



**International
Monetary
Fund**

**FINANCIAL
STATEMENTS**

Quarter Ended
January 31, 2001

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PART ONE

**Financial Statements
of the
International Monetary Fund**

I. General Department

II. SDR Department

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

General Department

Balance Sheet

as at January 31, 2001

(In thousands of SDRs)

Assets			
Credit outstanding	44,121,498	Liabilities and Resources	
Usable currencies	105,977,554	Liabilities:	
Other currencies	<u>56,018,214</u>	Remuneration payable	441,859
Total currencies (Notes 3 and 4)	<u>206,117,266</u>	Other liabilities	201,505
SDR holdings	2,601,849	Special Contingent Account (Note 10)	<u>1,189,519</u>
Gold holdings (Note 5)	5,851,771	Total Liabilities	<u>1,832,883</u>
Receivables (Note 6)	600,308	Members' Resources:	
Other assets (Notes 7 and 14)	655,489	Quotas, represented by:	
		Reserve tranche positions (Notes 2 and 4)	48,722,971
		Subscription payments: Usable	105,977,554
		Other	<u>56,018,575</u>
		Total quotas	<u>210,719,100</u>
Assets of the Special Disbursement Account		Reserves of the General Resources Account	3,274,700
Investments of the Special Disbursement Account (Note 8)	2,375,440	Accumulated resources of the Special Disbursement Account	2,819,940
Structural Adjustment Facility loans (Note 3)	444,500	Total Liabilities and Resources	<u><u>218,646,623</u></u>
Total Assets	<u><u>218,646,623</u></u>		

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

General Department
Income Statement
for the Nine Months Ended January 31, 2001

(In thousands of SDRs)

Operational Income	
Interest and charges (Note 6)	1,709,710
Interest on SDR holdings	90,233
Other charges and income	59,421
	<u>1,859,364</u>
Operational Expenses	
Remuneration (Note 9)	1,339,885
Allocation to the first Special Contingent Account	70,500
	<u>1,410,385</u>
Administrative Expenses net of gain on pension and other retirement benefits (Notes 13 and 14)	279,313
Net Income of the General Resources Account	<u><u>169,666</u></u>
Income of the Special Disbursement Account	
Investment income	119,352
Interest on loans	1,225
Net Income of the Special Disbursement Account	<u><u>120,577</u></u>

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

General Department
Statement of Changes in Resources
for the Nine Months Ended January 31, 2001

(In thousands of SDRs)

	General Resources Account			Special Disbursement Account Accumulated Resources	
	Quotas	Special Reserve	General Reserve		Total Reserves
Balance at April 30, 2000	210,251,400	2,178,382	926,652	3,105,034	2,767,727
Quota subscriptions	467,700				
Net income of General Resources Account transferred to reserves		169,666	--	169,666	
Net income of the Special Disbursement Account					120,577
Transfers from the Trust Fund					131
Transfers from the SFF subsidy account					104
Transfers to the PRGF Trust					(26,074)
Transfers to the PRGF - HIPC Trust					(42,525)
Balance at January 31, 2001	210,719,100	2,348,048	926,652	3,274,700	2,819,940

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

General Department
Statement of Cash Flows
for the Nine Months Ended January 31, 2001

(In thousands of SDRs)

Usable currencies and SDRs from operating activities

Net income of the General Resources Account	169,666
Net income of the Special Disbursement Account	120,577
Adjustments to reconcile net income to usable resources generated by operations	
Changes in receivables and other assets	(58,879)
Changes in remuneration payable and other liabilities	1,925
Allocation to the first Special Contingent Account	70,500
Net usable currencies and SDRs provided by operating activities	303,789

Usable currencies and SDRs from investment activities

Net acquisition of investments by the Special Disbursement Account	(119,351)
Net usable currencies and SDRs used in investment activities	(119,351)

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

Purchases in currencies and SDRs including reserve tranche purchases	(8,201,859)
Repurchases in currencies and SDRs	7,946,643
Repayments of Structural Adjustment Facility loans	67,138
Net usable currencies and SDRs generated/(absorbed) in providing credit to members	(188,078)

Usable currencies and SDRs from financing activities

Subscription payments in SDRs and usable currencies	61,050
Changes in composition of usable currencies	366,186
Transfers to the PRGF Trust, the PRGF-HIPC Trust, and other accounts	(68,364)
Net usable currencies and SDRs provided by financing activities	358,872

<i>Net increase in usable currencies and SDRs</i>	355,232
<i>Usable currencies and SDRs, beginning of period</i>	108,224,171
Usable currencies and SDRs, January 31, 2001	108,579,403

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

General Department

Notes to the Financial Statements

as at January 31, 2001

1. Purpose and Organization

The IMF is an international organization of 183 member countries. It was established to promote international monetary cooperation, exchange stability, and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to countries under adequate safeguards to help ease balance of payments adjustment. The IMF conducts its operations and transactions through the General Department and the Special Drawing Rights Department (the SDR Department). The General Department consists of the General Resources Account (GRA), the Special Disbursement Account (SDA), and the Investment Account. The latter had not been activated as of January 31, 2001. The IMF also administers trusts and accounts established to perform financial and technical services and financial operations consistent with the purposes of the IMF. The resources of these trusts and accounts are contributed by members and the IMF. The financial statements of the SDR Department and these trusts and accounts are presented separately.

General Resources Account

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

Special Disbursement Account

The assets and resources of the SDA are held separately from other accounts of the General Department. Resources of the SDA include transfers received from the Trust Fund and profits from the sale of the IMF's gold. Income from the investment of gold profits is to be transferred to the Poverty Reduction and Growth Facility—Heavily Indebted Poor Countries Trust (PRGF-HIPC Trust, formerly Enhanced Structural Adjustment Facility-Heavily Indebted Poor Countries or ESAF-HIPC Trust), in accordance with decisions of the IMF. The account also holds loans extended under the Structural Adjustment Facility (SAF). The SAF was established in March 1986 to provide balance of payments assistance on concessional terms to qualifying low-income developing country members.

General Department

Notes to the Financial Statements

as at January 31, 2001

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

2. Summary of Significant Accounting Practices

Basis of Presentation

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

Revenue Recognition

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of key international currencies of members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the new method of valuation became effective from January 1, 2001. The method of valuing the SDR has been revised following the introduction of euro as the common currency of a number of members. The currencies in the basket as of January 31, 2001 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 January 31, 2001, one SDR was equal to 1.29779 U.S. dollars.

General Department

Notes to the Financial Statements

as at January 31, 2001

Credit Outstanding

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

The IMF makes its resources available in accordance with established policies by selling to members, in exchange for their own currencies, SDRs or currencies of other members. When members make purchases, they incur obligations to repurchase the IMF's holdings of their currencies within specified periods by payments in SDRs or other currencies, as determined by the IMF. The IMF's policies on the use of its general resources are intended to ensure that their use is temporary and will be reversed within the agreed-upon repurchase periods.

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

Overdue Obligations and Special Contingent Account

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

Currencies

Currencies consist of members' currencies and securities held by the IMF. Each member has the option to substitute non-negotiable and non-interest-bearing securities for the IMF's holdings of its currency that exceeds $\frac{1}{4}$ of 1 percent of the member's quota. These securities are encashable by the IMF on demand.

General Department

Notes to the Financial Statements

as at January 31, 2001

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

Usable Currencies

Usable currencies consist of currencies of members considered by the IMF to have strong balance of payment and reserve positions. Such currencies are included in the IMF's financial transactions plan to finance purchases and other transfers of the IMF. Participation in the financial transactions plan is reviewed on a quarterly basis.

Valuation of Currencies

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

SDR Holdings

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

SDR Interest Rate

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

General Department

Notes to the Financial Statements

as at January 31, 2001

Gold Holdings

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

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

Deferred Income

It is the policy of the IMF to exclude from current income charges due by members that are six months or more overdue in settling their financial obligations to the IMF, unless these members are current in the payment of charges. The IMF generates compensating income for the amount of charges being deferred through the burden-sharing mechanism.

SAF Loans in the Special Disbursement Account

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

Investments in the Special Disbursement Account

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

General Department

Notes to the Financial Statements

as at January 31, 2001

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

Fixed Assets

Land, buildings, and equipment with a cost in excess of \$100,000 are capitalized at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which range from 3 years for equipment to 30 years for buildings.

Quotas

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

Reserve Tranche Position

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

Reserves

The IMF determines annually what part of its net income will be retained and placed to the General Reserve or the Special Reserve, and what part, if any, will be distributed. The Articles of Agreement permit the IMF to use the Special Reserve for any purpose for which it may use the General Reserve, except distribution. The IMF has decided that for financial year 2001, net operational income generated from the use of resources under the Supplemental Reserve Facility (SRF) and the Contingent Credit Lines (CCL) after meeting the expenses of conducting the PRGF Trust would be transferred to the General Reserve.

General Department

Notes to the Financial Statements

as at January 31, 2001

Charges

The IMF levies periodic charges on members' use of IMF credit. For financial year 2001, the basic rate of charge has been set at 115.9 percent of the SDR interest rate. The basic rate of charge is increased to offset the effect on the IMF's income of the deferral of unpaid charges and to finance the additions to the SCA-1. The average adjusted rate of charge, before applicable surcharges, for the month of January 31, 2001 was 5.37 percent. A surcharge progressing from 150 to 500 basis points above the basic rate of charge applies to use of credit under the SRF and CCL. In addition, outstanding purchases, other than purchases made under the SRF and CCL, made after November 28, 2000 under Stand-By and Extended arrangements that exceed 200 percent of quota are 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 obligations that are six months or more overdue to the IMF. A service charge is levied by the IMF on all purchases, except reserve tranche purchases. A refundable commitment fee is charged on the amounts available for purchase under the Stand-By and Extended Arrangements.

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 non-payment of charges and additions to the SCA-1. This adjustment is refundable, when overdue obligations are settled, to members that received reduced remuneration. The average adjusted rate of remuneration during the month of January 2001 amounted to 4.30 percent. A portion of the reserve tranche is unremunerated. This portion 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 IMF. 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, 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 medical and life insurance benefits to retired staff.

General Department

Notes to the Financial Statements

as at January 31, 2001

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

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

3. Credit Outstanding

Changes in the outstanding use of IMF credit under the various facilities of the GRA during the nine months ended January 31, 2001 were as follows:

	April 30, 2000	Purchases	Repurchases	January 31, 2001
	<i>In millions of SDRs</i>			
Regular facilities	20,968	3,928	5,960	18,936
Extended Fund Facility	16,361	954	1,101	16,214
Supplemental Reserve Facility	--	3,217	--	3,217
Systemic Transformation Facility	2,718	--	614	2,104
Enlarged Access	752	--	227	525
Compensatory and Contingency Financing Facility	3,032	--	30	3,002
Supplementary Financing Facility	<u>137</u>	<u>--</u>	<u>14</u>	<u>123</u>
Total	<u>43,968</u>	<u>8,099</u>	<u>7,946</u>	<u>44,121</u>

IMF credit outstanding as of April 30, 2000 includes amounts receivable from the Federal Republic of Yugoslavia (Serbia/Montenegro) which fulfilled the conditions to succeed to the membership of the former Socialist Federal Republic of Yugoslavia on December 20, 2000. This amount was previously included in other receivables in the balance sheet.

General Department

Notes to the Financial Statements

as at January 31, 2001

As of January 31, 2001, SDA loans and interest receivable computed at 0.5 percent per annum, consisted of the following:

In millions of SDRs

SDA loans outstanding	445
Interest accrued	7
Less interest deferred	(7)
	<u>445</u>

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

Financial Year Ending April 30	General Resources Account	Special Disbursement Account
<i>In millions of SDRs</i>		
2001	1,496	12
2002	10,219	91
2003	11,419	62
2004	7,369	51
2005 and beyond	12,747	77
Overdue	871	152
Total	<u>44,121</u>	<u>445</u>

As of January 31, 2001, use of credit in the GRA by the largest users was as follows:

*In millions of SDRs and
percent of total GRA credit*

Largest user of credit	8,823	20.0%
Three largest users of credit	23,157	52.5%
Five largest users of credit	30,060	68.1%

General Department

Notes to the Financial Statements

as at January 31, 2001

Overdue Obligations

At January 31, 2001, six members were six months or more overdue in settling their financial obligations to the IMF. Four of these members were overdue to the General Department.

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

	<u>Repurchases and SAF Loans</u>	<u>Charges and SAF Interest</u>
<i>In millions of SDRs</i>		
Total overdue	1,023	1,005
Overdue for six months or more	1,023	980
Overdue for three years or more	997	875

The type and duration of these arrears as of January 31, 2001, were as follows:

	<u>Repurchases and SAF Loans</u>	<u>Charges and SAF Interest</u>	<u>Total Obligation</u>	<u>Longest Overdue Obligation</u>
<i>In millions of SDRs</i>				
Congo, Democratic Republic of	300	74	374	May 1991
Liberia	201	230	431	April 1985
Somalia	106	86	192	July 1987
Sudan	416	615	1,031	July 1985
Total	<u>1,023</u>	<u>1,005</u>	<u>2,028</u>	

General Department

Notes to the Financial Statements

as at January 31, 2001

4. Currencies

Changes in the IMF's holdings of members' currencies for the nine months ended January 31, 2001 were as follows:

	April 30, 2000	Net Change	January 31, 2001
<i>In millions of SDRs</i>			
Members' quotas	210,251	468	210,719
Members' outstanding use of IMF credit in the GRA	43,912	209	44,121
Members' reserve tranche positions in the GRA	(48,872)	149	(48,723)
Administrative currency balances	(4)	4	0
	<u>205,287</u>	<u>830</u>	<u>206,117</u>
Currencies			

Receivables and payables arising from valuation adjustments at January 31, 2001, amounted to SDR 4,418 million and SDR 2,349 million, respectively. Settlements of these receivables or payables are required to be made promptly after the end of each financial year.

Other currency holdings, other than those resulting from the use of credit or usable currencies, amounted to SDR 56,018 million; of this amount SDR 32,949 million represents currencies of members that use IMF credit.

5. Gold Holdings

During the financial year ended April 30, 2000, the IMF sold 12,944,253 fine ounces of gold to members with repurchase obligations falling due to the IMF. Proceeds in excess of the carrying value of gold, equivalent to SDR 2,226 million, were placed in the SDA and subsequently invested. Income from investments will be transferred on an "as needed" basis to a separate sub-account of the PRGF-HIPC Trust to finance the HIPC initiative.

At January 31, 2001, the IMF held 3,217,341 kilograms of gold, equal to 103,439,916 fine ounces of gold, at designated depositories. As of January 31, 2001, the value of the IMF's holdings of gold calculated at the market price was SDR 21.1 billion.

General Department

Notes to the Financial Statements

as at January 31, 2001

6. Periodic Charges

As of January 31, 2001, the total holdings on which the IMF levies charges amounted to SDR 44,121 million. Charges and other receivables due to the IMF as of January 31, 2001 were as follows:

	<i>In millions of SDRs</i>
Periodic charges due	1,578
Less: deferred income	(1,010)
	<u>568</u>
Other receivables	32
Receivables	<u><u>600</u></u>

Periodic charges for the nine months ended January 31, 2001 consisted of the following:

	<i>In millions of SDRs</i>
Periodic charges due	1,683
Add: adjustments for deferred charges and SCA-1, net of refunds	43
Less: income deferred, net of settlements	(16)
Total periodic charges	<u><u>1,710</u></u>

7. Fixed Assets

Other assets include capital assets which at January 31, 2001 amounted to SDR 222 million and consisted of:

General Department

Notes to the Financial Statements

as at January 31, 2001

In millions of SDRs

Land and buildings	306
Equipment	42
Total fixed assets	<u>348</u>
Less accumulated depreciation	<u>(126)</u>
Net fixed assets	<u><u>222</u></u>

8. Investments in the Special Disbursement Account

The maturity profile of the investments is summarized below:

<u>Maturity from January 31, 2001</u>	
	<i>In millions of SDRs</i>
Less than 1 year	97
1 - 3 years	2,103
3 - 5 years	175
Over 5 years	--
Total	<u><u>2,375</u></u>

The investments consisted of the following:

In millions of SDRs

Medium-term investments	1,589
Debt securities	782
Fixed deposits	4
Total	<u><u>2,375</u></u>

General Department

Notes to the Financial Statements

as at January 31, 2001

9. Remuneration and Financing Costs

At January 31, 2001, total creditor positions on which the IMF paid remuneration amounted to SDR 42,210 million. Remuneration for the nine months ended January 31, 2001 consisted of the following:

	<i>In millions of SDRs</i>
Remuneration	1,383
Less: adjustments for deferred charges and SCA-1, net of refunds	(43)
	<u>1,340</u>

10. Deferred Income and Special Contingent Accounts

Deferred income at January 31, 2001 amounted to SDR 1,010 million.

The SCA-1 is financed by quarterly adjustments to the rate of charge and the rate of remuneration. Balances in the SCA-1 are to be distributed to the members that shared the cost of its financing when there are no outstanding overdue charges and repurchases, or at such earlier time as the IMF may decide. At January 31, 2001, the balances held in the SCA-1 amounted to SDR 1,190 million.

The cumulative charges, net of settlements, which have been deferred since May 1, 1986 and have resulted in adjustments to charges and remuneration, amounted to SDR 822 million at January 31, 2001. The cumulative refunds for the same period, resulting from the settlements of deferred charges for which burden-sharing adjustments have been made, amounted to SDR 971 million.

11. Borrowings

Under the General Arrangements to Borrow (GAB), the IMF may borrow up to SDR 18.5 billion when supplementary resources are needed, in particular, to forestall or to cope with an impairment of the international monetary system. The GAB became effective on October 24, 1962, and has been extended through December 25, 2003. Interest on borrowings under the GAB is calculated at a rate equal to the SDR interest rate.

General Department

Notes to the Financial Statements

as at January 31, 2001

Under the New Arrangements to Borrow (NAB), the IMF may borrow up to SDR 34 billion of supplementary resources. The NAB is the facility of first and principal recourse, but it does not replace the GAB which will remain in force. Outstanding drawings and commitments under these two borrowing arrangements are limited to a combined total of SDR 34 billion. The NAB became effective for a five-year period on November 17, 1998 and was activated on December 2, 1998. Interest on borrowings under the NAB is payable to the participants at the SDR interest rate or any such higher rate as may be agreed between the IMF and participants representing 80 percent of the total credit arrangement.

12. Arrangements and Commitments in the General Department

An arrangement gives a member the assurance that the institution stands ready to provide SDRs or usable currencies during a specified period and up to a specified amount, in accordance with the terms of the decision. At January 31, 2001, the undrawn balances under the 24 arrangements that were in effect in the GRA amounted to SDR 23,858 million.

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

13. Administrative Expenses

The administrative expenses for the nine months ended January 31, 2001 were as follows:

In millions of SDRs

Personnel	157
Travel	51
Other	74
Less reimbursements for the administration of the SDR Department	(3)
Total administrative expenses, net of reimbursements	<u>279</u>

The majority of these expenses are incurred in U.S. dollars; exchange gains and losses incurred in the normal course of business are reflected in administrative expenses.

General Department

Notes to the Financial Statements

as at January 31, 2001

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 year 2001 and to transfer the amounts that would otherwise have been reimbursed to the GRA from the PRGF Trust Reserve Account, through the SDA, to the PRGF-HIPC Trust.

14. Pension and Other Post-Retirement Benefits

The IMF has established a defined-benefit Staff Retirement Plan (SRP) that covers substantially all eligible staff and a Supplemental Retirement Benefits Plan (SRBP) for selected participants of the SRP. Participants contribute a fixed percentage of their pensionable remuneration. The IMF contributes the remainder of the cost of funding the plans and pays the administrative costs of the plans. In addition, the IMF provides other employment and post-retirement benefits, including medical and life insurance benefits. The IMF established a separate account, the Retired Staff Benefits Investment Account (RSBIA), where resources are held and invested to fund part of the cost of these post-retirement benefits. The pension and other post-retirement employee benefits obligations are valued by independent actuaries every year using the Projected Unit Credit Method.

The amounts recognized in the income statement for the nine months ended January 31, 2001 are as follows:

	SRP	SRBP	RSBIA	Other	Total
	<i>In millions of SDRs</i>				
Service Cost	34	20	5	9	68
Interest Cost	83	28	11	16	138
Expected return on plan assets	(227)	--	(13)	--	(240)
Net periodic (income)/cost	<u>(110)</u>	<u>48</u>	<u>3</u>	<u>25</u>	<u>(34)</u>
Net actuarial (gain) / loss	<u>(32)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(32)</u>
Total (benefit) cost	<u><u>(142)</u></u>	<u><u>48</u></u>	<u><u>3</u></u>	<u><u>25</u></u>	<u><u>(66)</u></u>

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

General Department

Notes to the Financial Statements

as at January 31, 2001

Reconciliation of benefit obligation

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

Reconciliation of fair value of assets

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

General Department

Notes to the Financial Statements

as at January 31, 2001

Funded status of these benefits

	SRP	SRBP	RSBIA	Other	Total
	<i>In millions of SDRs</i>				
Assets in excess of /(below) projected benefit obligation	1,731	(464)	(6)	(241)	1,020
Unrecognized actuarial losses (gains)	(818)	38	(13)	(4)	(797)
Excess assets over liabilities at April 30, 2000	<u>913</u>	<u>(426)</u>	<u>(19)</u>	<u>(245)</u>	<u>223</u>

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

	April 30, 2000			
	SRP	SRBP	RSBIA	Other
	<i>In percent</i>			
Discount rate	8.0	8.0	8.0	8.0
Expected return on plan assets	9.3	9.3	9.3	0.0
Rate of compensation increase	6.6-11.0	6.6-11.0	6.6-11.0	6.6-11.0
Health care growth rates at end of financial year 2000	0.0	0.0	8.0	0.0
- to year 2008 and thereafter	0.0	0.0	5.5	0.0

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at January 31, 2001

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		SDA 2/	PRGF Trust 3/	Total 4/
		Total	Percent of quota		Amount	Percent of total			
Afghanistan, Islamic									
State of	120,400	115,488	95.9	4,928	--	--	--	--	--
Albania	48,700	54,175	111.2	3,355	8,825	0.02	--	57,796	66,621
Algeria	1,254,700	2,481,103	197.7	85,082	1,311,480	2.97	--	--	1,311,480
Angola	286,300	286,445	100.1	--	--	--	--	--	--
Antigua and Barbuda	13,500	13,499	100.0	1	--	--	--	1	--
Argentina	2,117,100	8,132,730	384.1	--	6,015,602	13.63	--	--	6,015,602
Armenia, Republic of	92,000	115,911	126.0	--	23,906	0.05	--	109,350	133,256
Australia	3,236,400	2,175,616	67.2	1,060,886	--	--	--	--	--
Austria	1,872,300	1,339,808	71.6	532,518	--	--	--	--	--
Azerbaijan	160,900	332,124	206.4	10	171,224	0.39	--	81,900	253,124
Bahamas, The	130,300	124,065	95.2	6,239	--	--	--	--	--
Bahrain	135,000	70,153	52.0	64,856	--	--	--	--	--
Bangladesh	533,300	631,244	118.4	186	98,125	0.22	--	67,437	165,562
Barbados	67,500	62,827	93.1	4,675	--	--	--	--	--
Belarus, Republic of	386,400	468,183	121.2	20	81,783	0.19	--	--	81,783
Belgium	4,605,200	3,193,201	69.3	1,412,008	--	--	--	--	--
Belize	18,800	14,562	77.5	4,239	--	--	--	--	--
Benin	61,900	59,721	96.5	2,188	--	--	4,439	62,277	66,716
Bhutan	6,300	5,280	83.8	1,020	--	--	--	--	--
Bolivia	171,500	162,638	94.8	8,875	--	--	--	166,494	166,494
Bosnia and Herzegovina	169,100	249,535	147.6	--	80,430	0.18	--	--	80,430
Botswana	63,000	47,239	75.0	15,771	--	--	--	--	--
Brazil	3,036,100	4,393,560	144.7	--	1,356,750	3.08	--	--	1,356,750
Brunei Darussalam	150,000	114,727	76.5	35,285	--	--	--	--	--
Bulgaria	640,200	1,588,703	248.2	32,742	981,223	2.22	--	--	981,223
Burkina Faso	60,200	52,991	88.0	7,221	--	--	11,692	79,966	91,658
Burundi	77,000	71,141	92.4	5,860	--	--	--	5,376	5,376
Cambodia	87,500	90,625	103.6	--	3,125	0.01	--	61,471	64,596
Cameroon	185,700	187,652	101.1	516	2,463	0.01	--	178,040	180,503
Canada	6,369,200	4,379,352	68.8	1,989,854	--	--	--	--	--
Cape Verde	9,600	9,598	100.0	2	--	--	--	--	--
Central African Republic	55,700	55,595	99.8	111	--	--	--	24,480	24,480
Chad	56,000	55,719	99.5	282	--	--	--	59,960	59,960
Chile	856,100	607,283	70.9	248,818	--	--	--	--	--
China	4,687,200	3,240,853	69.1	1,446,393	--	--	--	--	--
Colombia	774,000	488,204	63.1	285,803	--	--	--	--	--
Comoros	8,900	8,362	93.9	540	--	--	1,035	--	1,035
Congo, Democratic									
Republic of	291,000	448,109	154.0	--	157,109	0.36	142,910	--	300,019
Congo, Republic of	84,600	101,897	120.4	536	17,815	0.04	--	13,896	31,711
Costa Rica	164,100	144,113	87.8	20,000	--	--	--	--	--

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at January 31, 2001

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		SDA 2/	PRGF Trust 3/	Total 4/
		Total	Percent of quota		Amount	Percent of total			
Côte d'Ivoire	325,200	324,919	99.9	286	--	--	--	421,614	421,614
Croatia, Republic of	365,100	486,373	133.2	159	121,430	0.28	--	--	121,430
Cyprus	139,600	104,243	74.7	35,369	--	--	--	--	--
Czech Republic	819,300	816,958	99.7	2,351	--	--	--	--	--
Denmark	1,642,800	1,202,688	73.2	440,116	--	--	--	--	--
Djibouti	15,900	19,282	121.3	1,100	4,481	0.01	--	5,452	9,933
Dominica	8,200	8,192	99.9	9	--	--	--	--	--
Dominican Republic	218,900	258,599	118.1	3	39,700	0.09	--	--	39,700
Ecuador	302,300	398,495	131.8	17,153	113,346	0.26	--	--	113,346
Egypt	943,700	823,646	87.3	120,075	--	--	--	--	--
El Salvador	171,300	171,303	100.0	--	--	--	--	--	--
Equatorial Guinea	32,600	32,609	100.0	--	--	--	2,874	898	3,772
Eritrea	15,900	15,900	100.0	5	--	--	--	--	--
Estonia, Republic of	65,200	78,758	120.8	6	13,563	0.03	--	--	13,563
Ethiopia	133,700	126,611	94.7	7,099	--	--	29,652	29,490	59,142
Fiji	70,300	55,335	78.7	14,983	--	--	--	--	--
Finland	1,263,800	882,025	69.8	381,843	--	--	--	--	--
France	10,738,500	7,139,980	66.5	3,598,449	--	--	--	--	--
Gabon	154,300	222,531	144.2	148	68,375	0.15	--	--	68,375
Gambia, The	31,100	29,618	95.2	1,485	--	--	--	13,832	13,832
Georgia	150,300	189,613	126.2	10	39,313	0.09	--	181,050	220,363
Germany	13,008,200	8,714,715	67.0	4,293,496	--	--	--	--	--
Ghana	369,000	369,004	100.0	--	--	--	--	221,757	221,757
Greece	823,000	595,182	72.3	227,820	--	--	--	--	--
Grenada	11,700	11,701	100.0	--	--	--	--	--	--
Guatemala	210,200	210,206	100.0	--	--	--	--	--	--
Guinea	107,100	107,026	99.9	75	--	--	--	94,496	94,496
Guinea-Bissau	14,200	17,750	125.0	0 5/	3,550	0.01	--	15,265	18,815
Guyana	90,900	90,902	100.0	--	--	--	9,102	81,020	90,122
Haiti	60,700	75,821	124.9	56	15,175	0.03	--	15,175	30,350
Honduras	129,500	168,374	130.0	8,627	47,500	0.11	--	116,897	164,397
Hungary	1,038,400	836,617	80.6	201,784	--	--	--	--	--
Iceland	117,600	99,023	84.2	18,580	--	--	--	--	--
India	4,158,200	3,669,587	88.2	488,641	--	--	--	--	--
Indonesia	2,079,300	10,251,792	493.0	145,479	8,317,970	18.85	--	--	8,317,970
Iran, Islamic Republic of	1,497,200	1,497,204	100.0	--	--	--	--	--	--
Iraq	504,000	504,013	100.0	--	--	--	--	--	--
Ireland	838,400	577,049	68.8	261,368	--	--	--	--	--
Israel	928,200	838,295	90.3	89,911	--	--	--	--	--
Italy	7,055,500	4,778,732	67.7	2,276,771	--	--	--	--	--

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at January 31, 2001

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		SDA 2/	PRGF Trust 3/	Total 4/
		Total	Percent of quota		Amount	Percent of total			
Jamaica	273,500	319,873	117.0	--	46,323	0.10	--	--	46,323
Japan	13,312,800	9,140,894	68.7	4,172,088	--	--	--	--	--
Jordan	170,500	524,730	307.8	52	354,279	0.80	--	--	354,279
Kazakhstan, Republic of	365,700	365,700	100.0	5	--	--	--	--	--
Kenya	271,400	258,928	95.4	12,495	--	--	--	97,233	97,233
Kiribati	5,600	5,601	100.0	--	--	--	--	--	--
Korea	1,633,600	5,123,298	313.6	208,650	3,698,340	8.38	--	--	3,698,340
Kuwait	1,381,100	1,007,303	72.9	373,798	--	--	--	--	--
Kyrgyz Republic	88,800	103,581	116.6	5	14,781	0.03	--	129,529	144,310
Lao People's Democratic Republic	39,100	39,100	100.0	--	--	--	2,637	29,325	31,962
Latvia, Republic of	126,800	151,546	119.5	55	24,781	0.06	--	--	24,781
Lebanon	203,000	184,168	90.7	18,833	--	--	--	--	--
Lesotho	34,900	31,365	89.9	3,539	--	--	--	8,230	8,230
Liberia	71,300	272,562	382.3	28	201,281	0.46	--	--	224,362
Libya	1,123,700	728,206	64.8	395,505	--	--	--	--	--
Lithuania, Republic of	144,200	289,518	200.8	16	145,331	0.33	--	--	145,331
Luxembourg	279,100	223,633	80.1	55,468	--	--	--	--	--
Macedonia, former Yugoslav Republic of	68,900	102,214	148.4	--	33,312	0.08	--	29,004	62,316
Madagascar	122,200	122,174	100.0	27	--	--	664	79,298	79,962
Malawi	69,400	67,166	96.8	2,236	--	--	372	62,980	63,352
Malaysia	1,486,600	878,450	59.1	608,156	--	--	--	--	--
Maldives	8,200	6,646	81.1	1,554	--	--	--	--	--
Mali	93,300	84,521	90.6	8,782	--	--	4,572	130,160	134,732
Malta	102,000	61,746	60.5	40,260	--	--	--	--	--
Marshall Islands	2,500	2,500	100.0	1	--	--	--	--	--
Mauritania	64,400	64,406	100.0	--	--	--	1,364	71,593	72,957
Mauritius	101,600	87,138	85.8	14,474	--	--	--	--	--
Mexico	2,585,800	2,585,484	100.0	325	--	--	--	--	--
Micronesia, Federated Stat	5,100	5,100	100.0	1	--	--	--	1	--
Moldova, Republic of	123,200	232,263	188.5	5	109,063	0.25	--	9,240	118,303
Mongolia	51,100	51,062	99.9	42	--	--	--	38,584	38,584
Morocco	588,200	517,761	88.0	70,441	--	--	--	--	--
Mozambique	113,600	113,600	100.0	7	--	--	--	168,465	168,465
Myanmar	258,400	258,402	100.0	--	--	--	--	--	--
Namibia	136,500	136,463	100.0	37	--	--	--	--	--
Nepal	71,300	65,557	91.9	5,746	--	--	--	9,511	9,511
Netherlands	5,162,400	3,516,216	68.1	1,646,205	--	--	--	--	--
New Zealand	894,600	662,699	74.1	231,905	--	--	--	--	--
Nicaragua	130,000	130,010	100.0	--	--	--	--	129,334	129,334
Niger	65,800	57,240	87.0	8,561	--	--	--	56,760	56,760

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at January 31, 2001

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		SDA 2/	PRGF Trust 3/	Total 4/
		Total	Percent of quota		Amount	Percent of total			
Nigeria	1,753,200	1,753,114	100.0	143	--	--	--	--	--
Norway	1,671,700	1,194,631	71.5	477,094	--	--	--	--	--
Oman	194,000	145,255	74.9	48,812	--	--	--	--	--
Pakistan	1,033,700	1,785,744	172.8	97	752,138	1.70	21,852	393,020	1,167,010
Palau	3,100	3,100	100.0	1	--	--	--	--	--
Panama	206,600	261,289	126.5	11,860	66,538	0.15	--	--	66,538
Papua New Guinea	131,600	161,293	122.6	207	29,885	0.07	--	--	29,885
Paraguay	99,900	78,428	78.5	21,475	--	--	--	--	--
Peru	638,400	1,066,719	167.1	--	428,286	0.97	--	--	428,286
Philippines	879,900	2,352,031	267.3	87,104	1,559,222	3.53	--	--	1,559,222
Poland, Republic of	1,369,000	1,196,744	87.4	172,256	--	--	--	--	--
Portugal	867,400	602,526	69.5	264,876	--	--	--	--	--
Qatar	263,800	219,073	83.0	44,727	--	--	--	--	--
Romania	1,030,200	1,370,378	133.0	--	340,173	0.77	--	--	340,173
Russian Federation	5,945,400	14,767,449	248.4	926	8,822,929	20.00	--	--	8,822,929
Rwanda	80,100	91,646	114.4	--	11,528	0.03	876	52,360	64,764
St. Kitts and Nevis	8,900	10,445	117.4	82	1,625	--	--	--	1,625
St. Lucia	15,300	15,300	100.0	1	--	--	--	--	--
St. Vincent and the Grenadines	8,300	7,800	94.0	500	--	--	--	--	--
Samoa	11,600	10,918	94.1	683	--	--	--	--	--
San Marino, Republic of	17,000	12,900	75.9	4,101	--	--	--	--	--
São Tomé and Príncipe	7,400	7,403	100.0	--	--	--	--	1,902	1,902
Saudi Arabia	6,985,500	5,942,821	85.1	1,042,683	--	--	--	--	--
Senegal	161,800	160,404	99.1	1,399	--	--	830	194,553	195,383
Seychelles	8,800	8,800	100.0	1	--	--	--	--	--
Sierra Leone	103,700	141,190	136.2	24	37,505	0.09	18,914	76,787	133,206
Singapore	862,500	617,535	71.6	244,979	--	--	--	--	--
Slovak Republic	357,500	357,505	100.0	--	--	--	--	--	--
Slovenia, Republic of	231,700	168,520	72.7	63,186	--	--	--	--	--
Solomon Islands	10,400	9,867	94.9	543	--	--	--	--	--
Somalia	44,200	140,907	318.8	--	96,701	0.22	8,840	--	112,004
South Africa	1,868,500	1,868,224	100.0	285	--	--	--	--	--
Spain	3,048,900	2,058,405	67.5	990,542	--	--	--	--	--
Sri Lanka	413,400	365,662	88.5	47,741	--	--	--	117,600	117,600
Sudan	169,700	585,971	345.3	11	416,251	0.95	--	--	475,479
Suriname	92,100	85,976	93.4	6,125	--	--	--	--	--
Swaziland	50,700	44,154	87.1	6,552	--	--	--	--	--
Sweden	2,395,500	1,644,180	68.6	751,330	--	--	--	--	--
Switzerland	3,458,500	2,443,806	70.7	1,014,665	--	--	--	--	--
Syrian Arab Republic	293,600	293,603	100.0	5	--	--	--	--	--

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at January 31, 2001

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		SDA 2/	PRGF Trust 3/	Total 4/
		Total	Percent of quota		Amount	Percent of total			
Tajikistan, Republic of	87,000	105,750	121.6	2	18,750	0.04	--	66,280	85,030
Tanzania	198,900	188,932	95.0	9,975	--	--	--	248,340	248,340
Thailand	1,081,900	3,431,897	317.2	20	2,350,000	5.33	--	--	2,350,000
Togo	73,400	73,122	99.6	285	--	--	--	53,346	53,346
Tonga	6,900	5,197	75.3	1,710	--	--	--	--	--
Trinidad and Tobago	335,600	335,586	100.0	16	--	--	--	--	--
Tunisia	286,500	288,822	100.8	20,167	22,485	0.05	--	--	22,485
Turkey	964,000	4,056,528	420.8	112,775	3,205,300	7.26	--	--	3,205,300
Turkmenistan, Republic of	75,200	75,200	100.0	5	--	--	--	--	--
Uganda	180,500	180,507	100.0	--	--	--	--	240,602	240,602
Ukraine	1,372,000	2,954,819	215.4	3	1,582,819	3.59	--	--	1,582,819
United Arab Emirates	611,700	446,881	73.1	164,819	--	--	--	--	--
United Kingdom	10,738,500	7,403,061	68.9	3,335,470	--	--	--	--	--
United States	37,149,300	25,527,463	68.7	11,618,909	--	--	--	--	--
Uruguay	306,500	385,032	125.6	35,675	114,200	0.26	--	--	114,200
Uzbekistan, Republic of	275,600	368,928	133.9	5	93,328	0.21	--	--	93,328
Vanuatu	17,000	14,506	85.3	2,496	--	--	--	--	--
Venezuela	2,659,100	2,449,036	92.1	321,900	111,833	0.25	--	--	111,833
Vietnam	329,100	342,187	104.0	5	13,087	0.03	--	229,520	242,607
Yemen, Republic of	243,500	332,771	136.7	13	89,281	0.20	--	150,000	239,281
Yugoslavia, Federal Republic of (Serbia/Montenegro)	467,700	584,639	125.0	--	116,925	0.27	--	--	116,925
Zambia	489,100	489,101	100.0	18	--	--	181,750	691,682	873,432
Zimbabwe	353,400	472,054	133.6	307	118,957	0.26	--	90,520	209,477
Total	210,719,100	206,117,266		48,722,971	44,121,498	100.00	444,375	5,821,147	50,475,792

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

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

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

4/ Includes outstanding Trust Fund loans to Liberia (SDR 23.1 million), Somalia (SDR 6.5 million), and Sudan (SDR 59.2 million).

5/ Less than SDR 500.

General Department
Financial Resources and Liquidity Position
in the General Resources Account
as at January 31, 2001

(In thousands of SDRs)

Resources	
Currencies	206,117,266
SDR holdings	2,601,849
Gold holdings	5,851,771
Sundry assets, net of sundry liabilities ^{1/}	612,433
Total resources	<u>215,183,319</u>
Less: Non-Usable Resources ^{2/}	<u>106,603,916</u>
Equals: Usable Resources ^{3/}	<u>108,579,403</u>
Resources Committed and Working Balances	
Undrawn balances under arrangements ^{4/}	19,461,300
Minimum working balances ^{4/}	15,120,910
Resources committed and working balances	<u>34,582,210</u>
Net Uncommitted Usable Resources ^{5/}	<u><u>73,997,193</u></u>
Liquid Liabilities	
Reserve tranche positions ^{6/}	<u><u>48,722,971</u></u>
Liquidity Ratio ^{7/}	151.9%
Memorandum Item	
Resources available under borrowing arrangements	34,000,000

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

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

^{3/} Usable resources consist of (1) holdings of currencies of members considered by the 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, which reflect undrawn balances committed under operative stand-by and extended arrangements, other than precautionary arrangements, are deducted from the total of usable resources, as are one-half of the amounts committed under precautionary arrangements. The Executive Board has decided that the minimum working balances be set at 10 percent of the quotas of members deemed sufficiently strong for their currencies to be used in operations and transactions.

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

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

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

General Department
Status of Arrangements
as at January 31, 2001

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Total Amount Agreed	Undrawn Balance
General Resources Account				
Stand-By Arrangements				
Argentina	March 10, 2000	March 9, 2003	10,585,500 1/	6,751,190
Bosnia and Herzegovina	May 29, 1998	May 29, 2001	94,420	13,990
Brazil	December 2, 1998	December 1, 2001	10,419,840 2/	2,550,690
Ecuador	April 19, 2000	April 18, 2001	226,730	113,384
Estonia, Republic of	March 1, 2000	August 31, 2001	29,340	29,340
Gabon	October 23, 2000	April 22, 2002	92,580	79,360
Latvia, Republic of	December 10, 1999	April 9, 2001	33,000	33,000
Lithuania, Republic of	March 8, 2000	June 7, 2001	61,800	61,800
Nigeria	August 4, 2000	August 3, 2001	788,940	788,940
Pakistan	November 29, 2000	September 30, 2001	465,000	315,000
Panama	June 30, 2000	March 29, 2002	64,000	64,000
Papua New Guinea	March 29, 2000	May 28, 2001	85,540	56,655
Romania	August 5, 1999	February 28, 2001	400,000	260,250
Turkey	December 22, 1999	December 21, 2002	8,676,000 3/	5,832,200
Uruguay	May 31, 2000	March 31, 2002	150,000	150,000
Total Stand-By Arrangements			32,172,690	17,099,799
Extended Arrangements				
Bulgaria	September 25, 1998	September 24, 2001	627,620	104,620
Colombia	December 20, 1999	December 19, 2002	1,957,000	1,957,000
Indonesia	February 4, 2000	December 31, 2002	3,638,000	2,786,850
Jordan	April 15, 1999	April 14, 2002	127,880	91,340
Kazakhstan, Republic of	December 13, 1999	December 12, 2002	329,100	329,100
Macedonia, former Yug	November 29, 2000	November 28, 2003	24,115	22,967
Peru	June 24, 1999	May 31, 2002	383,000	383,000
Ukraine	September 4, 1998	August 15, 2002	1,919,950	1,017,730
Yemen, Republic of	October 29, 1997	March 1, 2001	105,900	65,900
Total Extended Arrangements			9,112,565	6,758,507
Total General Resources Account			41,285,255	23,858,306

1/ Includes SDR 2.1 billion available until January 11, 2002 under the Supplemental Reserve Facility

2/ Amount agreed and undrawn balance exclude SDR 2.6 billion not drawn under the Supplemental Reserve Facility which expired on December 1, 1999.

3/ Includes SDR 5.8 billion available until December 20, 2001 under the Supplemental Reserve Facility

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

**SDR Department
Balance Sheet**

as at January 31, 2001

(In thousands of SDRs)

Assets		Liabilities	
Charges receivable	255,221	Interest payable	255,664
Overdue assessments and charges (Note 3)	94,576		
Participants with holdings below allocations (Note 2)		Participants with holdings above allocations (Note 2)	
Allocations	12,848,934	SDR holdings	14,555,170
Less : SDR holdings	3,880,045	Less: allocations	8,584,396
Allocations in excess of holdings	<u>8,968,889</u>	Holdings in excess of allocations	<u>5,970,774</u>
		Holdings by the General Resources Account	<u>2,601,850</u>
		Holdings of SDRs by prescribed holders	<u>490,398</u>
Total Assets	<u><u>9,318,686</u></u>	Total Liabilities	<u><u>9,318,686</u></u>

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

SDR Department
Income Statement
for the Nine Months Ended January 31, 2001
(In thousands of SDRs)

Revenue	
Net charges from participants with holdings below allocations	303,332
Assessment on SDR allocations	2,625
	<hr/> 305,957
Expenses	
Interest on SDR holdings	
Net interest to participants with holdings above allocations	191,750
General Resources Account	90,233
Prescribed holders	21,349
	<hr/> 303,332
Administrative expenses	2,625
	<hr/> 305,957
Net Income	<hr/> -- =====

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

SDR Department

Statement of Cash Flows for the Nine Months Ended January 31, 2001

(In thousands of SDRs)

Cash flows from operating activities	
Receipts of SDRs	
Transfers among Participants and Prescribed holders	5,617,085
Transfers from Participants to the General Resources Account	4,513,874
Transfers from the General Resources Account to	
Participants and Prescribed holders	4,635,916
Creation of SDRs due to shortfall of receipts	10,945
Total Receipts of SDRs	<u>14,777,820</u> =====
Uses of SDRs	
Transfers among Participants and Prescribed holders	5,390,863
Transfers from Participants to the General Resources Account	4,428,380
Transfers from the General Resources Account to	
Participants and Prescribed holders	4,635,916
Charges paid in the SDR Department	322,661
Total Uses of SDRs	<u>14,777,820</u> =====

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

SDR Department

Notes to the Financial Statements

as at January 31, 2001

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 January 31, 2001, all members of the IMF were participants in the SDR Department. SDRs have been allocated by the IMF to members that are participants in the SDR Department at the time of the allocation in proportion to their quotas in the IMF. Six allocations have been made (in 1970, 1971, 1972, 1979, 1980, and 1981) for a total of SDR 21.4 billion. A proposed amendment of the IMF's Articles of Agreement has been approved to allow for a special onetime allocation of SDRs equal to 21.4 billion. The amendment will enter into force after three-fifths of the members, having 85 percent of the total voting power, have accepted it. Upon termination of participation or liquidation of the SDR Department, the IMF will provide to holders the currencies received from the participants in settlement of their obligations. The IMF is empowered to prescribe certain official entities as holders of SDRs; at January 31, 2001, 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 or its reserve position or developments in its reserves.

SDR Department

Notes to the Financial Statements

as at January 31, 2001

General Allocations and Cancellations of SDRs

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

2. Summary of Significant Accounting Practices

Basis of Presentation

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of key international currencies of members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of January 31, 2001 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 January 31, 2001, one SDR was equal to 1.29779 U.S. dollars.

SDR Department

Notes to the Financial Statements

as at January 31, 2001

Allocations and Holdings

At January 31, 2001, IMF net cumulative allocations to participants totaled SDR 21.4 billion. Members with holdings in excess of their allocations have established a net claim on the SDR Department, which is represented on the balance sheet as a liability. Members with holdings below their allocations have used part of their allocations, which results in a net obligation to the SDR Department and is presented as a net asset of the SDR Department. Participants' net SDR positions as of January 31, 2001 were as follows:

	<u>Total</u>	<u>Above</u> <u>Allocations</u>	<u>Below</u> <u>Allocations</u>
	<i>In millions of SDRs</i>		
Holdings of SDRs by participants	18,435.2	14,555.2	3,880.0
Cumulative allocations	21,433.3	8,584.4	12,848.9
Net SDR positions		<u>5,970.8</u>	<u>(8,968.9)</u>

A summary of SDR holdings is provided below:

	<i>In millions of SDRs</i>
Participants	18,435.2
General Resources Account	2,601.8
Prescribed holders	490.4
	<u>21,527.4</u>
Less: Overdue charges receivable	94.1
Total holdings	<u>21,433.3</u>

Administrative Expenses

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

SDR Department

Notes to the Financial Statements

as at January 31, 2001

Interest and Charges

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

The rate of interest on the SDR is determined by reference to a combined market interest rate, which is a weighted average of yields or rates on short-term instruments in the capital markets of France, Germany, Japan, the United Kingdom, and the United States. The combined market interest rate used to determine the SDR interest rate is calculated each Friday, using the yields or rates of that day. The SDR interest rate, which is set equal to the combined market interest rate, enters into effect on the following Monday and applies through the following Sunday.

Overdue Obligations

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

3. *Overdue Assessments and Charges*

At January 31, 2001, assessments and charges amounting to SDR 94.6 million were overdue to the SDR Department. At January 31, 2001, six members were six months or more overdue in meeting their financial obligations to the SDR Department.

SDR Department

Notes to the Financial Statements

as at January 31, 2001

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

In millions of SDRs

Total	94.6
Overdue for six months or more	87.6
Overdue for three years or more	60.6

The amount and duration of arrears as of January 31, 2001 were as follows:

	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>		
Afghanistan, Islamic State of	5.9	February 1996
Congo, Democratic Republic of	14.9	April 1992
Iraq	44.6	November 1990
Liberia	20.7	April 1986
Somalia	8.4	February 1991
Sudan	0.1	April 1991
Total	<u>94.6</u>	

SDR Department
Statement of Changes in SDR Holdings
for the Nine Months Ended January 31, 2001

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed Holders	Total
Total holdings, April 30, 2000	18,141,335	2,723,892	673,181	21,538,408
Receipts of SDRs				
Transfers among Participants and Prescribed holders				
Transactions by agreement Operations	4,037,583	--	85,429	4,123,012
Loans	162,169	--	--	162,169
Settlement of financial obligations	292,399	--	76,967	369,366
IMF-related operations				
SAF and PRGF loans	96,309	--	--	96,309
SAF repayments and interest	--	--	11,498	11,498
Special charges on SAF, PRGF, Trust Fund	--	--	3	3
PRGF contributions and payments	191,104	--	102,636	293,740
PRGF repayments and interest	--	--	228,217	228,217
PRGF-HIPC contributions and payments	216	--	104,222	104,438
SCA-2 refunds	1,199	--	--	1,199
HIPC payments	912	--	--	912
Net interest on SDRs	205,159	--	21,063	226,222
Transfers from Participants to the General Resources Account				
Repurchases	--	2,537,881	--	2,537,881
Charges	--	1,829,369	--	1,829,369
Quota payments	--	61,050	--	61,050
Interest on SDRs	--	85,494	--	85,494
Assessment on SDR allocation (Note 2)	--	80	--	80
Transfers from the General Resources Account to Participants and Prescribed holders				
Purchases	2,599,963	--	--	2,599,963
In exchange for currencies of other members				
Acquisitions to pay charges	684,615	--	--	684,615
Remuneration	1,332,694	--	--	1,332,694
Other				
Refunds and adjustments	18,644	--	--	18,644
Total receipts	9,622,966	4,513,874	630,035	14,766,875

SDR Department

Statement of Changes in SDR Holdings for the Nine Months Ended January 31, 2001

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed Holders	Total
Uses of SDRs				
Transfers among Participants and Prescribed holders				
Transactions by agreement	3,828,404	--	294,608	4,123,012
Operations				
Loans	162,169	--	--	162,169
Settlement of financial obligations	239,136	--	130,230	369,366
IMF-related operations				
SAF and PRGF loans	--	--	96,309	96,309
SAF repayments and interest	11,498	--	--	11,498
Special charges on SAF, PRGF, Trust Fund	3	--	--	3
PRGF contributions and payments	102,636	--	191,104	293,740
PRGF repayments and interest	228,217	--	--	228,217
PRGF-HIPC contributions and payments	5,982	--	98,456	104,438
SCA-2 refunds	--	--	1,199	1,199
HIPC payments	--	--	912	912
Transfers from Participants to the General Resources Account				
Repurchases	2,537,881	--	--	2,537,881
Charges	1,829,369	--	--	1,829,369
Quota payments	61,050	--	--	61,050
Assessment on SDR allocation (Note 2)	80	--	--	80
Transfers from the General Resources Account to Participants and Prescribed holders				
Purchases	--	2,599,963	--	2,599,963
In exchange for currencies of other members				
Acquisitions to pay charges	--	684,615	--	684,615
Remuneration	--	1,332,694	--	1,332,694
Other				
Refunds and adjustments	--	18,644	--	18,644
Charges paid in the SDR department				
Net charges due	311,715	--	--	311,715
Charges not paid when due	(13,370)	--	--	(13,370)
Settlement of unpaid charges	24,316	--	--	24,316
Total uses	<u>9,329,086</u>	<u>4,635,916</u>	<u>812,818</u>	<u>14,777,820</u>
Total holdings, January 31, 2001	<u><u>18,435,215</u></u>	<u><u>2,601,850</u></u>	<u><u>490,398</u></u>	<u><u>21,527,463</u></u>

SDR Department Allocations and Holdings of Participants

as at January 31, 2001

(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	HOLDINGS		
		TOTAL	PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Afghanistan, Islamic State of	26,703	--	--	(26,703)
Albania	--	60,482	--	60,482
Algeria	128,640	22,849	17.8	(105,791)
Angola	--	133	--	133
Antigua and Barbuda	--	5	--	5
Argentina	318,370	440,364	138.3	121,994
Armenia, Republic of	--	15,131	--	15,131
Australia	470,545	71,791	15.3	(398,754)
Austria	179,045	100,844	56.3	(78,201)
Azerbaijan	--	4,461	--	4,461
Bahamas, The	10,230	199	1.9	(10,031)
Bahrain	6,200	1,027	16.6	(5,173)
Bangladesh	47,120	2,333	5.0	(44,787)
Barbados	8,039	107	1.3	(7,932)
Belarus, Republic of	--	139	--	139
Belgium	485,246	336,063	69.3	(149,183)
Belize	--	1,197	--	1,197
Benin	9,409	353	3.8	(9,056)
Bhutan	--	174	--	174
Bolivia	26,703	27,295	102.2	592
Bosnia and Herzegovina	20,481	8,179	39.9	(12,302)
Botswana	4,359	29,888	685.7	25,529
Brazil	358,670	25,266	7.0	(333,404)
Brunei Darussalam	--	5,039	--	5,039
Bulgaria	--	31,567	--	31,567
Burkina Faso	9,409	612	6.5	(8,797)
Burundi	13,697	184	1.3	(13,513)
Cambodia	15,417	229	1.5	(15,188)
Cameroon	24,463	362	1.5	(24,100)
Canada	779,290	440,637	56.5	(338,653)
Cape Verde	620	38	6.1	(582)
Central African Republic	9,325	118	1.3	(9,207)
Chad	9,409	117	1.2	(9,292)
Chile	121,924	18,887	15.5	(103,037)
China	236,800	614,801	259.6	378,001
Colombia	114,271	103,318	90.4	(10,953)
Comoros	716	36	5.0	(680)
Congo, Democratic Republic of	86,309	--	--	(86,309)
Congo, Republic of	9,719	349	3.6	(9,370)
Costa Rica	23,726	328	1.4	(23,398)

SDR Department Allocations and Holdings of Participants

as at January 31, 2001

(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Côte d'Ivoire	37,828	1,967	5.2	(35,861)
Croatia, Republic of	44,205	113,011	255.6	68,806
Cyprus	19,438	772	4.0	(18,666)
Czech Republic	--	155	--	155
Denmark	178,864	42,494	23.8	(136,370)
Djibouti	1,178	277	23.5	(901)
Dominica	592	8	1.3	(585)
Dominican Republic	31,585	1,171	3.7	(30,414)
Ecuador	32,929	2,136	6.5	(30,793)
Egypt	135,924	8,797	6.5	(127,127)
El Salvador	24,985	24,985	100.0	--
Equatorial Guinea	5,812	219	3.8	(5,593)
Eritrea	--	--	--	--
Estonia, Republic of	--	13	--	13
Ethiopia	11,160	164	1.5	(10,996)
Fiji	6,958	4,467	64.2	(2,491)
Finland	142,690	78,507	55.0	(64,183)
France	1,079,870	308,900	28.6	(770,970)
Gabon	14,091	1,272	9.0	(12,819)
Gambia, The	5,121	91	1.8	(5,030)
Georgia	--	995	--	995
Germany	1,210,760	1,332,198	110.0	121,438
Ghana	62,983	971	1.5	(62,012)
Greece	103,544	9,189	8.9	(94,355)
Grenada	930	13	1.4	(917)
Guatemala	27,678	7,519	27.2	(20,159)
Guinea	17,604	291	1.7	(17,313)
Guinea-Bissau	1,212	331	27.3	(881)
Guyana	14,530	7,020	48.3	(7,510)
Haiti	13,697	380	2.8	(13,317)
Honduras	19,057	976	5.1	(18,081)
Hungary	--	8,972	--	8,972
Iceland	16,409	199	1.2	(16,210)
India	681,170	6,220	0.9	(674,950)
Indonesia	238,956	24,495	10.3	(214,461)
Iran, Islamic Republic of	244,056	267,487	109.6	23,431
Iraq	68,464	--	--	(68,464)
Ireland	87,263	36,971	42.4	(50,292)
Israel	106,360	979	0.9	(105,381)
Italy	702,400	191,192	27.2	(511,208)

SDR Department Allocations and Holdings of Participants

as at January 31, 2001

(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Jamaica	40,613	1,369	3.4	(39,244)
Japan	891,690	1,862,182	208.8	970,492
Jordan	16,887	5,473	32.4	(11,414)
Kazakhstan, Republic of	--	6	--	6
Kenya	36,990	4,213	11.4	(32,777)
Kiribati	--	9	--	9
Korea	72,911	2,699	3.7	(70,212)
Kuwait	26,744	69,788	260.9	43,044
Kyrgyz Republic	--	3,541	--	3,541
Lao People's Democratic Republic	9,409	988	10.5	(8,421)
Latvia, Republic of	--	498	--	498
Lebanon	4,393	18,208	414.5	13,814
Lesotho	3,739	507	13.6	(3,232)
Liberia	21,007	--	--	(21,007)
Libya	58,771	412,774	702.3	354,003
Lithuania, Republic of	--	2,307	--	2,307
Luxembourg	16,955	3,217	19.0	(13,738)
Macedonia, former Yugoslav Republic of	8,379	500	6.0	(7,878)
Madagascar	19,270	231	1.2	(19,039)
Malawi	10,975	363	3.3	(10,612)
Malaysia	139,048	80,811	58.1	(58,237)
Maldives	282	201	71.0	(82)
Mali	15,912	479	3.0	(15,433)
Malta	11,288	24,505	217.1	13,217
Marshall Islands	--	--	--	--
Mauritania	9,719	283	2.9	(9,436)
Mauritius	15,744	16,453	104.5	709
Mexico	290,020	281,232	97.0	(8,788)
Micronesia, Federated States of	--	1,106	--	1,106
Moldova, Republic of	--	259	--	259
Mongolia	--	11	--	11
Morocco	85,689	91,109	106.3	5,420
Mozambique	--	49	--	49
Myanmar	43,474	608	1.4	(42,866)
Namibia	--	16	--	16
Nepal	8,105	13	0.2	(8,091)
Netherlands	530,340	510,869	96.3	(19,471)
New Zealand	141,322	10,026	7.1	(131,296)
Nicaragua	19,483	288	1.5	(19,195)
Niger	9,409	1,219	13.0	(8,190)

SDR Department Allocations and Holdings of Participants

as at January 31, 2001

(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Nigeria	157,155	2,042	1.3	(155,113)
Norway	167,770	213,804	127.4	46,034
Oman	6,262	3,125	49.9	(3,137)
Pakistan	169,989	13,915	8.2	(156,074)
Palau	--	--	--	--
Panama	26,322	1,929	7.3	(24,393)
Papua New Guinea	9,300	9,343	100.5	43
Paraguay	13,697	78,488	573.0	64,791
Peru	91,319	1,149	1.3	(90,170)
Philippines	116,595	27,481	23.6	(89,114)
Poland, Republic of	--	13,596	--	13,596
Portugal	53,320	41,216	77.3	(12,104)
Qatar	12,822	15,846	123.6	3,025
Romania	75,950	6,851	9.0	(69,099)
Russian Federation	--	409	--	409
Rwanda	13,697	668	4.9	(13,029)
St. Kitts and Nevis	--	2	--	2
St. Lucia	742	1,433	193.3	692
St. Vincent and the Grenadines	354	60	16.8	(294)
Samoa	1,142	2,293	200.8	1,151
San Marino, Republic of	--	197	--	197
São Tomé & Príncipe	620	1	0.1	(619)
Saudi Arabia	195,527	146,567	75.0	(48,960)
Senegal	24,462	5,713	23.4	(18,749)
Seychelles	406	9	2.3	(397)
Sierra Leone	17,455	4,026	23.1	(13,429)
Singapore	16,475	105,319	639.3	88,844
Slovak Republic	--	375	--	375
Slovenia, Republic of	25,431	2,828	11.1	(22,602)
Solomon Islands	654	8	1.2	(646)
Somalia	13,697	--	--	(13,697)
South Africa	220,360	222,397	100.9	2,037
Spain	298,805	248,635	83.2	(50,170)
Sri Lanka	70,868	909	1.3	(69,959)
Sudan	52,192	--	--	(52,192)
Suriname	7,750	1,772	22.9	(5,978)
Swaziland	6,432	2,439	37.9	(3,993)
Sweden	246,525	162,186	65.8	(84,339)
Switzerland	--	59,503	--	59,503
Syrian Arab Republic	36,564	9	--	(36,555)

SDR Department Allocations and Holdings of Participants

as at January 31, 2001
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Tajikistan, Republic of	--	6,022	--	6,022
Tanzania	31,372	108	0.3	(31,264)
Thailand	84,652	63,431	74.9	(21,221)
Togo	10,975	401	3.7	(10,574)
Tonga	--	95	--	95
Trinidad and Tobago	46,231	660	1.4	(45,571)
Tunisia	34,243	36,717	107.2	2,474
Turkey	112,307	36,878	32.8	(75,429)
Turkmenistan, Republic of	--	--	--	--
Uganda	29,396	1,799	6.1	(27,597)
Ukraine	--	182,819	--	182,819
United Arab Emirates	38,737	3,085	8.0	(35,652)
United Kingdom	1,913,070	226,669	11.8	(1,686,401)
United States	4,899,530	8,088,465	165.1	3,188,935
Uruguay	49,977	2,464	4.9	(47,513)
Uzbekistan, Republic of	--	305	--	305
Vanuatu	--	699	--	699
Venezuela	316,890	27,940	8.8	(288,950)
Vietnam	47,658	7,751	16.3	(39,907)
Yemen, Republic of	28,743	60,710	211.2	31,967
Yugoslavia, Federal Republic of (Serbia/Montenegro)	56,665	15,221	26.9	(41,443)
Zambia	68,298	17,133	25.1	(51,165)
Zimbabwe	10,200	179	1.8	(10,021)
ABOVE ALLOCATIONS	8,584,396	14,555,170	169.6	5,970,774
BELOW ALLOCATIONS	12,848,934	3,880,045	30.2	(8,968,889)
TOTAL PARTICIPANTS	21,433,330	18,435,215		
GENERAL RESOURCES ACCOUNT		2,601,850		
PRESCRIBED HOLDERS		490,398		
OVERDUE CHARGES	94,133			
	21,527,463	21,527,463		

PART TWO

**Financial Statements
of the
Accounts Administered
by the
International Monetary Fund**

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

Poverty Reduction Growth Facility Trust

Combined Balance Sheet as at January 31, 2001

(In thousands of SDRs)

Assets	
Cash and cash equivalents	1,055,449
Investments (Note 3)	3,903,973
Loans receivable (Note 4)	5,821,147
Interest receivable	11,289
	<hr/>
Total Assets	10,791,858
	<hr/> <hr/>
Resources and Liabilities	
Borrowings (Note 5)	6,289,970
Interest payable	45,631
Other liabilities	--
	<hr/>
Total Liabilities	6,335,601
	<hr/>
Resources	4,456,257
	<hr/>
Total Resources and Liabilities	10,791,858
	<hr/> <hr/>

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

/s/ Eduard Brau
Treasurer

/s/ Horst Kohler
Managing Director

Poverty Reduction Growth Facility Trust

Combined Income Statement and Changes in Resources for the Nine Months Ended January 31, 2001

(In thousands of SDRs)

Balance, beginning of the year	4,305,726
Investment income	217,358
Interest on loans	21,756
Interest expense	(180,637)
Other expenses	(847)
Operational income (loss)	57,630
Contributions (Note 6)	66,827
	124,457
Transfers from the Special Disbursement Account	26,074
Net changes in resources	150,531
Balance, January 31, 2001	4,456,257

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

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at January 31, 2001

1. Nature of Operations

The name of the Enhanced Structural Adjustment Facility Trust was changed to the Poverty Reduction and Growth Facility Trust ("the Trust" or "PRGF Trust") on November 22, 1999. The PRGF Trust, for which the IMF is trustee, was established in December 1987 and was extended and enlarged in February 1994 to provide loans on concessional terms to qualifying low-income developing country members. The resources of the Trust are held separately from the assets of all other accounts of, or administered by, the IMF and may not be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

The operations of the Trust are conducted through a Loan Account, a Reserve Account, and a Subsidy Account. Separate balance sheets, income statements, and statements of changes in resources for each of these accounts are provided in Note 9 to these financial statements.

Loan Account

The resources of the Loan Account consist of the proceeds from borrowings, repayments of principal, and interest payments on loans extended by the Trust. At January 31, 2001, loans totaling SDR 5,821.1 million were outstanding.

Reserve Account

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

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

Subsidy Account

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

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at January 31, 2001

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

2. Summary of Significant Accounting Practices

Basis of Presentation

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of key international currencies of members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of January 31, 2001 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 January 31, 2001, one SDR was equal to 1.29779 U.S. dollars.

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at January 31, 2001

Revenue Recognition

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

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost not exceeding net realizable value. Interest on these instruments varies and is market-related.

Investments

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

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

Loans

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

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at January 31, 2001

Foreign Currency Translation

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

3. Investments

The maturities of the investments are as follows:

<u>Maturity from January 31, 2001</u>	
<i>(in thousands of SDRs)</i>	
Less than 1 year	465,597
1 - 3 years	3,198,939
3 - 5 years	218,375
Over 5 years	21,062
Total	<u>3,903,973</u>

4. Loans

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

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at January 31, 2001

Periods of Repayment, as of January 31, 2001	Loan Account
<i>in thousands of SDRs</i>	
2001	135,125
2002	680,726
2003	722,241
2004	834,998
2005	876,190
2006 and beyond	2,571,867
Total	5,821,147

5. Borrowings

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

The following summarizes the borrowing agreements concluded as of January 31, 2001:

	Amount Agreed	Amount Undrawn
<i>in thousands of SDRs</i>		
Loan Account	11,324,927	3,648,580
Subsidy Account	243,481	5,331

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at January 31, 2001

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

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at January 31, 2001 varied between 3.3 percent and 4.45 percent a year. The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Periods of Repayment, as at January 31, 2001	Loan Account	Subsidy Account
<i>in thousands of SDRs</i>		
2001	147,961	--
2002	494,968	10,000
2003	524,090	1,365
2004	704,176	--
2005	862,815	90,751
2006 and beyond	3,447,810	6,034
Total	<u>6,181,820</u>	<u>108,150</u>

As of January 31, 2001, use of credit in the Trust by the largest users was as follows:

in millions of SDRs and percent of total Trust credit

Largest user of credit	691.68	11.8%
Three largest users of credit	1,506.31	25.9%
Five largest users of credit	1,995.25	34.2%

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at January 31, 2001

6. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trust and the contributor. At January 31, 2001, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,232.2 million.

7. Commitments Under Loan Arrangements

An arrangement is a decision of the IMF that gives a member the assurance that the institution stands ready to provide foreign exchange or SDRs during a specified period and up to a specified amount in accordance with the terms of the decision. At January 31, 2001, undrawn balances under 34 loan arrangements amounted to SDR 1,848.1 million.

8. Transfers Through the Special Disbursement Account

The expenses of conducting the business of the Trust are paid by the General Resources Account of the IMF and reimbursed by the Reserve Account of the Trust through the Special Disbursement Account; corresponding transfers are made from the Reserve Account to the Special Disbursement Account when and to the extent needed. As of January 31, 2001, the Executive Board decided to forgo such reimbursement and to transfer an equivalent amount from the Reserve Account, through the Special Disbursement Account, to the PRGF-HIPC Trust. The amounts transferred as of January 31, 2001 were, SDR 42.5 million.

Resources of up to SDR 250 million may be transferred, as needed, from the Reserve Account through the Special Disbursement Account to the PRGF-HIPC Trust to be used to provide grant or loans to eligible members under the HIPC initiative. At January 31, 2001, SDR 43.5 million had been transferred for this purpose.

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

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

Note 9 **Poverty Reduction Growth Facility Trust**

Notes to the Financial Statements

**as at January 31, 2001
Combined Balance Sheets**

(In thousands of SDRs)

	Loan Account	Reserve Account	Subsidy Account	Combined
Assets				
Cash and cash equivalents	234,584	556,825	264,040	1,055,449
Investments (Note 3)	159,594	2,121,885	1,622,494	3,903,973
Loans receivable (Note 4)	5,821,147	--	--	5,821,147
Accrued account transfers	3,577	33,537	(37,114)	--
Interest receivable	7,363	2,907	1,019	11,289
Total Assets	6,226,265	2,715,154	1,850,439	10,791,858
Resources and Liabilities				
Borrowing (Note 5)	6,181,820	--	108,150	6,289,970
Interest payable	44,445	--	1,186	45,631
Other liabilities	--	--	--	--
Total Liabilities	6,226,265	--	109,336	6,335,601
Resources	--	2,715,154	1,741,103	4,456,257
Total Resources and Liabilities	6,226,265	2,715,154	1,850,439	10,791,858

Note 9

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

**for the Nine Months Ended January 31, 2001
Combined Income Statements of Changes in Resources**

(In thousands of SDRs)

	Loan Account	Reserve Account	Subsidy Account	Combined
Balance, beginning of the year	--	2,558,354	1,747,372	4,305,726
Investment income (loss)	(21)	122,666	94,713	217,358
Interest on loans	21,756	--	--	21,756
Interest expense	(179,058)	--	(1,579)	(180,637)
Other expenses	(51)	(796)	--	(847)
Operational income (loss)	(157,374)	121,870	93,134	57,630
Contributions (Note 6)	--	--	66,827	66,827
	(157,374)	121,870	159,961	124,457
Transfers from the Special Disbursement Account	--	26,074	--	26,074
Transfers between:				
Reserve and Subsidy Accounts	--	1,059	(1,059)	--
Loan and Reserve Accounts	(7,797)	7,797	--	--
Loan and Subsidy Accounts	165,171	--	(165,171)	--
Net changes in resources	--	156,800	(6,269)	150,531
Balance, January 31, 2001	--	2,715,154	1,741,103	4,456,257

Poverty Reduction Growth Facility Trust

Schedule of Outstanding Loans as at January 31, 2001

(In thousands of SDRs)

Member	PRGF Loan Account		Structural Adjustment Facility 1/	
	Balance	Percent	Balance	Percent
Albania	57,796	0.99	--	--
Armenia, Republic of	109,350	1.88	--	--
Azerbaijan	81,900	1.41	--	--
Bangladesh	67,437	1.16	--	--
Benin	62,277	1.07	4,439	1.00
Bolivia	166,494	2.86	--	--
Burkina Faso	79,966	1.37	11,692	2.63
Burundi	5,376	0.09	--	--
Cambodia	61,471	1.06	--	--
Cameroon	178,040	3.06	--	--
Central African Republic	24,480	0.42	--	--
Chad	59,960	1.03	--	--
Comoros	--	--	1,035	0.23
Congo, Democratic Republic of	--	--	142,910	32.16
Congo, Republic of	13,896	0.24	--	--
Cote d'Ivoire	421,614	7.24	--	--
Djibouti	5,452	0.09	--	--
Equatorial Guinea	898	0.02	2,874	0.65
Ethiopia	29,490	0.51	29,652	6.67
Gambia, The	13,832	0.24	--	--
Georgia	181,050	3.11	--	--
Ghana	221,757	3.81	--	--
Guinea	94,496	1.62	--	--
Guinea-Bissau	15,265	0.26	--	--
Guyana	81,020	1.39	9,102	2.05
Haiti	15,175	0.26	--	--
Honduras	116,897	2.01	--	--
Kenya	97,233	1.67	--	--
Kyrgyz Republic	129,529	2.23	--	--
Lao People's Democratic Republic	29,325	0.50	2,637	0.59
Lesotho	8,230	0.14	--	--
Macedonia, former Yugoslav Republic of	29,004	0.50	--	--
Madagascar	79,298	1.36	664	0.15
Malawi	62,980	1.08	372	0.08
Mali	130,160	2.24	4,572	1.03

Poverty Reduction Growth Facility Trust

Schedule of Outstanding Loans as at January 31, 2001

(In thousands of SDRs)

Member	PRGF Loan Account		Structural Adjustment Facility 1/	
	Balance	Percent	Balance	Percent
Mauritania	71,593	1.23	1,364	0.31
Moldova, Republic of	9,240	0.16	--	--
Mongolia	38,584	0.66	--	--
Mozambique	168,465	2.89	--	--
Nepal	9,511	0.16	--	--
Nicaragua	129,334	2.22	--	--
Niger	56,760	0.98	--	--
Pakistan	393,020	6.75	21,852	4.92
Rwanda	52,360	0.90	876	0.20
Sao Tome & Principe	1,902	0.03	--	--
Senegal	194,553	3.34	830	0.19
Sierra Leone	76,787	1.32	18,914	4.25
Somalia	--	--	8,840	1.99
Sri Lanka	117,600	2.02	--	--
Tajikistan, Republic of	66,280	1.14	--	--
Tanzania	248,340	4.27	--	--
Togo	53,346	0.92	--	--
Uganda	240,602	4.13	--	--
Vietnam	229,520	3.94	--	--
Yemen, Republic of	150,000	2.58	--	--
Zambia	691,682	11.88	181,750	40.90
Zimbabwe	90,520	1.56	--	--
Total loans outstanding	5,821,147	100.00	444,375	100.00

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

Poverty Reduction Growth Facility Trust

Contributions to and Resources of the Subsidy Account as at January 31, 2001

(In thousands of SDRs)

Contributor 1/	Amount
Direct contributions to the Subsidy Account	
Argentina	15,867
Australia	3,446
Bangladesh	335
Canada	150,498
China	6,400
Czech Republic	7,000
Denmark	38,299
Egypt	7,000
Finland	22,684
Germany	124,638
Iceland	2,800
India	4,946
Ireland	3,325
Italy	138,589
Japan	468,365
Korea	30,559
Luxembourg	5,971
Morocco	5,003
Netherlands	81,538
Norway	28,074
PRGF Reserve Account	--
Sweden	110,887
Switzerland	24,720
Turkey	3,000
United Kingdom	285,182
United States	118,893
Total direct contributions to the Subsidy Account	1,688,019
Net income transferred from Administered Accounts	
Austria	37,151
Belgium	72,152
Botswana	1,149
Chile	2,910
Greece	24,530
Indonesia	3,126
Iran, Islamic Republic of	920
Portugal	2,252
Total net income transferred from Administered Accounts	144,190
Total contributions received	1,832,209

Poverty Reduction Growth Facility Trust

Contributions to and Resources of the Subsidy Account as at January 31, 2001

(In thousands of SDRs)

Contributor 1/	Amount
Transfers from Special Disbursement Account	400,000
Total contributions received and transfers from Special Disbursement Account	2,232,209
Cumulative net income of the Subsidy Account	683,661
Resources disbursed to subsidize Trust lending	(1,174,767)
Total resources of the Subsidy Account	<u>1,741,103</u>

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

Poverty Reduction Growth Facility Trust

Schedule of Borrowing Agreements as at January 31, 2001

(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	211,731
France	0.50	2/	800,000	800,000	420,524
Germany	Variable	3/	700,000	700,000	437,167
Italy	Variable	3/	370,000	370,000	260,070
Japan	Variable	3/	2,200,000	2,200,000	1,555,698
Korea	Variable	3/	65,000	65,000	38,198
Norway	Variable	3/	90,000	90,000	55,750
Spain	Variable	3/	220,000	216,429	77,158
Switzerland	--		200,000	200,000	--
Total prior to enlargement of PRGF			4,945,000	4,941,429	3,056,296
For enlargement of PRGF					
Belgium	Variable	3/	200,000	162,747	162,747
Canada	Variable	3/	400,000	200,000	200,000
China	Variable	3/	100,000	89,505	89,505
Egypt	Variable	3/	100,000	97,167	97,167
France	Variable	3/	1,100,000	457,699	457,699
Germany	Variable	3/	1,050,000	325,884	325,884
Italy	Variable	3/	460,000	165,500	165,500
Japan	Variable	3/	2,150,000	934,091	934,091
Korea	Variable	3/	27,700	25,746	25,746
Netherlands	Variable	3/	350,000	--	--
Norway	Variable	3/	60,000	53,556	53,556
OPEC Fund for International Development	Variable	3/	38,527	25,385	25,385
Spain	0.50		192,000	42,563	42,563
Switzerland	Variable	3/	151,700	151,503	151,503
Total for enlargement of PRGF			6,379,927	2,731,346	2,731,346
Resources held pending repayment					
		6/	--	--	394,178
Total--Loan Account			11,324,927	7,672,775	6,181,820

Poverty Reduction Growth Facility Trust

Schedule of Borrowing Agreements as at January 31, 2001

(In thousands of SDRs)

Member	Interest Rate (in percent)		Amount of Agreement	Amount Drawn	Outstanding Balance
Subsidy Account					
Malaysia (1994 loans)	2.00		40,000	40,000	40,000
Malaysia (1988 and 1989 loans)	0.50		40,000	40,000	--
Malta	0.50		2,730	2,730	2,730
Pakistan	0.50		10,000	4,669	4,669
Singapore	2.00		80,000	80,000	50,000
Thailand	2.00	7/	60,000	60,000	--
Tunisia	0.50		3,551	3,551	3,551
Uruguay	Variable	8/	7,200	7,200	7,200
Total--Subsidy Account			<u>243,481</u>	<u>238,150</u>	<u>108,150</u>

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

2/ The agreement with France made before the enlargement of PRGF (SDR 800 million) provides that the interest rate shall be 0.5 percent on the first SDR 700 million drawn, and for variable, market-related rates of interest thereafter. The agreement with France made for the enlargement of the PRGF (SDR 750 million) provides that the interest rate shall be 0.5 percent until the cumulative implicit interest subsidy reaches SDR 250 million, and at variable, market-related rates of interest thereafter.

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

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

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

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

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

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

Poverty Reduction Growth Facility Trust

Status of Loan Arrangements 1/ as at January 31, 2001

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Amount Agreed	Undrawn Balance
Albania	May. 13, 1998	Jul. 31, 2001	45,040	9,410
Benin	Jul. 18, 2000	Jul. 17, 2003	27,000	16,160
Bolivia	Sep. 18, 1998	Sep. 17, 2001	100,960	56,097
Burkina Faso	Sep. 10, 1999	Sep. 9, 2002	39,120	22,350
Cambodia	Oct. 22, 1999	Oct. 21, 2002	58,500	33,429
Cameroon	Dec. 21, 2000	Dec. 20, 2003	111,420	95,500
Central African Republic	Jul. 20, 1998	Jan. 19, 2002	49,440	24,960
Chad	Jan. 7, 2000	Jan. 6, 2003	36,400	26,000
Cote d'Ivoire	Mar. 17, 1998	Mar. 16, 2001	285,840	161,976
Djibouti	Oct. 18, 1999	Oct. 17, 2002	19,082	13,630
Gambia, The	Jun. 29, 1998	Dec. 31, 2001	20,610	6,870
Georgia	Jan. 12, 2001	Jan. 11, 2004	108,000	99,000
Ghana	May. 3, 1999	May. 2, 2002	191,900	120,848
Guinea-Bissau	Dec. 15, 2000	Dec. 14, 2003	14,200	9,120
Guyana	Jul. 15, 1998	Jul. 14, 2001	53,760	28,880
Honduras	Mar. 26, 1999	Mar. 25, 2002	156,750	64,600
Kenya	Aug. 4, 2000	Aug. 3, 2003	190,000	156,400
Kyrgyz Republic	Jun. 26, 1998	Jun. 25, 2001	73,380	28,690
Macedonia, former Yugoslav Republic of	Dec. 18, 2000	Dec. 17, 2003	10,335	8,613
Malawi	Dec. 21, 2000	Dec. 20, 2003	45,110	38,670
Mali	Aug. 6, 1999	Aug. 5, 2002	46,650	33,150
Mauritania	Jul. 21, 1999	Jul. 20, 2002	42,490	30,350
Moldova, Republic of	Dec. 21, 2000	Dec. 20, 2003	110,880	101,640
Mozambique	Jun. 28, 1999	Jun. 27, 2002	87,200	33,600
Nicaragua	Mar. 18, 1998	Mar. 17, 2002	148,955	33,635
Niger	Dec. 22, 2000	Dec. 21, 2003	59,200	50,740
Rwanda	Jun. 24, 1998	Jan. 31, 2002	71,400	19,040
Sao Tome & Principe	Apr. 28, 2000	Apr. 27, 2003	6,657	4,755
Senegal	Apr. 20, 1998	Apr. 19, 2001	107,010	42,804
Tajikistan, Republic of	Jun. 24, 1998	Dec. 24, 2001	100,300	34,020
Tanzania	Apr. 4, 2000	Apr. 3, 2003	135,000	95,000
Uganda	Nov. 10, 1997	Mar. 31, 2001	100,425	8,927
Yemen, Republic of	Oct. 29, 1997	Mar. 1, 2001	264,750	114,750
Zambia	Mar. 25, 1999	Mar. 28, 2003	254,450	224,450
			<u>3,172,214</u>	<u>1,848,064</u>

1/ The Saudi Fund for Development may also provide resources to support arrangements under the PRGF through loans to qualifying members in association with loans under the PRGF. As at January 31, 2001, SDR 49.5 million of such associated loans had been disbursed.

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

Poverty Reduction and Growth Facility Administered Accounts

Balance Sheets as at January 31, 2001

(In thousands of SDRs)
(Note 1)

	Austria	Belgium	Botswana	Greece
Assets				
Cash and cash equivalents	--		--	--
Investments (Note 3)	50,000	80,000	6,894	24,500
Advance payments to the PRGF Subsidy Account	148	--	83	119
Interest receivable	--	1,571	--	--
Total Assets	<u><u>50,148</u></u>	<u><u>81,571</u></u>	<u><u>6,977</u></u>	<u><u>24,619</u></u>
Resources and Liabilities				
Deposits (Note 4)	50,000	80,000	6,894	24,500
Interest payable	141	133	82	115
Other liabilities	7	--	1	4
Total Liabilities	<u><u>50,148</u></u>	<u><u>80,133</u></u>	<u><u>6,977</u></u>	<u><u>24,619</u></u>
Resources	<u><u>--</u></u>	<u><u>1,438</u></u>	<u><u>--</u></u>	<u><u>--</u></u>
Total Resources and Liabilities	<u><u>50,148</u></u>	<u><u>81,571</u></u>	<u><u>6,977</u></u>	<u><u>24,619</u></u>
	Indonesia	Iran, I. R. of	Portugal	
Assets				
Cash and cash equivalents	233	--	--	
Investments (Note 3)	25,469	5,000	12,708	
Advance payments to the PRGF Subsidy Account	--	17	47	
Interest receivable	7	--	--	
Total Assets	<u><u>25,709</u></u>	<u><u>5,017</u></u>	<u><u>12,755</u></u>	
Resources and Liabilities				
Deposits (Note 4)	25,000	5,000	12,708	
Interest payable	388	16	45	
Other liabilities	--	1	2	
Total Liabilities	<u><u>25,388</u></u>	<u><u>5,017</u></u>	<u><u>12,755</u></u>	
Resources	<u><u>321</u></u>	<u><u>--</u></u>	<u><u>--</u></u>	
Total Resources and Liabilities	<u><u>25,709</u></u>	<u><u>5,017</u></u>	<u><u>12,755</u></u>	

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Poverty Reduction and Growth Facility Administered Accounts

Income Statements and Changes in Resources for the Nine Months Ended January 31, 2001

(In thousands of SDRs)
(Note 1)

	Austria	Belgium	Botswana	Greece
Balance, beginning of the year	--	2,331	--	361
Investment income	2,525	6,856	349	1,851
Other expenses	(29)	--	(5)	(16)
Interest expense on deposits	(189)	(681)	(104)	(101)
Net income	2,307	6,175	240	1,734
Transfers to the				
PRGF Trust Subsidy Account	(2,307)	1,140	(240)	(2,095)
PRGF/HIPC Trust Account	--	(8,208)	--	--
Net changes in resources	--	(893)	--	(361)
Balance, January 31, 2001	--	1,438	--	--

	Indonesia	Iran, I. R. of	Portugal
Balance, beginning of the year	117	26	11
Investment income	1,255	253	642
Other expenses	--	(3)	(7)
Interest expense on deposits	(372)	(19)	(48)
Net income	883	231	587
Transfers to the			
PRGF Trust Subsidy Account	(679)	(257)	(598)
Net changes in resources	204	(26)	(11)
Balance, January 31, 2001	321	--	--

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

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

1. Nature of Operations

The name of the Enhanced Structural Adjustment Facility Administered Accounts was changed to the Poverty Reduction and Growth Facility Administered Accounts ("the Administered Accounts" or "PRGF Administered Accounts") on November 22, 1999. At the request of certain member countries, the IMF established administered accounts for the benefit of the Subsidy Account of the Poverty Reduction and Growth Facility Trust. The administered accounts comprise deposits made by contributors. The difference between interest earned by the administered accounts and the interest payable on deposits is transferred to the Subsidy Account of the PRGF Trust.

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

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

2. Summary of Significant Accounting Practices

Basis of Presentation

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

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of January 31, 2001 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 January 31, 2001, one SDR was equal to 1.29779 U.S. dollars.

Revenue Recognition

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

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost not exceeding net realizable value. Interest on these instruments varies and is market-related.

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

Investments

The resources of the Administered Accounts are invested pending their use. Investments are made in debt securities and fixed term deposits, either directly or by participation in an investment pool. Investments are marked to market value on the last business day of the accounting period. The valuations of purchases and sales are made on the trade date basis. Investment income comprises interest earned on investments, realized and unrealized gains and losses on investments and currency valuation differences arising from exchange rate movements against the SDR.

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

Foreign Currency Translation

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

Transfers to PRGF Subsidy Account

The difference between the interest earned by the IMF on the invested amount and the interest payable on the deposit of the administered account, net of any cost, is to be transferred to the Subsidy Account of the PRGF Trust.

Administrative Costs

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

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

3. Investments

The maturities of the administered accounts investments are as follows:

Maturity from January 31, 2001	
<i>(in thousands of SDRs)</i>	
Less than 1 year	115,250
1 -3 years	86,149
3 - 5 years	2,993
Over 5 years	178
Total	<u>204,570</u>

4. Deposits

The Administered Account Austria was established on December 27, 1988 for the administration of resources deposited in the account by the Austrian National Bank. Two deposits (one of SDR 60.0 million made on December 30, 1988 and one of SDR 50.0 million made on August 10, 1995) are to be repaid in ten equal semiannual installments beginning five and a half years after the date of each deposit and ending at the end of the tenth year after the date of each deposit. The deposits bear interest at a rate of $\frac{1}{2}$ of 1 percent a year. The first deposit from Austria had been repaid in full.

The Administered Account Belgium was established on July 27, 1988 for the administration of resources deposited in the account by the National Bank of Belgium. Four deposits (SDR 30.0 million made on July 29, 1988; SDR 35.0 million made on December 30, 1988; SDR 35.0 million made on June 30, 1989; and SDR 80.0 million made on April 29, 1994) have an initial maturity of six months and are renewable by the IMF, on the same basis. The final maturity of each deposit, including renewals, will be ten years from the initial dates of the individual deposits. The deposits bear interest at a rate of $\frac{1}{2}$ of 1 percent a year. In accordance with an addendum to the account, effective on July 24, 1998, the maturities of the first three deposits will be extended by the National Bank of Belgium, for further periods of six months, provided that the total maturity period of each deposit does not exceed five years. The deposits are to be invested by the IMF and the IMF pays the National Bank of Belgium interest on each deposit at an annual rate of $\frac{1}{2}$ of 1 percent. The difference between the interest paid to the National Bank of Belgium and the interest earned on the deposits (net of any cost to the IMF) is retained in the account and invested, pending further disposition by the National Bank of Belgium.

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

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

The Administered Account Greece was established on November 30, 1988 for the administration of resources deposited in the account by the Bank of Greece. Two deposits of SDR 35.0 million each (December 15, 1988 and April 29, 1994), are to be repaid in ten equal semiannual installments beginning five and a half years after the date of deposit and will be completed at the end of the tenth year after the date of the deposits. The deposits bear interest at a rate of $\frac{1}{2}$ of 1 percent a year. The first deposit from Greece has been repaid in full.

The Administered Account Indonesia was established on June 30, 1994 for the administration of resources deposited in the account by the Bank Indonesia. The deposit, totaling SDR 25.0 million, is to be repaid in one installment ten years after the date the deposit was made. The interest payable on the deposit is equivalent to that obtained for the investment of the deposit less 2 percent a year.

The Administered Account Islamic Republic of Iran was established on June 6, 1994 for the administration of resources deposited in the account by the Central Bank of the Islamic Republic of Iran (CBIRI). The CBIRI has made five annual deposits, each of SDR 1.0 million. All of the deposits will be repaid at the end of ten years after the date of the first deposit. Each deposit bears interest at a rate of $\frac{1}{2}$ of 1 percent a year.

The Administered Account Portugal was established on May 16, 1994 for the administration of resources deposited in the account by the Banco de Portugal (BdP). The BdP has agreed to make six annual deposits, each of SDR 2.2 million. Each deposit is to be repaid in five equal annual installments beginning six years after the date of the deposit and will be completed at the end of the tenth year after the date of the deposit. Each deposit bears interest at a rate of $\frac{1}{2}$ of 1 percent a year.

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

5. *Associated Loans*

The SFD has provided resources to support arrangements under the PRGF through loans in association with loans under the PRGF. Funds become available under an associated loan after a bilateral agreement between the SFD and the recipient country has been effected. Amounts denominated in SDRs, for disbursement to a recipient country under an associated loan, are placed by the SFD in the Special Account for disbursement by the IMF simultaneously with disbursements under a PRGF arrangement. These loans are repayable in ten equal semiannual installments commencing not later than the end of the first six months of the sixth year and are to be completed at the end of the tenth year after the date of disbursement. Interest on the outstanding balances is currently set at a rate of $\frac{1}{2}$ of 1 percent a year.

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

Receipts of Resources

Cumulative transfers from the Saudi Fund for Development	49,500
Cumulative repayments of associated loans	21,400
Cumulative receipts of interest on associated loans	1,668
Accrued interest on associated loans	12
	<hr/>
	<u>72,580</u>

Uses of Resources

Associated loans	49,500
Cumulative repayments to the Saudi Fund for Development	21,400
Cumulative payments of interest on transfers	1,668
Accrued interest on transfers	12
	<hr/>
	<u>72,580</u>

**III. Financial Statements
of the
PRGF-HIPC Trust
and
Related Accounts**

PRGF-HIPC Trust and Related Accounts

Combined Balance Sheet as at January 31, 2001

(In thousands of SDRs)

Assets	
Cash and cash equivalents	603,686
Investments (Note 3)	749,480
Interest receivable	5,980
	<hr/>
Total Assets	1,359,146
	<hr/> <hr/>
Resources and Liabilities	
Borrowings (Note 5)	369,439
Other liabilities	10
Interest payable	765
	<hr/>
Total Liabilities	370,214
	<hr/> <hr/>
Resources	988,932
	<hr/> <hr/>
Total Resources and Liabilities	1,359,146
	<hr/> <hr/>

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

PRGF-HIPC Trust and Related Accounts

Combined Income Statement and Changes in Resources for the Nine Months Ended January 31, 2001

(In thousands of SDRs)

Balance, April 30, 2000	928,927
Investment income	57,570
Interest expense	(9,858)
Other expenses	(154)
Net income	47,558
Contributions received	410,490
Grants	(246,381)
Disbursements	(68,532)
	143,135
Transfers	(83,130)
Net changes in resources	60,005
Balance, January 31, 2001	988,932

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at January 31, 2001

1. Nature of Operations

The PRGF-HIPC Trust and Related Accounts comprise the PRGF-HIPC Trust Account, the Umbrella Account for HIPC Operations, and the Post SCA-2 Administered Account. The PRGF-HIPC Trust Account comprises three sub-accounts: the PRGF-HIPC, PRGF and HIPC sub-accounts. Separate balance sheets and income statements and changes in resources for each of these accounts are provided in Note 6. Transactions between the above accounts are eliminated on combination in the combined balance sheets and combined income statements and changes in resources.

PRGF-HIPC Trust

The name of the Trust for Special ESAF Operations for the Heavily Indebted Poor Countries and for Interim ESAF Subsidy Operations was changed to the Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and for Interim PRGF Subsidy Operations (the PRGF-HIPC Trust) on November 22, 1999. The PRGF-HIPC Trust, for which the IMF is trustee, was established on February 4, 1997 to provide balance of payments assistance to low-income developing members by making grants and loans to eligible members for the purpose of reducing their external debt burden and for interim PRGF subsidy purposes. The resources of the PRGF-HIPC Trust are held separately from the assets of all other accounts of, or administered by, the IMF and may not be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

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

PRGF-HIPC Trust Account

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

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at January 31, 2001

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

Umbrella Account for HIPC Operations

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

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

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

Post SCA-2 Administered Account

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

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at January 31, 2001

2. Summary of Significant Accounting Practices

Basis of Presentation

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of key international currencies of members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of January 31, 2001 and their amounts were as follows:

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

As of January 31, 2001, one SDR was equal to 1.29779 U.S. dollars.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at January 31, 2001

Revenue Recognition

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

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost not exceeding net realizable value. Interest on these instruments varies and is market-related.

Investments

The resources of the Trust are invested pending their use. The Trust invests in debt securities and fixed term deposits, either directly or by participation in an investment pool. Investments are valued at their market value on the last business day of the accounting period. The valuation of purchases and sales is made on the trade date basis. Investment income comprises gains and losses realized during the year from the sale of investments, unrealized gains and losses on investments, and currency valuation differences arising from exchange rate

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

Foreign Currency Translation

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at January 31, 2001

Administrative Costs

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

3. Investments

The maturities of the investments are as follows:

<u>Maturity from January 31, 2001</u>	
	<i>(in thousands of SDRs)</i>
Less than 1 year	529,723
1 - 3 years	211,954
3 - 5 years	7,364
Over 5 years	439
Total	<u>749,480</u>

4. Transfers receivable and payable

The HIPC sub-account has transfers payable to the PRGF-HIPC sub-account arising from past disbursements to the Umbrella Account under the HIPC initiative in the amount of SDR 209.5 million, including interest. Interest payable between sub-accounts is eliminated on combination.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at January 31, 2001

5. Borrowings

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at January 31, 2001 varied between 0 percent and 2 percent a year. The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Periods of Repayment, Financial Year Ending April 30	
	<i>(in thousands of SDRs)</i>
2001	--
2002	14,607
2003	--
2004	--
2005	15,000
2006 and beyond	339,832
Total	<u>369,439</u>

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

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements
as at January 31, 2001

Combined Balance Sheets

(In thousands of SDRs)

Assets	PRGF-HIPC Trust Account sub-account			Umbrella Account for HIPC Operations	Post SCA-2 Administered Account	Combined Total
	PRGF-HIPC	PRGF	HIPC			
Cash and cash equivalents	331,787	6	19,746	351,539	136,106	603,686
Investments	510,563	10,691	--	521,254	--	749,480
Transfer receivable	--	--	--	--	--	--
Transfers to and from sub-accounts	209,509	--	(209,509)	--	--	--
Interest receivable	2,259	32	94	2,385	1,995	5,980
Total Assets	1,054,118	10,729	(189,669)	875,178	138,101	1,359,146
Resources and Liabilities						
Borrowings	369,439	--	--	369,439	--	369,439
Other liabilities	10	--	--	10	--	10
Interest payable	765	--	--	765	--	765
Total Liabilities	370,214	--	--	370,214	--	370,214
Resources	683,904	10,729	(189,669)	504,964	138,101	988,932
Total Resources and Liabilities	1,054,118	10,729	(189,669)	875,178	138,101	1,359,146

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements
for the Nine Months Ended January 31, 2001

Combined Income Statements and Changes in Resources

(In thousands of SDRs)

	PRGF-HIPC Trust Account sub-account		Umbrella Account for HIPC Operations	Post SCA-2 Administered Account	Combined Total		
	PRGF-HIPC	PRGF				HIPC	Combined
Balance, April 30, 2000	491,006	7,310	12,735	511,051	160,825	257,051	928,927
Investment income	37,780	418	5,474	43,672	7,193	6,705	57,570
Interest expense	(1,054)	--	(8,804)	(9,858)	--	--	(9,858)
Other expenses	(164)	10	--	(154)	--	--	(154)
Net income/(loss)	36,562	428	(3,330)	33,660	7,193	6,705	47,558
Contributions received	113,811	2,991	47,307	164,109	246,381	--	410,490
Grants	--	--	(246,381)	(246,381)	--	--	(246,381)
Disbursements	--	--	--	--	(68,532)	--	(68,532)
Transfers	150,373	3,419	(202,404)	(48,612)	185,042	6,705	143,135
	42,525	--	--	42,525	--	(125,655)	(83,130)
Net changes in resources	192,898	3,419	(202,404)	(6,087)	185,042	(118,950)	60,005
Balance, January 31, 2001	683,904	10,729	(189,669)	504,964	345,867	138,101	988,932

Post-SCA-2 Administered Account

Holdings, Interest and Transfers

as at January 31, 2001

(In thousands of SDRs)

Member	Transfers from SCA-2	Interest earned	Transfers to member	Transfers to PRGF-HIPC Trust	Balance as at January 31, 2001
Algeria	7,569	391	--	--	7,960
Argentina	19,605	983	--	--	20,588
Austria	9,563	418	--	(9,560)	421
Brazil	9,979	514	--	--	10,493
Brunei Darussalam	52	3	--	--	55
Croatia, Republic of	519	27	--	--	546
Czech Republic	5,664	47	(47)	(5,664)	--
Dominican Republic	905	42	--	--	947
Egypt	1,724	37	--	(1,761)	--
Estonia, Republic of	137	8	--	--	145
Fiji	194	10	--	--	204
Finland	5,812	300	--	--	6,112
Gabon	431	22	--	--	453
Hungary	9,237	414	--	(9,237)	414
India	31,370	390	--	(31,760)	--
Indonesia	4,850	124	--	(4,974)	--
Italy	42,407	901	--	(43,308)	--
Jordan	1,027	49	--	--	1,076
Kuwait	4,197	108	--	(4,305)	--
Latvia, Republic of	269	14	--	--	283
Malaysia	7,368	376	--	--	7,744
Mauritius	40	--	--	(40)	--
Morocco	2,187	49	--	(2,236)	--
New Zealand	1,199	18	--	(1,217)	--
Oman	1,057	55	--	--	1,112
Pakistan	4,659	105	--	(4,764)	--
Peru	6,144	34	(34)	(6,144)	--
Poland, Republic of	7,074	150	(150)	(7,074)	--
Russian Federation	10,086	509	--	(10,086)	509
Saudi Arabia	16,710	863	--	--	17,573

Post-SCA-2 Administered Account**Holdings, Interest and Transfers****as at January 31, 2001***(In thousands of SDRs)*

Member	Transfers from SCA-2	Interest earned	Transfers to member	Transfers to PRGF-HIPC Trust	Balance as at January 31, 2001
Singapore	4,046	209	--	--	4,255
Spain	26,000	1,175	--	(26,000)	1,175
Sri Lanka	789	12	--	(801)	--
Sweden	10,595	548	--	--	11,143
Thailand	6,128	316	--	--	6,444
Tonga	26	1	--	--	27
Trinidad & Tobago	2,216	95	--	--	2,311
Tunisia	2,362	122	--	--	2,484
United Arab Emirates	5,141	255	--	--	5,396
Vanuatu	44	2	--	--	46
Venezuela	26,815	1,370	--	--	28,185
Vietnam	523	10	--	(533)	--
	<u>296,720</u>	<u>11,076</u>	<u>(231)</u>	<u>(169,464)</u>	<u>138,101</u>
	=====	=====	=====	=====	=====

PRGF-HIPC Trust Account

Contributions and Transfers

as at January 31, 2001
(In thousands of SDRs)

	Sub-account			Combined
	PRGF-HIPC	PRGF	HIPC	
<i>Cumulative up to ended April 30, 2000</i>				
Australia	--	--	9,189	9,189
Bangladesh	1,163	--	--	1,163
Barbados	250	--	--	250
Belize	40	--	--	40
Cambodia	27	--	--	27
Canada	32,929	--	--	32,929
China	13,132	--	--	13,132
Cyprus	544	--	--	544
Denmark	6,120	--	--	6,120
Finland	2,251	--	--	2,251
France	38,696	--	--	38,696
Greece	2,200	--	--	2,200
Iceland	93	--	--	93
Ireland	3,937	--	--	3,937
Israel	1,189	--	--	1,189
Jamaica	1,800	--	--	1,800
Japan	66,558	--	--	66,558
Korea	10,625	--	--	10,625
Luxembourg	488	--	--	488
Malta	706	--	--	706
Mauritius	40	--	--	40
Netherlands	--	6,945	--	6,945
Nigeria	1,102	--	--	1,102
Norway	7,251	--	--	7,251
Philippines	4,500	--	--	4,500
Portugal	4,430	--	--	4,430
Samoa	3	--	--	3
San Marino, Republic of	32	--	--	32
Slovak Republic	2,669	--	--	2,669
Slovenia, Republic of	311	--	--	311
South Africa	895	--	--	895
Swaziland	20	--	--	20
United Kingdom	23,551	--	--	23,551
United States	--	--	221,932	221,932

PRGF-HIPC Trust Account

Contributions and Transfers

as at January 31, 2001

(In thousands of SDRs)

	Sub-account			Combined
	PRGF-HIPC	PRGF	HIPC	
	227,552	6,945	231,121	465,618
Transfers from SDA	171,397	--	--	171,397
Transfers from GRA	72,456	--	--	72,456
	<u>243,853</u>	<u>--</u>	<u>--</u>	<u>243,853</u>
	<u>471,405</u>	<u>6,945</u>	<u>231,121</u>	<u>709,471</u>
<i>Period ended January 31, 2001</i>				
Australia	--	--	3,910	3,910
Austria	--	--	9,560	9,560
Belgium	12,208	--	--	12,208
Belize	20	--	--	20
Denmark	2,374	--	--	2,374
Egypt	37	--	--	37
France	17,196	--	--	17,196
Hungary	9,237	--	--	9,237
Iceland	183	--	--	183
India	390	--	--	390
Indonesia	124	--	--	124
Italy	43,309	--	--	43,309
Kuwait	108	--	--	108
Mexico	8,000	--	--	8,000
Morocco	49	--	--	49
Netherlands	--	2,991	--	2,991
New Zealand	1,158	--	--	1,158
Norway	1,144	--	--	1,144
Pakistan	105	--	--	105
Poland, Republic of	877	--	--	877
Russian Federation	10,086	--	--	10,086
South Africa	4,000	--	--	4,000
Sri Lanka	12	-	-	12
Switzerland	3,184	-	-	3,184
United Kingdom	-	-	33,837	33,837

PRGF-HIPC Trust Account

Contributions and Transfers

as at January 31, 2001

(In thousands of SDRs)

	Sub-account			Combined
	PRGF-HIPC	PRGF	HIPC	
Vietnam	10	-	-	10
	<u>113,811</u>	<u>2,991</u>	<u>47,307</u>	<u>164,109</u>
Transfers from SDA	42,525	-	-	42,525
Transfers from GRA	-	-	-	-
	<u>42,525</u>	<u>-</u>	<u>-</u>	<u>42,525</u>
	<u>156,336</u>	<u>2,991</u>	<u>47,307</u>	<u>206,634</u>

PRGF-HIPC Trust Account

Borrowings

as at January 31, 2001

(In thousands of SDRs)

Date of Arrangement	Maturity ¹	Interest rate (in percent)	Amount
<i>PRGF-HIPC sub-account</i>			
April 30, 1997	April 29, 2002	2.0	14,607
May 30, 1997	May 29, 2007	0.5	1,000
May 30, 1998	May 29, 2007	0.5	1,000
June 29, 1998	June 28, 2008	2.0	15,000
November 20, 1998	November 19, 2008	2.0	10,000
May 30, 1999	May 29, 2007	0.5	1,000
August 24, 1999	August 23, 2009	2.0	5,000
August 30, 1999	August 29, 2009	2.0	10,000
October 4, 1999	October 3, 2004	0.5	15,000
January 31, 2000	January 30, 2010	1.5	6,144
February 24, 2000	February 23, 2020	0.0	5,664
March 31, 2000	December 30, 2018	0.0	31,370
April 24, 2000	December 23, 2018	0.0	789
May 17, 2000	May 16, 2010	0.5	982
May 24, 2000	December 31, 2018	0.0	523
May 27, 2000	December 31, 2018	0.0	750
May 30, 2000	May 29, 2007	0.5	1,000
June 12, 2000	June 11, 2020	0.0	7,074
June 16, 2000	December 31, 2018	0.0	1,724
June 22, 2000	June 21, 2020	0.0	2,187
June 22, 2000	June 21, 2020	0.0	4,659
July 18, 2000	December 17, 2018	0.0	4,850
July 25, 2000	December 24, 2018	0.0	4,197
August 23, 2000	August 22, 2010	0.5	100
August 30, 2000	August 29, 2010	2.0	10,000
			154,620
Borrowings held in currency			
February 11, 2000	February 10, 2010	0.0	214,819 (EUR 300 m)
Total			369,439

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

Umbrella Account for HIPC Operations

Grants, Interest and Disbursements

as at January 31, 2001

(In thousands of SDRs)

	Opening balance	Grants from PRGF-HIPC Trust Account	Interest earned	Disbursements	Balance
<i>Cumulative up to April 30, 2000</i>					
Bolivia	--	21,249	885	14,228	7,906
Guyana	--	25,561	716	7,415	18,862
Mozambique	--	95,483	2,758	14,818	83,423
Tanzania	--	13,342	33	--	13,375
Uganda	--	57,114	3,563	23,418	37,259
	--	212,749	7,955	59,879	160,825
<i>Period ended January 31, 2001</i>					
Benin	--	3,700	65	2,433	1,332
Bolivia	7,906	--	189	5,451	2,644
Burkina Faso	--	17,800	436	2,222	16,014
Cameroon	--	2,240	22	919	1,343
Gambia, The	--	80	1	9	72
Guinea-Bissau	--	2,965	15	158	2,822
Guyana	18,862	6,140	660	4,655	21,007
Madagascar	--	677	4	--	681
Malawi	--	2,314	11	--	2,325
Mali	--	11,490	210	523	11,177
Mauritania	--	9,922	16	3,778	6,160
Mozambique	83,423	--	2,537	18,402	67,558
Niger	--	430	2	--	432
Rwanda	--	6,762	31	911	5,882
Senegal	--	1,690	19	1,433	276
Tanzania	13,375	--	240	11,684	1,931
Uganda	37,259	62,971	1,933	15,954	86,209
Zambia	--	117,200	802	--	118,002
	160,825	246,381	7,193	68,532	345,867

**IV. Financial Statements
of Other
Administered Accounts**

Other Administered Accounts

Balance Sheets as at January 31, 2001

	Administered Account Japan	Administered Account for Selected Fund Activities - Japan	Framework Administered Account for Technical Assistance Activities	Administered Account for Rwanda	Trust Fund	Supplementary Financing Facility Subsidy Account
<i>(In thousands of U.S. dollars)</i>						
Assets						
Cash and cash equivalents	112,753	5,932	3,855	--	--	2,292
Loans receivable	--	--	--	--	88,772	--
Interest receivable	--	--	--	1	--	27
Total Assets	112,753	5,932	3,855	1	88,772	2,319
Resources						
Total Resources	112,753	5,932	3,855	1	88,772	2,319

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Other Administered Accounts

Income Statements and Changes in Resources for the Nine Months Ended January 31, 2001

	<i>(In thousands of U.S. dollars)</i>		<i>(In thousands of SDRs)</i>		
	Administered Account Japan	Administered Account for Selected Fund Activities - Japan	Framework Administered Account for Technical Assistance Activities	Administered Account for Rwanda	
				Trust Fund Subsidy Account	
				Supplementary Financing Facility	
Balance, beginning of the year	107,439	18,854	4,201	291	88,904
Income earned on investments	5,314	591	201	6	80
Interest on loans	--	--	--	--	27,181
Deferred income, net of settlements (Note 4)	--	--	--	--	(27,182)
Operational Income	5,314	591	201	6	80
Contributions received	--	634	2,333	--	--
Payments to beneficiaries	--	(14,147)	(2,880)	(296)	--
Transfers to the Special Disbursement Account (Note 5)	5,314	(12,922)	(346)	(290)	(1)
Net changes in resources	--	(12,922)	(346)	(290)	(131)
Balance, January 31, 2001	112,753	5,932	3,855	1	88,772
	=====	=====	=====	=====	=====
					2,319

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

Other Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

1. Nature of Operations

Administered Accounts Established at the Request of Members

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

Administered Account Japan

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

Administered Account for Selected Fund Activities - Japan

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

Framework Administered Account for Technical Assistance Activities

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

Other Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

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

Subaccount for Japan Advanced Scholarship Program

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

Rwanda-Macroeconomic Management Capacity Subaccount

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

Australia-IMF Scholarship Program for Asia Subaccount

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

Switzerland Technical Assistance Subaccount

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

French Technical Assistance Subaccount

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

Other Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

Denmark Technical Assistance Subaccount

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

Australia Technical Assistance Subaccount

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

The Netherlands Technical Assistance Subaccount

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

Administered Account for Rwanda

At the request of the Netherlands, Sweden, and the United States ("the donor countries"), the IMF established an account on October 27, 1995 to administer resources contributed by the donor countries to provide grants to Rwanda. These grants are to be used for reimbursing the service charge and reducing, to the equivalent of a rate of $\frac{1}{2}$ of 1 percent a year, the rate of the quarterly charges payable by Rwanda on its use of the IMF's financial resources under the Compensatory and Contingency Financing Facility (CCFF). The account has been terminated on November 30, 2000 and the balance transferred to donor countries, in proportion to their contribution. The distribution of the final accrued interest will take place in February 2001 when quarterly interest on SDR accounts is paid.

Trust Fund

The Trust Fund, for which the IMF is trustee, was established in 1976 to provide balance of payments assistance on concessional terms to eligible members that qualify for assistance.

Other Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

In 1980, the IMF, as trustee, decided that, upon the completion of the final loan disbursements, the Trust Fund would be terminated as of April 30, 1981, and after that date, the activities of the Trust Fund have been confined to the conclusion of its affairs. The resources of the Trust Fund are held separately from the assets of all other accounts of, or administered by, the IMF and cannot be used to discharge liabilities or to meet losses incurred in the administration of other IMF accounts.

Supplementary Financing Facility Subsidy Account

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

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

2. Summary of Significant Accounting Practices

Basis of Presentation

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

Unit of Account

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

The accounts are expressed in U.S. dollars. All transactions and operations of these accounts, including the transfers to and from the accounts, are denominated in U.S. dollars, except for transactions and operations in respect of the OAP, which are denominated in Japanese yen, or transactions in other currencies as agreed between Japan and the IMF. Contributions denominated in other currencies are converted into U.S. dollars upon receipt of the funds.

Other Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

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

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of January 31, 2001 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.5770

As of January 31, 2001, one SDR was equal to 1.29779 U.S. dollars.

Transfers to and disbursements from the Administered Account for Rwanda are made in U.S. dollars or in other freely usable currencies. Transactions and operations of the accounts are denominated in SDRs. Contributions denominated in other currencies are converted into SDRs upon receipt of the funds.

Revenue Recognition

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

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost not exceeding net realizable value. Interest on these instruments varies and is market-related.

Other Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

Loans

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

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

Deferred Income

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

Foreign Currency Translation

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

Administrative costs

The expenses of conducting the activities of the Administered Accounts Established at the Request of Members and the Trust Fund are incurred and borne by the General Department of the IMF. Following the termination of the Trust Fund as of April 30, 1981, residual administrative costs have been absorbed by the General Resources Account of the IMF. To help defray the expenses incurred by the Fund in the administration of the Administered Account for Selected Fund Activities – Japan and the Framework Administered Account for Technical Assistance Activities, reimbursement equal to 13 percent of the expenses financed from the accounts is paid to the Fund from these accounts. As at January 31, 2001, the administrative costs for the Administered Account for Selected Fund Activities – Japan amounted to \$1.4 million, and, for the Framework Administered Account for Technical Assistance Activities, \$0.4 million.

Other Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

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

Account	January 31, 2001	
	Cumulative Contributions	Cumulative Disbursements ¹
	<i>(In millions of U.S. dollars)</i>	
<i>Administered Account Japan</i>	135.2	72.5
<i>Administered Account for Selected Fund Activities - Japan</i>	139.1	139.8
Technical Assistance	128.6	129.4
Scholarships	6.6	6.6
Office of Asia and Pacific	3.9	3.8
<i>Framework Administered Account for Technical assistance Activities</i>	17.3	14.4
Subaccount for Japan Advanced Scholarship Program	5.7	5.3
Rwanda - Macroeconomic Management Capacity Subaccount	1.5	1.6
Australia - IMF Scholarship Program for Asia Subaccount	1.3	1.4
Switzerland Technical Assistance Subaccount	6.8	5.2
French Technical Assistance Subaccount	0.68	0.33
Denmark Technical Assistance Subaccount	0.47	0.47
Australia Technical Assistance Subaccount	0.27	0.00
The Netherlands Technical Assistance Subaccount	0.60	0.23
	<i>(In millions of SDRs)</i>	
<i>Administered Account for Rwanda</i>	1.5	1.7

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

Other Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

3. Loans

Loans were made from the Trust Fund to members that qualified for assistance in accordance with the provisions of the Trust Fund instrument. The final Trust Fund loan installment was due on March 31, 1991. Interest on the outstanding loan balances is charged at the rate of ½ of 1 percent a year, although special charges have been levied on overdue payments of interest and principal since February 1986. Since May 1, 1993, special charges on overdue obligations to the Trust Fund have been suspended for members who are more than six months overdue.

4. Overdue Obligations

At January 31, 2001, three members with obligations to the Trust Fund were six months or more overdue in discharging their obligations to the Trust Fund. The recognition of interest income on the loans outstanding to these members and of special charges due from them is being deferred. At January 31, 2001, total deferred income amounted to SDR 27.1 million. Overdue loan repayments and interest and special charges due from these members were as follows:

	Loans	Interest and Special Charges
	<i>In millions of SDRs</i>	
Total overdue	88.8	27.1
Overdue six months or more	88.8	26.9
Overdue three years or more	88.8	25.8

The type and duration of the arrears of these members at January 31, 2001 were as follows:

Other Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

Member	Loans	Interest and Special Charges	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>				
Liberia	23.1	7.0	30.1	April 1985
Somolia	6.5	1.4	7.9	July 1987
Sudan	<u>59.2</u>	<u>18.7</u>	<u>77.9</u>	June 1985
Total	<u>88.8</u>	<u>27.1</u>	<u>115.9</u>	

5. Transfer of Resources

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

Resources of the Supplementary Financing Facility Subsidy Account in excess of the remaining subsidy payments are to be transferred to the Special Disbursement Account. At January 31, 2001, subsidy payments totaling SDR 2.2 million had not been made to Liberia and Sudan and were being held pending the payment of overdue charges by these members.

6. Accounts Termination

Administered Account Japan

The account can be terminated by the IMF or by Japan. Any remaining resources in the account at termination are to be returned to Japan.

Administered Account for Selected Fund Activities - Japan

The account can be terminated by the IMF or by Japan. Any resources that may remain in the account at termination, net of accrued liabilities under technical assistance projects or in respect of the OAP, are to be returned to Japan.

Other Administered Accounts

Notes to the Financial Statements

as at January 31, 2001

Framework Administered Account for Technical Assistance Activities

The Framework Account or any subaccount thereof may be terminated by the IMF at any time. The termination of the Framework Account shall terminate each subaccount thereof. A subaccount may also be terminated by the contributor of the resources to the subaccount. Termination shall be effective on the date that the IMF or the contributor, as the case may be, receives notice of termination. Any balances, net of the continuing liabilities and commitments under the activities financed, that may remain in a subaccount upon its termination are to be returned to the contributor.

Administered Account for Rwanda

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

**V. Financial Statements
of the
Retired Staff Benefits
Investment Account**

Retired Staff Benefits Investment Account

Balance Sheet as at January 31, 2001

(In thousands of U.S. dollars)

Assets	
Investments (Notes 2 and 3)	
Cash equivalents	12,194
Other	222,220
Accrued interest receivable	891
	<hr/>
Total Assets	235,305
	<hr/> <hr/>
Liabilities and Resources	
Resources	234,167
Accounts Payable	1,138
	<hr/>
Total Resources and Liabilities	235,305
	<hr/> <hr/>

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Retired Staff Benefits Investment Account

Income Statement and Changes in Resources for the Nine Months Ended January 31, 2001

(In thousands of U.S. dollars)
(Note 1)

Balance, April 30, 2000	236,072
Contributions received	4,934
Income earned on investments (Note 2)	6,429
Net realized/unrealized loss in current value of investments (Note 2)	<u>(12,199)</u>
Total income	235,236
Investment fees	<u>(1,069)</u>
Balance, January 31, 2001	<u><u>234,167</u></u>

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

Retired Staff Benefits Investment Account

Notes to the Financial Statements

as at January 31, 2001

1. Purpose

The Retired Staff Benefits Investment Account ("the RSBIA") was established to hold, administer, and invest resources contributed by the IMF for meeting postretirement medical and life insurance benefits to eligible retirees of the IMF and other beneficiaries. The RSBIA accumulates resources to finance benefits to current and future retirees.

The assets of the RSBIA consist of the IMF's contributions and the income earned thereon. Assets are within the sole ownership of the IMF and are to be used to meet the claims of retirees and the administrative costs of the RSBIA. Contributions are made periodically from the General Resources Account to the RSBIA, taking into consideration the actuarial valuation of the IMF's cumulative cost of these benefits. Cumulative contributions received by the RSBIA amounted to \$165 million at January 31, 2001.

The assets of the RSBIA are kept separate from the assets of all other accounts of, or administered by, the Fund and are not to be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

2. Accounting Practices

Basis of Presentation

The financial statements of the RSBIA are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Discussions of specific accounting principles and disclosure practices are included in other notes.

Use of Estimates

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Retired Staff Benefits Investment Account

Notes to the Financial Statements

as at January 31, 2001

Valuation of Investments

Resources placed to the RSBIA have been invested by the IMF. In accordance with its investment policy, the RSBIA invests in equity securities, debt securities, short-term investments, and real estate. Investments in securities listed on stock exchanges are valued at the last reported market sales price on the last business day of the accounting period. Over-the-counter securities are valued at their bid price on the last business day of the accounting period. The valuation of purchases and sales is made on the trade date basis.

Cash and short-term investments with maturities at dates of purchase of three months or less are classified as cash equivalents. Cash equivalents include short-term Treasury securities and other short-term, highly liquid investments and are carried at cost, which approximates market value.

The net gain on investments represents the gains and losses realized during the year from the sale of investments, the unrealized appreciation and depreciation of the market value of investments, and, for investments denominated in currencies other than the U.S. dollar, valuation differences arising from exchange rate changes of other currencies against the dollar market value.

3. Investments

A summary of the RSBIA's investments at market values or fair values is as follows:

In millions of U.S. dollars

Equity securities	143
Debt securities	49
Real estate	31
Short-term investments	<u>12</u>
	<u>235</u>

In addition to these investments, the RSBIA held commitments in fixed-income futures contracts to minimize interest rate risk. At January 31, 2001, the notional value of these derivatives amounted to \$2.3 million and the unrealized gain was less than \$0.04 million.

Retired Staff Benefits Investment Account

Notes to the Financial Statements

as at January 31, 2001

4. Actuarial Valuation

Eligible retirees can elect to continue their life insurance coverage and medical coverage. The cost of these benefits is actuarially determined, based on the data in effect at the beginning of the year. The IMF's actuarially determined cost is estimated at \$243 million at April 30, 2000. Each year the IMF transfers amounts from the General Resources Account to the RSBIA to be held and invested pending their use by the IMF.

It is expected that the RSBIA will be a net recipient of resources until its assets meet the estimated cost of benefits to retirees.

5. Account Termination

The RSBIA can be terminated by the IMF at any time. After meeting any existing obligations, the resources remaining in the RSBIA are to be transferred to the General Resources Account of the IMF.