5,076,989	4,944,808
Charges paid in the SDR Department	215,704	272,764
Other	(22,850)	10,588
Total Uses of SDRs	15,632,495	13,991,349

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

SDR Department

Notes to the Financial Statements as at April 30, 2003 and 2002

1. Nature of Operations

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

At April 30, 2003, all members of the IMF were participants in the SDR Department. SDRs have been allocated by the IMF to members that are participants in the SDR Department at the time of the allocation in proportion to their quotas in the IMF. Six allocations have been made (in 1970, 1971, 1972, 1979, 1980, and 1981) for a total of SDR 21.4 billion. A proposed amendment of the IMF's Articles of Agreement was approved by the Executive Board in January 1998 to allow for a special one-time allocation of SDRs equal to 21.4 billion. The amendment will enter into force after three-fifths of the members, having 85 percent of the total voting power, have accepted it. Upon termination of participation or liquidation of the SDR Department, the IMF will provide to holders the currencies received from the participants in settlement of their obligations. The IMF is empowered to prescribe certain official entities as holders of SDRs; at April 30, 2003 and 2002, 16 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, its reserve position, or developments in its reserves.

General Allocations and Cancellations of SDRs

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

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 U.S. dollars as of April 30, 2002).

Allocations and Holdings

At April 30, 2003 and 2002, IMF net cumulative allocations to participants totaled SDR 21.4 billion. Participants with holdings in excess of their allocations have established a net claim on the SDR Department, which is represented on the balance sheet as a liability. Participants with holdings below their allocations have used part of their allocations, which results in a net obligation to the SDR Department and is presented as an asset of the SDR Department. Participants' net SDR positions as of April 30, 2003 and 2002 were as follows:

	2003			2002		
	Total	Below Allocations	Above Allocations	Total	Below Allocations	Above Allocations
	In millions of SDRs					
Cumulative allocations	21,433.3	11,967.9	9,465.4	21,433.3	12,485.0	8,948.3
Holdings of SDRs by participants	19,924.4	3,953.1	15,971.3	19,626.4	3,847.7	15,778.7
Net SDR positions	1,508.9	8,014.8	(6,505.9)	1,806.9	8,637.3	(6,830.4)

A summary of SDR holdings is provided below:

	2003	2002
	In millions of SDRs	
Participants	19,924.4	19,626.5
General Resources Account	962.6	1,484.9
Prescribed holders	631.8	430.3
	21,518.8	21,541.7
Less: Overdue charges receivable	85.5	108.4
Total holdings	21,433.3	21,433.3

Administrative Expenses

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

Interest and Charges

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

The rate of interest on the SDR is determined by reference to a combined market interest rate, which is a weighted average of yields or rates on short-term instruments in the capital markets of the euro area, Japan, the United Kingdom, and the United States. The combined market interest rate used to determine the SDR interest rate is calculated each Friday, using the yields or rates of that day. The SDR interest rate, which is set equal to the combined market interest rate, enters into effect on the following Monday and applies through the following Sunday. The average SDR interest rate was 2.07 percent for the year ended April 30, 2003 (2.79 percent for the year ended April 30, 2002).

Overdue Obligations

An allowance for losses resulting from overdue SDR obligations would be created if and when the IMF were to expect a loss to be incurred; no losses have been incurred in the past, and it is the current expectation that no losses will be incurred in the future, and consequently no allowance account has been established.

3. Overdue Assessments and Charges

At April 30, 2003, assessments and charges amounting to SDR 85.8 million were overdue to the SDR Department (SDR 108.9 million at April 30, 2002). At April 30, 2003, four members were six months or more overdue in meeting their financial obligations to the SDR Department (six members at April 30, 2002).

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

	2003	2002
	In millions of SDRs	
Total	85.8	108.9
Overdue for six months or more	83.9	104.2
Overdue for three years or more	68.1	74.2

The amount and duration of arrears as of April 30, 2003 were as follows:

	Total	Longest Overdue Obligation
	In millions of SDRs	
Iraq	52.3	November 1990
Liberia	23.5	April 1986
Somalia	9.9	February 1991
Sudan	0.1	April 1991
Total	85.8	

Schedule 1

SDR Department

Statements of Changes in SDR Holdings for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed Holders	Total 2003	Total 2002
Total holdings, beginning of the year	19,626,464	1,484,927	430,298	21,541,689	21,531,101
Receipts of SDRs					
Transfers among participants and prescribed holders					
Transactions by agreement	2,759,085	—	99,331	2,858,416	3,669,075
Operations					
Loans	464,746	—	—	464,746	250
Settlement of financial obligations	546,849	—	174,770	721,619	290,246
IMF-related operations					
SAF and PRGF loans	771,606	—	—	771,606	267,991
SAF repayments and interest	—	—	159,282	159,282	17,136
Special charges on SAF, PRGF, Trust Fund	—	—	95	95	2
PRGF contributions and payments	84,359	—	414,479	498,838	180,839
PRGF repayments and interest	—	—	334,263	334,263	330,349
HIPC payments	2,830	—	—	2,830	6,726
PRGF-HIPC contributions	1,037	—	25,137	26,174	61,402
SCA-2 refunds	—	—	—	—	1,182
Post-conflict subsidy payments	658	—	—	658	773
Net interest on SDRs	151,111	—	11,165	162,276	227,579
Transfers from participants to the General Resources Account					
Repurchases	—	1,954,711	—	1,954,711	1,630,640
Charges	—	2,505,183	—	2,505,183	2,303,949
Quota payments	—	62,468	—	62,468	250
Interest on SDRs	—	30,578	—	30,578	55,773
Assessment on SDR allocation (Note 2)	—	1,763	—	1,763	2,379
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	2,215,089	—	—	2,215,089	2,360,765
In exchange for currencies of other members					
Acquisitions to pay charges	1,597,594	—	—	1,597,594	1,129,701
Remuneration	1,175,248	—	—	1,175,248	1,360,694
Other					
Refunds and adjustments	89,058	—	—	89,058	93,648
Total receipts	9,859,270	4,554,703	1,218,522	15,632,495	13,991,349

Schedule 1 *(concluded)*

	Participants	General Resources Account	Prescribed Holders	Total 2003	Total 2002
Uses of SDRs					
Transfers among participants and prescribed holders					
Transactions by agreement	2,795,095	—	63,321	2,858,416	3,669,075
Operations					
Loans	464,746	—	—	464,746	250
Settlement of financial obligations	639,516	—	82,103	721,619	290,246
IMF-related operations					
SAF and PRGF loans	—	—	771,606	771,606	267,991
SAF repayments and interest	159,282	—	—	159,282	17,136
Special charges on SAF, PRGF, Trust Fund	95	—	—	95	2
PRGF contributions and payments	414,479	—	84,359	498,838	180,839
PRGF repayments and interest	334,263	—	—	334,263	330,349
HIPC payments	—	—	2,830	2,830	6,726
PRGF-HIPC contributions	14,103	—	12,071	26,174	61,402
SCA-2 refunds	—	—	—	—	1,182
Post-conflict subsidy payments	—	—	658	658	773
Transfers from participants to the General Resources Account					
Repurchases	1,954,711	—	—	1,954,711	1,630,640
Charges	2,505,183	—	—	2,505,183	2,303,949
Quota payments	62,468	—	—	62,468	250
Assessment on SDR allocation (Note 2)	1,763	—	—	1,763	2,379
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	—	2,215,089	—	2,215,089	2,360,765
In exchange for currencies of other members					
Acquisitions to pay charges	—	1,597,594	—	1,597,594	1,129,701
Remuneration	—	1,175,248	—	1,175,248	1,360,694
Other					
Refunds and adjustments	—	89,058	—	89,058	93,648
Charges paid in the SDR department					
Net charges due	192,854	—	—	192,854	283,352
Total uses	9,538,558	5,076,989	1,016,948	15,632,495	13,991,349
Charges not paid when due	5,873	—	—	5,873	12,177
Settlement of unpaid charges	(28,723)	—	—	(28,723)	(1,589)
Total holdings, end of the year	19,924,326	962,641	631,872	21,518,839	21,541,689

Schedule 2

SDR Department

Allocations and Holdings of Participants as at April 30, 2003

(In thousands of SDRs)

Participant	Net Cumulative Allocations	Holdings Total	Holdings Percent of Cumulative Allocations	Holdings Above (Below) Allocations
Afghanistan, Islamic State of	26,703	—	—	(26,703)
Albania	—	60,922	—	60,922
Algeria	128,640	94,006	73.1	(34,634)
Angola	—	142	—	142
Antigua and Barbuda	—	6	—	6
Argentina	318,370	736,309	231.3	417,939
Armenia, Republic of	—	17,385	—	17,385
Australia	470,545	104,049	22.1	(366,496)
Austria	179,045	127,824	71.4	(51,221)
Azerbaijan	—	3,177	—	3,177
Bahamas, The	10,230	121	1.2	(10,109)
Bahrain, Kingdom of	6,200	747	12.0	(5,453)
Bangladesh	47,120	2,701	5.7	(44,419)
Barbados	8,039	36	0.4	(8,003)
Belarus, Republic of	—	203	—	203
Belgium	485,246	415,100	85.5	(70,146)
Belize	—	1,500	—	1,500
Benin	9,409	241	2.6	(9,168)
Bhutan	—	240	—	240
Bolivia	26,703	27,027	101.2	324
Bosnia and Herzegovina	20,481	1,258	6.1	(19,223)
Botswana	4,359	32,874	754.2	28,515
Brazil	358,670	206,204	57.5	(152,466)
Brunei Darussalam	—	7,205	—	7,205
Bulgaria	—	52,503	—	52,503
Burkina Faso	9,409	274	2.9	(9,135)
Burundi	13,697	133	1.0	(13,564)
Cambodia	15,417	2,001	13.0	(13,416)
Cameroon	24,463	748	3.1	(23,715)
Canada	779,290	538,136	69.1	(241,154)
Cape Verde	620	4	0.6	(616)
Central African Republic	9,325	54	0.6	(9,271)
Chad	9,409	56	0.6	(9,353)
Chile	121,924	27,859	22.8	(94,065)
China	236,800	706,890	298.5	470,090
Colombia	114,271	112,353	98.3	(1,918)
Comoros	716	18	2.5	(698)
Congo, Democratic Republic of	86,309	5,720	6.6	(80,589)
Congo, Republic of	9,719	165	1.7	(9,554)
Costa Rica	23,726	77	0.3	(23,649)
Côte d'Ivoire	37,828	679	1.8	(37,149)
Croatia, Republic of	44,205	516	1.2	(43,689)
Cyprus	19,438	1,636	8.4	(17,802)
Czech Republic	—	4,026	—	4,026
Denmark	178,864	87,356	48.8	(91,508)
Djibouti	1,178	457	38.8	(721)
Dominica	592	17	2.9	(575)
Dominican Republic	31,585	326	1.0	(31,259)
Ecuador	32,929	1,833	5.6	(31,096)
Egypt	135,924	38,483	28.3	(97,441)

Schedule 2 *(continued)*

SDR Department
Allocations and Holdings of Participants as at April 30, 2003

(In thousands of SDRs)

Participant	Net Cumulative Allocations	Holdings: Total	Holdings: Percent of Cumulative Allocations	Holdings: Above (Below) Allocations
El Salvador	24,985	24,983	100.0	(2)
Equatorial Guinea	5,812	266	4.6	(5,546)
Eritrea	—	—	—	—
Estonia, Republic of	—	50	—	50
Ethiopia	11,160	54	0.5	(11,106)
Fiji	6,958	5,070	72.9	(1,888)
Finland	142,690	147,733	103.5	5,043
France	1,079,870	472,597	43.8	(607,273)
Gabon	14,091	369	2.6	(13,722)
Gambia, The	5,121	33	0.6	(5,088)
Georgia	—	376	—	376
Germany	1,210,760	1,283,682	106.0	72,922
Ghana	62,983	2,207	3.5	(60,776)
Greece	103,544	12,041	11.6	(91,503)
Grenada	930	25	2.7	(905)
Guatemala	27,678	5,951	21.5	(21,727)
Guinea	17,604	170	1.0	(17,434)
Guinea-Bissau	1,212	684	56.4	(528)
Guyana	14,530	1,405	9.7	(13,125)
Haiti	13,697	1,838	13.4	(11,859)
Honduras	19,057	293	1.5	(18,764)
Hungary	—	25,970	—	25,970
Iceland	16,409	84	0.5	(16,325)
India	681,170	2,835	0.4	(678,335)
Indonesia	238,956	40,392	16.9	(198,564)
Iran, Islamic Republic of	244,056	268,062	109.8	24,006
Iraq	68,464	—	—	(68,464)
Ireland	87,263	49,861	57.1	(37,402)
Israel	106,360	4,115	3.9	(102,245)
Italy	702,400	82,695	11.8	(619,705)
Jamaica	40,613	330	0.8	(40,283)
Japan	891,690	1,800,779	202.0	909,089
Jordan	16,887	5,202	30.8	(11,685)
Kazakhstan, Republic of	—	766	—	766
Kenya	36,990	7,634	20.6	(29,356)
Kiribati	—	10	—	10
Korea	72,911	10,064	13.8	(62,847)
Kuwait	26,744	100,482	375.7	73,738
Kyrgyz Republic	—	5,046	—	5,046
Lao People's Democratic Republic	9,409	7,187	76.4	(2,222)
Latvia, Republic of	—	125	—	125
Lebanon	4,393	20,251	461.0	15,858
Lesotho	3,739	435	11.6	(3,304)
Liberia	21,007	—	—	(21,007)
Libya	58,771	452,609	770.1	393,838
Lithuania, Republic of	—	286	—	286
Luxembourg	16,955	7,140	42.1	(9,815)
Macedonia, former Yugoslav Republic of	8,379	4,132	49.3	(4,247)
Madagascar	19,270	107	0.6	(19,163)
Malawi	10,975	314	2.9	(10,661)

Schedule 2 *(continued)*

SDR Department

Allocations and Holdings of Participants as at April 30, 2003

(In thousands of SDRs)

Participant	Net Cumulative Allocations	Holdings: Total	Holdings: Percent of Cumulative Allocations	Holdings: Above (Below) Allocations
Malaysia	139,048	113,704	81.8	(25,344)
Maldives	282	285	101.1	3
Mali	15,912	262	1.6	(15,650)
Malta	11,288	29,191	258.6	17,903
Marshall Islands	—	—	—	—
Mauritania	9,719	105	1.1	(9,614)
Mauritius	15,744	17,083	108.5	1,339
Mexico	290,020	288,483	99.5	(1,537)
Micronesia, Federated States of	—	1,182	—	1,182
Moldova, Republic of	—	615	—	615
Mongolia	—	26	—	26
Morocco	85,689	82,325	96.1	(3,364)
Mozambique	—	53	—	53
Myanmar	43,474	345	0.8	(43,129)
Namibia	—	17	—	17
Nepal	8,105	44	0.5	(8,061)
Netherlands	530,340	536,233	101.1	5,893
New Zealand	141,322	16,613	11.8	(124,709)
Nicaragua	19,483	118	0.6	(19,365)
Niger	9,409	1,567	16.7	(7,842)
Nigeria	157,155	771	0.5	(156,384)
Norway	167,770	231,168	137.8	63,398
Oman	6,262	6,863	109.6	601
Pakistan	169,989	91,954	54.1	(78,035)
Palau	—	—	—	—
Panama	26,322	587	2.2	(25,735)
Papua New Guinea	9,300	3,878	41.7	(5,422)
Paraguay	13,697	83,675	610.9	69,978
Peru	91,319	1,293	1.4	(90,026)
Philippines	116,595	11,519	9.9	(105,076)
Poland, Republic of	—	31,155	—	31,155
Portugal	53,320	57,255	107.4	3,935
Qatar	12,822	20,463	159.6	7,641
Romania	75,950	3,940	5.2	(72,010)
Russian Federation	—	27,079	—	27,079
Rwanda	13,697	21,452	156.6	7,755
St. Kitts and Nevis	—	6	—	6
St. Lucia	742	1,481	199.7	739
St. Vincent and the Grenadines	354	17	4.9	(337)
Samoa	1,142	2,383	208.7	1,241
San Marino, Republic of	—	444	—	444
São Tomé and Príncipe	620	19	3.0	(601)
Saudi Arabia	195,527	256,216	131.0	60,689
Senegal	24,462	1,497	6.1	(22,965)
Serbia and Montenegro	56,665	4,403	7.8	(52,262)
Seychelles	406	8	1.9	(398)
Sierra Leone	17,455	17,357	99.4	(98)
Singapore	16,475	132,341	803.3	115,866
Slovak Republic	—	853	—	853
Slovenia, Republic of	25,431	5,413	21.3	(20,018)

Schedule 2 *(concluded)*

SDR Department
Allocations and Holdings of Participants as at April 30, 2003

(In thousands of SDRs)

Participant	Net Cumulative Allocations	Holdings: Total	Holdings: Percent of Cumulative Allocations	Holdings: Above (Below) Allocations
Solomon Islands	654	3	0.5	(651)
Somalia	13,697	—	—	(13,697)
South Africa	220,360	222,766	101.1	2,406
Spain	298,805	264,997	88.7	(33,808)
Sri Lanka	70,868	2,776	3.9	(68,092)
Sudan	52,192	265	0.5	(51,927)
Suriname	7,750	1,393	18.0	(6,357)
Swaziland	6,432	2,463	38.3	(3,969)
Sweden	246,525	135,278	54.9	(111,247)
Switzerland	—	12,573	—	12,573
Syrian Arab Republic	36,564	172	0.5	(36,392)
Tajikistan, Republic of	—	187	—	187
Tanzania	31,372	321	1.0	(31,051)
Thailand	84,652	2,349	2.8	(82,303)
Timor-Leste, The Democratic Republic of	—	—	—	—
Togo	10,975	134	1.2	(10,841)
Tonga	—	197	—	197
Trinidad and Tobago	46,231	345	0.7	(45,886)
Tunisia	34,243	5,657	16.5	(28,586)
Turkey	112,307	185,391	165.1	73,084
Turkmenistan, Republic of	—	—	—	—
Uganda	29,396	7,176	24.4	(22,220)
Ukraine	—	11,899	—	11,899
United Arab Emirates	38,737	946	2.4	(37,791)
United Kingdom	1,913,070	275,903	14.4	(1,637,167)
United States	4,899,530	8,292,339	169.2	3,392,809
Uruguay	49,977	19,681	39.4	(30,296)
Uzbekistan, Republic of	—	480	—	480
Vanuatu	—	857	—	857
Venezuela, República Bolivariana de	316,890	7,988	2.5	(308,902)
Vietnam	47,658	5,541	11.6	(42,117)
Yemen, Republic of	28,743	30,416	105.8	1,673
Zambia	68,298	51,707	75.7	(16,591)
Zimbabwe	10,200	49	0.5	(10,151)
Above allocations	9,465,384	15,971,257	168.7	6,505,873
Below allocations	11,967,946	3,953,068	33.0	(8,014,878)
Total Participants	21,433,330	19,924,326		
General Resources Account		962,641		
Prescribed holders		631,872		
Overdue charges	85,509			
	21,518,839	21,518,839		

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Report of the Independent Accountants

**To the Board of Governors
of the International Monetary Fund:**

We have audited the accompanying combined balance sheets as at April 30, 2003 and 2002, and the related combined statements of income and changes in resources for the years then ended of the following entities:

Poverty Reduction and Growth Facility Trust

Poverty Reduction and Growth Facility—Heavily Indebted Poor Countries Trust and Related Accounts

We have also audited the accompanying balance sheets at April 30, 2003 and 2002, and the related statements of income and changes in resources for the years then ended of the following entities:

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

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

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

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

In our opinion, the financial statements referred to above give a true and fair view of the financial position of the trusts and accounts listed above as at April 30, 2003 and 2002, and the results of their operations for the years then ended in conformity with International Accounting Standards.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 185 to 188 and 199 to 204 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the respective financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

June 16, 2003

Poverty Reduction and Growth Facility Trust

Combined Balance Sheets as at April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Assets		
Cash and cash equivalents	2,481,040	2,684,641
Investments (Note 3)	3,205,052	2,629,285
Loans receivable (Note 4)	6,667,296	6,172,848
Interest receivable	18,979	15,993
Total Assets	12,372,367	11,502,767
Liabilities and Resources		
Borrowings (Note 5)	7,431,854	6,764,434
Interest payable	39,333	42,412
Other liabilities	2,930	76
Total Liabilities	7,474,117	6,806,922
Resources	4,898,250	4,695,845
Total Liabilities and Resources	12,372,367	11,502,767

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

/s/ Eduard Brau
Director, Finance Department

/s/ Horst Köhler
Managing Director

Poverty Reduction and Growth Facility Trust

Combined Statements of Income and Changes in Resources for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Balance, beginning of the year	4,695,845	4,518,775
Investment income (Note 3)	118,480	232,344
Interest on loans	31,058	30,292
Interest expense	(138,104)	(174,670)
Other expenses	(1,575)	(1,650)
Operational income	9,859	86,316
Contributions (Note 6)	43,287	60,096
	53,146	146,412
Transfers from the Special Disbursement Account (Note 8)	213,259	92,258
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust (Note 8)	(64,000)	(61,600)
Net changes in resources	202,405	177,070
Balance, end of the year	4,898,250	4,695,845

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

Poverty Reduction and Growth Facility Trust

Notes to the Combined Financial Statements as at April 30, 2003 and 2002

1. Nature of Operations

The Poverty Reduction and Growth Facility Trust (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. Combining balance sheets and statements of income and changes in resources for each of these accounts are provided in Note 9 to these financial statements.

Loan Account

The resources of the Loan Account consist of the proceeds from borrowings, repayments of principal, and interest payments on loans extended by the Trust. At April 30, 2003, loans totaling SDR 6,667.3 million were outstanding (SDR 6,172.8 million at April 30, 2002). At April 30, 2003, the resources of the Loan Account included an advance from the Reserve Account of SDR 65.5 million resulting from the non-payment of principal by Zimbabwe (SDR 41.5 million at April 30, 2002).

Reserve Account

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

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

Subsidy Account

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

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

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Revenue and Expense Recognition

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 dollars as of April 30, 2002).

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 market value. Interest on these instruments varies and is based on prevailing market rates.

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 market on the last business day of the accounting period. The carrying amounts of investments approximate their fair value. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations. Investment income comprises interest income, realized and unrealized gains and losses on investments, 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.

Overdue Obligations

Interest on loans that are six months or more overdue is excluded from income.

Contributions

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

Transfers

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

Foreign Currency Translation

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

Comparatives

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

3. Investments

The maturities of the investments are as follows:

Maturity as at April 30	2003	2002
	In thousands of SDRs	
Less than 1 year	2,612,829	1,794,460
1–3 years	566,905	724,909
3–5 years	4,982	91,997
Over 5 years	20,336	17,919
Total	3,205,052	2,629,285

At April 30, investments consisted of the following:

	2003	2002
	In thousands of SDRs	
Debt securities	2,923,255	2,271,428
Fixed-term deposits	281,797	357,857
Total	3,205,052	2,629,285

At April 30, investment income comprised:

	2003	2002
	In thousands of SDRs	
Interest income	143,367	207,462
Realized losses, net	(52,803)	(26,318)
Unrealized gains, net	29,686	52,705
Exchange rate losses, net	(1,770)	(1,505)
Total	118,480	232,344

4. Loans Receivable

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

Period of Repayment, Financial Year Ending April 30	
	In thousands of SDRs
2004	835,429
2005	876,190
2006	854,789
2007	726,485
2008	817,790
2009 and beyond	2,491,070
Overdue	65,543
Total	6,667,296

The above includes one member that is overdue at the end of financial year 2003 for more than six months in the amount of SDR 65.5 million (SDR 41.5 million as at April 30, 2002).

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

	2003		2002	
	In millions of SDRs and percent of total PRGF credit			
Largest user of credit	737.6	11.1%	636.2	10.3%
Three largest users of credit	1,820.8	27.3%	1,571.6	25.5%
Five largest users of credit	2,469.8	37.0%	2,138.3	34.6%

5. Borrowings

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

	Amount Undrawn	
	2003	2002
	In thousands of SDRs	
Loan Account	5,718,318	6,613,837
Subsidy Account	3,330	3,997

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

The Trust borrows on such terms and conditions as agreed between the Trustee and the lenders. Interest rates on borrowings at April 30, 2003 and April 30, 2002 varied between 0.5 percent and 6.9 percent a year. The principal amounts of the borrowings are repayable in one installment at maturity dates.

Scheduled repayments of borrowings are summarized below:

Period of Repayment, Financial Year Ending April 30	In thousands of SDRs
2004	704,176
2005	953,566
2006	1,504,589
2007	982,706
2008	822,951
2009 and beyond	2,463,866
Total	7,431,854

Borrowings and repayments during the financial year ended April 30, 2003 amounted to SDR 1,194 million and SDR 714 million, respectively (SDR 925 million and SDR 685 million, respectively, for the financial year ended April 30, 2002).

6. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trustee and the contributors. At April 30, 2003, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,395.8 million (SDR 2,352.5 million at April 30, 2002).

7. Commitments Under Loan Arrangements

An arrangement is a decision of the IMF that gives a member the assurance that the institution stands ready to provide foreign exchange or SDRs during a specified period and up to a specified amount in accordance with the terms of the decision. At April 30, 2003, undrawn balances under 36 loan arrangements amounted to SDR 2,473.8 million (SDR 2,700.6 million under 35 arrangements at April 30, 2002).

8. Transfers Through the Special Disbursement Account

The expenses of conducting the business of the Trust are paid by the General Resources Account of the IMF and reimbursed by the Reserve Account of the Trust through the Special Disbursement Account; corresponding transfers are made from the Reserve Account to the Special Disbursement Account when and to the extent needed. For financial years 2003 and 2002, the Executive Board of the IMF decided to forgo such reimbursement to the General Resources Account and to transfer an equivalent amount from the Reserve Account, through the Special Disbursement Account, to the PRGF-HIPC Trust. The amounts transferred for financial years 2003 and 2002 were SDR 64.0 million and SDR 61.6 million respectively.

Resources of up to SDR 250 million may be transferred, as needed, from the Reserve Account through the Special Disbursement Account to the PRGF-HIPC Trust to be used to provide grants or loans to eligible members under the HIPC initiative. At April 30, 2003 and 2002, SDR 43.5 million had been transferred for this purpose.

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

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

Note 9

Combining Balance Sheets as at April 30, 2003 and 2002

(In thousands of SDRs)

	Loan Account		Reserve Account		Subsidy Account		Combined	
	2003	2002	2003	2002	2003	2002	2003	2002
Assets								
Cash and cash equivalents	453,718	341,378	1,102,840	1,263,561	924,482	1,079,702	2,481,040	2,684,641
Investments (Note 3)	281,797	204,657	1,959,143	1,591,760	964,112	832,868	3,205,052	2,629,285
Loans receivable (Note 4)	6,667,296	6,172,848	—	—	—	—	6,667,296	6,172,848
Accrued account transfers	19,270	14,221	3,208	13,068	(22,478)	(27,289)	—	—
Interest receivable	17,338	14,363	1,329	1,402	312	228	18,979	15,993
Total Assets	7,439,419	6,747,467	3,066,520	2,869,791	1,866,428	1,885,509	12,372,367	11,502,767
Liabilities and Resources								
Borrowings (Note 5)	7,333,068	6,664,950	—	—	98,786	99,484	7,431,854	6,764,434
Interest payable	37,878	40,947	—	—	1,455	1,465	39,333	42,412
Other liabilities	2,930	76	—	—	—	—	2,930	76
Total Liabilities	7,373,876	6,705,973	—	—	100,241	100,949	7,474,117	6,806,922
Resources	65,543	41,494	3,066,520	2,869,791	1,766,187	1,784,560	4,898,250	4,695,845
Total Liabilities and Resources	7,439,419	6,747,467	3,066,520	2,869,791	1,866,428	1,885,509	12,372,367	11,502,767

Note 9 *(concluded)*

Combining Statements of Income and Changes in Resources for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	Loan Account		Reserve Account		Subsidy Account		Combined	
	2003	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**
Balance, beginning of the year	41,494	—	2,869,791	2,743,494	1,784,560	1,775,281	4,695,845	4,518,775
Investment income (Note 3)	486	191	74,918	138,942	43,076	93,211	118,480	232,344
Interest on loans	31,058	30,292	—	—	—	—	31,058	30,292
Interest expense	(136,437)	(172,875)	—	—	(1,667)	(1,795)	(138,104)	(174,670)
Other expenses	—	(76)	(1,575)	(1,574)	—	—	(1,575)	(1,650)
Operational (loss) income	(104,893)	(142,468)	73,343	137,368	41,409	91,416	9,859	86,316
Contributions (Note 6)	—	—	—	—	43,287	60,096	43,287	60,096
	(104,893)	(142,468)	73,343	137,368	84,696	151,512	53,146	146,412
Transfers from the Special Disbursement Account (Note 8)	—	—	213,259	92,258	—	—	213,259	92,258
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust (Note 8)	—	—	(64,000)	(61,600)	—	—	(64,000)	(61,600)
Transfers between:								
Reserve and Subsidy Accounts	—	—	—	(52)	—	52	—	—
Loan and Reserve Accounts	25,873	41,677	(25,873)	(41,677)	—	—	—	—
Loan and Subsidy Accounts	103,069	142,285	—	—	(103,069)	(142,285)	—	—
Net changes in resources	24,049	41,494	196,729	126,297	(18,373)	9,279	202,405	177,070
Balance, end of the year	65,543	41,494	3,066,520	2,869,791	1,766,187	1,784,560	4,898,250	4,695,845

Schedule 1

Poverty Reduction and Growth Facility Trust

Schedule of Outstanding Loans as at April 30, 2003

(In thousands of SDRs)

	PRGF Loan Account		Structural Adjustment Facility[1]	
Member	**Balance**	**Percent**	**Balance**	**Percent**
Albania	61,229	0.92	—	—
Armenia, Republic of	135,850	2.04	—	—
Azerbaijan	91,856	1.38	—	—
Benin	53,290	0.80	350	0.26
Bolivia	140,300	2.10	—	—
Burkina Faso	85,590	1.28	3,476	2.54
Cambodia	75,300	1.13	—	—
Cameroon	223,098	3.35	—	—
Cape Verde	2,460	0.04	—	—
Central African Republic	24,480	0.37	—	—
Chad	77,281	1.16	—	—
Comoros	—	—	270	0.20
Congo, Democratic Republic of	446,667	6.70	—	—
Congo, Republic of	9,727	0.15	—	—
Côte d'Ivoire	355,099	5.33	—	—
Djibouti	13,630	0.20	—	—
Equatorial Guinea	109	—	443	0.32
Ethiopia	94,056	1.41	7,766	5.69
Gambia, The	23,500	0.35	—	—
Georgia	193,800	2.91	—	—
Ghana	264,545	3.95	—	—
Guinea	99,000	1.48	—	—
Guinea-Bissau	13,349	0.20	—	—
Guyana	65,768	0.99	492	0.36
Haiti	12,140	0.18	—	—
Honduras	119,148	1.79	—	—
Kenya	64,616	0.97	—	—
Kyrgyz Republic	138,351	2.08	—	—
Lao People's Democratic Republic	30,011	0.45	—	—
Lesotho	15,133	0.23	—	—
Macedonia, former Yugoslav Republic of	27,185	0.41	—	—
Madagascar	108,653	1.63	—	—
Malawi	50,117	0.72	—	—
Mali	121,069	1.82	508	0.37
Mauritania	77,500	1.16	—	—
Moldova, Republic of	27,720	0.42	—	—
Mongolia	29,298	0.44	—	—
Mozambique	144,375	2.17	—	—
Nepal	1,679	0.03	—	—
Nicaragua	128,291	1.92	—	—
Niger	76,344	1.15	—	—
Pakistan	737,640	11.06	—	—
Rwanda	62,454	0.94	—	—
São Tomé and Príncipe	1,902	0.03	—	—
Senegal	178,158	2.67	—	—
Sierra Leone	109,069	1.64	5,404	3.96
Somalia	—	—	8,840	6.47
Sri Lanka	55,190	0.83	—	—
Tajikistan, Republic of	60,960	0.91	—	—
Tanzania	293,878	4.41	—	—
Togo	35,838	0.54	—	—
Uganda	183,571	2.75	—	—
Vietnam	263,120	3.95	—	—
Yemen, Republic of	238,750	3.58	—	—
Zambia	636,529	9.55	109,050	79.83
Zimbabwe	88,623	1.33	—	—
Total loans outstanding	6,667,296	100.00	136,599	100.00

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

Schedule 2

Poverty Reduction and Growth Facility Trust

Contributions to and Resources of the Subsidy Account as at April 30, 2003

(In thousands of SDRs)

Contributor[1]	Amount
Direct contributions to the Subsidy Account	
Argentina	18,133
Australia	5,592
Bangladesh	437
Canada	182,198
China	7,800
Czech Republic	9,000
Denmark	38,299
Egypt	9,000
Finland	22,684
Germany	132,832
Iceland	3,200
India	6,486
Ireland	4,223
Italy	146,059
Japan	506,997
Korea	31,663
Luxembourg	8,256
Morocco	6,580
Netherlands	89,753
Norway	28,074
Sweden	110,887
Switzerland	32,960
Turkey	5,000
United Kingdom	307,281
United States	126,079
Total direct contributions to the Subsidy Account	1,839,473
Net income transferred from PRGF Administered Accounts	
Austria	40,156
Belgium	76,902
Botswana	1,482
Chile	2,910
Greece	25,886
Indonesia	4,482
Iran, Islamic Republic of	1,312
Portugal	3,154
Total net income transferred from Administered Accounts	156,284
Total contributions received	1,995,757
Transfers from Special Disbursement Account	400,000
Total contributions received and transfers from Special Disbursement Account	2,395,757
Cumulative net income of the Subsidy Account	837,881
Resources disbursed to subsidize Trust lending	(1,467,451)
Total resources of the Subsidy Account	1,766,187

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

Schedule 3

Poverty Reduction and Growth Facility Trust

Schedule of Borrowing Agreements as at April 30, 2003

(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	115,161
France	0.50[2]	800,000	800,000	196,986
Germany	Variable[3]	700,000	700,000	234,705
Italy	Variable[3]	370,000	370,000	130,637
Japan	Variable[3]	2,200,000	2,200,000	855,791
Korea	Variable[3]	65,000	65,000	13,210
Norway	Variable[3]	90,000	90,000	24,762
Spain	Variable[3]	220,000	216,429[4]	5,062
Total prior to enlargement of PRGF		4,745,000	4,741,429	1,576,314
For enlargement of PRGF				
Belgium	Variable[3]	350,000	198,041	198,041
Canada	Variable[3]	400,000	316,913	312,403
China	Variable[3]	200,000	143,522	141,730
Denmark	Variable[3]	100,000	71,995	71,995
Egypt	Variable[3]	155,600	100,000	97,231
France	Variable[2]	2,100,000	741,819	736,167
Germany	Variable[3]	2,050,000	757,784	756,308
Italy	Variable[3]	1,010,000	529,916	529,916
Japan	Variable[3]	2,934,800	1,689,533	1,685,665
Korea	Variable[3]	27,700	27,700	27,700
Netherlands	Variable[3]	450,000	105,179	105,179
Norway	Variable[3]	60,000	60,000	58,680
OPEC Fund for International Development	Variable[3]	36,129[5]	36,990	36,990
Spain—Government of Spain (ICO)	Fixed	67,000	67,000	67,000
Spain—Bank of Spain	Variable	425,000	41,410	41,410
Switzerland	Variable[3]	401,700	161,810	154,824
Total for enlargement of PRGF		10,767,929	5,049,612	5,021,239
Resources held pending repayment	[6]	—	—	735,515[6]
Total—Loan Account		15,512,929	9,791,041	7,333,068
Subsidy Account				
Malaysia (1994 loans)	2.00	40,000	40,000	40,000
Malta	0.50	2,730	2,730	1,365
Pakistan	0.50	10,000	6,670	6,670
Singapore	2.00	80,000	80,000	40,000
Tunisia	0.50	3,551	3,551	3,551
Uruguay	Variable[7]	7,200	7,200	7,200
Total—Subsidy Account		143,481	140,151	98,786

[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 2.1 billion) provides that the interest rate shall be 0.5 percent until the cumulative implicit interest subsidy reaches SDR 250 million, and at variable, market-related rates of interest thereafter.

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

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

Schedule 4

Poverty Reduction and Growth Facility Trust

Status of Loan Arrangements as at April 30, 2003

(In thousands of SDRs)

Member	Date of Arrangement	Expiration Date	Amount Agreed	Undrawn Balance
Albania	Jun. 21, 2002	Jun. 20, 2005	28,000	20,000
Armenia, Republic of	May 23, 2001	May 22, 2004	69,000	29,000
Azerbaijan	Jul. 6, 2001	Jul. 5, 2004	80,450	64,350
Benin	Jul. 17, 2000	Mar. 31, 2004	27,000	4,040
Cameroon	Dec. 21, 2000	Dec. 20, 2003	111,420	47,740
Cape Verde	Apr. 10, 2002	Apr. 9, 2005	8,640	6,180
Chad	Jan. 7, 2000	Dec. 6, 2003	47,600	10,400
Congo, Democratic Republic of	Jun. 12, 2002	Jun. 11, 2005	580,000	133,333
Côte d'Ivoire	Mar. 29, 2002	Mar. 28, 2005	292,680	234,140
Ethiopia	Mar. 22, 2001	Mar. 21, 2004	100,277	31,287
Gambia, The	Jul. 18, 2002	Jul. 17, 2005	20,220	17,330
Georgia	Jan. 12, 2001	Jan. 11, 2004	108,000	58,500
Guinea	May 2, 2001	May 1, 2004	64,260	38,556
Guinea-Bissau	Dec. 15, 2000	Dec. 14, 2003	14,200	9,120
Guyana	Sep. 20, 2002	Sep. 19, 2005	54,550	49,000
Kenya	Aug. 4, 2000	Aug. 3, 2003	190,000	156,400
Kyrgyz Republic	Dec. 6, 2001	Dec. 5, 2004	73,400	38,240
Lao People's Democratic Republic	Apr. 25, 2001	Apr. 24, 2004	31,700	18,110
Lesotho	Mar. 9, 2001	Mar. 8, 2004	24,500	10,500
Madagascar	Mar. 1, 2001	Nov. 30, 2004	79,430	45,389
Malawi	Dec. 21, 2000	Dec. 20, 2003	45,110	38,670
Mali	Aug. 6, 1999	Aug. 5, 2003	51,315	6,150
Moldova, Republic of	Dec. 21, 2000	Dec. 20, 2003	110,880	83,160
Mongolia	Sep. 28, 2001	Sep. 27, 2004	28,490	24,420
Mozambique	Jun. 28, 1999	Jun. 27, 2003	87,200	16,800
Nicaragua	Dec. 13, 2002	Dec. 12, 2005	97,500	90,535
Niger	Dec. 22, 2000	Dec. 21, 2003	59,200	25,360
Pakistan	Dec. 6, 2001	Dec. 5, 2004	1,033,700	602,980
Rwanda	Aug. 12, 2002	Aug. 11, 2005	4,000	3,426
Senegal	Apr. 28, 2003	Apr. 27, 2006	24,270	24,270
Sierra Leone	Sep. 26, 2001	Sep. 25, 2004	130,840	56,003
Sri Lanka	Apr. 18, 2003	Apr. 17, 2006	269,000	230,610
Tajikistan, Republic of	Dec. 11, 2002	Dec. 10, 2005	65,000	57,000
Tanzania	Apr. 4, 2000	Jun. 30, 2003	135,000	15,000
Uganda	Sep. 13, 2002	Sep. 12, 2005	13,500	12,000
Vietnam	Apr. 13, 2001	Apr. 12, 2004	290,000	165,800
			4,450,332	2,473,799

[1] The Saudi Fund for Development may also provide resources to support arrangements under the PRGF through loans to qualifying members in association with loans under the PRGF. As at April 30, 2003, SDR 49.5 million of such associated loans had been disbursed.

Poverty Reduction and Growth Facility Administered Accounts

Balance Sheets
as at April 30, 2003 and 2002

(In thousands of SDRs)

	Austria		Belgium		Botswana	
	2003	**2002**	**2003**	**2002**	**2003**	**2002**
Assets						
Cash and cash equivalents	—	—	80,000	—	—	—
Investments (Note 3)	25,000	35,000	—	80,000	6,894	6,894
Advance payments to the PRGF Trust Subsidy Account	102	160	—	—	116	116
Interest receivable	—	—	225	20	—	—
Total Assets	25,102	35,160	80,225	80,020	7,010	7,010
Liabilities and Resources						
Deposits (Note 4)	25,000	35,000	80,000	80,000	6,894	6,894
Interest payable	102	160	2	2	116	116
Total liabilities	25,102	35,160	80,002	80,002	7,010	7,010
Resources	—	—	223	18	—	—
Total Liabilities and Resources	25,102	35,160	80,225	80,020	7,010	7,010

	Greece		Indonesia		Iran, I. R. of		Portugal	
	2003	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**
Assets								
Cash and cash equivalents	—	—	25,000	—	—	—	—	—
Investments (Note 3)	7,000	14,000	—	25,000	5,000	5,000	10,517	11,831
Advance payments to the PRGF Trust Subsidy Account	15	15	—	—	23	23	50	57
Interest receivable	—	—	70	214	—	—	—	—
Total Assets	7,015	14,015	25,070	25,214	5,023	5,023	10,567	11,888
Liabilities and Resources								
Deposits (Note 4)	7,000	14,000	25,000	25,000	5,000	5,000	10,517	11,831
Interest payable	15	15	17	118	23	23	50	57
Total liabilities	7,015	14,015	25,017	25,118	5,023	5,023	10,567	11,888
Resources	—	—	53	96	—	—	—	—
Total Liabilities and Resources	7,015	14,015	25,070	25,214	5,023	5,023	10,567	11,888

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

/s/ Eduard Brau
Director, Finance Department

/s/ Horst Köhler
Managing Director

Poverty Reduction and Growth Facility Administered Accounts

Statements of Income and Changes in Resources for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	Austria		Belgium		Botswana	
	2003	2002	2003	2002	2003	2002
Balance, beginning of the year	—	—	18	10	—	—
Investment income	801	2,134	1,630	2,420	178	358
Other expenses	(20)	(27)	—	—	(4)	(5)
Interest expense on deposits	(130)	(201)	(400)	(400)	(138)	(138)
Net income	651	1,906	1,230	2,020	36	215
Transfers to the:						
PRGF Trust Subsidy Account	(651)	(1,906)	(1,025)	(2,012)	(36)	(215)
Net changes in resources	—	—	205	8	—	—
Balance, end of the year	—	—	223	18	—	—

	Greece		Indonesia		Iran, I. R. of		Portugal	
	2003	2002	2003	2002	2003	2002	2003	2002
Balance, beginning of the year	—	—	96	—	—	—	—	—
Investment income	325	1,052	508	635	130	259	274	616
Other expenses	(8)	(12)	—	—	(3)	(3)	(7)	(8)
Interest expense on deposits	(61)	(96)	(62)	(240)	(25)	(25)	(53)	(59)
Net income	256	944	446	395	102	231	214	549
Transfers to the:								
PRGF Trust Subsidy Account	(256)	(944)	(489)	(299)	(102)	(231)	(214)	(549)
Net changes in resources	—	—	(43)	96	—	—	—	—
Balance, end of the year	—	—	53	96	—	—	—	—

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

Poverty Reduction and Growth Facility Administered Accounts

Notes to the Financial Statements as at April 30, 2003 and 2002

1. Nature of Operations

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

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

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

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Revenue and Expense Recognition

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 U.S. dollars as of April 30, 2002).

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 market value. Interest received on these instruments varies and is based on prevailing market rates.

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 carrying amounts of investments approximate their fair value. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations. Investment income comprises interest income, realized and unrealized gains and losses 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.

Transfers

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

Foreign Currency Translation

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

Transfers to PRGF Trust Subsidy Account

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

Administrative Costs

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

3. Investments

The maturities of the investments are as follows:

Maturity as at April 30	2003	2002
	In thousands of SDRs	
Less than 1 year	50,374	165,674
1–3 years	3,950	12,051
3–5 years	87	—
Total	54,411	177,725

At April 30, investments consisted of the following:

	2003	2002
	In thousands of SDRs	
Debt securities	54,411	72,725
Fixed-term deposits	—	105,000
Total	54,411	177,725

At April 30, investment income comprised:

	2003	2002
	In thousands of SDRs	
Interest income	4,313	6,990
Realized (losses)/gains, net	(560)	1,802
Unrealized gains/(losses), net	93	(1,318)
Total	3,846	7,474

4. Deposits

Austria

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

Belgium

The Administered Account Belgium was established on July 27, 1988 for the administration of resources deposited in the account by the National Bank of Belgium. Four deposits (SDR 30.0 million made on July 29, 1988; SDR 35.0 million made on December 30, 1988; SDR 35.0 million made on June 30, 1989; and SDR 80.0 million made on April 29, 1994) have an initial maturity of six months and are renewable by the IMF on the same basis. The final maturity of each deposit, including renewals, will be ten years from the initial dates of the individual deposits. The deposits bear interest at a rate of ½ of 1 percent a year. In accordance with an addendum to the account, effective on July 24, 1998, the maturities of the first three deposits will be extended by the National Bank of Belgium, for further periods of six months, provided that the total maturity period of each deposit does not exceed five years. The deposits are invested by the IMF as administrator, and the IMF as administrator pays the National Bank of Belgium interest on each deposit at an annual rate of ½ of 1 percent. The difference between the interest paid to the National Bank of Belgium and the interest earned on the deposits (net of any cost to the IMF) was retained in the account and invested. As of January 31, 2001, the Ministry of Finance of Belgium authorized a transfer of SDR 8.2 million in net earnings to the PRGF-HIPC Trust. The first three deposits, totaling SDR 100 million, were paid in full in January 2001.

Botswana

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

Greece

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

Indonesia

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

Islamic Republic of Iran

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

Portugal

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

5. Associated Loans under the SFD Special Account

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

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

	2003	2002
	In thousands of SDRs	
Receipts of Resources		
Cumulative transfers from the Saudi Fund for Development	49,500	49,500
Cumulative repayments of associated loans	40,500	34,300
Cumulative receipts of interest on associated loans	1,858	1,783
Accrued interest on associated loans	18	28
	91,876	85,611
Uses of Resources		
Associated loans	49,500	49,500
Cumulative repayments to the Saudi Fund for Development	40,500	34,300
Cumulative payments of interest on transfers	1,858	1,783
Accrued interest on transfers	18	28
	91,876	85,611

PRGF-HIPC Trust and Related Accounts

Combined Balance Sheets
as at April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Assets		
Cash and cash equivalents	999,948	965,867
Investments (Note 3)	316,929	438,524
Interest receivable	4,180	2,236
Total Assets	1,321,057	1,406,627
Liabilities and Resources		
Borrowings (Note 5)	601,125	541,787
Interest payable	1,298	1,085
Total Liabilities	602,423	542,872
Resources	718,634	863,755
Total Liabilities and Resources	1,321,057	1,406,627

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

/s/ Eduard Brau
Director, Finance Department

/s/ Horst Köhler
Managing Director

PRGF-HIPC Trust and Related Accounts

Combined Statements of Income and Changes in Resources
for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Balance, beginning of the year	863,755	975,533
Investment income (Note 3)	31,821	51,266
Interest expense	(1,938)	(1,925)
Other expenses	(265)	(173)
Operational income	29,618	49,168
Contributions received	35,425	73,697
Disbursements	(263,130)	(251,532)
	(198,087)	(128,667)
Transfers	52,966	16,889
Net changes in resources	(145,121)	(111,778)
Balance, end of the year	718,634	863,755

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

PRGF-HIPC Trust and Related Accounts

Notes to the Combined Financial Statements as at April 30, 2003 and 2002

1. Nature of Operations

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

PRGF-HIPC Trust

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

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

PRGF-HIPC Trust Account

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

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

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

Umbrella Account for HIPC Operations

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

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

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

Post-SCA-2 Administered Account

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

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

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Revenue and Expense Recognition

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the new composition of the SDR valuation basket became effective from January 1, 2001. The currencies in the basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 U.S. dollars as of April 30, 2002).

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 market value. Interest received on these instruments varies and is based on prevailing market rates.

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 market on the last business day of the accounting period. The carrying amounts of investments approximate their fair value. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations.

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

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

Contributions

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

Transfers

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

Foreign Currency Translation

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

Administrative Costs

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

3. Investments

The maturities of the investments are as follows:

Maturity as at April 30	2003	2002
	In thousands of SDRs	
Less than 1 year	287,084	376,817
1–3 years	29,205	61,707
3–5 years	640	—
Total	316,929	438,524

At April 30, investments consisted of the following:

	2003	2002
	In thousands of SDRs	
Debt securities	316,929	225,352
Fixed-term deposits	—	213,172
Total	316,929	438,524

At April 30, investment income is comprised of:

	2003	2002
	In thousands of SDRs	
Interest income	34,682	49,714
Realized (losses)/gains, net	(2,711)	4,677
Unrealized losses, net	(130)	(3,152)
Exchange rate (losses)/gains, net	(20)	27
Total	31,821	51,266

4. Transfers Receivable and Payable

At April 30, 2003, the HIPC subaccount had transfers payable to the PRGF-HIPC subaccount arising from past disbursements to the Umbrella Account under the HIPC Initiative in the amount of SDR 796.7 million, including interest (SDR 437.0 million at April 30, 2002). Interest payable between subaccounts is eliminated on combination.

5. Borrowings

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at April 30, 2003 and 2002 varied between 0 percent and 2 percent a year. The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Financial Year Ending April 30	
	In thousands of SDRs
2004	—
2005	15,000
2006	—
2007	—
2008	19,066
2009 and beyond	567,059
Total	601,125

Borrowings during the financial year ended April 30, 2003 amounted to SDR 31 million (SDR 150 million for the financial year ended April 30, 2002). There were no repayments in the year ended April 30, 2003 (SDR 15 million for the year ended April 30, 2002). Borrowings include foreign currency amounts.

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

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

Combining Balance Sheets as at April 30, 2003 and 2002

(In thousands of SDRs)

	2003							2002			
	PRGF-HIPC Trust Account subaccount										
	PRGF-HIPC	PRGF	HIPC	Combined	Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total
Assets											
Cash and cash equivalents	535,457	3,862	—	539,319	420,606	40,023	999,948	585,756	330,115	49,996	965,867
Investments	302,544	14,385	—	316,929	—	—	316,929	438,524	—	—	438,524
Transfers to and from subaccounts	797,010	—	(797,010)	—	—	—	—	—	—	—	—
Interest receivable	3,303	—	—	3,303	703	174	4,180	944	1,013	279	2,236
Total Assets	1,638,314	18,247	(797,010)	859,551	421,309	40,197	1,321,057	1,025,224	331,128	50,275	1,406,627
Liabilities and Resources											
Borrowings	601,125	—	—	601,125	—	—	601,125	541,787	—	—	541,787
Interest payable	1,298	—	—	1,298	—	—	1,298	1,085	—	—	1,085
Total Liabilities	602,423	—	—	602,423	—	—	602,423	542,872	—	—	542,872
Accumulated resources	1,035,891	18,247	(797,010)	257,128	421,309	40,197	718,634	482,352	331,128	50,275	863,755
Total Liabilities and Resources	1,638,314	18,247	(797,010)	859,551	421,309	40,197	1,321,057	1,025,224	331,128	50,275	1,406,627

Note 6 ***(concluded)***

Combining Statements of Income and Changes in Resources for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	2003							2002			
	PRGF-HIPC Trust Account subaccount				Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total
	PRGF-HIPC	PRGF	HIPC	Combined							
Balance, beginning of the year	904,762	14,591	(437,001)	482,352	331,128	50,275	863,755	538,805	343,410	93,318	975,533
Investment income	37,141	422	—	23,107[1]	7,758	956	31,821	39,910	9,688	1,668	51,266
Interest expense	(1,938)	—	(14,456)	(1,938)[1]	—	—	(1,938)	(1,925)	—	—	(1,925)
Other expenses	(255)	(10)	—	(265)	—	—	(265)	(173)	—	—	(173)
Operational income/(loss)	34,948	412	(14,456)	20,904	7,758	956	29,618	37,812	9,688	1,668	49,168
Contributions received	32,181	3,244	—	35,425	—	—	35,425	73,697	—	—	73,697
Grants	—	—	(345,553)	(345,553)	345,553	—	—	(229,562)	229,562	—	—
Disbursements	—	—	—	—	(263,130)	—	(263,130)	—	(251,532)	—	(251,532)
	67,129	3,656	(360,009)	(289,224)	90,181	956	(198,087)	(118,053)	(12,282)	1,668	(128,667)
Transfers	64,000	—	—	64,000	—	(11,034)	52,966	61,600	—	(44,711)	16,889
Net changes in resources	131,129	3,656	(360,009)	(225,224)	90,181	(10,078)	(145,121)	(56,453)	(12,282)	(43,043)	(111,778)
Balance, end of the year	1,035,891	18,247	(797,010)	257,128	421,309	40,197	718,634	482,352	331,128	50,275	863,755

[1]Interest payable between subaccounts amounting to SDR 14.5 million (SDR 17.5 million at April 30, 2002) has been eliminated in the combined totals.

Schedule 1

Post-SCA-2 Administered Account

Holdings, Interest, and Transfers for the Year Ended April 30, 2003

(In thousands of SDRs)

Member	Balance Beginning of the Year	Interest Earned	Transfers to PRGF-HIPC Trust	Balance End of the Year
Argentina	5,316	111		5,427
Brazil	10,898	135	(11,033)	—
Dominican Republic	984	20	—	1,004
Estonia, Republic of	1	—	(1)	—
Fiji	212	4	—	216
Jordan	1,117	24	—	1,141
Tonga	28	1	—	29
Trinidad and Tobago	2,400	50	—	2,450
Vanuatu	48	1	—	49
Venezuela, República Bolivariana de	29,271	610	—	29,881
Total	50,275	956	(11,034)	40,197

Schedule 2

PRGF-HIPC Trust Account

Contributions and Transfers
for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	Subaccount			
	PRGF-HIPC	PRGF	HIPC	Combined
Year ended April 30, 2002				
Algeria	412	—	—	412
Australia	—	—	3,920	3,920
Belgium	2,621	—	—	2,621
Belize	20	—	—	20
Brunei Darussalam	4	—	—	4
Colombia	13	—	—	13
Croatia, Republic of	31	—	—	31
Denmark	2,386	—	—	2,386
Estonia, Republic of	372	—	—	372
Finland	322	—	—	322
Gabon	458	—	—	458
Iceland	184	—	—	184
Japan	15,441	—	—	15,441
Latvia, Republic of	157	—	—	157
Malaysia	478	—	—	478
Mexico	7,982	—	—	7,982
Netherlands	—	—	16,347[1]	16,347
Nigeria	4,314	—	—	4,314
Norway	2,302	—	—	2,302
Oman	73	—	—	73
Poland, Republic of	1,234	—	—	1,234
St. Vincent and the Grenadines	22	—	—	22
Saudi Arabia	978	—	—	978
Singapore	249	—	—	249
South Africa	4,000	—	—	4,000
Sweden	5,322	—	—	5,322
Switzerland	3,216	—	—	3,216
Thailand	350	—	—	350
Tunisia	136	—	—	136
United Arab Emirates	353	—	—	353
	53,430	—	20,267	73,697
Transfers from SDA	61,600	—	—	61,600
	115,030	—	20,267	135,297
Year ended April 30, 2003				
Belgium	3,625	—	—	3,625
Belize	20	—	—	20
Brazil	11,033	—	—	11,033
Denmark	2,188	—	—	2,188
Estonia, Republic of	1	—	—	1
Latvia, Republic of	142	—	—	142
Mexico	7,961	—	—	7,961
Netherlands	—	3,244	—	3,244
St. Vincent and the Grenadines	11	—	—	11
South Africa	4,000	—	—	4,000
Switzerland	3,200	—	—	3,200
	32,181	3,244	—	35,425
Transfers from SDA	64,000	—	—	64,000
	96,181	3,244	—	99,425

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

Schedule 3

Umbrella Account for HIPC Operations

Grants, Interest, and Disbursements for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	Balance Beginning of the Year	Grants from PRGF-HIPC Trust Account	Interest Earned	Disbursements	Balance End of the Year
Year ended April 30, 2002					
Benin	802	3,680	50	3,839	693
Bolivia	2,584	44,234	1,090	8,851	39,057
Burkina Faso	14,696	15,240	456	4,644	25,748
Cameroon	431	290	15	—	736
Chad	—	2,850	57	2,067	840
Ethiopia	—	4,036	33	2,212	1,857
Gambia, The	72	—	2	9	65
Ghana	—	9,913	36	—	9,949
Guinea	2,235	—	30	2,238	27
Guinea-Bissau	391	—	7	393	5
Guyana	18,640	—	465	6,857	12,248
Honduras	—	4,500	46	2,250	2,296
Madagascar	6	1,446	13	—	1,465
Malawi	1,144	—	22	1,143	23
Mali	10,238	5,746	358	6,999	9,343
Mauritania	5,009	6,960	117	7,640	4,446
Mozambique	63,732	12,519	1,864	17,339	60,776
Niger	437	1,079	15	430	1,101
Rwanda	3,708	2,367	79	5,845	309
Senegal	3,115	3,387	44	3,132	3,414
Sierra Leone	—	23,640	37	9,818	13,859
Tanzania	13,420	69,715	809	13,332	70,612
Uganda	83,374	1,585	2,287	18,607	68,639
Zambia	119,376	16,375[1]	1,756	133,887	3,620
	343,410	229,562	9,688	251,532	331,128

Schedule 3 *(concluded)*

Umbrella Account for HIPC Operations

Grants, Interest, and Disbursements for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	Balance Beginning of the Year	Grants from PRGF-HIPC Trust Account	Interest Earned	Disbursements	Balance End of the Year
Year ended April 30, 2003					
Benin	693	12,680	49	3,735	9,687
Bolivia	39,057	—	735	7,746	32,046
Burkina Faso	25,748	1,342	513	6,967	20,636
Cameroon	736	—	11	325	422
Chad	840	1,475	29	2,327	17
Ethiopia	1,857	4,129	34	3,904	2,116
Gambia, The	65	—	1	26	40
Ghana	9,949	—	95	9,874	170
Guinea	27	2,746	31	1,888	916
Guinea-Bissau	5	—	—	—	5
Guyana	12,248	4,133	253	6,728	9,906
Honduras	2,296	—	13	2,278	31
Madagascar	1,465	2,887	28	2,182	2,198
Malawi	23	—	1	—	24
Mali	9,343	32,038	239	7,645	33,975
Mauritania	4,446	21,545	366	9,474	16,883
Mozambique	60,776	—	1,087	14,352	47,511
Nicaragua	—	1,888	9	665	1,232
Niger	1,101	1,812	9	1,098	1,824
Rwanda	309	838	8	1,068	87
Senegal	3,414	—	26	3,413	27
Sierra Leone	13,859	23,640	156	23,560	14,095
Tanzania	70,612	—	1,235	16,159	55,688
Uganda	68,639	—	1,224	16,917	52,946
Zambia	3,620	234,400[1]	1,606	120,799	118,827
	331,128	345,553	7,758	263,130	421,309

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

Schedule 4

PRGF-HIPC Trust Account

Cumulative Contributions and Transfers as at April 30, 2003

(In thousands of SDRs)

	Subaccount			
	PRGF-HIPC	**PRGF**	**HIPC**	**Combined**
Algeria	412	—	—	412
Australia	—	—	17,019	17,019
Austria	—	—	9,981	9,981
Bangladesh	1,163	—	—	1,163
Barbados	250	—	—	250
Belgium	18,454	—	—	18,454
Belize	100	—	—	100
Brazil	11,033	—	—	11,033
Brunei Darussalam	4	—	—	4
Cambodia	27	—	—	27
Canada	32,929	—	—	32,929
China	13,132	—	—	13,132
Colombia	13	—	—	13
Croatia, Republic of	31	—	—	31
Cyprus	544	—	—	544
Denmark	13,068	—	—	13,068
Egypt	37	—	—	37
Estonia, Republic of	372	—	—	372
Finland	2,583	—	—	2,583
France	55,892	—	—	55,892
Gabon	458	—	—	458
Greece	2,200	—	—	2,200
Iceland	643	—	—	643
India	390	—	—	390
Indonesia	124	—	—	124
Ireland	3,937	—	—	3,937
Israel	1,189	—	—	1,189
Italy	43,309	—	—	43,309
Jamaica	1,800	—	—	1,800
Japan	98,355	—	—	98,355
Korea	10,625	—	—	10,625
Kuwait	108	—	—	108
Latvia, Republic of	568	—	—	568
Luxembourg	488	—	—	488
Malaysia	478	—	—	478
Malta	706	—	—	706
Mauritius	40	—	—	40
Mexico	23,943	—	—	23,943
Morocco	49	—	—	49
Netherlands	—	16,336	16,347[1]	32,683
New Zealand	1,158	—	—	1,158
Nigeria	5,416	—	—	5,416
Norway	10,698	—	—	10,698
Oman	73	—	—	73
Pakistan	105	—	—	105

Schedule 4 *(concluded)*

PRGF-HIPC Trust Account

Cumulative Contributions and Transfers as at April 30, 2003

(In thousands of SDRs)

	Subaccount			
	PRGF-HIPC	PRGF	HIPC	Combined
Philippines	4,500	—	—	4,500
Poland, Republic of	2,112	—	—	2,112
Portugal	4,430	—	—	4,430
Russian Federation	10,200	—	—	10,200
St. Vincent and the Grenadines	33	—	—	33
Samoa	3	—	—	3
San Marino, Republic of	32	—	—	32
Saudi Arabia	978	—	—	978
Singapore	249	—	—	249
Slovak Republic	2,669	—	—	2,669
Slovenia, Republic of	311	—	—	311
South Africa	12,895	—	—	12,895
Spain	16,550	—	—	16,550
Sri Lanka	12	—	—	12
Swaziland	20	—	—	20
Sweden	5,322	—	—	5,322
Switzerland	9,600	—	—	9,600
Thailand	350	—	—	350
Tunisia	136	—	—	136
United Arab Emirates	353	—	—	353
United Kingdom	23,551	—	33,837	57,388
United States	—	—	221,932	221,932
Vietnam	10	—	—	10
	451,220	16,336	299,116	766,672
Transfers from SDA	351,997	—	—	351,997
Transfers from GRA	72,456	—	—	72,456
	424,453	—	—	424,453
	875,673	16,336	299,116	1,191,125

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

Other Administered Accounts

Balance Sheets
as at April 30, 2003 and 2002

	Administered Account Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account—Spain		Supplementary Financing Facility Subsidy Account		The Post-Conflict Emergency Assistance Subsidy Account[1]	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	(In thousands of U.S. dollars)								*(In thousands of SDRs)*			
Assets												
Cash and cash equivalents	119,037	117,277	25,031	20,459	14,659	8,484	—	—	2,341	2,290	5,441	587
Interest receivable	—	—	—	—	—	—	—	—	10	13	—	—
Total Assets	119,037	117,277	25,031	20,459	14,659	8,484	—	—	2,351	2,303	5,441	587
Resources												
Total Resources	119,037	117,277	25,031	20,459	14,659	8,484	—	—	2,351	2,303	5,441	587

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

[1]The Post-Conflict Emergency Assistance Account for PRGF-eligible members was established on May 4, 2001.

/s/ Eduard Brau
Director, Finance Department

/s/ Horst Köhler
Managing Director

Other Administered Accounts

Statements of Income and Changes in Resources for the Years Ended April 30, 2003 and 2002

	Administered Account Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account—Spain		Supplementary Financing Facility Subsidy Account		The Post-Conflict Emergency Assistance Subsidy Account[1]	
	2003	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**
	(In thousands of U.S. dollars)								*(In thousands of SDRs)*			
Balance, beginning of the year	117,277	114,184	20,459	14,580	8,484	4,539	—	—	2,303	2,343	587	—
Income earned on investments	1,760	3,093	227	298	142	129	—	33	48	63	103	—
Contributions received	—	—	25,508	24,965	14,834	8,411	40	329,154	—	—	5,409	1,360
Payments to and on behalf of beneficiaries	—	—	(21,163)	(19,384)	(8,801)	(4,595)	(40)	(329,187)	—	—	(658)	(773)
Net income	1,760	3,093	4,572	5,879	6,175	3,945	—	—	48	63	4,854	587
Transfers to the Special Disbursement Account (Note 4)	—	—	—	—	—	—	—	—	—	(103)	—	—
Net changes in resources	1,760	3,093	4,572	5,879	6,175	3,945	—	—	48	(40)	4,854	587
Balance, end of the year	119,037	117,277	25,031	20,459	14,659	8,484	—	—	2,351	2,303	5,441	587

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

[1]The Post-Conflict Emergency Assistance Account for PRGF-eligible members was established on May 4, 2001.

Other Administered Accounts

Notes to the Financial Statements as at April 30, 2003 and 2002

1. Nature of Operations

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

Administered Account Japan

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

Administered Account for Selected Fund Activities—Japan

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

Framework Administered Account for Technical Assistance Activities

The Framework Administered Account for Technical Assistance Activities ("the Framework Account") was established by the IMF on April 3, 1995 to receive and administer contributed resources that are to be used to finance technical assistance consistent with the purposes of the IMF. The financing of technical assistance activities is implemented through the establishment and operation of subaccounts within the Framework Account.

Resources are to be used in accordance with the written understandings between the contributor and the Managing Director. Disbursements can also be made from the Framework Account to the General Resources Account to reimburse the IMF for its costs incurred on behalf of technical assistance activities financed by resources from the Framework Account.

Subaccount for Japan Advanced Scholarship Program

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

Rwanda—Macroeconomic Management Capacity Subaccount

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

Australia—IMF Scholarship Program for Asia Subaccount

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

Switzerland Technical Assistance Subaccount

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

French Technical Assistance Subaccount

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

Denmark Technical Assistance Subaccount

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

Australia Technical Assistance Subaccount

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

The Netherlands Technical Assistance Subaccount

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

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

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

Italy Technical Assistance Subaccount

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

Pacific Financial Technical Assistance Centre Subaccount

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

Africa Regional Technical Assistance Centers Subaccount

At the request of France, the Federal Republic of Germany, Italy, the Netherlands, Norway, Sweden, and the United Kingdom, this subaccount was established on August 9, 2002 to finance activities of the Africa Regional Technical Assistance Centers that seek to support the Poverty Reduction Strategy Paper process in sub-Saharan African countries through fostering the capacity for sound macroeconomic management, strong fiscal institutions and financial systems, and timely and accurate collection and dissemination of economic data, including training and activities that strengthen the legal and administrative framework in these core areas.

The resources of this subaccount are contributed by the above governments and other governments or official agencies, including the Russian Federation, Luxembourg, and China, that reached an understanding with the IMF subsequent to the establishment.

Sweden Technical Assistance Subaccount

At the request of Sweden, this subaccount was established on November 25, 2002 to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas.

Administered Account—Spain

At the request of Spain, the IMF established an account on March 20, 2001 to receive and disburse resources up to $1 billion contributed by Spain for Argentina. The resources of this account are to be used to assist Argentina in the implementation of the adjustment program supported by the IMF under the Stand-By Arrangement for Argentina approved on March 10, 2000 and augmented on January 12, 2001.

Supplementary Financing Facility Subsidy Account

The Supplementary Financing Facility Subsidy Account administered by the IMF was established in December 1980 to assist low-income developing country members to meet the costs of using resources made available through the IMF's Supplementary Financing Facility and under the policy on exceptional use. All repurchases due under these policies were scheduled for completion by January 31, 1991, and the final subsidy payments were approved in July 1991. However, two members (Liberia and Sudan), overdue in the payment of charges, remain eligible to receive previously approved subsidy payments of SDR 2.2 million when their overdue charges are settled. Accordingly, the Account remains in operation and has retained amounts for payment to these members after the overdue charges are paid.

The Post-Conflict Emergency Assistance Subsidy Account

The Post-Conflict Emergency Assistance Subsidy Account for PRGF-Eligible Members was established in May 2001 to administer contributed resources for the purpose of providing assistance to PRGF-eligible members in support of their adjustment efforts. Contributions to the account will be used to provide grants to PRGF-eligible members that have made post-conflict emergency assistance purchases under the IMF General Resources Account, effectively subsidizing the basic rate of charge on these purchases to 0.5 percent per annum. The subsidy to each eligible member would be prorated if resources are insufficient to reduce the basic rate of charge to 0.5 percent.

Trust Fund

In addition to the aforementioned accounts, the IMF is also the trustee of the Trust Fund, which is in liquidation. The Trust Fund was established in 1976 to provide balance of payments assistance on concessional terms to eligible members that qualify for assistance.

In 1980, the IMF, as trustee, decided that, upon the completion of the final loan disbursements, the Trust Fund would be terminated as of April 30, 1981, and after that date, the activities of the Trust Fund have been confined to the conclusion of its affairs. As of April 30, 2003 and 2002, the Trust Fund had no assets other than loans receivable of SDR 88.6 million. Resources exist in the Trust Fund to the full amount of the loans and are available to absorb any losses should this occur. All interest is deferred. Cash receipts on these loans are to be transferred to the Special Disbursement Account.

Overdue loans, interest and charges at April 30, 2003 were as follows:

Member	Loans	Interest and Special Charges	Total	Longest Overdue Obligation
		In millions of SDRs		
Liberia	22.9	7.2	30.1	June 1985
Somalia	6.5	1.4	7.9	July 1987
Sudan	59.2	19.3	78.5	June 1985
Total	88.6	27.9	116.5	

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Other Administered Accounts are prepared in accordance with International Accounting Standards (IAS). Specific accounting principles and disclosure practices are explained further below.

The preparation of financial statements in conformity with IAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The financial statements do not include a cash flow statement because the statement of income and changes in resources includes the Other Administered Accounts' main cash flows.

Unit of Account

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

These accounts are expressed in U.S. dollars. All transactions and operations of these accounts, including the transfers to and from the accounts, are denominated in U.S. dollars, except for transactions and operations in respect of the OAP, which are denominated in Japanese yen, or transactions in other currencies as agreed between Japan and the IMF. Contributions denominated in other currencies are converted into U.S. dollars upon receipt of the funds.

The Post-Conflict Emergency Assistance Subsidy Account, Trust Fund, and Supplementary Financing Facility Subsidy Account

These accounts are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the composition of the SDR valuation basket became effective from January 1, 2001. The currencies in the basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 U.S. dollars as of April 30, 2002).

Transactions and operations of the accounts are denominated in SDRs. Contributions denominated in other currencies are converted into SDRs upon receipt of the funds.

Revenue and Expense Recognition

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

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost not exceeding market value. Interest on these instruments varies and is based on prevailing market rates.

Contributions

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

Payments to and on Behalf of Beneficiaries

Payments to and on behalf of beneficiaries are recognized when the specified conditions in the respective agreements are achieved.

Transfers

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

Foreign Currency Translation

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

Administrative Expenses

The expenses of conducting the activities of the Other Administered Accounts and the Trust Fund are incurred and borne by the General Department of the IMF. To help defray the expenses incurred by the IMF in the administration of the Administered Account for Selected Fund Activities—Japan and the Framework Administered Account for Technical Assistance Activities, reimbursement equal to 13 percent of the expenses financed from the accounts is paid to the IMF from these accounts. The Administered Account—Spain pays the IMF an annual fee of $40,000 for administrative costs incurred. As at April 30, 2003 the administrative costs for the Administered Account for Selected Fund Activities—Japan amounted to $2.1 million ($2.1 million at April 30, 2002), and for the Framework Administered Account for Technical Assistance Activities $1.0 million ($0.5 million at April 30, 2002). These amounts are included in payments to and on behalf of beneficiaries on the income statements and changes in resources.

Comparatives

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

3. Cumulative Contributions and Disbursements

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

	April 30, 2003		April 30, 2002	
Account	Cumulative Contributions	Cumulative Disbursements[1]	Cumulative Contributions	Cumulative Disbursements[1]
	In millions of U.S. dollars			
Administered Account Japan	135.2	72.5	135.2	72.5
Administered Account for Selected Fund Activities—Japan	204.1	186.3	178.5	165.1
Technical Assistance	184.4	169.8	162.8	150.5
Scholarships	13.0	11.2	10.3	9.3
Office of Asia and Pacific	6.7	5.3	5.4	5.3
Framework Administered Account for Technical Assistance Activities	42.1	28.7	27.3	20.0
Subaccount for Japan Advanced Scholarship Program	10.2	8.8	8.7	7.2
Rwanda—Macroeconomic Management Capacity Subaccount	1.5	1.6	1.5	1.6
Australia—IMF Scholarship Program for Asia Subaccount	2.2	2.2	2.0	1.9
Switzerland Technical Assistance Subaccount	9.5	8.1	8.3	6.6
French Technical Assistance Subaccount	0.8	0.5	0.7	0.5
Denmark Technical Assistance Subaccount	2.7	1.1	0.5	0.5
Australia Technical Assistance Subaccount	0.3	—	0.3	—
The Netherlands Technical Assistance Subaccount	2.6	2.0	1.8	1.1
The United Kingdom DFID Technical Assistance Subaccount	3.4	2.9	1.7	0.6
Italy Technical Assistance Subaccount	1.8	0.1	1.8	—
Pacific Financial Technical Assistance Centre Subaccount	1.1	0.8	—	—
Africa Regional Technical Assistance Centers Subaccount	4.9	0.6	—	—
Sweden Technical Assistance Subaccount	1.1	—	—	—
Administered Account—Spain	835.5	835.6	835.5	835.6
	In millions of SDRs			
The Post-Conflict Emergency Assistance Subsidy Account	6.8	1.4	1.4	0.8

[1]Disbursements had been made from resources contributed to these accounts as well as from interest earned on these resources.

4. Transfer of Resources

Resources of the Supplementary Financing Facility Subsidy Account in excess of the remaining subsidy payments are to be transferred to the Special Disbursement Account. At April 30, 2003 and 2002, subsidy payments totaling SDR 2.2 million had not been made to Liberia and Sudan and were being held pending the payment of overdue charges by these members.

5. Accounts Termination

Administered Account Japan

The account can be terminated by the IMF or by Japan. Any remaining resources in the account at termination are to be returned to Japan.

Administered Account for Selected Fund Activities—Japan

The account can be terminated by the IMF or by Japan. Any resources that may remain in the account at termination, net of accrued liabilities under technical assistance projects or in respect of the OAP, are to be returned to Japan.

Framework Administered Account for Technical Assistance Activities

The Framework Account or any subaccount thereof may be terminated by the IMF at any time. The termination of the Framework Account shall terminate each subaccount thereof. A subaccount may also be terminated by the contributor of the resources to the subaccount. Termination shall be effective on the date that the IMF or the contributor, as the case may be, receives notice of termination. Any balances, net of the continuing liabilities and commitments under the activities financed, that may remain in a subaccount upon its termination are to be returned to the contributor.

Administered Account—Spain

The account will be terminated when Argentina repays all the resources that were distributed, or at an earlier time as agreed between Spain and the IMF. Any remaining resources in the account at termination are to be returned to Spain.

The Post-Conflict Emergency Assistance Subsidy Account

The account can be terminated by the IMF at any time. Any remaining balances after discharge of all obligations of the account upon the account's termination are to be returned to the contributors in proportion to their contributions.

Abkürzungsverzeichnis

ADI	Ausländische Direktinvestitionen
AFRITAC	Reg. Zentrum für technische Hilfe in Afrika
AKV	Allgemeine Kreditvereinbarungen
AML/CFT	Bekämpfung der Geldwäsche und der Terrorismusfinanzierung
APEC	Asiatisch-Pazifische Wirtschaftliche Zusammenarbeit
ASEAN	Verband Südostasiatischer Staaten
AWF	Arabischer Währungsfonds
BCEAO	Zentralbank der Westafrikanischen Staaten
BIP	Bruttoinlandsprodukt
BIZ	Bank für Internationalen Zahlungsausgleich
CAC	Umschuldungsklausel
CAEMC	Zentralafrikanische Wirtschafts- und Währungsgemeinschaft
CARTAC	Regionales Zentrum für technische Hilfe im karibischen Raum
CCL	Vorbeugende Kreditlinie
CFF	Fazilität zur kompensierenden Finanzierung
DSBB	Informationstafel zu Datenveröffentlichungs-Standards
EBRD	Europäische Bank für Wiederaufbau und Entwicklung
ECOWAS	Wirtschaftsgemeinschaft Westafrikanischer Staaten
ECU	Europäische Währungseinheit
EFF	Erweiterte Fondsfazilität
ESAF	Erweiterte Strukturanpassungsfazilität
EU	Europäische Union
EWS	Europäisches Währungssystem
EWWU	Europäische Wirtschafts- und Währungsunion
EZB	Europäische Zentralbank
FATF	Aktionsgruppe zur Bekämpfung der Geldwäsche
FCC	Künftige Kreditzusagekapazität
FSAP	Programm zur Bewertung des Finanzsektors
FSF	Forum für Finanzstabilität
FSLC	Verbindungsausschuss für den Finanzsektor
FSRB	FATF-ähnliches regionales Gremium
FSSA	Bewertung der Stabilität des Finanzsystems
GAP	Gemeinsame Agrarpolitik (der EU)
GDDS	Allgemeines Datenveröffentlichungs-System
GFSR	*Bericht zur Stabilität des globalen Finanzsystems*
GRA	Allgemeines Konto
GUS	Gemeinschaft der Unabhängigen Staaten
GUS-7	Armenien, Aserbaidschan, Georgien, Kirgisische Republik, Moldau, Tadschikistan und Usbekistan
HIPC	Hochverschuldetes armes Land
IAO	Internationale Arbeitsorganisation
IDA	Internationale Entwicklungsorganisation
IDB	Interamerikanische Entwicklungsbank
IEO	Unabhängiges Evaluierungsbüro (des IWF)
IFC	Internationale Finanz-Corporation
IMFC	Internationaler Währungs- und Finanzausschuss
I-PRSP	Vorläufiges Strategiedokument zur Armutsbekämpfung
LOI	Absichtserklärung
NEPAD	Neue Partnerschaft für die Entwicklung Afrikas
NGW	Nettogegenwartswert
NKV	Neue Kreditvereinbarungen
OECD	Organisation für Wirtschaftliche Zusammenarbeit und Entwicklung
OPEC	Organisation der erdölausführenden Länder
PFTAC	Pazifisches Zentrum für technische Hilfe im Finanzbereich
PIN	Öffentliche Informationsmitteilung
PRGF	Armutsbekämpfungs- und Wachstumsfazilität
PRSP	Strategiedokument zur Armutsbekämpfung
ROSC	Bericht über die Einhaltung von Standards und Kodizes
S&P	Standard and Poor's
SAF	Strukturanpassungsfazilität
SARS	Schweres Akutes Atemwegssyndrom
SCA-1	Sonderkonto für Eventualfälle
SDDS	Spezieller Datenveröffentlichungs-Standard
SDRM	Verfahren zur Umstrukturierung von Staatschulden
SMP	Stabsüberwachtes Programm
SRF	Fazilität zur Stärkung von Währungsreserven
STF	Systemtransformationsfazilität
SWP	Stabilitäts- und Wachstumspakt (der EU)
SZR	Sonderziehungsrecht
UN	Vereinte Nationen
UNDP	Entwicklungsprogramm der Vereinten Nationen
WAEMU	Westafrikanische Wirtschafts- und Währungsunion
WKM	Wechselkursmechanismus (des EWS)
WTO	Welthandelsorganisation