



International Monetary Fund

FINANCIAL STATEMENTS

Quarter Ended
October 31, 2000

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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 October 31, 2000

(In thousands of SDRs)

Assets		Liabilities and Resources	
Credit outstanding	39,581,345	Liabilities:	
Usable currencies	109,975,488	Remuneration payable	443,669
Other currencies	<u>55,551,403</u>	Other liabilities	182,092
Total currencies (Notes 3 and 4)	<u>205,108,236</u>	Special Contingent Account (Note 10)	<u>1,166,019</u>
SDR holdings	2,984,637	Total Liabilities	<u>1,791,780</u>
Gold holdings (Note 5)	5,851,771	Members' Resources:	
Receivables (Note 6)	652,086	Quotas, represented by:	
Other assets (Notes 7 and 14)	626,742	Reserve tranche positions (Notes 2 and 4)	44,724,651
Assets of the Special Disbursement Account		Subscription payments: Usable	109,975,488
Investments of the Special Disbursement Account (Note 8)	2,315,463	Other	<u>55,551,261</u>
Structural Adjustment Facility loans (Note 3)	466,137	Total quotas	<u>210,251,400</u>
Total Assets	<u>218,005,072</u>	Reserves of the General Resources Account	3,180,292
		Accumulated resources of the Special Disbursement Account	<u>2,781,600</u>
		Total Liabilities and Resources	<u>218,005,072</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 Six Months Ended October 31, 2000

(In thousands of SDRs)

Operational Income	
Interest and charges (Note 6)	1,130,666
Interest on SDR holdings	58,195
Other charges and income	11,421
	<hr/>
	1,200,282
Operational Expenses	
Remuneration (Note 9)	887,182
Allocation to the first Special Contingent Account	47,000
	<hr/>
	934,182
Administrative Expenses net of gain on pension and other retirement benefits (Notes 13 and 14)	<hr/>
	190,842
Net Income of the General Resources Account	<hr/>
	75,258
Income of the Special Disbursement Account	
Income earned on investments	59,574
Interest on loans	644
Net Income of the Special Disbursement Account	<hr/>
	60,218

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

General Department
Statement of Changes in Resources
for the Six Months Ended October 31, 2000

(In thousands of SDRs)

	<u>General Resources Account</u>			Special	
	Quotas	Special Reserve	General Reserve	Disbursemen Account Accumulated Resources	
Balance at April 30, 2000	210,251,400	2,178,382	926,652	3,105,034	2,767,727
Net income of General Resources Account transferred to reserves		75,258	--	75,258	
Net income of the Special Disbursement Account					60,218
Transfers from the Trust Fund					131
Transfers from the SFF subsidy account					104
Transfers to the PRGF Trust					(20,405)
Transfers to the PRGF - HIPC Trust					(26,175)
Balance at October 31, 2000	<u>210,251,400</u>	<u>2,253,640</u>	<u>926,652</u>	<u>3,180,292</u>	<u>2,781,600</u>

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

General Department
Statement of Cash Flows
for the Six Months Ended October 31, 2000

(In thousands of SDRs)

Usable currencies and SDRs from operating activities	
Net income of the General Resources Account	75,258
Net income of the Special Disbursement Account	60,218
Changes in receivables and other assets	(26,271)
Changes in remuneration payable and other liabilities	(15,679)
Allocation to the first Special Contingent Account	47,000
Net usable currencies and SDRs provided by operating activities	140,526
Usable currencies and SDRs from/(used) in investment activities	
Net acquisition of investments by the Special Disbursement Account	(59,374)
Net usable currencies and SDRs used in investment activities	(59,374)
Usable currencies and SDRs generated/(absorbed) in providing credit to members	
Purchases in currencies and SDRs including reserve tranche purchases	(1,590,681)
Repurchases in currencies and SDRs	5,881,027
Repayments of Structural Adjustment Facility loans	45,501
Net usable currencies and SDRs generated/(absorbed) in providing credit to members	4,335,847
Usable currencies and SDRs from financing activities	
Changes in composition of usable currencies	365,299
Transfers to the PRGF Trust and the PRGF-HIPC Trust	(46,345)
Net usable currencies and SDRs provided by financing activities	318,954
<i>Net increase in usable currencies and SDRs</i>	4,735,953
<i>Usable currencies and SDRs, April 30, 2000</i>	108,224,172
Usable currencies and SDRs, October 31, 2000	112,960,125

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

General Department

Notes to the Financial Statements

as at October 31, 2000

1. Purpose and Organization

The IMF is an international organization of 182 member countries. It was established to promote international monetary cooperation, exchange stability, and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to countries under adequate safeguards to help ease balance of payments adjustment. The IMF conducts its operations and transactions through the General Department and the Special Drawing Rights Department (the SDR Department). The General Department consists of the General Resources Account (GRA), the Special Disbursement Account (SDA), and the Investment Account. The latter had not been activated as of October 31, 2000. The IMF also administers trusts and accounts established to perform financial and technical services and financial operations consistent with the purposes of the IMF. The resources of these trusts and accounts are contributed by members and the IMF. The financial statements of the SDR Department and these trusts and accounts are presented separately.

General Resources Account

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

Special Disbursement Account

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

General Department

Notes to the Financial Statements

as at October 31, 2000

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 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 October 31, 2000 and their amounts were as follows:

October 31, 2000 Currency	Amount
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

General Department

Notes to the Financial Statements

as at October 31, 2000

As of October 31, 2000, one SDR was equal to 1.27934 U.S. dollars.

Credit Outstanding

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

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

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

Overdue Obligations and Special Contingent Account

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

Currencies

Currencies consist of members' currencies and securities held by the IMF. Each member has the option to substitute nonnegotiable and non-interest-bearing securities for the 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 October 31, 2000

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 cash on demand. Each member is obligated to maintain, in terms of the SDR, the value of the balances of its currency held by the IMF in the GRA. This requirement is referred to as the maintenance-of-value obligation. Whenever the IMF revalues its holdings of a member's currency, a receivable or a payable is established for the amount required to maintain the SDR value of the IMF's holdings of that currency. The currency balances in the balance sheet reflect these receivables and payables.

SDR Holdings

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

SDR Interest Rate

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

General Department

Notes to the Financial Statements

as at October 31, 2000

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

SAF Loans in the Special Disbursement Account

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

Investments in the Special Disbursement Account

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

General Department

Notes to the Financial Statements

as at October 31, 2000

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 October 31, 2000

Charges

The IMF levies periodic charges on members' use of IMF credit. For financial year 2001, the rate of charge has been set at 115.9 percent of the SDR interest rate. The basic rate of charge is increased to offset the effect on the IMF's income of the deferral of unpaid charges and to finance the additions to the SCA-1. A surcharge progressing from 300 to 500 basis points above the rate of charge applies to use of credit under the SRF and CCL. Special charges are levied on members' currency holdings that are not repurchased when due and on overdue charges. Special charges do not apply to obligations that are six months or more overdue to the IMF. A service charge is levied by the IMF on all purchases, except reserve tranche purchases. A refundable commitment fee is charged on amounts available for purchase under 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 to members that paid the adjustment. The average adjusted rate of remuneration during the month of October 2000 amounted to 4.57 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 all other members when the new member joined the Fund. The unremunerated reserve tranche remains fixed for each member in nominal terms, but because of subsequent quota increases, it is now significantly lower when expressed as a percentage of quota. The average is equal to 3.8 percent, 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.

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.

General Department

Notes to the Financial Statements

as at October 31, 2000

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 six months ended October 31, 2000 were as follows:

	April 30, 2000	Purchases	Repurchases	October 31, 2000
	<i>In millions of SDRs</i>			
Regular facilities	20,935	838	4,437	17,336
Extended Fund Facility	16,361	711	768	16,304
Systemic Transformation Facility	2,718	--	474	2,244
Enlarged Access	730	--	167	563
Compensatory and Contingency Financing Facility	3,032	--	22	3,010
Supplementary Financing Facility	137	--	13	124
Total	<u>43,913</u>	<u>1,549</u>	<u>5,881</u>	<u>39,581</u>

On December 14, 1992, the Federal Republic of Yugoslavia (Serbia/Montenegro) agreed, as a successor state, to share in the assets and liabilities of the former Socialist Federal Republic of Yugoslavia, but has yet to succeed to IMF membership. IMF credit outstanding with respect to the Federal Republic of Yugoslavia (Serbia/Montenegro) amounted to SDR 56 million at October 31, 2000. This amount is included in receivables in the balance sheet.

General Department

Notes to the Financial Statements

as at October 31, 2000

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

In millions of SDRs

SDA loans outstanding	466
Interest accrued	7
Less interest deferred	(7)
	466
	466

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	3,246	34
2002	8,862	91
2003	9,440	62
2004	5,872	51
2005 and beyond	11,281	77
Overdue	880	151
Total	39,581	466

As of October 31, 2000, 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	9,196	23.2%
Three largest users of credit	21,976	55.4%
Five largest users of credit	26,877	67.8%

General Department

Notes to the Financial Statements

as at October 31, 2000

Overdue Obligations

At October 31, 2000, six members and the Federal Republic of Yugoslavia (Serbia/Montenegro) were six months or more overdue in settling their financial obligations to the IMF. Four of these members were overdue to the General Department.

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

	Repurchases and SAF Loans	Charges and SAF Interest
<i>In millions of SDRs</i>		
Total overdue	1,087	1,013
Overdue for six months or more	1,087	988
Overdue for three years or more	1,053	876

The type and duration of these arrears as of October 31, 2000, were as follows:

	Repurchases and SAF Loans	Charges and SAF Interest	Total Obligation	Longest Overdue Obligation
<i>In millions of SDRs</i>				
Congo, Democratic Republic of	300	71	371	May 1991
Liberia	201	227	428	April 1985
Somalia	105	85	190	July 1987
Sudan	425	609	1,034	July 1985
Yugoslavia, Federal Republic of (Serbia/Montenegro)	56	21	77	September 1992
Total	<u>1,087</u>	<u>1,013</u>	<u>2,100</u>	

General Department

Notes to the Financial Statements

as at October 31, 2000

4. Currencies

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

	April 30, 2000	Net Change	October 31, 2000
<i>In millions of SDRs</i>			
Members' quotas	210,251	--	210,251
Members' outstanding use of IMF credit in the GRA	43,913	(4,332)	39,581
Members' reserve tranche positions in the GRA	(48,872)	4,147	(44,725)
Administrative currency balances	(3)	4	1
	<u>205,289</u>	<u>(181)</u>	<u>205,108</u>
Currencies			

Receivables and payables arising from valuation adjustments at October 31, 2000, amounted to SDR 6,038 million and SDR 2,829 million, respectively. Settlements of these receivables or payables are required to be made promptly after the end of each financial year.

Other currency holdings, other than those resulting from the use of credit or usable currencies, amounted to SDR 55,551 million; of this amount SDR 32,481 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. The income from investments will be transferred on an "as needed" basis to a separate sub-account of the PRGF-HIPC Trust to finance the HIPC initiative.

At October 31, 2000, the IMF held 3,217,341 kilograms of gold, equal to 103,439,916 fine ounces of gold, at designated depositories. As of October 31, 2000, the value of the IMF's holdings of gold calculated at the market price was SDR 21.4 billion.

General Department

Notes to the Financial Statements

as at October 31, 2000

6. Periodic Charges

As of October 31, 2000, the total holdings on which the IMF levies charges amounted to SDR 39,637 million. Charges and other receivables due to the IMF as of October 31, 2000 were as follows:

	<i>In millions of SDRs</i>
Periodic charges due	1,585
Less: deferred income	(1,020)
	<u>565</u>
Other receivables	87
Receivables	<u><u>652</u></u>

Periodic charges for the six months ended October 31, 2000 consisted of the following:

	<i>In millions of SDRs</i>
Periodic charges due	1,120
Add: adjustments for deferred charges, and SCA-1, net of refunds	37
Less: income deferred, net of settlements	
Total periodic charges	(26)
	<u>1,131</u>

7. Fixed Assets

Other assets include capital assets which at October 31, 2000 amounted to SDR 222 million and consisted of:

General Department
Notes to the Financial Statements
as at October 31, 2000

In millions of SDRs

Land and buildings	304
Equipment	41
Total fixed assets	<u>345</u>
Less accumulated depreciation	<u>(123)</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 October 31, 2000</u>	
	<i>In millions of SDRs</i>
Less than 1 year	89
1 - 3 years	2,121
3 - 5 years	105
Over 5 years	--
Total	<u><u>2,315</u></u>

The investments consisted of the following:

In millions of SDRs

Medium-term investments	1,549
Debt securities	762
Fixed deposits	4
Total	<u><u>2,315</u></u>

General Department

Notes to the Financial Statements

as at October 31, 2000

9. Remuneration and Financing Costs

At October 31, 2000, total creditor positions on which the IMF paid remuneration amounted to SDR 38,211 million. Remuneration for the six months ended October 31, 2000 consisted of the following:

	<i>In millions of SDRs</i>
Remuneration	923
Less: adjustments for deferred charges, net of refunds and SCA-1	(36)
	<u>887</u>

10. Deferred Income and Special Contingent Accounts

Deferred income at October 31, 2000 amounted to SDR 1,020 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 October 31, 2000, the balances held in the SCA-1 amounted to SDR 1,166 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 831 million at October 31, 2000. The cumulative refunds for the same period, resulting from the settlements of deferred charges for which burden-sharing adjustments have been made, amounted to SDR 963 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 October 31, 2000

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 October 31, 2000, the undrawn balances under the 26 arrangements that were in effect in the GRA amounted to SDR 24,138 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 six months ended October 31, 2000 were as follows:

In millions of SDRs

Personnel	109
Travel	36
Other	48
Less reimbursements for the administration of the SDR Department	(2)
Total administrative expenses, net of reimbursements	<u>191</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 October 31, 2000

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 six months ended October 31, 2000 are as follows:

	SRP	SRBP	RSBIA	Other	Total
	<i>In millions of SDRs</i>				
Service Cost	23	13	3	6	45
Interest Cost	55	18	7	10	90
Expected return on plan assets	(151)	--	(8)	--	(159)
Net periodic (income) cost	<u>(73)</u>	<u>31</u>	<u>2</u>	<u>16</u>	<u>(24)</u>
Net actuarial (gain) / loss	(21)	--	--	--	(21)
Total (benefit) cost	<u><u>(94)</u></u>	<u><u>31</u></u>	<u><u>2</u></u>	<u><u>16</u></u>	<u><u>(45)</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 October 31, 2000

Reconciliation of benefit obligation

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

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)
Fair value of assets at April 30, 2000	<u>3,125</u>	<u>--</u>	<u>179</u>	<u>--</u>	<u>3,304</u>

General Department

Notes to the Financial Statements

as at October 31, 2000

Funded status of these benefits

	SRP	SRBP	RSBIA	Other	Total
<i>In millions of SDRs</i>					
Assets in excess of (below) projected benefit obligation	1,731	(464)	(6)	(241)	1,020
Unrecognized actuarial 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 millions of SDRs</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 October 31, 2000

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA 2/		SDA 3/	PRGF	
		Total	Percent of quota		Amount	Percent of total		Trust 4/	Total 5/
Afghanistan, Islamic									
State of	120,400	115,488	95.9	4,928	--	--	--	--	--
Albania	48,700	54,175	111.2	3,355	8,825	0.02	--	59,349	68,174
Algeria	1,254,700	2,508,203	199.9	85,082	1,338,580	3.38	--	--	1,338,580
Angola	286,300	286,445	100.1	--	--	--	--	--	--
Antigua and Barbuda	13,500	13,499	100.0	1	--	--	--	--	--
Argentina	2,117,100	4,517,461	213.4	0 6/	2,400,333	6.06	--	--	2,400,333
Armenia, Republic of	92,000	118,723	129.0	--	26,719	0.07	--	109,350	136,069
Australia	3,236,400	2,287,198	70.7	949,275	--	--	--	--	--
Austria	1,872,300	1,355,297	72.4	516,962	--	--	--	--	--
Azerbaijan	160,900	341,874	212.5	10	180,974	0.46	--	81,900	262,874
Bahamas, The	130,300	124,065	95.2	6,239	--	--	--	--	--
Bahrain	135,000	70,851	52.5	64,158	--	--	--	--	--
Bangladesh	533,300	631,244	118.4	186	98,125	0.25	--	83,250	181,375
Barbados	67,500	62,827	93.1	4,675	--	--	--	--	--
Belarus, Republic of	386,400	474,025	122.7	20	87,625	0.22	--	--	87,625
Belgium	4,605,200	3,318,364	72.1	1,286,837	--	--	--	--	--
Belize	18,800	14,562	77.5	4,239	--	--	--	--	--
Benin	61,900	59,721	96.5	2,188	--	--	5,728	60,482	66,210
Bhutan	6,300	5,280	83.8	1,020	--	--	--	--	--
Bolivia	171,500	162,638	94.8	8,875	--	--	--	174,072	174,072
Bosnia and Herzegovina	169,100	237,162	140.2	--	68,058	0.17	--	--	68,058
Botswana	63,000	45,271	71.9	17,739	--	--	--	--	--
Brazil	3,036,100	4,393,571	144.7	--	1,356,750	3.42	--	--	1,356,750
Brunei Darussalam	150,000	114,727	76.5	35,285	--	--	--	--	--
Bulgaria	640,200	1,577,587	246.4	32,742	970,098	2.45	--	--	970,098
Burkina Faso	60,200	52,991	88.0	7,221	--	--	12,008	74,944	86,952
Burundi	77,000	71,142	92.4	5,860	--	--	--	7,097	7,097
Cambodia	87,500	90,625	103.6	--	3,125	0.01	--	54,514	57,639
Cameroon	185,700	190,122	102.4	516	4,925	0.01	--	162,120	167,045
Canada	6,369,200	4,577,786	71.9	1,791,422	--	--	--	--	--
Cape Verde	9,600	9,598	100.0	2	--	--	--	--	--
Central African Republic	55,700	55,595	99.8	111	--	--	--	16,480	16,480
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	3,361,221	71.7	1,326,025	--	--	--	--	--
Colombia	774,000	488,204	63.1	285,803	--	--	--	--	--
Comoros	8,900	8,362	93.9	540	--	--	1,125	--	1,125
Congo, Democratic									
Republic of	291,000	448,109	154.0	--	157,109	0.40	142,910	--	300,019
Congo, Republic of	84,600	91,322	107.9	536	7,240	0.02	--	13,896	21,136
Costa Rica	164,100	144,113	87.8	20,000	--	--	--	--	--

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

(In thousands of SDRs)

Member	General Resources Account				Use of Resources					
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA 2/		SDA 3/	PRGF		Total 5/
		Total	Percent of quota		Amount	Percent of total		Trust 4/		
Côte d'Ivoire	325,200	324,927	99.9	278	--	--	--	433,524	433,524	
Croatia, Republic of	365,100	486,373	133.2	159	121,430	0.31	--	--	121,430	
Cyprus	139,600	104,243	74.7	35,369	--	--	--	--	--	
Czech Republic	819,300	816,959	99.7	2,370	--	--	--	--	--	
Denmark	1,642,800	1,190,304	72.5	452,500	--	--	--	--	--	
Djibouti	15,900	19,779	124.4	1,100	4,978	0.01	--	5,452	10,430	
Dominica	8,200	8,192	99.9	9	--	--	--	--	--	
Dominican Republic	218,900	258,599	118.1	3	39,700	0.10	--	--	39,700	
Ecuador	302,300	398,495	131.8	17,153	113,346	0.29	--	--	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	--	--	--	3,574	935	4,509	
Eritrea	15,900	15,900	100.0	5	--	--	--	--	--	
Estonia, Republic of	65,200	79,726	122.3	6	14,531	0.04	--	--	14,531	
Ethiopia	133,700	126,611	94.7	7,099	--	--	31,784	29,490	61,274	
Fiji	70,300	55,339	78.7	14,983	--	--	--	--	--	
Finland	1,263,800	906,564	71.7	357,306	--	--	--	--	--	
France	10,738,500	7,571,100	70.5	3,167,140	--	--	--	--	--	
Gabon	154,300	226,217	146.6	137	72,052	0.18	--	--	72,052	
Gambia, The	31,100	29,618	95.2	1,485	--	--	--	10,831	10,831	
Georgia	150,300	194,238	129.2	10	43,938	0.11	--	172,050	215,988	
Germany	13,008,200	9,142,164	70.3	3,866,046	--	--	--	--	--	
Ghana	369,000	369,004	100.0	--	--	--	--	229,298	229,298	
Greece	823,000	590,982	71.8	232,020	--	--	--	--	--	
Grenada	11,700	11,701	100.0	--	--	--	--	--	--	
Guatemala	210,200	210,206	100.0	--	--	--	--	--	--	
Guinea	107,100	107,026	99.9	75	--	--	--	89,231	89,231	
Guinea-Bissau	14,200	17,750	125.0	0 6/	3,550	0.01	--	10,343	13,893	
Guyana	90,900	90,902	100.0	--	--	--	11,070	75,644	86,714	
Haiti	60,700	75,826	124.9	49	15,175	0.04	--	15,175	30,350	
Honduras	129,500	168,374	130.0	8,627	47,500	0.12	--	118,253	165,753	
Hungary	1,038,400	861,617	83.0	176,784	--	--	--	--	--	
Iceland	117,600	99,023	84.2	18,580	--	--	--	--	--	
India	4,158,200	3,669,584	88.2	488,641	--	--	--	--	--	
Indonesia	2,079,300	10,251,797	493.0	145,474	8,317,970	20.99	--	--	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	584,329	69.7	254,088	--	--	--	--	--	
Israel	928,200	860,295	92.7	67,911	--	--	--	--	--	
Italy	7,055,500	4,975,063	70.5	2,080,438	--	--	--	--	--	

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

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA 2/		SDA 3/	PRGF Trust 4/	Total 5/
		Total	Percent of quota		Amount	Percent of total			
Jamaica	273,500	324,237	118.6	--	50,688	0.13	--	--	50,688
Japan	13,312,800	9,621,963	72.3	3,691,538	--	--	--	--	--
Jordan	170,500	530,062	310.9	52	359,612	0.91	--	--	359,612
Kazakhstan, Republic of	365,700	365,700	100.0	5	--	--	--	--	--
Kenya	271,400	258,945	95.4	12,455	--	--	1,420	106,359	107,779
Kiribati	5,600	5,601	100.0	--	--	--	--	--	--
Korea	1,633,600	5,887,470	360.4	208,633	4,462,500	11.26	--	--	4,462,500
Kuwait	1,381,100	1,007,034	72.9	374,067	--	--	--	--	--
Kyrgyz Republic	88,800	104,925	118.2	5	16,125	0.04	--	129,529	145,654
Lao People's Democratic Republic	39,100	39,100	100.0	--	--	--	3,223	30,498	33,721
Latvia, Republic of	126,800	155,359	122.5	55	28,594	0.07	--	--	28,594
Lebanon	203,000	184,168	90.7	18,833	--	--	--	--	--
Lesotho	34,900	31,365	89.9	3,539	--	--	--	8,758	8,758
Liberia	71,300	272,678	382.4	28	201,397	0.51	--	--	224,478 5/
Libya	1,123,700	728,206	64.8	395,505	--	--	--	--	--
Lithuania, Republic of	144,200	293,830	203.8	16	149,644	0.38	--	--	149,644
Luxembourg	279,100	223,637	80.1	55,468	--	--	--	--	--
Macedonia, former Yugoslav Republic of	68,900	103,949	150.9	--	35,047	0.09	--	27,281	62,328
Madagascar	122,200	122,174	100.0	27	--	--	664	72,498	73,162
Malawi	69,400	67,166	96.8	2,236	--	--	372	56,540	56,912
Malaysia	1,486,600	878,450	59.1	608,156	--	--	--	--	--
Maldives	8,200	6,646	81.1	1,554	--	--	--	--	--
Mali	93,300	84,521	90.6	8,782	--	--	5,080	130,668	135,748
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	--	--	--	1,705	74,508	76,213
Mauritius	101,600	87,138	85.8	14,474	--	--	--	--	--
Mexico	2,585,800	2,585,499	100.0	309	--	--	--	--	--
Micronesia, Federated Stat	5,100	5,100	100.0	1	--	--	--	--	--
Moldova, Republic of	123,200	235,075	190.8	5	111,875	0.28	--	--	111,875
Mongolia	51,100	51,075	100.0	27	--	--	--	40,068	40,068
Morocco	588,200	517,761	88.0	70,441	--	--	--	--	--
Mozambique	113,600	113,600	100.0	7	--	--	--	166,110	166,110
Myanmar	258,400	258,402	100.0	--	--	--	--	--	--
Namibia	136,500	136,463	100.0	37	--	--	--	--	--
Nepal	71,300	65,557	91.9	5,746	--	--	--	9,512	9,512
Netherlands	5,162,400	3,628,747	70.3	1,533,663	--	--	--	--	--
New Zealand	894,600	644,723	72.1	249,881	--	--	--	--	--
Nicaragua	130,000	130,010	100.0	--	--	--	--	111,151	111,151
Niger	65,800	57,240	87.0	8,561	--	--	--	48,300	48,300

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

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA 2/		SDA 3/	PRGF	
		Total	Percent of quota		Amount	Percent of total		Trust 4/	Total 5/
Nigeria	1,753,200	1,753,114	100.0	143	--	--	--	--	--
Norway	1,671,700	1,210,264	72.4	461,462	--	--	--	--	--
Oman	194,000	144,271	74.4	49,796	--	--	--	--	--
Pakistan	1,033,700	1,679,689	162.5	97	646,083	1.63	32,778	393,020	1,071,881
Palau	3,100	3,100	100.0	1	--	--	--	--	--
Panama	206,600	271,827	131.6	11,860	77,075	0.19	--	--	77,075
Papua New Guinea	131,600	162,757	123.7	178	31,313	0.08	--	--	31,313
Paraguay	99,900	78,428	78.5	21,475	--	--	--	--	--
Peru	638,400	1,066,719	167.1	--	428,286	1.08	--	--	428,286
Philippines	879,900	2,355,073	267.7	87,104	1,562,263	3.94	--	--	1,562,263
Poland, Republic of	1,369,000	1,196,744	87.4	172,256	--	--	--	--	--
Portugal	867,400	613,313	70.7	254,089	--	--	--	--	--
Qatar	263,800	219,073	83.0	44,727	--	--	--	--	--
Romania	1,030,200	1,405,876	136.5	--	375,671	0.95	--	--	375,671
Russian Federation	5,945,400	15,140,356	254.7	926	9,195,832	23.20	--	--	9,195,832
Rwanda	80,100	92,762	115.8	--	12,644	0.03	876	42,840	56,360
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	--	--	--	--	951	951
Saudi Arabia	6,985,500	5,998,021	85.9	987,483	--	--	--	--	--
Senegal	161,800	160,410	99.1	1,393	--	--	1,383	201,346	202,729
Seychelles	8,800	8,800	100.0	--	--	--	--	--	--
Sierra Leone	103,700	141,190	136.2	24	37,505	0.09	18,914	77,292	133,711
Singapore	862,500	620,637	72.0	241,885	--	--	--	--	--
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	0.24	8,840	--	112,004 5/
South Africa	1,868,500	1,868,256	100.0	246	--	--	--	--	--
Spain	3,048,900	2,165,405	71.0	883,542	--	--	--	--	--
Sri Lanka	413,400	365,662	88.5	47,741	--	--	--	128,800	128,800
Sudan	169,700	594,454	350.3	11	424,733	1.08	--	--	483,961 5/
Suriname	92,100	85,976	93.4	6,125	--	--	--	--	--
Swaziland	50,700	44,154	87.1	6,552	--	--	--	--	--
Sweden	2,395,500	1,731,417	72.3	664,068	--	--	--	--	--
Switzerland	3,458,500	2,501,642	72.3	956,891	--	--	--	--	--
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 October 31, 2000

(In thousands of SDRs)

Member	General Resources Account				Use of Resources					
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA 2/		SDA 3/	PRGF		
		Total	Percent of quota		Amount	Percent of total		Trust 4/	Total 5/	
Tajikistan, Republic of	87,000	107,625	123.7	2	20,625	0.05	--	60,280	80,905	
Tanzania	198,900	188,932	95.0	9,975	--	--	--	254,760	254,760	
Thailand	1,081,900	3,581,897	331.1	20	2,500,000	6.31	--	--	2,500,000	
Togo	73,400	73,131	99.6	278	--	--	384	55,584	55,968	
Tonga	6,900	5,197	75.3	1,710	--	--	--	--	--	
Trinidad and Tobago	335,600	335,586	100.0	16	--	--	--	--	--	
Tunisia	286,500	304,033	106.1	20,167	37,695	0.10	--	--	37,695	
Turkey	964,000	1,877,888	194.8	112,775	1,026,660	2.59	--	--	1,026,660	
Turkmenistan, Republic of	75,200	75,200	100.0	5	--	--	--	--	--	
Uganda	180,500	180,507	100.0	--	--	--	--	248,570	248,570	
Ukraine	1,372,000	2,844,057	207.3	3	1,472,057	3.71	--	--	1,472,057	
United Arab Emirates	611,700	431,625	70.6	180,076	--	--	--	--	--	
United Kingdom	10,738,500	7,773,914	72.4	2,964,589	--	--	--	--	--	
United States	37,149,300	26,572,431	71.5	10,574,199	--	--	--	--	--	
Uruguay	306,500	385,032	125.6	35,675	114,200	0.29	--	--	114,200	
Uzbekistan, Republic of	275,600	385,422	139.8	5	109,822	0.28	--	--	109,822	
Vanuatu	17,000	14,506	85.3	2,496	--	--	--	--	--	
Venezuela	2,659,100	2,583,361	97.2	321,900	246,159	0.62	--	--	246,159	
Vietnam	329,100	343,193	104.3	5	14,093	0.04	--	235,560	249,653	
Yemen, Republic of	243,500	349,318	143.5	13	105,828	0.27	--	150,000	255,828	
Yugoslavia, Federal Republic of (Serbia/Montenegro)	--	--	--	--	55,639	2/	0.14	--	55,639	
Zambia	489,100	489,101	100.0	18	--	--	181,750	681,682	863,432	
Zimbabwe	353,400	479,439	135.7	307	126,340	0.28	--	93,560	219,900	
Total	210,251,400	205,108,236		44,724,651	39,636,985	2/	100.00	465,588	5,783,665	45,975,010

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

2/ Includes the share of the Federal Republic of Yugoslavia (Serbia/Montenegro) in the liabilities of the former Socialist Federal Republic of Yugoslavia, although this state has not succeeded to Fund membership. Total credits due from members excluding the amount due from the Federal Republic of Yugoslavia (Serbia/Montenegro) amounted to SDR 39,581.0 million.

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

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

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

6/ Less than SDR 500.

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

(In thousands of SDRs)

Resources	
Currencies	205,108,236
SDR holdings	2,984,637
Gold holdings	5,851,771
Sundry assets, net of sundry liabilities ^{1/}	653,067
Total resources	<u>214,597,711</u>
Less: Non-Usable Resources ^{2/}	<u>101,637,586</u>
Equals: Usable Resources ^{3/}	<u>112,960,125</u>
Resources Committed and Working Balances	
Undrawn balances under arrangements ^{4/}	16,306,488
Minimum working balances ^{4/}	15,120,910
Resources committed and working balances	<u>31,427,398</u>
Net Uncommitted Usable Resources ^{5/}	<u><u>81,532,727</u></u>
Liquid Liabilities	
Reserve tranche positions ^{6/}	<u><u>44,724,651</u></u>
Liquidity Ratio ^{7/}	182.3%
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 October 31, 2000

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Total Amount Agreed	Undrawn Balance
General Resources Account				
Stand-By Arrangements				
Argentina	March 10, 2000	March 9, 2003	5,398,610	5,398,610
Bosnia and Herzegovina	May 29, 1998	March 31, 2001	94,420	30,150
Brazil	December 2, 1998	December 1, 2001	10,419,840	2,550,690
Ecuador	April 19, 2000	April 18, 2001	226,730	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
Korea	December 4, 1997	December 3, 2000	15,500,000	1,087,500
Latvia, Republic of	December 10, 1999	April 9, 2001	33,000	33,000
Lithuania, Republic of	March 8, 2000	June 7, 2001	61,800	61,800
Mexico	July 7, 1999	November 30, 2000	3,103,000	1,163,500
Nigeria	August 4, 2000	August 3, 2001	788,940	788,940
Panama	June 30, 2000	March 29, 2002	64,000	64,000
Papua New Guinea	March 29, 2000	May 28, 2001	85,540	56,655
Philippines	April 1, 1998	December 31, 2000	1,020,790	237,560
Romania	August 5, 1999	February 28, 2001	400,000	260,250
Russian Federation	July 28, 1999	December 27, 2000	3,300,000	2,828,571
Turkey	December 22, 1999	December 21, 2002	2,892,000	2,226,840
Uruguay	May 31, 2000	March 31, 2002	150,000	150,000
Total Stand-By Arrangements			43,660,590	17,160,150
Extended Arrangements				
Bulgaria	September 25, 1998	September 24, 2001	627,620	156,920
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
Peru	June 24, 1999	May 31, 2002	383,000	383,000
Ukraine	September 4, 1998	September 3, 2001	1,919,950	1,207,800
Yemen, Republic of	October 29, 1997	March 1, 2001	105,900	65,900
Total Extended Arrangements			9,088,450	6,977,910
Total General Resources Account			52,749,040	24,138,060

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

SDR Department
Balance Sheet
as at October 31, 2000
(In thousands of SDRs)

Assets		Liabilities	
Charges receivable	256,229	Interest payable	256,752
Overdue assessments and charges (Note 3)	113,730		
Participants with holdings below allocations (Note 2)		Participants with holdings above allocations (Note 2)	
Allocations	12,382,224	SDR holdings	14,650,609
Less : SDR holdings	3,277,392	Less: allocations	9,051,106
Allocations in excess of holdings	<u>9,104,832</u>	Holdings in excess of allocations	<u>5,599,503</u>
		Holdings by the General Resources Account	<u>2,984,637</u>
		Holdings of SDRs by prescribed holders	<u>633,899</u>
Total Assets	<u><u>9,474,791</u></u>	Total Liabilities	<u><u>9,474,791</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 Six Months Ended October 31, 2000
(In thousands of SDRs)

Revenue	
Net charges from participants with holdings below allocations	212,476
Assessment on SDR allocations	1,750
	<hr/> 214,226
 Expenses	
Interest on SDR holdings	
Net interest to participants with holdings above allocations	139,922
General Resources Account	58,195
Prescribed holders	14,359
	<hr/> 212,476
Administrative expenses	1,750
	<hr/> 214,226
 Net Income	 <hr/> <hr/> --

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

SDR Department

Statement of Cash Flows for the Six Months Ended October 31, 2000

(In thousands of SDRs)

Cash flows from operating activities	
Receipts of SDRs	
Transfers among Participants and Prescribed holders	3,656,929
Transfers from Participants to the General Resources Account	3,142,121
Transfers from the General Resources Account to Participants and Prescribed holders	2,881,376
Total Receipts of SDRs	<u>9,680,426</u> =====
Uses of SDRs	
Transfers among Participants and Prescribed holders	3,509,307
Transfers from Participants to the General Resources Account	3,087,537
Transfers from the General Resources Account to Participants and Prescribed holders	2,881,376
Charges paid in the SDR Department	194,077
Other	<u>8,129</u>
Total Uses of SDRs	<u>9,680,426</u> =====

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

SDR Department

Notes to the Financial Statements

as at October 31, 2000

1. Nature of Operations

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

At October 31, 2000, all members of the IMF were participants in the SDR Department. SDRs have been allocated by the IMF to members that are participants in the SDR Department at the time of the allocation in proportion to their quotas in the IMF. Six allocations have been made (in 1970, 1971, 1972, 1979, 1980, and 1981) for a total of SDR 21.4 billion. A proposed amendment of the IMF's Articles of Agreement has been approved to allow for a special onetime allocation of SDRs equal to 21.4 billion. The amendment will enter into force after three-fifths of the members, having 85 percent of the total voting power, have accepted it. Upon termination of participation or liquidation of the SDR Department, the IMF will provide to holders the currencies received from the participants in settlement of their obligations. The IMF is empowered to prescribe certain official entities as holders of SDRs; at October 31, 2000, 15 institutions were prescribed as holders. Prescribed holders do not receive allocations.

The SDR is also used by a number of international and regional organizations as a unit of account or as the basis for their units of account. Several international conventions also use the SDR as a unit of account, notably those expressing liability limits for the international transport of goods and services.

Uses of SDRs

Participants and prescribed holders can use and receive SDRs in transactions and operations by agreement among themselves. Participants can also use SDRs in operations and transactions involving the General Resources Account, such as the payment of charges and repurchases. The IMF ensures, by designating participants to provide freely usable currency in exchange for SDRs, that a participant can use its SDRs to obtain an equivalent amount of currency if it has a need because of its balance of payments or its reserve position or developments in its reserves.

SDR Department

Notes to the Financial Statements

as at October 31, 2000

General Allocations and Cancellations of SDRs

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

2. Summary of Significant Accounting Practices

Basis of Presentation

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of October 31, 2000 and their amounts were as follows:

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

As of October 31, 2000, one SDR was equal to 1.27934 U.S. dollars.

SDR Department

Notes to the Financial Statements

as at October 31, 2000

Allocations and Holdings

At October 31, 2000, IMF net cumulative allocations to participants totaled SDR 21.4 billion. Members with holdings in excess of their allocations have established a net claim on the SDR Department, which is represented on the balance sheet as a liability. Members with holdings below their allocations have used part of their allocations, which results in a net obligation to the SDR Department and is presented as a net asset of the SDR Department. Participants' net SDR positions as of October 31, 2000 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	17,928.0	14,650.6	3,277.4
Cumulative allocations	21,433.3	9,051.1	12,382.2
Net SDR positions		<u>5,599.5</u>	<u>(9,104.8)</u>

A summary of SDR holdings is provided below:

	<i>In millions of SDRs</i>
Participants	17,928.0
General Resources Account	2,984.6
Prescribed holders	633.9
	<u>21,546.5</u>
Less: Overdue charges receivable	113.2
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 October 31, 2000

Interest and Charges

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

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

Overdue Obligations

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

3. *Overdue Assessments and Charges*

At October 31, 2000, assessments and charges amounting to SDR 113.7 million were overdue to the SDR Department. At October 31, 2000, six members were six months or more overdue in meeting their financial obligations to the SDR Department. In addition, the Federal Republic of Yugoslavia (Serbia/Montenegro) was also six months or more overdue in meeting its financial obligations. While the Federal Republic of Yugoslavia (Serbia/Montenegro) agreed to its share in the assets and liabilities of the former Socialist Federal Republic of Yugoslavia in the IMF, it had not succeeded to membership in the IMF as of October 31, 2000, and, consequently, it is not a participant in the SDR Department.

SDR Department

Notes to the Financial Statements

as at October 31, 2000

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

In millions of SDRs

Total	113.7
Overdue for six months or more	105.6
Overdue for three years or more	71.7

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

	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>		
Afghanistan, Islamic State of	5.5	February 1996
Congo, Democratic Republic of	13.7	April 1992
Iraq	43.2	November 1990
Liberia	20.2	April 1986
Somalia	8.2	February 1991
Sudan	0.1	April 1991
Yugoslavia, Federal Republic of (Serbia/Montenegro)	22.8	November 1992
Total	<u>113.7</u>	

SDR Department
Statement of Changes in SDR Holdings
for the Six Months Ended October 31, 2000
(In thousands of SDRs)

	Participants	General Resources Account	Prescribed Holders	Total
Total holdings, April 30, 2000	18,141,335	2,723,892	673,181	21,538,408
Receipts of SDRs				
Transfers among Participants and Prescribed holders				
Transactions by agreement Operations	3,067,781	--	14,859	3,082,640
Settlement of financial obligations	19,249	--	35,701	54,950
IMF-related operations				
SAF and PRGF loans	48,478	--	--	48,478
SAF repayments and interest	--	--	9,827	9,827
Special charges on SAF, PRGF, Trust Fund	--	--	2	2
PRGF contributions and payments	33,222	--	54,805	88,027
PRGF repayments and interest	--	--	148,629	148,629
PRGF-HIPC contributions and payments	215	--	75,340	75,555
SCA-2 refunds	1,199	--	--	1,199
Net interest on SDRs	133,622	--	14,000	147,622
Transfers from Participants to the General Resources Account				
Repurchases	--	1,897,662	--	1,897,662
Charges	--	1,189,875	--	1,189,875
Interest on SDRs	--	54,584	--	54,584
Transfers from the General Resources Account to Participants and Prescribed holders				
Purchases	1,481,815	--	--	1,481,815
In exchange for currencies of other members				
Acquisitions to pay charges	500,079	--	--	500,079
Remuneration	891,762	--	--	891,762
Other				
Refunds and adjustments	7,720	--	--	7,720
Total receipts	6,185,142	3,142,121	353,163	9,680,426

SDR Department

Statement of Changes in SDR Holdings for the Six Months Ended October 31, 2000

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed Holders	Total
Uses of SDRs				
Transfers among Participants and Prescribed holders				
Transactions by agreement	2,861,916	--	220,724	3,082,640
Operations				
Settlement of financial obligations	35,701	--	19,249	54,950
IMF-related operations				
SAF and PRGF loans	--	--	48,478	48,478
SAF repayments and interest	9,827	--	--	9,827
Special charges on SAF, PRGF, Trust Fund	2	--	--	2
PRGF contributions and payments	54,805	--	33,222	88,027
PRGF repayments and interest	148,629	--	--	148,629
PRGF-HIPC contributions and payments	5,982	--	69,573	75,555
SCA-2 refunds	--	--	1,199	1,199
Transfers from Participants to the General Resources Account				
Repurchases	1,897,662	--	--	1,897,662
Charges	1,189,875	--	--	1,189,875
Transfers from the General Resources Account to Participants and Prescribed holders				
Purchases	--	1,481,815	--	1,481,815
In exchange for currencies of other members				
Acquisitions to pay charges	--	500,079	--	500,079
Remuneration	--	891,762	--	891,762
Other				
Refunds and adjustments	--	7,720	--	7,720
Charges paid in the SDR department				
Net charges due	202,207	--	--	202,207
Charges not paid when due	(8,793)	--	--	(8,793)
Settlement of unpaid charges	663	--	--	663
Total uses	<u>6,398,476</u>	<u>2,881,376</u>	<u>392,445</u>	<u>9,672,297</u>
Total holdings, October 31, 2000	<u><u>17,928,001</u></u>	<u><u>2,984,637</u></u>	<u><u>633,899</u></u>	<u><u>21,546,537</u></u>

SDR Department Allocations and Holdings of Participants

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

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	HOLDINGS		
		TOTAL	PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Afghanistan, Islamic State of	26,703	--	--	(26,703)
Albania	--	60,568	--	60,568
Algeria	128,640	23,167	18.0	(105,473)
Angola	--	132	--	132
Antigua and Barbuda	--	5	--	5
Argentina	318,370	102,868	32.3	(215,502)
Armenia, Republic of	--	18,381	--	18,381
Australia	470,545	67,431	14.3	(403,114)
Austria	179,045	103,258	57.7	(75,787)
Azerbaijan	--	8,018	--	8,018
Bahamas, The	10,230	195	1.9	(10,035)
Bahrain	6,200	1,087	17.5	(5,113)
Bangladesh	47,120	2,788	5.9	(44,332)
Barbados	8,039	95	1.2	(7,944)
Belarus, Republic of	--	18	--	18
Belgium	485,246	225,797	46.5	(259,449)
Belize	--	1,145	--	1,145
Benin	9,409	163	1.7	(9,246)
Bhutan	--	163	--	163
Bolivia	26,703	27,288	102.2	585
Bosnia and Herzegovina	20,481	1,324	6.5	(19,157)
Botswana	4,359	29,399	674.4	25,040
Brazil	358,670	25,015	7.0	(333,655)
Brunei Darussalam	--	4,678	--	4,678
Bulgaria	--	33,822	--	33,822
Burkina Faso	9,409	374	4.0	(9,035)
Burundi	13,697	183	1.3	(13,514)
Cambodia	15,417	686	4.5	(14,731)
Cameroon	24,463	384	1.6	(24,079)
Canada	779,290	427,169	54.8	(352,121)
Cape Verde	620	45	7.2	(575)
Central African Republic	9,325	113	1.2	(9,212)
Chad	9,409	113	1.2	(9,296)
Chile	121,924	17,613	14.4	(104,311)
China	236,800	594,582	251.1	357,782
Colombia	114,271	103,170	90.3	(11,101)
Comoros	716	16	2.3	(700)
Congo, Democratic Republic of	86,309	--	--	(86,309)
Congo, Republic of	9,719	224	2.3	(9,495)
Costa Rica	23,726	467	2.0	(23,259)

SDR Department Allocations and Holdings of Participants

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

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	HOLDINGS		
		TOTAL	PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Côte d'Ivoire	37,828	1,397	3.7	(36,431)
Croatia, Republic of	44,205	113,923	257.7	69,717
Cyprus	19,438	667	3.4	(18,771)
Czech Republic	--	154	--	154
Denmark	178,864	79,227	44.3	(99,637)
Djibouti	1,178	370	31.4	(808)
Dominica	592	8	1.3	(585)
Dominican Republic	31,585	1,200	3.8	(30,385)
Ecuador	32,929	1,991	6.0	(30,938)
Egypt	135,924	18,295	13.5	(117,629)
El Salvador	24,985	24,985	100.0	--
Equatorial Guinea	5,812	159	2.7	(5,653)
Eritrea	--	--	--	--
Estonia, Republic of	--	231	--	231
Ethiopia	11,160	132	1.2	(11,028)
Fiji	6,958	4,365	62.7	(2,593)
Finland	142,690	132,296	92.7	(10,394)
France	1,079,870	285,585	26.4	(794,285)
Gabon	14,091	961	6.8	(13,130)
Gambia, The	5,121	201	3.9	(4,920)
Georgia	--	2,376	--	2,376
Germany	1,210,760	1,333,555	110.1	122,795
Ghana	62,983	6,435	10.2	(56,548)
Greece	103,544	7,998	7.7	(95,546)
Grenada	930	--	--	(930)
Guatemala	27,678	7,754	28.0	(19,924)
Guinea	17,604	2,218	12.6	(15,386)
Guinea-Bissau	1,212	94	7.8	(1,118)
Guyana	14,530	1,172	8.1	(13,358)
Haiti	13,697	68	0.5	(13,629)
Honduras	19,057	943	4.9	(18,114)
Hungary	--	7,395	--	7,395
Iceland	16,409	84	0.5	(16,325)
India	681,170	6,367	0.9	(674,803)
Indonesia	238,956	140,767	58.9	(98,189)
Iran, Islamic Republic of	244,056	267,424	109.6	23,368
Iraq	68,464	--	--	(68,464)
Ireland	87,263	35,059	40.2	(52,204)
Israel	106,360	1,705	1.6	(104,655)
Italy	702,400	180,853	25.7	(521,547)

SDR Department Allocations and Holdings of Participants

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

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	HOLDINGS		
		TOTAL	PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Jamaica	40,613	1,286	3.2	(39,327)
Japan	891,690	1,830,876	205.3	939,186
Jordan	16,887	5,758	34.1	(11,129)
Kazakhstan, Republic of	--	370	--	370
Kenya	36,990	2,918	7.9	(34,072)
Kiribati	--	9	--	9
Korea	72,911	64,308	88.2	(8,603)
Kuwait	26,744	65,259	244.0	38,514
Kyrgyz Republic	--	831	--	831
Lao People's Democratic Republic	9,409	937	10.0	(8,472)
Latvia, Republic of	--	411	--	411
Lebanon	4,393	17,861	406.6	13,467
Lesotho	3,739	519	13.9	(3,220)
Liberia	21,007	--	--	(21,007)
Libya	58,771	404,279	687.9	345,508
Lithuania, Republic of	--	1,848	--	1,848
Luxembourg	16,955	2,812	16.6	(14,143)
Macedonia, former Yugoslav Republic of	8,379	709	8.5	(7,669)
Madagascar	19,270	263	1.4	(19,007)
Malawi	10,975	629	5.7	(10,346)
Malaysia	139,048	75,200	54.1	(63,848)
Maldives	282	186	65.9	(96)
Mali	15,912	230	1.4	(15,682)
Malta	11,288	23,938	212.1	12,650
Marshall Islands	--	--	--	--
Mauritania	9,719	578	5.9	(9,141)
Mauritius	15,744	16,345	103.8	601
Mexico	290,020	290,248	100.1	228
Micronesia, Federated States of	--	1,093	--	1,093
Moldova, Republic of	--	263	--	263
Mongolia	--	111	--	111
Morocco	85,689	55,048	64.2	(30,641)
Mozambique	--	49	--	49
Myanmar	43,474	619	1.4	(42,855)
Namibia	--	16	--	16
Nepal	8,105	58	0.7	(8,046)
Netherlands	530,340	588,031	110.9	57,691
New Zealand	141,322	9,271	6.6	(132,051)
Nicaragua	19,483	260	1.3	(19,223)
Niger	9,409	191	2.0	(9,218)

SDR Department Allocations and Holdings of Participants

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

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	HOLDINGS		
		TOTAL	PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Nigeria	157,155	2,095	1.3	(155,060)
Norway	167,770	223,720	133.3	55,950
Oman	6,262	2,623	41.9	(3,639)
Pakistan	169,989	12,761	7.5	(157,228)
Palau	--	--	--	--
Panama	26,322	1,714	6.5	(24,608)
Papua New Guinea	9,300	9,567	102.9	267
Paraguay	13,697	77,544	566.1	63,847
Peru	91,319	8,629	9.4	(82,690)
Philippines	116,595	24,236	20.8	(92,359)
Poland, Republic of	--	12,138	--	12,138
Portugal	53,320	38,835	72.8	(14,485)
Qatar	12,822	15,366	119.8	2,544
Romania	75,950	7,081	9.3	(68,869)
Russian Federation	--	410	--	410
Rwanda	13,697	1,285	9.4	(12,412)
St. Kitts and Nevis	--	1	--	1
St. Lucia	742	1,425	192.2	683
St. Vincent and the Grenadines	354	61	17.2	(293)
Samoa	1,142	2,277	199.4	1,135
San Marino, Republic of	--	155	--	155
São Tomé & Príncipe	620	--	--	(620)
Saudi Arabia	195,527	136,453	69.8	(59,074)
Senegal	24,462	4,179	17.1	(20,283)
Seychelles	406	14	3.4	(392)
Sierra Leone	17,455	5,380	30.8	(12,075)
Singapore	16,475	101,406	615.5	84,931
Slovak Republic	--	1,419	--	1,419
Slovenia, Republic of	25,431	2,446	9.6	(22,985)
Solomon Islands	654	2	0.3	(652)
Somalia	13,697	--	--	(13,697)
South Africa	220,360	222,380	100.9	2,020
Spain	298,805	214,438	71.8	(84,367)
Sri Lanka	70,868	1,811	2.6	(69,057)
Sudan	52,192	616	1.2	(51,576)
Suriname	7,750	1,837	23.7	(5,913)
Swaziland	6,432	2,435	37.8	(3,997)
Sweden	246,525	196,537	79.7	(49,988)
Switzerland	--	72,849	--	72,849
Syrian Arab Republic	36,564	440	1.2	(36,124)

SDR Department Allocations and Holdings of Participants

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

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	HOLDINGS		
		TOTAL	PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Tajikistan, Republic of	--	44	--	44
Tanzania	31,372	478	1.5	(30,894)
Thailand	84,652	98,571	116.4	13,919
Togo	10,975	129	1.2	(10,846)
Tonga	--	78	--	78
Trinidad and Tobago	46,231	604	1.3	(45,627)
Tunisia	34,243	20,735	60.6	(13,508)
Turkey	112,307	16,579	14.8	(95,728)
Turkmenistan, Republic of	--	--	--	--
Uganda	29,396	2,434	8.3	(26,962)
Ukraine	--	31,280	--	31,280
United Arab Emirates	38,737	3,501	9.0	(35,236)
United Kingdom	1,913,070	250,127	13.1	(1,662,943)
United States	4,899,530	7,948,602	162.2	3,049,072
Uruguay	49,977	2,353	4.7	(47,624)
Uzbekistan, Republic of	--	1,923	--	1,923
Vanuatu	--	672	--	672
Venezuela	316,890	31,898	10.1	(284,992)
Vietnam	47,658	1,650	3.5	(46,008)
Yemen, Republic of	28,743	83,684	291.1	54,941
Yugoslavia, Federal Republic of (Serbia/Montenegro)	56,665	--	--	(56,665)
Zambia	68,298	10,006	14.6	(58,292)
Zimbabwe	10,200	2,110	20.7	(8,090)
ABOVE ALLOCATIONS	9,051,106	14,650,609	161.9	5,599,503
BELOW ALLOCATIONS	12,382,224	3,277,392	26.5	(9,104,832)
TOTAL PARTICIPANTS	21,433,330	17,928,001		
GENERAL RESOURCES ACCOUNT		2,984,637		
PRESCRIBED HOLDERS		633,899		
OVERDUE CHARGES	113,207			
	<u>21,546,537</u>	<u>21,546,537</u>		

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 October 31, 2000

(In thousands of SDRs)

Assets	
Cash and cash equivalents	1,161,455
Investments (Note 3)	3,726,476
Loans receivable (Note 4)	5,783,662
Interest receivable	18,699
Total Assets	10,690,292
	=====
Resources and Liabilities	
Borrowings (Note 5)	6,225,656
Interest payable	72,427
Other liabilities	341
Total Liabilities	6,298,424
	=====
Resources	4,391,868
	=====
Total Resources and Liabilities	10,690,292
	=====

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Poverty Reduction Growth Facility Trust

Combined Income Statement and Changes in Resources for the Six Months Ended October 31, 2000

(In thousands of SDRs)

Balance, beginning of the year	4,305,726
Investment income	110,638
Interest on loans	14,492
Interest expense	(118,348)
Other expenses	(452)
	<hr/>
Operational income (loss)	6,330
Contributions (Note 6)	59,407
	<hr/>
	65,737
Transfers from the Special Disbursement Account	20,405
	<hr/>
Net changes in resources	86,142
	<hr/>
Balance, October 31, 2000	4,391,868
	<hr/> <hr/>

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

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at October 31, 2000

1. Nature of Operations

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

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

Loan Account

The resources of the Loan Account consist of the proceeds from borrowings, repayments of principal, and interest payments on loans extended by the Trust. At October 31, 2000, loans totaling SDR 5,783.7 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 October 31, 2000

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

2. Summary of Significant Accounting Practices

Basis of Presentation

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of October 31, 2000 and their amounts were as follows:

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

As of October 31, 2000, one SDR was equal to 1.27934 U.S. dollars.

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at October 31, 2000

Revenue Recognition

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

Cash and Cash Equivalents

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

Investments

The resources of the Trust are invested pending their use. The Trust invests in debt securities, 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 October 31, 2000

Foreign Currency Translation

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

3. Investments

The maturities of the investments are as follows:

<u>Maturity from October 31, 2000</u>	
<i>(in thousands of SDRs)</i>	
Less than 1 year	400,284
1 - 3 years	3,073,289
3 - 5 years	225,720
Over 5 years	27,183
Total	<u><u>3,726,476</u></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 October 31, 2000

Periods of Repayment, as of October 31, 2000	Loan Account
<i>in thousands of SDRs</i>	
2001	259,612
2002	680,726
2003	722,241
2004	834,998
2005	876,190
2006 and beyond	2,409,895
Total	<u>5,783,662</u>

5. Borrowings

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

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

	Amount Agreed	Amount Undrawn
<i>in thousands of SDRs</i>		
Loan Account	11,325,483	3,811,106
Subsidy Account	243,481	5,331

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at October 31, 2000

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

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at October 31, 2000 varied between 3.3 percent and 4.45 percent a year. The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Periods of Repayment, as at October 31, 2000	Loan Account	Subsidy Account
<i>in thousands of SDRs</i>		
2001	245,616	--
2002	494,968	10,000
2003	524,090	1,365
2004	704,176	--
2005	862,815	90,751
2006 and beyond	3,285,841	6,034
Total	<u>6,117,506</u>	<u>108,150</u>

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

in millions of SDRs and percent of total Trust credit

Largest user of credit	0.68	11.8%
Three largest users of credit	1.51	26.1%
Five largest users of credit	2.01	34.8%

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at October 31, 2000

6. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trust and the contributor. At October 31, 2000, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,224.8 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 October 31, 2000, undrawn balances under 29 loan arrangements amounted to SDR 1,446.7 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 October 31, 2000, the Executive Board decided to forgo such reimbursement and to transfer an equivalent amount from the Reserve Account, through the Special Disbursement Account, to the PRGF-HIPC Trust. The amounts transferred as of October 31, 2000 were, SDR 26.2 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 October 31, 2000, SDR 43.5 million had been transferred for this purpose.

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

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

Note 9

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at October 31, 2000
Combined Balance Sheets

(In thousands of SDRs)

	Loan Account	Reserve Account	Subsidy Account	Combined
Assets				
Cash and cash equivalents	373,206	458,811	329,438	1,161,455
Investments (Note 3)	--	2,143,748	1,582,728	3,726,476
Loans receivable (Note 4)	5,783,662	--	--	5,783,662
Accrued account transfers	19,141	41,869	(61,010)	--
Interest receivable	13,248	3,960	1,491	18,699
Total Assets	<u>6,189,257</u>	<u>2,648,388</u>	<u>1,852,647</u>	<u>10,690,292</u>
Resources and Liabilities				
Borrowing (Note 5)	6,117,506	--	108,150	6,225,656
Interest payable	71,751	--	676	72,427
Other liabilities	--	177	164	341
Total Liabilities	<u>6,189,257</u>	<u>177</u>	<u>108,990</u>	<u>6,298,424</u>
Resources	<u>--</u>	<u>2,648,211</u>	<u>1,743,657</u>	<u>4,391,868</u>
Total Resources and Liabilities	<u>6,189,257</u>	<u>2,648,388</u>	<u>1,852,647</u>	<u>10,690,292</u>

Note 9

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

for the Six Months Ended October 31, 2000

Combined Income Statements of Changes in Resources

(In thousands of SDRs)

	Loan Account	Reserve Account	Subsidy Account	Combined
Balance, beginning of the year	--	2,558,354	1,747,372	4,305,726
Investment income	(1)	62,718	47,921	110,638
Interest on loans	14,492	--	--	14,492
Interest expense	(117,286)	--	(1,062)	(118,348)
Other expenses	(51)	(401)	--	(452)
Operational income (loss)	(102,846)	62,317	46,859	6,330
Contributions (Note 6)	--	--	59,407	59,407
	(102,846)	62,317	106,266	65,737
Transfers from the Special Disbursement Account	--	20,405	--	20,405
Transfers between:				
Reserve and Subsidy Accounts	--	1,059	(1,059)	--
Loan and Reserve Accounts	(6,076)	6,076	--	--
Loan and Subsidy Accounts	108,922	--	(108,922)	--
Net changes in resources	--	89,857	(3,715)	86,142
Balance, October 31, 2000	--	2,648,211	1,743,657	4,391,868

Poverty Reduction Growth Facility Trust

Schedule of Outstanding Loans as at October 31, 2000

(In thousands of SDRs)

Member	PRGF Loan Account		Structural Adjustment Facility 1/	
	Balance	Percent	Balance	Percent
Albania	59,349	1.03	--	--
Armenia, Republic of	109,350	1.89	--	--
Azerbaijan	81,900	1.42	--	--
Bangladesh	83,250	1.44	--	--
Benin	60,482	1.05	5,728	1.23
Bolivia	174,072	3.01	--	--
Burkina Faso	74,944	1.30	12,008	2.58
Burundi	7,097	0.12	--	--
Cambodia	54,514	0.94	--	--
Cameroon	162,120	2.80	--	--
Central African Republic	16,480	0.28	--	--
Chad	59,960	1.04	--	--
Comoros	--	--	1,125	0.24
Congo, Democratic Republic of	--	--	142,910	30.69
Congo, Republic of	13,896	0.24	--	--
Cote d'Ivoire	433,524	7.50	--	--
Djibouti	5,452	0.09	--	--
Equatorial Guinea	935	0.02	3,574	0.77
Ethiopia	29,490	0.51	31,784	6.83
Gambia, The	10,831	0.19	--	--
Georgia	172,050	2.97	--	--
Ghana	229,298	3.96	--	--
Guinea	89,231	1.54	--	--
Guinea-Bissau	10,342	0.18	--	--
Guyana	75,644	1.31	11,070	2.38
Haiti	15,175	0.26	--	--
Honduras	118,253	2.04	--	--
Kenya	106,359	1.84	1,420	0.30
Kyrgyz Republic	129,529	2.24	--	--
Lao People's Democratic Republic	30,498	0.53	3,222	0.69
Lesotho	8,758	0.15	--	--
Macedonia, former Yugoslav Republic of	27,281	0.47	--	--
Madagascar	72,498	1.25	664	0.14
Malawi	56,540	0.98	372	0.08
Mali	130,668	2.26	5,080	1.09

Poverty Reduction Growth Facility Trust

Schedule of Outstanding Loans as at October 31, 2000

(In thousands of SDRs)

Member	PRGF Loan Account		Structural Adjustment Facility 1/	
	Balance	Percent	Balance	Percent
Mauritania	74,507	1.29	1,705	0.37
Mongolia	40,068	0.69	--	--
Mozambique	166,110	2.87	--	--
Nepal	9,511	0.16	--	--
Nicaragua	111,151	1.92	--	--
Niger	48,300	0.84	--	--
Pakistan	393,020	6.80	32,778	7.04
Rwanda	42,840	0.74	876	0.19
Sao Tome & Principe	951	0.02	--	--
Senegal	201,346	3.48	1,383	0.30
Sierra Leone	77,292	1.34	18,913	4.06
Somalia	--	--	8,840	1.90
Sri Lanka	128,800	2.23	--	--
Tajikistan, Republic of	60,280	1.04	--	--
Tanzania	254,760	4.40	--	--
Togo	55,584	0.96	384	0.08
Uganda	248,570	4.30	--	--
Vietnam	235,560	4.07	--	--
Yemen, Republic of	150,000	2.59	--	--
Zambia	681,682	11.79	181,750	39.04
Zimbabwe	93,560	1.62	--	--
Total loans outstanding	<u>5,783,662</u>	<u>100.00</u>	<u>465,586</u>	<u>100.00</u>

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 October 31, 2000

(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	2,600
India	4,946
Ireland	3,325
Italy	138,589
Japan	468,365
Korea	30,199
Luxembourg	5,204
Morocco	5,003
Netherlands	77,769
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	1,682,923
Net income transferred from Administered Accounts	
Austria	35,889
Belgium	72,328
Botswana	975
Chile	2,910
Greece	23,912
Indonesia	3,126
Iran, Islamic Republic of	794
Portugal	1,931
Total net income transferred from Administered Accounts	141,865
Total contributions received	1,824,788

Poverty Reduction Growth Facility Trust

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

(In thousands of SDRs)

<u>Contributor 1/</u>	<u>Amount</u>
Transfers from Special Disbursement Account	<u>400,000</u>
Total contributions received and transfers from Special Disbursement Account	2,224,788
Cumulative net income of the Subsidy Account	637,387
Resources disbursed to subsidize Trust lending	<u>(1,118,518)</u>
Total resources of the Subsidy Account	<u><u>1,743,657</u></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 October 31, 2000

(In thousands of SDRs)

Member	Interest Rate (in percent)		Amount of Agreement	Amount Drawn	Outstanding Balance
Loan Account					
Prior to enlargement of PRGF					
Canada	Fixed	1/	300,000	300,000	220,479
France	0.50	2/	800,000	800,000	434,530
Germany	Variable	3/	700,000	700,000	457,041
Italy	Variable	3/	370,000	370,000	277,780
Japan	Variable	3/	2,200,000	2,200,000	1,599,747
Korea	Variable	3/	65,000	65,000	39,632
Norway	Variable	3/	90,000	90,000	59,866
Spain	Variable	3/	220,000	216,429	4/ 85,848
Switzerland	--		200,000	200,000	--
Total prior to enlargement of PRGF			4,945,000	4,941,429	3,174,923
For enlargement of PRGF					
Belgium	Variable	3/	200,000	110,120	110,120
Canada	Variable	3/	400,000	187,084	187,084
China	Variable	3/	100,000	89,505	89,505
Egypt	Variable	3/	100,000	81,248	81,248
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	133,589	133,589
Japan	Variable	3/	2,150,000	934,091	934,091
Korea	Variable	3/	27,700	12,718	12,718
Netherlands	Variable	3/	350,000	--	--
Norway	Variable	3/	60,000	53,433	53,433
OPEC Fund for International Development	Variable	3/	39,083	5/ 25,385	25,385
Spain	0.50		192,000	42,563	42,563
Switzerland	Variable	3/	151,700	116,058	116,058
Total for enlargement of PRGF			6,380,483	2,569,377	2,569,377
Resources held pending repayment					
		6/	--	--	373,206
Total--Loan Account			11,325,483	7,510,806	6,117,506

Poverty Reduction Growth Facility Trust

Schedule of Borrowing Agreements as at October 31, 2000

(In thousands of SDRs)

Member	Interest Rate (in percent)	Amount of Agreement	Amount Drawn	Outstanding Balance
Subsidy Account				
Malaysia (1994 loans)	2.00	40,000	40,000	40,000
Malaysia (1988 and 1989 loans)	0.50	40,000	40,000	--
Malta	0.50	2,730	2,730	2,730
Pakistan	0.50	10,000	4,669	4,669
Singapore	2.00	80,000	80,000	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 October 31, 2000

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Amount Agreed	Undrawn Balance
Albania	May. 13, 1998	May. 12, 2001	45,040	9,410
Benin	Jul. 17, 2000	Jul. 16, 2003	27,000	20,200
Bolivia	Sep. 18, 1998	Sep. 17, 2001	100,960	56,097
Burkina Faso	Sep. 10, 1999	Sep. 9, 2002	39,120	27,940
Cambodia	Oct. 22, 1999	Oct. 21, 2002	58,500	41,786
Cameroon	Aug. 20, 1997	Dec. 20, 2000	162,120	--
Central African Republic	Jul. 20, 1998	Jul. 19, 2001	49,440	32,960
Chad	Jan. 7, 2000	Jan. 7, 2003	36,400	26,000
Cote d'Ivoire	Mar. 17, 1998	Mar. 16, 2001	285,840	161,976
Djibouti	Oct. 18, 1999	Oct. 17, 2002	19,082	13,630
Gambia, The	Jun. 29, 1998	Jun. 28, 2001	20,610	10,305
Ghana	May. 3, 1999	May. 2, 2002	191,900	120,848
Guinea	Jan. 13, 1997	Jan. 12, 2001	70,800	15,730
Guyana	Jul. 15, 1998	Jul. 14, 2001	53,760	35,840
Honduras	Mar. 26, 1999	Mar. 25, 2002	156,750	64,600
Kenya	Aug. 4, 2000	Aug. 3, 2003	190,000	156,400
Kyrgyz Republic	Jun. 26, 1998	Jun. 25, 2001	73,380	28,690
Madagascar	Nov. 27, 1996	Nov. 30, 2000	81,360	9,480
Mali	Aug. 6, 1999	Aug. 5, 2002	46,650	33,150
Mauritania	Jul. 21, 1999	Jul. 20, 2002	42,490	30,350
Mozambique	Jun. 28, 1999	Jun. 27, 2002	87,200	42,000
Nicaragua	Mar. 18, 1998	Mar. 17, 2001	148,955	53,820
Rwanda	Jun. 24, 1998	Jun. 23, 2001	71,400	28,560
Sao Tome & Principe	Apr. 28, 2000	Apr. 28, 2003	6,657	5,706
Senegal	Apr. 20, 1998	Apr. 19, 2001	107,010	42,804
Tajikistan, Republic of	Jun. 24, 1998	Dec. 24, 2001	100,300	40,020
Tanzania	Mar. 31, 2000	Mar. 30, 2003	135,000	95,000
Uganda	Nov. 10, 1997	Mar. 31, 2001	100,425	8,927
Zambia	Mar. 25, 1999	Mar. 28, 2003	254,450	234,450
			<u>2,762,599</u>	<u>1,446,679</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 October 31, 2000, SDR 49.5 million of such associated loans had been disbursed.

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

Poverty Reduction and Growth Facility Administered Accounts

Balance Sheets as at October 31, 2000

(In thousands of SDRs)
(Note 1)

	Austria	Belgium	Botswana	Greece
Assets				
Cash and cash equivalents	--	--	--	--
Investments (Note 3)	50,000	187,214	6,894	24,500
Advance payments to the PRGF Subsidy Account	85	--	48	88
Interest receivable	--	45	--	--
Total Assets	<u>50,085</u>	<u>187,259</u>	<u>6,942</u>	<u>24,588</u>
Resources and Liabilities				
Deposits (Note 4)	50,000	180,000	6,894	24,500
Interest payable	78	159	47	84
Other liabilities	7	--	1	4
Total Liabilities	<u>50,085</u>	<u>180,159</u>	<u>6,942</u>	<u>24,588</u>
Resources	--	7,100	--	--
Total Resources and Liabilities	<u>50,085</u>	<u>187,259</u>	<u>6,942</u>	<u>24,588</u>
	Indonesia	Iran, I. R. of	Portugal	
Assets				
Cash and cash equivalents	--	--	--	
Investments (Note 3)	25,366	5,000	12,708	
Advance payments to the PRGF Subsidy Account	--	11	31	
Interest receivable	30	--	--	
Total Assets	<u>25,396</u>	<u>5,011</u>	<u>12,739</u>	
Resources and Liabilities				
Deposits (Note 4)	25,000	5,000	12,708	
Interest payable	261	10	29	
Other liabilities	1	1	2	
Total Liabilities	<u>25,262</u>	<u>5,011</u>	<u>12,739</u>	
Resources	134	--	--	
Total Resources and Liabilities	<u>25,396</u>	<u>5,011</u>	<u>12,739</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 Six Months Ended October 31, 2000

(In thousands of SDRs)
(Note 1)

	Austria	Belgium	Botswana	Greece
Balance, beginning of the year	--	2,331	--	361
Investment income	1,247	4,261	173	1,224
Other expenses	(13)	--	(2)	(7)
Interest expense on deposits	(126)	(453)	(70)	(71)
Net income	1,108	3,808	101	1,146
Transfers to the PRGF Trust Subsidy Account	(1,108)	961	(101)	(1,507)
Net changes in resources	--	4,769	--	(361)
Balance, October 31, 2000	--	7,100	--	--

	Indonesia	Iran, I. R. of	Portugal
Balance, beginning of the year	117	26	11
Investment income	942	125	317
Other expenses	--	(1)	(3)
Interest expense on deposits	(246)	(13)	(32)
Net income	696	111	282
Transfers to the PRGF Trust Subsidy Account	(679)	(137)	(293)
Net changes in resources	17	(26)	(11)
Balance, October 31, 2000	134	--	--

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

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

1. Nature of Operations

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

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

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

2. Summary of Significant Accounting Practices

Basis of Presentation

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

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of October 31, 2000 and their amounts were as follows:

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

As of October 31, 2000, one SDR was equal to 1.27934 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 October 31, 2000

Investments

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

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

Foreign Currency Translation

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

Transfers to PRGF Subsidy Account

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

Administrative Costs

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

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

3. Investments

The maturities of the administered accounts investments are as follows:

<u>Maturity from October 31, 2000</u>	
	<i>(in thousands of SDRs)</i>
Less than 1 year	733
1 -3 years	95,871
3 - 5 years	2,230
Over 5 years	267
Total	<u>99,101</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 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 October 31, 2000

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

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

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

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

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

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

5. Associated Loans

The SFD has provided resources to support arrangements under the PRGF through loans in association with loans under the PRGF. Funds become available under an associated loan after a bilateral agreement between the SFD and the recipient country has been effected. Amounts denominated in SDRs, for disbursement to a recipient country under an associated loan, are placed by the SFD in the Special Account for disbursement by the IMF simultaneously with disbursements under a PRGF arrangement. These loans are repayable in ten equal semiannual installments commencing not later than the end of the first six months of the sixth year and are to be completed at the end of the tenth year after the date of disbursement. Interest on the outstanding balances is currently set at a rate of $\frac{1}{2}$ 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	21,200
Cumulative receipts of interest on associated loans	1,591
Accrued interest on associated loans	53
	<hr/>
	<u>72,344</u>

Uses of Resources

Associated loans	49,500
Cumulative repayments to the Saudi Fund for Development	21,200
Cumulative payments of interest on transfers	1,591
Accrued interest on transfers	53
	<hr/>
	<u>72,344</u>

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

PRGF-HIPC Trust and Related Accounts

Combined Balance Sheet as at October 31, 2000

(In thousands of SDRs)

Assets	
Cash and cash equivalents	1,050,070
Investments (Note 3)	272,839
Interest receivable	6,112
	<hr/>
Total Assets	1,329,021
	<hr/> <hr/>
 Resources and Liabilities	
Borrowings (Note 5)	351,994
Other liabilities	20
Interest payable	591
	<hr/>
Total Liabilities	352,605
	<hr/>
Resources	976,416
	<hr/>
Total Resources and Liabilities	1,329,021
	<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 Six Months Ended October 31, 2000

(In thousands of SDRs)

Balance, April 30, 2000	928,928
Investment income	35,160
Interest expense	(6,530)
Other expenses	(63)
Net income	28,567
Contributions received	208,832
Grants	(103,182)
Disbursements	(42,132)
	92,085
Transfers	(44,597)
Net changes in resources	47,488
Balance, October 31, 2000	976,416

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at October 31, 2000

1. Nature of Operations

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

PRGF-HIPC Trust

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

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

PRGF-HIPC Trust Account

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

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at October 31, 2000

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

Umbrella Account for HIPC Operations

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

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

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

Post SCA-2 Administered Account

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

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at October 31, 2000

2. Summary of Significant Accounting Practices

Basis of Presentation

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of October 31, 2000 and their amounts were as follows:

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

As of October 31, 2000, one SDR was equal to 1.27934 U.S. dollars.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at October 31, 2000

Revenue Recognition

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

Cash and Cash Equivalents

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

Investments

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

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

Foreign Currency Translation

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at October 31, 2000

Administrative Costs

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

3. Investments

The maturities of the investments are as follows:

<u>Maturity from October 31, 2000</u>	<u>(in thousands of SDRs)</u>
Less than 1 year	15,740
1 - 3 years	243,837
3 - 5 years	10,990
Over 5 years	2,272
Total	<u>272,839</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 206.6 million, including interest. Interest payable between sub-accounts is eliminated on combination.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at October 31, 2000

5. Borrowings

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at October 31, 2000 varied between 0 percent and 2 percent a year. The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Periods of Repayment, Financial Year Ending April 30	<i>(in thousands of SDRs)</i>
2001	--
2002	14,607
2003	--
2004	--
2005	15,000
2006 and beyond	322,388
Total	<u>351,994</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 October 31, 2000

Combined Balance Sheets

(In thousands of SDRs)

	PRGF-HIPC Trust Account sub-account			Combined	Umbrella Account for HIPC Operations	Post SCA-2 Administered Account	Combined Total
	PRGF-HIPC	PRGF	HIPC				
Assets							
Cash and cash equivalents	517,522	3,068	151,068	671,658	189,652	188,760	1,050,070
Investments	230,363	7,433	--	237,796	35,043	--	272,839
Transfers to and from sub-accounts	206,555	--	(206,555)	--	--	--	--
Interest receivable	2,041	--	973	3,014	869	2,229	6,112
Total Assets	<u>956,481</u>	<u>10,501</u>	<u>(54,514)</u>	<u>912,468</u>	<u>225,564</u>	<u>190,989</u>	<u>1,329,021</u>
Resources and Liabilities							
Borrowings	351,994	--	--	351,994	--	--	351,994
Other liabilities	19	1	--	20	--	--	20
Interest payable	591	--	--	591	--	--	591
Total Liabilities	<u>352,604</u>	<u>1</u>	<u>--</u>	<u>352,605</u>	<u>--</u>	<u>--</u>	<u>352,605</u>
Resources	<u>603,877</u>	<u>10,500</u>	<u>(54,514)</u>	<u>559,863</u>	<u>225,564</u>	<u>190,989</u>	<u>976,416</u>
Total Resources and Liabilities	<u>956,481</u>	<u>10,501</u>	<u>(54,514)</u>	<u>912,468</u>	<u>225,564</u>	<u>190,989</u>	<u>1,329,021</u>

PRGF-HIPC Trust and Related Accounts

**Notes to the Financial Statements
for the Six Months Ended October 31, 2000**

Combined Income Statements and Changes in Resources

(In thousands of SDRs)

	PRGF-HIPC Trust Account sub-account				Umbrella Account	Post SCA-2	Combined Total
	PRGF-HIPC	PRGF	HIPC	Combined	for HIPC Operations	Administered Account	
Balance, April 30, 2000	491,006	7,310	12,735	511,051	160,825	257,052	928,928
Investment income	22,067	188	4,507	26,762	3,689	4,709	35,160
Interest expense	(680)	--	(5,850)	(6,530)	--	--	(6,530)
Other expenses	(74)	11	--	(63)	--	--	(63)
Net income/(loss)	21,313	199	(1,343)	20,169	3,689	4,709	28,567
Contributions received	65,383	2,991	37,276	105,650	103,182	--	208,832
Grants	--	--	(103,182)	(103,182)	--	--	(103,182)
Disbursements	--	--	--	--	(42,132)	--	(42,132)
	86,696	3,190	(67,249)	22,637	64,739	4,709	92,085
Transfers	26,175	--	--	26,175	--	(70,772)	(44,597)
Net changes in resources	112,871	3,190	(67,249)	48,812	64,739	(66,063)	47,488
Balance, October 31, 2000	603,877	10,500	(54,514)	559,863	225,564	190,989	976,416

Post-SCA-2 Administered Account

Holdings, Interest and Transfers

as at October 31, 2000

(In thousands of SDRs)

Member	Transfers from SCA-2	Interest earned	Transfers to member	Transfers to PRGF-HIPC Trust	Balance as at October 31, 2000
Algeria	7,569	299	--	--	7,868
Argentina	19,605	744	--	--	20,349
Austria	9,563	376	--	--	9,939
Brazil	9,979	393	--	--	10,372
Brunei Darussalam	52	2	--	--	54
Croatia, Republic of	519	20	--	--	539
Czech Republic	5,664	47	(47)	(5,664)	--
Dominican Republic	905	31	--	--	936
Egypt	1,724	37	--	(1,761)	--
Estonia, Republic of	137	5	--	--	142
Fiji	194	8	--	--	202
Finland	5,812	229	--	--	6,041
Gabon	431	17	--	--	448
Hungary	9,237	365	--	--	9,602
India	31,370	390	--	(31,760)	--
Indonesia	4,850	124	--	(4,974)	--
Italy	42,407	901	--	(43,308)	--
Jordan	1,027	37	--	--	1,064
Kuwait	4,197	108	--	(4,305)	--
Latvia, Republic of	269	11	--	--	280
Malaysia	7,368	286	--	--	7,654
Mauritius	40	--	--	(40)	--
Morocco	2,187	49	--	(2,236)	--
New Zealand	1,199	19	--	(1,218)	--
Oman	1,057	42	--	--	1,099
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	397	--	--	10,483
Saudi Arabia	16,710	659	--	--	17,369

Post-SCA-2 Administered Account

Holdings, Interest and Transfers

as at October 31, 2000

(In thousands of SDRs)

Member	Transfers from SCA-2	Interest earned	Transfers to member	Transfers to PRGF-HIPC Trust	Balance as at October 31, 2000
Singapore	4,046	160	--	--	4,206
Spain	26,000	955	--	--	26,955
Sri Lanka	789	12	--	(801)	--
Sweden	10,595	418	--	--	11,013
Thailand	6,128	242	--	--	6,370
Tonga	26	1	--	--	27
Trinidad & Tobago	2,216	69	--	--	2,285
Tunisia	2,362	93	--	--	2,455
United Arab Emirates	5,141	192	--	--	5,333
Vanuatu	44	1	--	--	45
Venezuela	26,815	1,044	--	--	27,859
Vietnam	523	10	--	(533)	--
	<u>296,720</u>	<u>9,082</u>	<u>(231)</u>	<u>(114,582)</u>	<u>190,989</u>
	=====	=====	=====	=====	=====

PRGF-HIPC Trust Account

Contributions and Transfers

as at October 31, 2000

(In thousands of SDRs)

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

PRGF-HIPC Trust Account

Contributions and Transfers

as at October 31, 2000

(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 October 31, 2000</i>				
Australia	--	--	3,910	3,910
Belgium	4,000	--	--	4,000
Belize	20	--	--	20
Egypt	37	--	--	37
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
Pakistan	105	--	--	105
Poland, Republic of	877	--	--	877
South Africa	4,000	--	--	4,000
Sri Lanka	12	--	--	12
Switzerland	3,184	--	--	3,184
United Kingdom	--	--	33,366	33,366
Vietnam	10	--	--	10
	<u>65,383</u>	<u>2,991</u>	<u>37,276</u>	<u>105,650</u>
Transfers from SDA	26,175	0	0	26,175
	<u>26,175</u>	<u>0</u>	<u>0</u>	<u>26,175</u>
	<u>91,558</u>	<u>2,991</u>	<u>37,276</u>	<u>131,825</u>

PRGF-HIPC Trust Account

Borrowings

as at October 31, 2000

(In thousands of SDRs)

Date of Arrangement	Maturity ¹	Interest rate (in percent)	Amount
<i>PRGF-HIPC sub-account</i>			
April 30, 1997	April 29, 2002	2.0	14,607
May 30, 1997	May 29, 2007	0.5	1,000
May 30, 1998	May 29, 2007	0.5	1,000
June 29, 1998	June 28, 2008	2.0	15,000
November 20, 1998	November 19, 2008	2.0	10,000
May 30, 1999	May 29, 2007	0.5	1,000
August 24, 1999	August 23, 2009	2.0	5,000
August 30, 1999	August 29, 2009	2.0	10,000
October 4, 1999	October 3, 2004	0.5	15,000
January 31, 2000	January 30, 2010	1.5	6,144
February 24, 2000	February 23, 2020	0.0	5,664
March 31, 2000	December 30, 2018	0.0	31,370
April 24, 2000	December 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	197,374 (EUR 300 m)
Total			351,994

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 October 31, 2000

(In thousands of SDRs)

	Opening balance	Grants from PRGF-HIPC Trust Account	Interest earned	Disbursements	Balance
<i>Cumulative up to April 30, 2000</i>					
Bolivia	--	21,249	885	14,228	7,906
Guyana	--	25,561	716	7,415	18,862
Mozambique	--	95,483	2,758	14,818	83,423
Tanzania	--	13,342	33	--	13,375
Uganda	--	57,114	3,563	23,418	37,259
	--	212,749	7,955	59,879	160,825
	=====	=====	=====	=====	=====
<i>Period ended October 31, 2000</i>					
Benin	--	3,700	39	1,190	2,549
Bolivia	7,906	--	143	3,395	4,654
Burkina Faso	--	17,800	241	1,750	16,291
Cameroon	--	2,240	5	--	2,245
Guyana	18,862	--	410	1,828	17,444
Mali	--	11,490	75	440	11,125
Mauritania	--	3,762	11	2,985	788
Mozambique	83,423	--	1,687	11,935	73,175
Senegal	--	1,690	11	265	1,436
Tanzania	13,375	--	194	6,677	6,892
Uganda	37,259	62,500	873	11,667	88,965
	160,825	103,182	3,689	42,132	225,564
	=====	=====	=====	=====	=====

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

Other Administered Accounts

Balance Sheets as at October 31, 2000

	Administered Account Japan	Administered Account for Selected Fund Activities - Japan	Framework Administered Account for Technical Assistance Activities	Administered Account for Rwanda	Trust Fund	Supplementary Financing Facility Subsidy Account
	<i>(In thousands of U.S. dollars)</i>			<i>(In thousands of SDRs)</i>		
Assets						
Cash and cash equivalents	110,970	10,164	4,666	233	--	2,265
Loans receivable	--	--	--	--	88,772	--
Interest receivable	--	--	--	3	--	27
Total Assets	<u>110,970</u>	<u>10,164</u>	<u>4,666</u>	<u>236</u>	<u>88,772</u>	<u>2,292</u>
Resources						
Total Resources	<u>110,970</u>	<u>10,164</u>	<u>4,666</u>	<u>236</u>	<u>88,772</u>	<u>2,292</u>

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 Six Months Ended October 31, 2000

	Administered Account for Selected Fund Activities - Japan	Administered Account for Selected Fund Activities - Japan	Framework Administered Account for Technical Assistance Activities	Administered Account for Rwanda	Trust Fund	Supplementary Financing Facility Subsidy Account
	<i>(In thousands of U.S. dollars)</i>			<i>(In thousands of SDRs)</i>		
Balance, beginning of the year	107,439	18,854	4,201	291	88,904	2,343
Income earned on investments	3,531	481	134	6	--	53
Interest on loans	--	--	--	--	27,068	--
Deferred income, net of settlements (Note 4)	--	--	--	--	(27,069)	--
Operational Income	3,531	481	134	6	(1)	53
Contributions received	--	634	2,190	--	--	--
Payments to beneficiaries	--	(9,805)	(1,859)	(61)	--	--
	3,531	(8,690)	465	(55)	(1)	53
Transfers to the Special Disbursement Account (Note 5)	--	--	--	--	(131)	(104)
Net changes in resources	3,531	(8,690)	465	(55)	(132)	(51)
Balance, October 31, 2000	110,970	10,164	4,666	236	88,772	2,292

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

Other Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

1. Nature of Operations

Administered Accounts Established at the Request of Members

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

Administered Account Japan

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

Administered Account for Selected Fund Activities - Japan

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

Framework Administered Account for Technical Assistance Activities

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

Other Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

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

Subaccount for Japan Advanced Scholarship Program

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

Rwanda-Macroeconomic Management Capacity Subaccount

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

Australia-IMF Scholarship Program for Asia Subaccount

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

Switzerland Technical Assistance Subaccount

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

French Technical Assistance Subaccount

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

Other Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

Denmark Technical Assistance Subaccount

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

Australia Technical Assistance Subaccount

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

The Netherlands Technical Assistance Subaccount

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

Administered Account for Rwanda

At the request of the Netherlands, Sweden, and the United States ("the donor countries"), the IMF established an account on October 27, 1995 to administer resources contributed by the donor countries to provide grants to Rwanda. These grants are to be used for reimbursing the service charge and reducing, to the equivalent of a rate of $\frac{1}{2}$ 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).

Trust Fund

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

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

Other Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

Supplementary Financing Facility Subsidy Account

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

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

2. Summary of Significant Accounting Practices

Basis of Presentation

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

Unit of Account

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

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

Other Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

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

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of October 31, 2000 and their amounts were as follows:

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

As of October 31, 2000, one SDR was equal to 1.27934 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 October 31, 2000

Loans

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

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

Deferred Income

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

Foreign Currency Translation

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

Administrative costs

The expenses of conducting the activities of the Administered Accounts Established at the Request of Members and the Trust Fund are incurred and borne by the General Department of the IMF. Following the termination of the Trust Fund as of April 30, 1981, residual administrative costs have been absorbed by the General Resources Account of the IMF. To help defray the expenses incurred by the Fund in the administration of the Administered Account for Selected Fund Activities – Japan and the Framework Administered Account for Technical Assistance Activities, reimbursement equal to 13 percent of the expenses financed from the accounts is paid to the Fund from these accounts. As at October 31, 2000, the administrative costs for the Administered Account for Selected Fund Activities – Japan amounted to \$1.0 million, and, for the Framework Administered Account for Technical Assistance Activities, \$0.25 million.

Other Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

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

Account	October 31, 2000	
	Cumulative Contributions	Cumulative Disbursements ¹
	<i>(In millions of U.S. dollars)</i>	
<i>Administered Account Japan</i>	135.2	72.5
<i>Administered Account for Selected Fund Activities - Japan</i>	139.1	135.5
Technical Assistance	128.6	125.4
Scholarships	6.6	6.6
Office of Asia and Pacific	3.9	3.5
<i>Framework Administered Account for Technical assistance Activities</i>	17.2	13.4
Subaccount for Japan Advanced Scholarship Program	5.7	4.8
Rwanda - Macroeconomic Management Capacity Subaccount	1.5	1.6
Australia - IMF Scholarship Program for Asia Subaccount	1.3	1.2
Switzerland Technical Assistance Subaccount	6.8	5.0
French Technical Assistance Subaccount	0.54	0.33
Denmark Technical Assistance Subaccount	0.47	0.45
Australia Technical Assistance Subaccount	0.27	0.00
The Netherlands Technical Assistance Subaccount	0.60	0.00
	<i>(In millions of SDRs)</i>	
<i>Administered Account for Rwanda</i>	1.5	1.5

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 October 31, 2000

3. Loans

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

4. Overdue Obligations

At October 31, 2000, three members with obligations to the Trust Fund were six months or more overdue in discharging their obligations to the Trust Fund. The recognition of interest income on the loans outstanding to these members and of special charges due from them is being deferred. At October 31, 2000, total deferred income amounted to SDR 27 million. Overdue loan repayments and interest and special charges due from these members were as follows:

	Loans	Interest and Special Charges
	<i>In millions of SDRs</i>	
Total overdue	88.8	27.0
Overdue six months or more	88.8	26.7
Overdue three years or more	88.8	25.6

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

Other Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

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

5. Transfer of Resources

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

Resources of the Supplementary Financing Facility Subsidy Account in excess of the remaining subsidy payments are to be transferred to the Special Disbursement Account. At October 31, 2000, subsidy payments totaling SDR 2.2 million had not been made to Liberia and Sudan and were being held pending the payment of overdue charges by these members.

6. Accounts Termination

Administered Account Japan

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

Administered Account for Selected Fund Activities - Japan

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

Other Administered Accounts

Notes to the Financial Statements

as at October 31, 2000

Framework Administered Account for Technical Assistance Activities

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

Administered Account for Rwanda

The account can be terminated at any time by the IMF or by unanimous agreement of the donor countries. The account shall, in any case, be terminated by the IMF when Rwanda's financial obligations to the IMF under the 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 October 31, 2000

(In thousands of U.S. dollars)

Assets	
Investments (Notes 2 and 3)	
Cash equivalents	15,519
Other	214,562
Accrued interest receivable	1,157
	<hr/>
Total Assets	231,238
	<hr/> <hr/>
Liabilities and Resources	
Resources	229,710
Accounts Payable	1,528
	<hr/>
Total Resources and Liabilities	231,238
	<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 Six Months Ended October 31, 2000

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

Balance, April 30, 2000	236,072'
Contributions received	3,667
Income earned on investments (Note 2)	4,655
Net realized/unrealized loss in current value of investments (Note 2)	<u>(14,028)</u>
Total income	(9,373)
Investment fees	<u>(656)</u>
Balance, October 31, 2000	<u><u>229,710</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 October 31, 2000

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 \$164 million at October 31, 2000.

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 October 31, 2000

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	136
Debt securities	50
Real estate	29
Short-term investments	<u>16</u>
	<u>231</u>

In addition to these investments, the RSBIA held commitments in fixed-income futures contracts to minimize interest rate risk. At October 31, 2000, the notional value of these derivatives amounted to \$0.97 million and the unrealized loss was less than \$0.1 million.

Retired Staff Benefits Investment Account

Notes to the Financial Statements as at October 31, 2000

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.