



# **International Monetary Fund**

## **FINANCIAL STATEMENTS**

Quarter Ended  
April 30, 1999

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PART ONE

FINANCIAL STATEMENTS  
OF THE INTERNATIONAL MONETARY FUND



I. FINANCIAL STATEMENTS  
OF THE GENERAL DEPARTMENT



**General Department**  
**Balance Sheet**  
**as at April 30, 1999 and 1998**

*(In thousands of SDRs)*  
*(Note 1)*

	1999	1998
<b>Assets</b>		
General Resources Account		
Currencies and securities (Notes 2 and 5) .....	204,966,259	144,638,372
SDR holdings (Note 3) .....	3,571,967	764,424
Gold holdings (Note 4) .....	3,624,797	3,624,797
Charges, interest, and other receivables (Notes 2 and 5) .....	1,683,091	1,586,322
Other assets (Note 6) .....	283,918	263,920
Total General Resources Account .....	<u>214,130,032</u>	<u>150,877,835</u>
Special Disbursement Account		
Structural Adjustment Facility loans .....	676,701	921,793
Interest receivable .....	6,803	6,454
Total Special Disbursement Account .....	<u>683,504</u>	<u>928,247</u>
Total Assets .....	<u><u>214,813,536</u></u>	<u><u>151,806,082</u></u>
<b>Quotas, Reserves, Liabilities, and Resources</b>		
General Resources Account		
Quotas (Note 2) .....	207,982,900	145,321,050
Reserves (Note 7) .....	2,569,110	2,133,515
Special Contingent Accounts (Note 5) .....	1,990,563	1,883,888
Liabilities		
Remuneration payable (Note 5) .....	442,257	433,730
Other liabilities .....	185,333	188,016
	<u>627,590</u>	<u>621,746</u>
Deferred income (Note 5) .....	959,869	917,636
Total General Resources Account .....	<u>214,130,032</u>	<u>150,877,835</u>
Special Disbursement Account		
Accumulated resources .....	677,606	923,107
Deferred income (Note 5) .....	5,898	5,140
Total Special Disbursement Account .....	<u>683,504</u>	<u>928,247</u>
Total Quotas, Reserves, Liabilities, and Resources .....	<u><u>214,813,536</u></u>	<u><u>151,806,082</u></u>

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

/s/ David Williams  
*Treasurer*

/s/ M. Camdessus  
*Managing Director*

**General Department**  
**Income Statement**  
**for the Years Ended April 30, 1999 and 1998**

*(In thousands of SDRs)*  
*(Note 1)*

	1999	1998
<b>General Resources Account</b>		
Operational Income (Note 5)		
Periodic charges	2,624,613	1,852,807
Interest on SDR holdings	69,524	37,426
Other charges and income	130,648	99,650
Burden-sharing contributions, net of refunds (Note 5)		
Additional charges	74,492	73,961
Reduction of remuneration	74,694	72,928
Deferred income, net of settlements	(42,233)	(43,071)
	<u>2,931,738</u>	<u>2,093,701</u>
Operational Expenses		
Remuneration (Note 5)	1,918,620	1,462,905
Allocation to the first Special Contingent Account (Note 5)	106,676	98,483
Interest on borrowing (Note 8)	78,777	—
	<u>2,104,073</u>	<u>1,561,388</u>
Net Operational Income	<u>827,665</u>	<u>532,313</u>
Administrative Expenses (Notes 1 and 9)	<u>392,070</u>	<u>368,465</u>
Net Income of the General Resources Account	<u><u>435,595</u></u>	<u><u>163,848</u></u>
<b>Special Disbursement Account</b>		
Interest and special charges	<u>3,186</u>	<u>4,531</u>
Net Income of the Special Disbursement Account	<u><u>3,186</u></u>	<u><u>4,531</u></u>

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

**General Department**  
**Statement of Changes in Reserves and Resources**  
**for the Years Ended April 30, 1999 and 1998**

*(In thousands of SDRs)*  
(Note 1)

	<u>1999</u>	<u>1998</u>
<b>Reserves—General Resources Account</b>		
Special Reserve (Note 7)		
Balance, beginning of the year . . . . .	1,702,570	1,604,087
Net income transferred to the Special Reserve . . . . .	<u>106,676</u>	<u>98,483</u>
Balance, end of the year . . . . .	<u>1,809,246</u>	<u>1,702,570</u>
General Reserve (Note 7)		
Balance, beginning of the year . . . . .	430,945	365,580
Net income transferred to the General Reserve . . . . .	<u>328,919</u>	<u>65,365</u>
Balance, end of the year . . . . .	<u>759,864</u>	<u>430,945</u>
Total Reserves of the General Resources Account . . . . .	<u><u>2,569,110</u></u>	<u><u>2,133,515</u></u>
<b>Resources—Special Disbursement Account</b>		
Balance, beginning of the year . . . . .	923,107	1,221,497
Transfers from the Trust Fund . . . . .	439	660
Transfers from the Supplementary Financing Facility Subsidy Account . . . . .	239	—
Net transfers to the ESAF Trust (Note 9) . . . . .	<u>(208,224)</u>	<u>(242,592)</u>
Transfers to the ESAF-HIPC Trust (Note 9) . . . . .	<u>(41,141)</u>	<u>(60,989)</u>
	674,420	918,576
Net income . . . . .	<u>3,186</u>	<u>4,531</u>
Total Resources of the Special Disbursement Account . . . . .	<u><u>677,606</u></u>	<u><u>923,107</u></u>

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

**General Department**  
**Notes to the Financial Statements**  
**as at April 30, 1999 and 1998**

**General Department**

The General Department consists of the General Resources Account, the Special Disbursement Account, and the Investment Account, which had not been activated at April 30, 1999.

*General Resources Account*

The General Resources Account holds the general resources of the IMF including currencies of the IMF's member countries, SDR holdings, and gold. These reflect the receipt of quota subscriptions, purchases and repurchases, collection of charges on members' use of IMF credit, payment of remuneration on members' creditor positions in the IMF, and borrowing and payment of interest on borrowing.

The IMF makes its resources available to its members 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 an obligation to repurchase, within specified periods, the IMF's holdings of their currencies by payments in SDRs or other currencies 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 repurchase periods.

The composition of the IMF's holdings of currencies changes as a result of the IMF's transactions, including purchases and repurchases. Currencies consist of currency holdings and notes payable on demand, which substitute for the members' currencies.

A member has a reserve tranche in the IMF to the extent that 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.

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

*Special Disbursement Account*

The Special Disbursement Account was activated on June 30, 1981 to receive transfers from the Trust Fund, which is being wound up. The Structural Adjustment Facility (SAF) was established in March 1986 within the Special Disbursement Account to provide balance of payments assistance on concessional terms to qualifying low-income developing country members.

The assets of the account are held separate from resources of other accounts of the General Department. Assets that exceed the needs of the account are transferred to the Reserve Account of the Enhanced Structural Adjustment Facility Trust (ESAF Trust), which is administered separately by the IMF as Trustee. Resources of the ESAF Trust Reserve Account that are determined to be in excess of its estimated needs are to be transferred back to the Special Disbursement Account. Upon liquidation of the ESAF Trust, the amounts remaining in the

ESAF Trust Reserve Account after the discharge of all liabilities shall be transferred to the Special Disbursement Account. The IMF has also transferred certain resources derived from the termination of the 1976 Trust Fund to the ESAF Trust Subsidy Account. Upon liquidation of the ESAF Trust, any resources remaining in the ESAF Trust Subsidy Account will be returned to the Special Disbursement Account and the contributors of the ESAF Trust Subsidy Account.

**1. Summary of Significant Accounting Practices**

The IMF prepares its financial statements in accordance with generally accepted accounting principles that are in compliance with international accounting standards as they apply to the IMF. Further discussions of specific accounting principles and disclosure practices have been included in other notes.

*Unit of Account*

The accounts are expressed in terms of the SDR. 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 a basket of currencies of five members. As of January 1, 1999, the deutsche mark and the French franc were substituted by the euro in the SDR valuation basket. The currencies in the basket and their amounts are as follows:

Currency	Amounts	
	To December 31, 1998	From January 1, 1999
Deutsche mark/euro as of January 1, 1999	0.446	0.228
French franc/euro as of January 1, 1999	0.813	0.1239
Japanese yen	27.2	27.2
Pound sterling	0.105	0.105
U.S. dollar	0.582	0.5821

*Valuation of Currencies*

Each member is obligated to maintain the value of the balances of its currency held by the IMF in the General Resources Account in terms of the SDR. Currencies are valued in terms of the SDR on the basis of the representative exchange rate determined for each currency. Whenever the IMF revalues its holdings of a member's currency, a receivable or a payable is established for the amount of currency payable by or to the member in order to maintain the SDR value of the IMF's holdings of the currency. The balances of the receivables or payables are included in the IMF's total currency holdings.

*Income Recognition and Deferral*

Income is recognized as it is earned and expenses are recorded as they are incurred, except that income from charges from members that are overdue in settling their obligations to the IMF by six months or more is deferred and

is recognized as income only when paid, unless the member has remained current in settling charges when due. The IMF generates compensating income for the amount of charges being deferred through the burden-sharing mechanism (for a more detailed description of this mechanism, see Note 5).

#### Capital 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, ranging from 3 years for equipment to 30 years for buildings.

### 2. Quotas, Currencies, and Securities

Each member is required to pay to the IMF the amount of its initial quota and subsequent increases partly in its own currency and the remainder in the form of reserve assets, except that in 1978 members were permitted to pay the entire increase in their own currencies. A member's quota is not increased until the member consents to the increase and pays the subscription. Each member has the option to substitute nonnegotiable and non-interest-bearing securities for the amount of its currency held by the IMF in the General Resources Account that is in excess of ¼ of 1 percent of the member's quota. These securities, which are part of the IMF's currency holdings, are encashable by the IMF on demand. The Eleventh General Review of Quotas became effective on January 22, 1999, after members having 85 percent of the total quotas consented to the increase in quotas. When all members will have consented and paid the increase, the quotas of members in the IMF will increase to SDR 212 billion. At April 30, 1999, 156 members had made their quota payments under the Eleventh General Review amounting to SDR 62.7 billion.

Changes in the IMF's holdings of members' currencies for the years ended April 30, 1999 and 1998 were as follows:

	April 30, 1997	Net Change	April 30, 1998	Net Change	April 30, 1999
<i>In millions of SDRs</i>					
Members' quotas	145,319		145,321	62,662	207,983
Quota subscription receivable	—	(2)	(2)	2	—
Members' outstanding use of IMF credit in the GRA	34,539	15,162	49,701	10,950	60,651
Members' reserve tranche positions in the GRA	(36,103)	(14,221)	(50,324)	(13,286)	(63,610)
Other receivables	(56)	—	(56)	—	(56)
Administrative currency balances	(1)	(1)	(2)	—	(2)
Currencies and securities	<u>143,698</u>	<u>940</u>	<u>144,638</u>	<u>60,328</u>	<u>204,966</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 April 30, 1999 and 1998. This amount is included in charges, interest, and other receivables in the balance sheet.

Receivables and payables arising from valuation adjustments at April 30, 1999, when all holdings of currencies of members were last revalued, amounted to SDR 29,185 mil-

lion and SDR 2,308 million, respectively (SDR 11,250 million and SDR 1,139 million, respectively, at April 30, 1998). At June 18, 1999, the amounts receivable were SDR 25,279 million, and the amounts payable were SDR 2,396 million.

The IMF's holdings of members' currencies at April 30, 1999 are shown in Schedule 1.

### 3. SDR Holdings

SDRs are reserve assets created by the IMF and allocated to members participating in the SDR Department. Although SDRs are not allocated to the IMF, the IMF may acquire, hold, and dispose of SDRs through the General Resources Account. The IMF receives SDRs from members in the settlement of their financial obligations to the IMF and uses SDRs in transactions and operations between the IMF and its members. The IMF earns interest on its SDR holdings at the same rate as all other holders of SDRs.

### 4. 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 the approval by 85 percent majority of the total voting power of the Executive Board. In accordance with provisions of the Articles, proceeds from the sale of gold in excess of the stipulated valuation, described below, are to be transferred to the Special Disbursement Account, to the Investment Account, or to members that were members on August 31, 1975.

At April 30, 1999 and 1998, the IMF held 3,217,341 kilograms equal to 103,439,916 fine ounces of gold at designated depositories. In accordance with the IMF's Articles of Agreement, gold is valued on the basis of 0.888671 gram of fine gold per SDR, which is equivalent to SDR 35 per fine ounce (except for 21,396 fine ounces of gold acquired at a market value equivalent to SDR 5.1 million). This valuation is equal to the original cost at which the gold was acquired. As of April 30, 1999, the value of the IMF's holdings of gold calculated at the market price was SDR 21.9 billion (SDR 23.9 billion at April 30, 1998).

### 5. IMF Operations

The IMF's 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, in the length of repurchase period, the charges levied on outstanding use of IMF credit, and in the degree of conditionality attached to them. Changes in the outstanding use of IMF credit under the various facilities during the years ended April 30, 1999 and 1998 were as follows:

	April 30, 1997	Purchases	Repur- chases	April 30, 1998	Purchases	Repur- chases	April 30, 1999
<i>In millions of SDRs</i>							
Regular facilities	16,537	9,027	1,104	24,460	3,505	3,431	24,534
Extended Fund Facility	9,463	2,824	948	11,339	5,272	811	15,800
Supplemental Reserve Facility	—	7,100	—	7,100	10,037	4,482	12,655
Systemic Transformation Facility	3,984	—	115	3,869	—	505	3,364
Enlarged Access	3,046	—	957	2,089	—	782	1,307
Compensatory and Contingency Financing Facility	1,385	—	650	685	2,600	440	2,845
Supplementary Financing Facility	174	—	15	159	—	13	146
Total	<u>34,539</u>	<u>18,951</u>	<u>3,789</u>	<u>49,701</u>	<u>21,414</u>	<u>10,464</u>	<u>60,651</u>

Members' use of IMF resources is shown in Schedule 1; scheduled repurchases in the General Resources Account and repayments of loans to the Special Disbursement Account are shown in Schedule 3. As of April 30, 1999 and 1998, use of credit in the General Resources Account by the largest users was as follows:

	1999		1998	
	<i>In millions of SDRs and percent of total GRA credit</i>			
Largest user of credit	12,923	21.3%	11,200	22.5%
Three largest users of credit	29,727	49.0%	28,151	56.6%
Five largest users of credit	41,857	69.0%	34,510	69.4%

#### *Arrangements in the General Department*

At April 30, 1999, the undrawn balances under the 21 arrangements that were in effect in the General Department amounted to SDR 15,929 million (SDR 19,197 million under 27 arrangements at April 30, 1998). These arrangements are listed in Schedule 4.

#### *Charges*

The IMF levies periodic charges on its holdings of members' currencies that derive from their use of IMF credit. The rate of charge is set as a proportion of the SDR interest rate. This rate is adjusted periodically to offset the effect on the IMF's income of the deferral of unpaid charges and to finance the additions to the first Special Contingent Account, as discussed below. A surcharge progressing from 300 basis points above the rate of charge up to 500 basis points applies to use of credit under the Supplemental Reserve Facility. Special charges are levied on holdings that are not repurchased when due, and on overdue charges that are not settled when due. Special charges do not apply to members that are six months or more overdue to the IMF. A service charge is levied by the IMF on each purchase, except on a reserve tranche purchase. A stand-by fee is charged on Stand-By and Extended Arrangements. This fee is refunded in proportion to purchases made under the arrangement. At April 30, 1999, the total holdings on which the IMF levied charges amounted to SDR 60,651 million (SDR 49,701 million at April 30, 1998). Charges due to the IMF at April 30, 1999 amounted to SDR 1,585 million (SDR 1,521 million at April 30, 1998).

#### *Remuneration*

The IMF pays remuneration on a member's remunerated reserve tranche position. A remunerated reserve tranche position is the amount by which the member's norm exceeds the IMF's holdings of its currency, excluding holdings that derive from the use of IMF credit. The norm, which varies for each member, on average amounted to 96.1 percent of quota at April 30, 1999 (94.5 percent of quota at April 30, 1998). The rate of remuneration is equal to the SDR interest rate and is adjusted, subject to a specific floor, to offset the effect of the deferral of charges on income and to finance the additions to the first Special Contingent Account, as discussed below.

At April 30, 1999, total creditor positions on which the IMF paid remuneration amounted to SDR 57,076 million (SDR 44,011 million at April 30, 1998).

#### *Overdue Obligations*

At April 30, 1999 and 1998, six members were six months or more overdue in settling their financial obligations to the IMF and four of these members were overdue to the General Department. In addition, the Federal Republic of Yugoslavia (Serbia/Montenegro) was also six months or more overdue in meeting its financial obligations to the IMF. Credit extended to these members and the Federal Republic of Yugoslavia (Serbia/Montenegro) through the General Resources Account and the Special Disbursement Account amounted to SDR 1,144 million as of April 30, 1999 (SDR 1,182 million at April 30, 1998).

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

	Repurchases and SAF Loans		Charges and SAF Interest	
	1999	1998	1999	1998
	<i>In millions of SDRs</i>			
Total overdue	1,135	1,156	956	911
Overdue for six months or more	1,126	1,147	934	885
Overdue for three years or more	1,061	1,064	814	768

The type and duration of these arrears as of April 30, 1999, 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	292.0	61.2	353.2	May 1991
Liberia	201.5	214.9	416.4	April 1985
Somalia	105.5	79.1	184.6	July 1987
Sudan	480.0	583.7	1,063.7	July 1985
Yugoslavia, Federal Republic of (Serbia/ Montenegro)	56.1	17.5	73.6	September 1992
Total	<u>1,135.1</u>	<u>956.4</u>	<u>2,091.5</u>	

#### *Strengthened Cooperative Strategy*

The IMF follows a cooperative strategy aimed at resolving the issue of overdue obligations to the IMF. Three major elements form the basis of the cooperative strategy: (1) preventive measures, (2) remedial and deterrent measures, and (3) intensified collaboration and the rights approach. Under the intensified collaborative approach, the IMF has developed IMF-monitored programs and rights accumulation programs, which permit a member with protracted arrears to the IMF to establish a track record of performance related to policy implementation and payments. A rights accumulation program allows the member to earn rights toward future financing through the implementation of a comprehensive economic program. Rights would be encashed under a successor arrangement after clearance of arrears and when all the requirements for that successor arrangement are met.

#### *Deferred Income and Special Contingent Accounts*

It is the policy of the IMF to exclude from current income and record as deferred income charges due by members that are six months or more overdue in meeting payments to the IMF unless the member is current in the payment of charges.

Deferred income amounted to SDR 960 million at April 30, 1999 (SDR 918 million at April 30, 1998).

Since May 1, 1986, the IMF has adopted decisions whereby debtor and creditor members share equally the financial consequences of overdue obligations. An amount equal to deferred charges (excluding special charges) is generated and included in the IMF's income by an adjustment to the rate of charge and the rate of remuneration. These adjustments also finance the accumulation of precautionary balances that are held in the Special Contingent Accounts (see following paragraphs). The proceeds from the subsequent settlement of overdue charges are distributed to members that paid additional charges or received reduced remuneration when and to the extent that deferred charges that gave rise to adjustments are paid.

In view of the existence of protracted overdue obligations, the IMF accumulates precautionary balances, inter alia, in the Special Contingent Accounts. At April 30, 1999, the balances held in the first and second Special Contingent Accounts (SCA-1 and SCA-2) amounted to SDR 1,991 million, of which SDR 991 million was held in the SCA-1 (SDR 884 million at April 30, 1998). 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 share the cost of financing it when there are no outstanding overdue charges and repurchases, or at such earlier time as the IMF may decide.

The SCA-2 was established on July 1, 1990 as part of the strengthened cooperative strategy to accumulate SDR 1.0 billion over a period of approximately five years through a further adjustment to the rate of charge and the rate of remuneration. Financing of the SCA-2 was completed during financial year 1997. The resources accumulated in the SCA-2 safeguard against potential losses arising from purchases made under a successor arrangement after a rights accumulation program has been successfully completed by members with protracted arrears to the IMF at the end of 1989, while at the same time providing additional liquidity to assist in financing such purchases. Refunds of contributions are to be made after all repurchases under the rights approach have been made, or at such earlier date as the IMF may determine. Outstanding credit in the General Resources Account following the completion and encashment of rights accumulation programs amounted to SDR 407 million at April 30, 1999 (SDR 514 million at April 30, 1998).

The adjustments to charges and remuneration for deferred charges and SCA-1 during the years ended April 30, 1999 and 1998 were as follows :

	Adjustments to		Total	
	Charges	Remuneration	1999	1998
	<i>In millions of SDRs</i>			
Deferred charges	22.5	19.9	42.4	48.7
SCA-1	52.3	55.1	107.4	99.4
Refunds of deferred charges	(0.3)	(0.3)	(0.6)	(1.2)
Burden-sharing contributions, net of refunds	<u>74.5</u>	<u>74.7</u>	<u>149.2</u>	<u>146.9</u>

The cumulative charges, net of settlements, that have been deferred since May 1, 1986 and have resulted in adjustments

to charges and remuneration, amounted to SDR 771 million at April 30, 1999 (SDR 729 million at April 30, 1998). 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 (SDR 962 million at April 30, 1998).

## 6. Other Assets

Other assets include capital assets which at April 30, 1999 and 1998 amounted to SDR 223 million and SDR 216 million, respectively, and consisted of:

	1999	1998
	<i>In millions of SDRs</i>	
Land and buildings	293.2	274.7
Equipment	32.3	29.6
	<u>325.5</u>	<u>304.3</u>
Less accumulated depreciation	102.4	88.0
	<u>223.1</u>	<u>216.3</u>

## 7. Reserves

The IMF determines annually what part of its net income shall be placed to the General Reserve or to the Special Reserve, and what part, if any, shall 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. An administrative deficit for any financial year must be charged first against the Special Reserve. Net operational income generated from the use of resources under the SRF for financial year 1999, after meeting the expenses of conducting the ESAF Trust, has been transferred to the General Reserve.

## 8. Borrowing

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. The GAB was activated on July 20, 1998. Interest on borrowing under the GAB is calculated at a rate equal to the SDR interest rate.

Under the New Arrangements to Borrow (NAB), the IMF may borrow up to SDR 34 billion of supplementary resources. The NAB is the facility of first and principal recourse, but it does not replace the GAB which will remain in force. Outstanding drawings and commitments under these two borrowing arrangements are limited to a combined total of SDR 34 billion. The NAB became effective on November 17, 1998 and was activated on December 2, 1998. Interest on borrowing under the NAB is payable to the participants at the SDR interest rate, plus 100 basis points for the first year, augmented by one-third of an increase of 50 basis points for each six-month period thereafter up to a maximum increase of one-third of 200 basis points. As a condition for the activation of the NAB, the IMF will be required to transfer to the ESAF-HIPC Trust an amount equal to 100 basis points above the rate of charge levied on outstanding SRF purchases under the arrangement that was originally financed by the NAB, augmented by one-third of an increase of 50 basis points for

each six-month period thereafter up to a maximum increase of one-third of 200 basis points.

During the financial year the IMF borrowed SDR 1,443 billion under the GAB and SDR 2,876 billion under the NAB; these amounts were repaid in full on March 11, 1999.

### 9. Administrative Expenses

The administrative expenses for the years ended April 30, 1999 and 1998 were as follows:

	1999	1998
	<i>In millions of SDRs</i>	
Personnel	259.4	243.5
Travel	54.6	54.6
Other	81.6	74.8
Less reimbursements for the administration of the SDR Department	<u>(3.5)</u>	<u>(4.4)</u>
Total administrative expenses, net of reimbursements	<u>392.1</u>	<u>368.5</u>

The General Resources Account is to be reimbursed annually for expenses incurred in administering the Special Disbursement Account and the ESAF Trust; however, following the establishment of the SRF and the consequent increase in net operational income, the Board decided to forgo reimbursement of the expenses incurred in administering the ESAF Trust for financial years 1998 and 1999 and to transfer the amounts that would otherwise have been reimbursed to the GRA, SDR 41.1 million for financial year 1999 (SDR 40.7 million for financial year 1998), from the ESAF Trust Reserve Account, through the Special Disbursement Account, to the ESAF-HIPC Trust. This amount has been included under Transfers to the ESAF-HIPC Trust in the Statement of Changes in Reserves and Resources.

The IMF has a funded defined-benefit Staff Retirement Plan and a funded defined-benefit Supplemental Retirement Benefits Plan ("the Plans") covering nearly all staff. Contributions to the Plans and all other assets, liabilities, and income of the Plans are administered separately from the General Department and can be used only for the benefit of the participants in the Plans and their beneficiaries. Participants contribute a fixed percentage of their pensionable remuneration. The IMF contributes the remainder of the cost of funding

the Plans and pays certain administrative costs of the Plans. The IMF uses the aggregate cost method for determining its pension cost. Under this method, the IMF's contributions, including those for cost of living adjustments and for experience gains and losses, are spread over the expected future working lifetimes of the participants in the plans. During financial year 1999, the IMF contributed SDR 15 million to the Plans (SDR 14 million during financial year 1998). This included prepayments amounting to SDR 13 million (SDR 11 million during financial year 1998). As a result, other assets include an amount of SDR 24 million at April 30, 1999 (SDR 11 million at April 30, 1998), arising from the difference between the IMF's contribution and the amount recognized as pension expense in financial years 1999 and 1998. The funding and cost of the Plans for the year ended April 30, 1999 are based on an actuarial valuation at the beginning of financial year 1998. The results of the valuations, based on the principal actuarial assumptions of an expected rate of return and a discount rate of 8.5 percent and an inflation rate of 5 percent, were as follows:

	1999	1998
	<i>In millions of SDRs</i>	
Present value of benefits payable	2,170	1,998
Fair value of plan assets	2,263	1,895

The IMF will be implementing the provisions of the revised International Accounting Standard IAS 19, Employee Benefits, during FY 2000.

The IMF provides certain health care benefits to retirees that elect to continue participation in its medical benefits and group life insurance plans during retirement. Both participants and the IMF contribute toward meeting the costs of these benefits. The IMF's cost, which includes a past-service obligation, is actuarially determined using the projected unit credit method; the funding and cost for the year ended April 30, 1999 were based on an actuarial valuation at May 1, 1998. The total liability in this respect was estimated at SDR 146 million at April 30, 1999 (SDR 136 million at April 30, 1998). The IMF has established a Retired Staff Benefits Investment Account to hold and invest the resources contributed by the IMF toward the payment of these benefits. At April 30, 1999, an amount of SDR 147 million was held by that account (SDR 130 million at April 30, 1998).

**General Department**  
**Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,**  
**and Members' Use of Resources**  
**as at April 30, 1999**

(In thousands of SDRs)

Member	General Resources Account					Use of Resources				
	Quota	IMF's holdings of currencies <sup>1</sup>		Reserve tranche position	GRA <sup>2</sup>		ESAF			Total <sup>5</sup>
		Total	Percent of quota		Amount	Percent	SDA <sup>3</sup>	Trust <sup>4</sup>		
								(A)	+	
Afghanistan, Islamic State of	120,400	115,488	95.9	4,928	—	—	—	—	—	—
Albania	48,700	54,175	111.2	3,355	8,825	0.01	—	41,983	—	50,808
Algeria	1,254,700	2,515,218	200.5	85,082	1,345,595	2.22	—	—	—	1,345,595
Angola	286,300	286,445	100.1	—	—	—	—	—	—	—
Antigua and Barbuda	13,500	13,499	100.0	1	—	—	—	—	—	—
Argentina	2,117,100	5,755,801	271.9	—	3,638,672	6.00	—	—	—	3,638,672
Armenia, Republic of	92,000	129,328	140.6	6,130	43,453	0.07	—	88,425	—	131,878
Australia	3,236,400	2,083,372	64.4	1,153,168	—	—	—	—	—	—
Austria	1,872,300	1,068,547	57.1	803,740	—	—	—	—	—	—
Azerbaijan	160,900	375,745	233.5	10	214,845	0.35	—	76,050	—	290,895
Bahamas, The	94,900	88,665	93.4	6,239	—	—	—	—	—	—
Bahrain	135,000	74,045	54.8	60,964	—	—	—	—	—	—
Bangladesh	533,300	631,265	118.4	163	98,125	0.16	1,869	182,250	—	282,244
Barbados	67,500	62,827	93.1	4,675	—	—	—	—	—	—
Belarus, Republic of	386,400	546,575	141.5	20	160,175	0.26	—	—	—	160,175
Belgium	3,102,300	1,827,510	58.9	1,274,801	—	—	—	—	—	—
Belize	18,800	14,562	77.5	4,239	—	—	—	—	—	—
Benin	61,900	59,721	96.5	2,188	—	—	11,271	56,277	—	67,548
Bhutan	6,300	5,280	83.8	1,020	—	—	—	—	—	—
Bolivia	171,500	162,638	94.8	8,875	—	—	4,535	174,928	—	179,463
Bosnia and Herzegovina	169,100	219,857	130.0	—	50,753	0.08	—	—	—	50,753
Botswana	63,000	35,500	56.3	27,506	—	—	—	—	—	—
Brazil	3,036,100	10,092,023	332.4	—	7,055,100	11.63	—	—	—	7,055,100
Brunei Darussalam	150,000	114,750	76.5	35,255	—	—	—	—	—	—
Bulgaria	640,200	1,413,369	220.8	32,654	805,818	1.33	—	—	—	805,818
Burkina Faso	60,200	52,991	88.0	7,221	—	—	17,380	60,730	—	78,110
Burundi	77,000	71,142	92.4	5,860	—	—	854	12,260	—	13,114
Cambodia	87,500	92,188	105.4	—	4,688	0.01	—	42,000	—	46,688
Cameroon	185,700	211,323	113.8	459	26,075	0.04	—	108,080	—	134,155
Canada	6,369,200	4,151,501	65.2	2,217,757	—	—	—	—	—	—
Cape Verde	9,600	9,599	100.0	1	—	—	—	—	—	—
Central African Republic	55,700	55,606	99.8	96	—	—	1,824	8,240	—	10,064
Chad	56,000	55,719	99.5	282	—	—	2,754	49,560	—	52,314
Chile	856,100	446,851	52.2	409,250	—	—	—	—	—	—
China	4,687,200	2,185,446	46.6	2,501,764	—	—	—	—	—	—
Colombia	774,000	351,504	45.4	422,503	—	—	—	—	—	—
Comoros	8,900	8,362	94.0	540	—	—	1,800	—	—	1,800
Congo, Democratic Republic of	291,000	448,805	154.2	—	157,805	0.26	142,910	—	—	300,715
Congo, Republic of	84,600	92,885	109.8	536	8,803	0.01	—	13,896	—	22,699
Costa Rica	164,100	144,113	87.8	20,000	—	—	—	—	—	—
Côte d'Ivoire	325,200	324,992	99.9	215	—	—	—	457,344	—	457,344
Croatia, Republic of	365,100	522,375	143.1	127	157,400	0.26	—	—	—	157,400
Cyprus	139,600	104,252	74.7	35,353	—	—	—	—	—	—
Czech Republic	819,300	819,300	100.0	3	—	—	—	—	—	—
Denmark	1,642,800	935,901	57.0	706,902	—	—	—	—	—	—

Member	General Resources Account				Use of Resources					
	Quota	IMF's holdings of currencies <sup>1</sup>		Reserve tranche position	GRA <sup>2</sup>		ESAF			Total <sup>5</sup> (D)
		Total	Percent of quota		Amount	Percent	SDA <sup>3</sup>	Trust <sup>4</sup>		
								(A)	+ (B)	
Djibouti	15,900	22,072	138.8	1,100	7,272	0.01	—	—	—	7,272
Dominica	6,000	5,992	99.9	9	—	—	—	—	—	—
Dominican Republic	218,900	258,599	118.1	3	39,700	0.07	—	—	—	39,700
Ecuador	302,300	322,237	106.6	17,153	37,088	0.06	—	—	—	37,088
Egypt	943,700	823,650	87.3	120,075	—	—	—	—	—	—
El Salvador	171,300	171,303	100.0	—	—	—	—	—	—	—
Equatorial Guinea	32,600	32,609	100.0	—	—	—	5,967	1,393	—	7,360
Eritrea	15,900	15,900	100.0	5	—	—	—	—	—	—
Estonia, Republic of	46,500	66,839	143.7	6	20,344	0.03	—	—	—	20,344
Ethiopia	133,700	126,611	94.7	7,099	—	—	43,066	29,490	—	72,556
Fiji	70,300	55,387	78.8	14,917	—	—	—	—	—	—
Finland	1,263,800	722,289	57.2	541,519	—	—	—	—	—	—
France	10,738,500	6,752,159	62.9	3,986,383	—	—	—	—	—	—
Gabon	154,300	227,043	147.1	66	72,802	0.12	—	—	—	72,802
Gambia, The	31,100	29,618	95.2	1,485	—	—	227	7,088	—	7,315
Georgia	150,300	221,756	147.5	10	71,456	0.12	—	138,750	—	210,206
Germany	13,008,200	7,297,516	56.1	5,710,690	—	—	—	—	—	—
Ghana	369,000	327,874	88.9	41,130	—	—	13,292	216,767	—	230,059
Greece	823,000	572,663	69.6	250,337	—	—	—	—	—	—
Grenada	8,500	8,501	100.0	—	—	—	—	—	—	—
Guatemala	153,800	153,806	100.0	—	—	—	—	—	—	—
Guinea	107,100	107,026	99.9	75	—	—	—	88,309	—	88,309
Guinea-Bissau	14,200	14,200	100.0	— <sup>6</sup>	—	—	225	10,500	—	10,725
Guyana	90,900	90,902	100.0	—	—	—	21,402	82,602	—	104,004
Haiti	60,700	84,181	138.7	45	23,525	0.04	—	15,175	—	38,700
Honduras	129,500	168,375	130.0	8,625	47,500	0.08	—	91,038	—	138,538
Hungary	1,038,400	911,401	87.8	127,001	—	—	—	—	—	—
Iceland	117,600	99,029	84.2	18,572	—	—	—	—	—	—
India	4,158,200	3,881,602	93.3	488,468	211,750	0.35	—	—	—	211,750
Indonesia	2,079,300	8,726,647	419.7	145,474	6,792,820	11.20	—	—	—	6,792,820
Iran, Islamic Republic of	1,497,200	1,497,202	100.0	—	—	—	—	—	—	—
Iraq	504,000	504,013	100.0	—	—	—	—	—	—	—
Ireland	838,400	480,315	57.3	358,086	—	—	—	—	—	—
Israel	928,200	862,695	92.9	65,511	—	—	—	—	—	—
Italy	7,055,500	4,098,995	58.1	2,956,506	—	—	—	—	—	—
Jamaica	273,500	345,925	126.5	—	72,375	0.12	—	—	—	72,375
Japan	13,312,800	7,197,791	54.1	6,115,424	—	—	—	—	—	—
Jordan	170,500	545,418	319.9	2	374,920	0.62	—	—	—	374,920
Kazakhstan, Republic of	365,700	792,364	216.7	5	426,664	0.70	—	—	—	426,664
Kenya	271,400	258,996	95.4	12,417	—	—	16,330	119,675	—	136,005
Kiribati	5,600	5,601	100.0	—	—	—	—	—	—	—
Korea	1,633,600	11,173,782	684.0	208,571	9,748,750	16.07	—	—	—	9,748,750
Kuwait	1,381,100	1,050,465	76.1	330,637	—	—	—	—	—	—
Kyrgyz Republic	88,800	112,988	127.2	5	24,188	0.04	—	118,530	—	142,718
Lao People's Democratic Republic	39,100	39,100	100.0	—	—	—	8,204	34,603	—	42,807
Latvia, Republic of	126,800	167,975	132.5	5	41,175	0.07	—	—	—	41,175
Lebanon	146,000	127,168	87.1	18,833	—	—	—	—	—	—
Lesotho	34,900	31,372	89.9	3,533	—	—	1,359	14,194	—	15,553
Liberia	71,300	272,738	382.5	28	201,457	0.33	—	—	—	225,111 <sup>5</sup>
Libya	1,123,700	728,205	64.8	395,505	—	—	—	—	—	—

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies <sup>1</sup>		Reserve tranche position	GRA <sup>2</sup>		ESAF		Total <sup>5</sup> (D)
		Total	Percent of quota		Amount (A)	Percent +	SDA <sup>3</sup> (B) +	Trust <sup>4</sup> (C) =	
Lithuania, Republic of	144,200	317,980	220.5	16	173,794	0.29	—	—	173,794
Luxembourg	135,500	119,469	88.2	16,049	—	—	—	—	—
Macedonia, former Yugoslav Republic of	68,900	111,135	161.3	—	42,233	0.07	—	27,281	69,514
Madagascar	122,200	122,174	100.0	27	—	—	7,636	32,301	39,937
Malawi	69,400	71,938	103.7	2,236	4,772	0.01	4,278	56,717	65,767
Malaysia	1,486,600	878,450	59.1	608,156	—	—	—	—	—
Maldives	8,200	6,646	81.0	1,554	—	—	—	—	—
Mali	93,300	84,521	90.6	8,782	—	—	11,176	129,053	140,229
Malta	102,000	61,749	60.5	40,261	—	—	—	—	—
Marshall Islands	2,500	2,500	100.0	1	—	—	—	—	—
Mauritania	64,400	64,406	100.0	—	—	—	3,067	73,583	76,650
Mauritius	101,600	87,141	85.8	14,459	—	—	—	—	—
Mexico	2,585,800	7,922,367	306.4	244	5,336,782	8.80	—	—	5,336,782
Micronesia, Federated States of	3,500	3,500	100.0	1	—	—	—	—	—
Moldova, Republic of	123,200	260,400	211.4	5	137,200	0.23	—	—	137,200
Mongolia	51,100	51,100	100.0	5	—	—	—	34,318	34,318
Morocco	588,200	517,761	88.0	70,441	—	—	—	—	—
Mozambique	113,600	113,600	100.0	7	—	—	—	139,913	139,913
Myanmar	258,400	258,402	100.0	—	—	—	—	—	—
Namibia	99,600	99,566	100.0	37	—	—	—	—	—
Nepal	71,300	65,577	92.0	5,730	—	—	1,492	14,547	16,039
Netherlands	5,162,400	2,989,863	57.9	2,172,540	—	—	—	—	—
New Zealand	894,600	572,658	64.0	321,957	—	—	—	—	—
Nicaragua	130,000	130,010	100.0	—	—	—	—	101,705	101,705
Niger	65,800	57,240	87.0	8,561	—	—	446	50,718	51,164
Nigeria	1,753,200	1,753,181	100.0	68	—	—	—	—	—
Norway	1,671,700	908,691	54.4	763,038	—	—	—	—	—
Oman	194,000	144,277	74.4	49,796	—	—	—	—	—
Pakistan	1,033,700	1,853,433	179.3	73	819,805	1.35	98,334	437,570	1,355,709
Palau	3,100	3,100	100.0	1	—	—	—	—	—
Panama	206,600	317,964	153.9	11,860	123,213	0.20	—	—	123,213
Papua New Guinea	131,600	156,750	119.1	53	25,193	0.04	—	—	25,193
Paraguay	99,900	78,428	78.5	21,475	—	—	—	—	—
Peru	638,400	1,227,391	192.3	—	588,957	0.97	—	—	588,957
Philippines	879,900	2,001,780	227.5	87,104	1,208,970	1.99	—	—	1,208,970
Poland, Republic of	1,369,000	1,196,744	87.4	172,256	—	—	—	—	—
Portugal	867,400	474,661	54.7	392,755	—	—	—	—	—
Qatar	190,500	164,098	86.1	26,402	—	—	—	—	—
Romania	1,030,200	1,396,739	135.6	—	366,534	0.60	—	—	366,534
Russian Federation	5,945,400	18,867,885	317.4	926	12,923,286	21.31	—	—	12,923,286
Rwanda	80,100	101,687	127.0	—	21,569	0.04	3,504	23,800	48,873
St. Kitts and Nevis	8,900	10,457	117.5	72	1,625	—	—	—	1,625
St. Lucia	15,300	15,300	100.0	1	—	—	—	—	—
St. Vincent and the Grenadines	6,000	5,500	91.7	500	—	—	—	—	—
Samoa	11,600	10,924	94.2	683	—	—	—	—	—
San Marino, Republic of	10,000	7,650	76.5	2,351	—	—	—	—	—
São Tomé and Príncipe	7,400	7,403	100.0	—	—	—	80	—	80
Saudi Arabia	6,985,500	5,998,021	85.9	987,483	—	—	—	—	—
Senegal	161,800	160,445	99.2	1,356	—	—	3,042	195,756	198,798
Seychelles	8,800	8,800	100.0	—	—	—	—	—	—

Member	General Resources Account				Use of Resources					
	Quota	IMF's holdings of currencies <sup>1</sup>		Reserve tranche position	GRA <sup>2</sup>		ESAF			Total <sup>5</sup> (D)
		Total	Percent of quota		Amount (A)	Percent	SDA <sup>3</sup> + (B)	+ (C)	Trust <sup>4</sup> =	
Sierra Leone	103,700	115,265	111.2	24	11,580	0.02	27,020	96,848	135,448	
Singapore	862,500	537,135	62.3	325,374	—	—	—	—	—	
Slovak Republic	357,500	472,956	132.3	—	115,451	0.19	—	—	115,451	
Slovenia, Republic of	231,700	163,187	70.4	68,515	—	—	—	—	—	
Solomon Islands	10,400	9,867	94.9	543	—	—	—	—	—	
Somalia	44,200	140,907	318.8	—	96,701	0.16	8,840	—	112,004 <sup>5</sup>	
South Africa	1,868,500	1,868,405	100.0	107	—	—	—	—	—	
Spain	3,048,900	1,643,361	53.9	1,405,541	—	—	—	—	—	
Sri Lanka	413,400	365,728	88.5	47,700	—	—	20,079	212,800	232,879	
Sudan	169,700	649,770	382.9	11	480,050	0.80	—	—	539,278 <sup>5</sup>	
Suriname	92,100	85,975	93.3	6,125	—	—	—	—	—	
Swaziland	50,700	44,154	87.1	6,552	—	—	—	—	—	
Sweden	2,395,500	1,432,579	59.8	962,928	—	—	—	—	—	
Switzerland	3,458,500	1,907,868	55.2	1,550,700	—	—	—	—	—	
Syrian Arab Republic	293,600	293,603	100.0	5	—	—	—	—	—	
Tajikistan, Republic of	87,000	117,000	134.5	2	30,000	0.05	—	40,300	70,300	
Tanzania	198,900	188,932	95.0	9,975	—	—	4,280	211,060	215,340	
Thailand	1,081,900	3,481,897	321.8	20	2,400,000	3.96	—	—	2,400,000	
Togo	73,400	73,146	99.7	254	—	—	4,416	62,940	67,356	
Tonga	6,900	5,206	75.4	1,700	—	—	—	—	—	
Trinidad and Tobago	335,600	335,585	100.0	16	—	—	—	—	—	
Tunisia	286,500	352,762	123.1	20,167	86,424	0.14	—	—	86,424	
Turkey	964,000	1,040,041	107.9	112,775	188,813	0.31	—	—	188,813	
Turkmenistan, Republic of	48,000	48,000	100.0	5	—	—	—	—	—	
Uganda	180,500	180,507	100.0	—	—	—	1,992	266,808	268,800	
Ukraine	1,372,000	3,341,372	243.5	7	1,969,372	3.25	—	—	1,969,372	
United Arab Emirates	392,100	202,013	51.5	190,088	—	—	—	—	—	
United Kingdom	10,738,500	6,818,351	63.5	3,920,177	—	—	—	—	—	
United States	37,149,300	20,082,770	54.1	17,061,852	—	—	—	—	—	
Uruguay	225,300	324,132	143.9	15,375	114,200	0.19	—	—	114,200	
Uzbekistan, Republic of	275,600	440,025	159.7	5	164,425	0.27	—	—	164,425	
Vanuatu	17,000	14,506	85.3	2,496	—	—	—	—	—	
Venezuela	2,659,100	3,179,273	119.6	321,900	842,071	1.39	—	—	842,071	
Vietnam	329,100	358,313	108.9	5	29,213	0.05	—	241,600	270,813	
Yemen, Republic of	243,500	404,865	166.3	13	161,375	0.27	—	124,000	285,375	
Yugoslavia, Federal Republic of (Serbia/Montenegro)	—	—	—	—	56,056	0.09	—	—	56,056	
Zambia	489,100	489,101	100.0	18	—	—	181,750	671,681	853,431	
Zimbabwe	353,400	494,274	139.9	252	141,125	0.24	—	132,450	273,575	
Total	207,982,900	204,966,259		63,609,749	60,650,704	100.00	676,701	5,717,886	67,134,639	

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

<sup>2</sup>Includes the share of the Federal Republic of Yugoslavia (Serbia/Montenegro) in the liabilities of the former Socialist Federal Republic of Yugoslavia, although this state has not succeeded to IMF membership.

<sup>3</sup>The Special Disbursement Account (SDA) of the General Department provides financing under Structural Adjustment Facility (SAF) and Enhanced Structural Adjustment Facility (ESAF) arrangements.

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

<sup>5</sup>Includes outstanding Trust Fund loans to Liberia (SDR 23.6 million), Somalia (SDR 6.5 million), and Sudan (SDR 59.2 million).

<sup>6</sup>Less than SDR 500.

**General Department**  
**Financial Resources and Liquidity Position**  
**in the General Resources Account**  
**as at April 30, 1999 and 1998**

(In thousands of SDRs)

	1999	1998
<b>Resources</b>		
Currencies and securities . . . . .	204,966,259	144,638,372
SDR holdings . . . . .	3,571,967	764,424
Gold holdings . . . . .	3,624,797	3,624,797
Sundry assets, net of sundry liabilities <sup>1</sup> . . . . .	379,550	310,860
Total resources . . . . .	<u>212,542,573</u>	<u>149,338,453</u>
<b>Less: Nonusable Resources<sup>2</sup></b> . . . . .	<u>128,833,525</u>	<u>102,060,131</u>
<b>Equals: Usable Resources<sup>3</sup></b> . . . . .	<u>83,709,048</u>	<u>47,278,322</u>
<b>Resources Committed and Working Balances</b>		
Undrawn balances under arrangements <sup>4</sup> . . . . .	13,059,802	15,293,169
Minimum working balances <sup>4</sup> . . . . .	<u>13,922,160</u>	<u>9,424,250</u>
Resources committed and working balances . . . . .	<u>26,981,962</u>	<u>24,717,419</u>
<b>Net Uncommitted Usable Resources<sup>5</sup></b> . . . . .	<u>56,727,086</u>	<u>22,560,903</u>
<b>Liquid Liabilities</b>		
Reserve tranche positions <sup>6</sup> . . . . .	<u>63,609,749</u>	<u>50,324,030</u>
<b>Liquidity Ratio<sup>7</sup></b> . . . . .	89.2%	44.8%
<b>Memorandum Item</b>		
Resources available under borrowing arrangements . . . . .	34,000,000	18,500,000

<sup>1</sup>Sundry assets, net of sundry liabilities reflect current assets (charges, interest, and other receivables) and other assets that include capital assets (land, buildings, and equipment), net of sundry liabilities (remuneration payable and other liabilities).

<sup>2</sup>Resources regarded as nonusable 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.

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

<sup>4</sup>Amounts committed under active arrangements, which reflect undrawn balances committed under operative Stand-By and Extended Arrangements, other than precautionary arrangements, are deducted from the total of usable resources, as are one-half of the amounts committed under precautionary arrangements. The Executive Board has decided that minimum working balances be set at 10 percent of the quotas of members deemed sufficiently strong for their currencies to be used in operations and transactions.

<sup>5</sup>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.

<sup>6</sup>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 when developments in its balance of payments or reserve position make this necessary, and the IMF must therefore at all times be in a position to meet such requests.

<sup>7</sup>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. While this ratio is neither a fixed nor a minimum ratio, historically it has not fallen below 25–30 percent of liquid liabilities for any length of time, thereby ensuring the IMF's capacity to meet members' requests.

**General Department**  
**Schedule of Repurchases and Repayments of Loans**  
**as at April 30, 1999**

*(In thousands of SDRs)*

Financial Year Ending April 30	General Resources Account <sup>1</sup>	Special Disbursement Account
Overdue	992,068	143,020
2000	19,287,182	174,357
2001	10,417,222	79,024
2002	8,984,965	90,679
2003	8,852,994	61,863
2004	4,164,299	50,823
2005	2,398,577	40,269
2006	2,048,606	36,666
2007	1,685,752	—
2008	1,196,473	—
2009	622,566	—
Total	<u>60,650,704</u>	<u>676,701</u>

<sup>1</sup>A member is entitled to repurchase at any time the IMF's holdings of its currency subject to charges and is expected to make repurchases as and when its balance of payments and reserve position improve.

**General Department**  
**Status of Arrangements**  
**as at April 30, 1999**

*(In thousands of SDRs)*

Member	Date of Arrangement	Expiration	Total Amount Agreed	Undrawn Balance
<b>General Resources Account</b>				
<b>Stand-By Arrangements</b>				
Bosnia and Herzegovina	May 29, 1998	May 28, 1999	60,600	36,360
Brazil	December 2, 1998	December 1, 2001	13,024,800 <sup>1</sup>	5,969,700
Cape Verde	February 20, 1998	May 31, 1999	2,100	2,100
El Salvador	September 23, 1998	February 22, 2000	37,680	37,680
Korea	December 4, 1997	December 3, 2000	15,500,000	1,268,750
Philippines	April 1, 1998	March 31, 2000	1,020,790	633,400
Thailand	August 20, 1997	June 19, 2000	2,900,000	500,000
Uruguay	March 29, 1999	March 28, 2000	70,000	70,000
Zimbabwe	June 1, 1998	June 30, 1999	130,650	91,450
Total Stand-By Arrangements			<u>32,746,620</u>	<u>8,609,440</u>
<b>Extended Arrangements</b>				
Argentina	February 4, 1998	February 3, 2001	2,080,000	2,080,000
Azerbaijan	December 20, 1996	December 19, 1999	58,500	15,800
Bulgaria	September 25, 1998	September 24, 2001	627,620	470,720
Croatia, Republic of	March 12, 1997	March 11, 2000	353,160	324,380
Indonesia	August 25, 1998	November 5, 2000	5,383,100	2,259,400
Jordan	April 15, 1999	April 14, 2002	127,880	117,220
Kazakhstan, Republic of	July 17, 1996	July 16, 1999	309,400	154,700
Moldova, Republic of	May 20, 1996	May 19, 2000	135,000	72,500
Pakistan	October 20, 1997	October 19, 2000	454,920	379,090
Panama	December 10, 1997	December 9, 2000	120,000	80,000
Ukraine	September 4, 1998	September 3, 2001	1,645,550	1,288,900
Yemen, Republic of	October 29, 1997	October 28, 2000	105,900	76,900
Total Extended Arrangements			<u>11,401,030</u>	<u>7,319,610</u>
Total General Resources Account			<u>44,147,650</u>	<u>15,929,050</u>

<sup>1</sup>Includes SDR 9.1 billion available until December 1, 1999 under the Supplemental Reserve Facility.



II. FINANCIAL STATEMENTS  
OF THE SDR DEPARTMENT



**SDR Department**  
**Statement of Allocations and Holdings**  
**as at April 30, 1999 and 1998**  
*(In thousands of SDRs)*  
 (Note 1)

	<b>1999</b>	<b>1998</b>
<b>Allocations</b>		
Net cumulative allocations of SDRs .....	21,433,330	21,433,330
Overdue charges (Note 2) .....	<u>92,122</u>	<u>78,666</u>
Total Allocations .....	<u><u>21,525,452</u></u>	<u><u>21,511,996</u></u>
<b>Holdings</b>		
Participants with holdings above allocations		
Allocations .....	9,632,624	10,457,271
Net receipts of SDRs .....	<u>5,573,023</u>	<u>6,731,164</u>
	<u>15,205,647</u>	<u>17,188,435</u>
Participants with holdings below allocations		
Allocations .....	11,800,706	10,976,059
Net uses of SDRs .....	<u>9,615,162</u>	<u>7,802,687</u>
	<u>2,185,544</u>	<u>3,173,372</u>
Total holdings of participants .....	17,391,191	20,361,807
General Resources Account .....	3,571,967	764,424
Holdings of SDRs by prescribed holders .....	<u>562,294</u>	<u>385,765</u>
Total Holdings .....	<u><u>21,525,452</u></u>	<u><u>21,511,996</u></u>

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

/s/ David Williams  
*Treasurer*

/s/ M. Camdessus  
*Managing Director*

**SDR Department**  
**Statement of Receipts and Uses of SDRs**  
**for the Years Ended April 30, 1999 and 1998**

(In thousands of SDRs)  
(Notes 1)

	Participants	General Resources Account	Prescribed Holders	Total	
				1999	1998
Total holdings, beginning of the year	20,361,807	764,424	385,765	21,511,996	21,497,941
<b>Receipts of SDRs</b>					
Transfers among Participants and Prescribed holders					
Transactions by agreement	13,750,812	—	66,145	13,816,957	8,566,891
Operations					
Loans	2,237,866	—	—	2,237,866	—
Settlement of financial obligations	2,284,216	—	54,974	2,339,190	86,410
IMF-related operations					
SAF and ESAF loans	187,829	—	—	187,829	351,745
SAF repayments and interest	—	—	47,146	47,146	107,672
Special charges on SAF, ESAF, and Trust Fund	—	—	1	1	6
ESAF contributions and payments	39,495	—	122,981	162,476	129,244
ESAF repayments and interest	—	—	357,778	357,778	311,285
HIPC contributions and payments	5	—	1,000	1,005	1,000
Net interest on SDRs (Note 2)	272,154	—	17,088	289,242	284,256
Transfers from Participants to the General Resources Account					
Repurchases	—	4,761,290	—	4,761,290	2,917,685
Charges	—	2,805,808	—	2,805,808	1,877,315
Quota payments	—	8,643,552	—	8,643,552	—
Interest on SDRs (Note 2)	—	34,997	—	34,997	44,431
Assessment on SDR allocation (Note 2)	—	3,447	—	3,447	4,350
Transfers from the General Resources Account to Participants and Prescribed holders					
Purchases	9,521,899	—	—	9,521,899	4,243,310
Repayments of IMF borrowings	1,429,472	—	—	1,429,472	—
Interest on IMF borrowings	46,100	—	—	46,100	—
In exchange for currencies of other members					
Acquisitions to pay charges	545,022	—	—	545,022	19,952
Remuneration	1,825,513	—	—	1,825,513	1,220,129
Other	—	—	—	—	—
Refunds and adjustments	73,545	—	—	73,545	90,115
Total receipts	<u>32,213,928</u>	<u>16,249,094</u>	<u>667,113</u>	<u>49,130,135</u>	<u>20,255,796</u>

(concluded)

**SDR Department**  
**Statement of Receipts and Uses of SDRs**  
**for the Years Ended April 30, 1999 and 1998**

(In thousands of SDRs)  
(Note 1)

	Participants	General Resources Account	Prescribed Holders	Total	
				1999	1998
<b>Uses of SDRs</b>					
Transfers among Participants and Prescribed holders					
Transactions by agreement . . . . .	13,600,052	—	216,905	13,816,957	8,566,891
Operations					
Loans . . . . .	2,237,866	—	—	2,237,866	—
Settlement of financial obligations . . . . .	2,292,839	—	46,351	2,339,190	86,410
IMF-related operations . . . . .					
SAF and ESAF loans . . . . .	—	—	187,829	187,829	351,745
SAF repayments and interest . . . . .	47,146	—	—	47,146	107,672
Special charges on SAF, ESAF, and Trust Fund . . . . .	1	—	—	1	6
ESAF contributions and payments . . . . .	122,982	—	39,494	162,476	129,244
ESAF repayments and interest . . . . .	357,778	—	—	357,778	311,285
HIPC contributions and payments . . . . .	1,000	—	5	1,005	1,000
Transfers from Participants to the General Resources Account					
Repurchases . . . . .	4,761,290	—	—	4,761,290	2,917,685
Charges . . . . .	2,805,808	—	—	2,805,808	1,877,315
Quota payments . . . . .	8,643,552	—	—	8,643,552	—
Assessment on SDR allocation (Note 2) . . . . .	3,447	—	—	3,447	4,350
Transfers from the General Resources Account to Participants and Prescribed holders					
Purchases . . . . .	—	9,521,899	—	9,521,899	4,243,310
Repayments of IMF borrowings . . . . .	—	1,429,472	—	1,429,472	—
Interest on IMF borrowings . . . . .	—	46,100	—	46,100	—
In exchange for currencies of other members					
Acquisitions to pay charges . . . . .	—	545,022	—	545,022	19,952
Remuneration . . . . .	—	1,825,513	—	1,825,513	1,220,129
Other . . . . .	—	—	—	—	—
Refunds and adjustments . . . . .	—	73,545	—	73,545	90,115
Charges paid in the SDR department (Note 2)					
Net charges due . . . . .	324,239	—	—	324,239	328,687
Charges not paid when due . . . . .	(16,736)	—	—	(16,736)	(18,335)
Settlement of unpaid charges . . . . .	3,280	—	—	3,280	4,280
Total uses . . . . .	<u>35,184,544</u>	<u>13,441,551</u>	<u>490,584</u>	<u>49,116,679</u>	<u>20,241,741</u>
Total holdings, end of the year . . . . .	<u>17,391,191</u>	<u>3,571,967</u>	<u>562,294</u>	<u>21,525,452</u>	<u>21,511,996</u>

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

**SDR Department**  
**Notes to the Financial Statements**  
**as at April 30, 1999 and 1998**

***SDR Department***

All transactions and operations involving SDRs are conducted through the SDR Department. At April 30, 1999, all members of the IMF were participants in the SDR Department. SDRs are reserve assets allocated by the IMF to members that are participants in the SDR Department 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 one-time allocation of SDRs equal to 21.4 billion. The amendment will enter into force after three-fifths of the members, having 85 percent of the total voting power, have accepted it. Upon termination of participation or liquidation of the SDR Department, the IMF will provide to holders the currencies received from the participants in settlement of their obligations. The IMF is empowered to prescribe certain official entities as holders of SDRs; at April 30, 1999, 15 institutions had been prescribed as holders. These prescribed holders do not receive allocations.

*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.

***1. Accounting Practices***

The accounts are expressed in terms of the SDR. 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 a basket of currencies of five members. As of January 1, 1999, the deutsche mark and the French franc were substituted by the euro in the SDR valuation basket. The currencies in the basket and their amounts are as follows:

Currency	Amounts	
	To December 31, 1998	From January 1, 1999
Deutsche mark/euro as of January 1, 1999	0.446	0.228
French franc/euro as of January 1, 1999	0.813	0.1239
Japanese yen	27.2	27.2
Pound sterling	0.105	0.105
U.S. dollar	0.582	0.5821

Further discussions of specific accounting principles and disclosure practices have been included in other notes.

***2. Interest, Charges, and Assessment***

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, and charges on net cumulative allocations are 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.

At April 30, 1999, charges amounting to SDR 92.1 million were overdue to the SDR Department (SDR 78.7 million at April 30, 1998). At April 30, 1999 and 1998, six members were six months or more overdue in meeting their financial obligations to the IMF, and five of these members were six months or more overdue 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 April 30, 1999, and, consequently, it is not a participant in the SDR Department.

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:

	1999	1998
	<i>In millions of SDRs</i>	
Total	92.1	78.7
Overdue for six months or more	85.2	71.3
Overdue for three years or more	53.4	43.8

The amount and duration of arrears were as follows:

	Total	Longest Overdue Obligation
	<i>In millions of SDRs</i>	
Afghanistan, Islamic State of	3.7	February 1996
Congo, Democratic Republic of	8.1	November 1996
Iraq	37.1	November 1990
Liberia	17.9	August 1988
Somalia	6.9	February 1991
Yugoslavia, Federal Republic of (Serbia/Montenegro)	18.4	November 1992
Total	<u>92.1</u>	

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 com-

bined market interest rate used to determine the SDR interest rate is calculated each Friday, using the yields or rates of that day. The SDR interest rate, which is set equal to the combined market interest rate, enters into effect on the following Monday and applies through the following Sunday.

The 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.



PART TWO

FINANCIAL STATEMENTS  
OF THE ACCOUNTS ADMINISTERED  
BY THE INTERNATIONAL MONETARY FUND



I. FINANCIAL STATEMENTS  
OF THE ENHANCED STRUCTURAL ADJUSTMENT  
FACILITY TRUST



**Enhanced Structural Adjustment Facility Trust**  
**Balance Sheet**  
**for the Years Ended April 30, 1999 and 1998**

*(In thousands of SDRs)*  
*(Note 1)*

	Loan Account	Reserve Account	Subsidy Account	Combined 1999	Combined 1998
<b>Assets</b>					
Loans receivable . . . . .	5,717,886	—	—	5,717,886	5,269,650
Investments (Notes 2 and 4) . . . . .	303,001	2,265,781	1,894,580	4,463,362	4,084,062
Interest receivable . . . . .	12,197	42,805	18,315	73,317	79,400
Currencies . . . . .	—	37	7	44	—
Accrued account transfers . . . . .	<u>(23,971)</u>	<u>69,074</u>	<u>(45,103)</u>	<u>—</u>	<u>—</u>
Total Assets . . . . .	<u>6,009,113</u>	<u>2,377,697</u>	<u>1,867,799</u>	<u>10,254,609</u>	<u>9,433,112</u>
<b>Resources and Liabilities</b>					
Resources . . . . .	—	2,370,606	1,728,382	4,098,988	3,713,696
Borrowing (Note 4) . . . . .	5,951,856	—	137,483	6,089,339	5,613,451
Interest payable . . . . .	57,192	—	1,934	59,126	65,265
Other liabilities . . . . .	<u>65</u>	<u>7,091</u>	<u>—</u>	<u>7,156</u>	<u>40,700</u>
Total Resources and Liabilities . . . . .	<u>6,009,113</u>	<u>2,377,697</u>	<u>1,867,799</u>	<u>10,254,609</u>	<u>9,433,112</u>

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

/s/ David Williams  
*Treasurer*

/s/ M. Camdessus  
*Managing Director*

**Enhanced Structural Adjustment Facility Trust**  
**Income Statement**  
**for the Years Ended April 30, 1999 and 1998**

*(In thousands of SDRs)*  
*(Note 1)*

	Loan Account	Reserve Account	Subsidy Account	Combined 1999	Combined 1998
<b>Income</b>					
Investment income . . . . .	158	90,488	78,229	168,875	157,196
Interest on loans . . . . .	27,052	—	—	27,052	24,124
Exchange valuation gain (loss) . . . . .	24	(16)	11	19	48
	<u>27,234</u>	<u>90,472</u>	<u>78,240</u>	<u>195,946</u>	<u>181,368</u>
<b>Expenses</b>					
Interest expense . . . . .	199,120	—	2,558	201,678	186,665
Other expense . . . . .	65	—	—	65	38
	<u>199,185</u>	<u>—</u>	<u>2,558</u>	<u>201,743</u>	<u>186,703</u>
Net Income (Loss) . . . . .	<u>(171,951)</u>	<u>90,472</u>	<u>75,682</u>	<u>(5,797)</u>	<u>(5,335)</u>

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

**Enhanced Structural Adjustment Facility Trust**  
**Statement of Changes in Resources**  
**for the Years Ended April 30, 1999 and 1998**

(In thousands of SDRs)  
(Note 1)

	Loan Account	Reserve Account	Subsidy Account	Combined 1999	Combined 1998
Balance, beginning of the year . . . . .	—	2,089,814	1,623,882	3,713,696	3,332,746
Contributions (Note 3) . . . . .	—	—	182,865	182,865	143,693
Transfers from the Special Disbursement Account	—	249,365	—	249,365	303,581
Transfers through the Special Disbursement Account to the ESAF-HIPC Trust (Note 6) . . . . .	—	(41,141)	—	(41,141)	(60,989)
Net transfers between:					
Loan and Reserve Accounts . . . . .	17,904	(17,904)	—	—	—
Loan and Subsidy Accounts . . . . .	154,047	—	(154,047)	—	—
Net income (loss) . . . . .	(171,951)	90,472	75,682	(5,797)	(5,335)
Balance, end of the year . . . . .	<u>—</u>	<u>2,370,606</u>	<u>1,728,382</u>	<u>4,098,988</u>	<u>3,713,696</u>

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

**Enhanced Structural Adjustment Facility Trust**  
**Notes to the Financial Statements**  
**as at April 30, 1999 and 1998**

***Purpose***

The Enhanced Structural Adjustment Facility Trust (“the 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 separate 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.

***Loan Account***

The resources of the Loan Account consist of the proceeds from borrowing, repayments of principal, and interest payments on loans extended by the Trust. Resources of the Loan Account are committed to qualifying members for a three-year period, upon approval by the Trustee, 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. At April 30, 1999, loans totaling SDR 5,717.9 million were outstanding (SDR 5,269.6 million at April 30, 1998). Members’ outstanding loans are presented in Schedule I.

***Reserve Account***

The Reserve Account consists of amounts transferred by the IMF from the Special Disbursement Account and net earn-

ings from investment of resources held in the Reserve Account and in the Loan Account.

The Resources held in the Reserve Account are to be used by the Trustee, in the event that 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 ESAF Administered Accounts, SDR 400 million transferred by the IMF from the Special Disbursement Account, net earnings on loans made to the Trust for the Subsidy Account, and the net earnings from investment of Subsidy Account resources.

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

***I. Accounting Practices***

The accounts are expressed in terms of the SDR. 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 a basket of currencies of five members. As of January 1, 1999, the deutsche mark and the French franc were substituted by

the euro in the SDR valuation basket. The currencies in the basket and their amounts are as follows:

Currency	Amounts	
	To December 31, 1998	From January 1, 1999
Deutsche mark/euro as of January 1, 1999	0.446	0.228
French franc/euro as of January 1, 1999	0.813	0.1239
Japanese yen	27.2	27.2
Pound sterling	0.105	0.105
U.S. dollar	0.582	0.5821

Members are not obligated to maintain the SDR value of their currencies held in the accounts of the Trust.

The accounts 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. Further discussions of specific accounting principles and disclosure practices have been included in other notes .

## 2. Investments

The resources of the Trust are invested pending their use. Investments are denominated in SDRs or in currency and are carried at cost, which does not exceed net realizable value. Pending their investment, resources may be temporarily held in currency, which also may give rise to valuation gains and losses.

## 3. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trust and the contributor. At April 30, 1999, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,049.6 million (SDR 1,866.7 million at April 30, 1998). Cumulative contributions are listed in Schedule 2.

## 4. Borrowing

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.

Schedules 3 and 4 present lenders' borrowing agreements and scheduled repayments of outstanding borrowing, respectively. The following summarizes the borrowing agreements concluded as of April 30, 1999:

	Amount Agreed	Amount Undrawn
<i>In thousands of SDRs</i>		
Loan Account	9,498,403	2,763,671
Subsidy Account	243,481	5,998

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.

## 5. Commitments Under Loan Arrangements

At April 30, 1999, undrawn balances under 35 loan arrangements amounted to SDR 2,156.1 million (SDR 2,164.5 million under 33 arrangements at April 30, 1998). Loan arrangements are listed in Schedule 5. Scheduled repayments of outstanding loans receivable are shown in Schedule 6.

## 6. 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 through the Special Disbursement Account; corresponding transfers are made from the Reserve Account to the Special Disbursement Account when and to the extent needed. For financial years 1999 and 1998, 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 ESAF-HIPC Trust. The amounts transferred for financial years 1999 and 1998 were SDR 41.1 million and SDR 40.7 million, respectively.

Resources of up to SDR 250 million may be transferred, as needed, from the Reserve Account through the Special Disbursement Account to the ESAF-HIPC Trust to be used to provide grant or loans to eligible members under the HIPC initiative. At April 30, 1999, SDR 20.3 million had been transferred for this purpose (SDR 20.3 million at April 30, 1998).

**Enhanced Structural Adjustment Facility Trust**  
**Schedule of Outstanding Loans**  
**as at April 30, 1999**

*(In thousands of SDRs)*

Member	ESAF Loan Account		Structural Adjustment Facility <sup>1</sup>	
	Balance	Percent	Balance	Percent
Albania	41,983	0.73	—	—
Armenia, Republic of	88,425	1.55	—	—
Azerbaijan	76,050	1.33	—	—
Bangladesh	182,250	3.19	1,869	0.28
Benin	56,277	0.98	11,271	1.67
Bolivia	174,928	3.06	4,535	0.67
Burkina Faso	60,730	1.06	17,380	2.57
Burundi	12,260	0.21	854	0.13
Cambodia	42,000	0.73	—	—
Cameroon	108,080	1.89	—	—
Central African Republic	8,240	0.14	1,824	0.27
Chad	49,560	0.87	2,754	0.41
Comoros	—	—	1,800	0.27
Congo, Democratic Republic of	—	—	142,910	21.13
Congo, Republic of	13,896	0.24	—	—
Côte d'Ivoire	457,344	8.00	—	—
Equatorial Guinea	1,393	0.02	5,967	0.88
Ethiopia	29,490	0.52	43,066	6.36
Gambia, The	7,088	0.12	227	0.03
Georgia	138,750	2.43	—	—
Ghana	216,767	3.79	13,292	1.96
Guinea	88,309	1.54	—	—
Guinea-Bissau	10,500	0.18	225	0.03
Guyana	82,602	1.45	21,402	3.16
Haiti	15,175	0.27	—	—
Honduras	91,038	1.59	—	—
Kenya	119,675	2.09	16,330	2.41
Kyrgyz Republic	118,530	2.07	—	—
Lao People's Democratic Republic	34,603	0.61	8,204	1.21
Lesotho	14,194	0.25	1,359	0.20
Macedonia, former Yugoslav Republic of	27,281	0.48	—	—
Madagascar	32,301	0.56	7,636	1.13
Malawi	56,717	0.99	4,278	0.63
Mali	129,053	2.26	11,176	1.65
Mauritania	73,583	1.29	3,067	0.45
Mongolia	34,318	0.60	—	—
Mozambique	139,913	2.45	—	—
Nepal	14,547	0.25	1,492	0.22
Nicaragua	101,705	1.78	—	—
Niger	50,718	0.89	446	0.07
Pakistan	437,570	7.65	98,334	14.53
Rwanda	23,800	0.42	3,504	0.52
São Tomé and Príncipe	—	—	80	0.01
Senegal	195,756	3.43	3,042	0.45
Sierra Leone	96,848	1.69	27,020	3.99
Somalia	—	—	8,840	1.31
Sri Lanka	212,800	3.72	20,079	2.97
Tajikistan, Republic of	40,300	0.70	—	—
Tanzania	211,060	3.69	4,280	0.63
Togo	62,940	1.10	4,416	0.65
Uganda	266,808	4.67	1,992	0.29
Vietnam	241,600	4.23	—	—
Yemen, Republic of	124,000	2.17	—	—
Zambia	671,681	11.75	181,750	26.86
Zimbabwe	132,450	2.32	—	—
Total loans outstanding	<u>5,717,886</u>	<u>100.00</u>	<u>676,701</u>	<u>100.00</u>

<sup>1</sup>Since Structural Adjustment Facility (SAF) loans have been disbursed in connection with ESAF 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 ESAF Reserve Account when received.

**Enhanced Structural Adjustment Facility Trust**  
**Contributions to and Resources of the Subsidy Account**  
**as at April 30, 1999**

*(In thousands of SDRs)*

Contributor <sup>1</sup>	Amount
<b>Direct Contributions to the Subsidy Account</b>	
Argentina	11,333
Australia	1,114
Bangladesh	235
Canada	128,598
China	5,000
Czech Republic	5,000
Denmark	44,419
Egypt	5,000
Finland	22,684
Germany	114,293
Iceland	2,400
India	3,458
Italy	131,280
Japan	427,367
Korea	29,318
Luxembourg	4,468
Morocco	3,509
Netherlands	73,489
Norway	27,164
Sweden	110,887
Switzerland	16,480
Turkey	1,000
United Kingdom	264,895
United States	89,939
Total direct contributions to the Subsidy Account	<u>1,523,330</u>
<b>Net Income Transferred from the ESAF Administered Accounts</b>	
Austria	33,141
Belgium	65,306
Botswana	770
Chile	2,156
Greece	21,073
Indonesia	2,161
Iran, Islamic Republic of	495
Portugal	1,141
Total net income transferred from the ESAF Administered Accounts	<u>126,243</u>
Total contributions received	1,649,573
Transfers from the Special Disbursement Account	<u>400,000</u>
Total contributions received and transfers from the Special Disbursement Account	2,049,573
Cumulative net income of the Subsidy Account	524,261
Resources disbursed to subsidize ESAF Trust lending	<u>(845,452)</u>
Total resources of the Subsidy Account	<u>1,728,382</u>

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

**Enhanced Structural Adjustment Facility Trust**  
**Schedule of Borrowing Agreements**  
**as at April 30, 1999**

*(In thousands of SDRs)*

Member	Interest Rate	Amount of Agreement	Amount Drawn	Outstanding Balance
<b>Loan Account</b>				
Prior to enlargement of ESAF				
Canada	Fixed <sup>1</sup>	300,000	300,000	257,585
France	0.50 <sup>2</sup>	800,000	800,000	566,769
Germany	Variable <sup>3</sup>	700,000	700,000	569,633
Italy	Variable <sup>3</sup>	370,000	370,000	332,679
Japan	Variable <sup>3</sup>	2,200,000	2,200,000	1,841,374
Korea	Variable <sup>3</sup>	65,000	65,000	55,073
Norway	Variable <sup>3</sup>	90,000	90,000	75,260
Spain	Variable <sup>3</sup>	220,000	216,429 <sup>4</sup>	144,544
Switzerland	—	200,000	200,000	16,205
Total prior to enlargement of ESAF		<u>4,945,000</u>	<u>4,941,429</u>	<u>3,859,122</u>
For enlargement of ESAF				
Canada	Variable <sup>3</sup>	200,000	121,376	121,376
China	Variable <sup>3</sup>	100,000	68,580	68,580
Egypt	Variable <sup>3</sup>	100,000	67,943	67,943
France	Variable <sup>3</sup>	750,000	391,005	391,005
Germany	Variable <sup>3</sup>	700,000	261,384	261,384
Italy	Variable <sup>3</sup>	210,000	65,154	65,154
Japan	Variable <sup>3</sup>	2,150,000	622,866	622,866
Korea	Variable <sup>3</sup>	27,700	9,094	9,094
Norway	Variable <sup>3</sup>	60,000	29,945	29,945
OPEC Fund for International Development	Variable <sup>3</sup>	37,003 <sup>5</sup>	12,785	12,785
Spain	0.50	67,000	30,343	30,343
Switzerland	Variable <sup>3</sup>	151,700	109,258	109,258
Total for enlargement of ESAF		<u>4,553,403</u>	<u>1,789,733</u>	<u>1,789,733</u>
Resources held pending repayment		—	—	303,001 <sup>6</sup>
Total—Loan Account		<u>9,498,403</u>	<u>6,731,162</u>	<u>5,951,856</u>
<b>Subsidy Account</b>				
Malaysia (1994 loans)	2.00	40,000	40,000	40,000
Malaysia (1988 and 1989 loans)	0.50	40,000	40,000	10,000
Malta	0.50	2,730	2,730	2,730
Pakistan	0.50	10,000	4,002	4,002
Singapore	2.00	80,000	80,000	70,000
Thailand	2.00 <sup>7</sup>	60,000	60,000	—
Tunisia	0.50	3,551	3,551	3,551
Uruguay	Variable <sup>8</sup>	7,200	7,200	7,200
Total—Subsidy Account		<u>243,481</u>	<u>237,483</u>	<u>137,483</u>

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

<sup>2</sup>The agreement with France made before the enlargement of ESAF (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 ESAF (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.

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

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

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

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

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

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

**Enhanced Structural Adjustment Facility Trust**  
**Schedule of Repayments of Borrowing**  
**as at April 30, 1999**

*(In thousands of SDRs)*

Periods of Repayment, Financial Year Ending April 30 <sup>1</sup>	Loan Account <sup>1</sup>	Subsidy Account
2000	393,077	20,000
2001	466,532	10,000
2002	494,968	10,000
2003	524,090	1,365
2004	704,176	—
2005	815,351	90,751
2006	1,372,666	—
2007	716,553	—
2008	330,441	1,365
2009	134,002	—
2010	—	2,668
2014	—	667
2015	—	667
Total	<u>5,951,856</u>	<u>137,483</u>

<sup>1</sup>Repayment periods are as provided in the borrowing agreements between the Trustee and lenders, including maximum periods for those repayments that are to be held in suspense, as agreed with the lender. See Note 4.

**Enhanced Structural Adjustment Facility Trust**  
**Status of Loan Arrangements<sup>1</sup>**  
**as at April 30, 1999**

*(In thousands of SDRs)*

Member	Date of Arrangement	Expiration	Amount Agreed	Undrawn Balance
Albania	May 13, 1998	May 12, 2001	35,300	23,530
Armenia, Republic of	Feb. 14, 1996	Dec. 20, 1999	109,350	20,925
Azerbaijan	Dec. 20, 1996	Jan. 24, 2000	93,600	17,550
Benin	Aug. 28, 1996	Jan. 7, 2000	27,180	14,496
Bolivia	Sep. 18, 1998	Sep. 17, 2001	100,960	84,134
Burkina Faso	June 14, 1996	Sep. 13, 1999	39,780	6,630
Cameroon	Aug. 20, 1997	Aug. 19, 2000	162,120	54,040
Central African Republic	July 20, 1998	July 19, 2001	49,440	41,200
Congo, Republic of	June 28, 1996	June 27, 1999	69,480	55,584
Côte d'Ivoire	Mar. 17, 1998	Mar. 16, 2001	285,840	161,976
Ethiopia	Oct. 11, 1996	Oct. 22, 1999	88,470	58,980
Gambia, The	June 29, 1998	June 28, 2001	20,610	17,175
Georgia	Feb. 28, 1996	July 26, 1999	166,500	27,750
Ghana	June 30, 1995	June 29, 1999	164,400	27,400
Guinea	Jan. 13, 1997	Jan. 12, 2000	70,800	23,600
Guyana	July 15, 1998	July 14, 2001	53,760	44,800
Haiti	Oct. 18, 1996	Oct. 17, 1999	91,050	75,875
Honduras	Mar. 26, 1999	Mar. 25, 2002	156,750	96,900
Kyrgyz Republic	June 26, 1998	June 25, 2001	73,380	43,000
Macedonia, former Yugoslav Republic of	Apr. 11, 1997	Apr. 10, 2000	54,560	27,279
Madagascar	Nov. 27, 1996	Nov. 26, 1999	81,360	54,240
Malawi	Oct. 18, 1995	Dec. 16, 1999	50,960	7,635
Mali	Apr. 10, 1996	Aug. 5, 1999	62,010	—
Mongolia	July 30, 1997	July 29, 2000	33,390	27,825
Mozambique	June 21, 1996	Aug. 24, 1999	75,600	12,600
Nicaragua	Mar. 18, 1998	Mar. 17, 2001	148,955	67,270
Niger	June 12, 1996	Aug. 27, 1999	57,960	9,660
Pakistan	Oct. 20, 1997	Oct. 19, 2000	682,380	417,010
Rwanda	June 24, 1998	June 23, 2001	71,400	47,600
Senegal	Apr. 20, 1998	Apr. 19, 2001	107,010	71,340
Tajikistan, Republic of	June 24, 1998	June 23, 2001	100,300	60,000
Tanzania	Nov. 8, 1996	Feb. 7, 2000	181,590	29,380
Uganda	Nov. 10, 1997	Nov. 9, 2000	100,425	43,518
Yemen, Republic of	Oct. 29, 1997	Oct. 28, 2000	264,750	140,750
Zambia	Mar. 25, 1999	Mar. 24, 2002	254,450	244,450
			<u>4,185,870</u>	<u>2,156,102</u>

<sup>1</sup>The Saudi Fund for Development may also provide resources to support arrangements under the ESAF through loans to qualifying members in association with loans under the ESAF. As at April 30, 1999, SDR 49.5 million of such associated loans had been disbursed.

**Enhanced Structural Adjustment Facility Trust**  
**Schedule of Repayments of Loans Receivable**  
**as at April 30, 1999**

*(In thousands of SDRs)*

Periods of Repayment, Financial Year Ending April 30	Loan Account
2000	461,799
2001	511,686
2002	680,726
2003	722,241
2004	834,998
2005	842,367
2006	730,856
2007	468,770
2008	330,441
2009	134,002
Total	<u>5,717,886</u>



II. FINANCIAL STATEMENTS  
OF THE ENHANCED STRUCTURAL ADJUSTMENT  
FACILITY ADMINISTERED ACCOUNTS



## Enhanced Structural Adjustment Facility Administered Accounts

### Balance Sheets as at April 30, 1999 and 1998

(In thousands of SDRs)  
(Note 1)

	Austria		Belgium		Botswana		Chile	
	1999	1998	1999	1998	1999	1998	1999	1998
<b>Assets</b>								
Investments (Note 2) . . . . .	50,000	62,000	180,000	180,000	6,894	6,894	15,000	15,000
Interest receivable . . . . .	117	1,736	3,443	1,521	57	71	601	557
Advance payments to the ESAF Subsidy Account . . . . .	85	—	—	—	58	44	—	—
Total Assets . . . . .	<u>50,202</u>	<u>63,736</u>	<u>183,443</u>	<u>181,521</u>	<u>7,009</u>	<u>7,009</u>	<u>15,601</u>	<u>15,557</u>
<b>Resources and Liabilities</b>								
Resources . . . . .	—	1,496	3,287	1,365	—	—	557	514
Deposits (Note 3) . . . . .	50,000	62,000	180,000	180,000	6,894	6,894	15,000	15,000
Interest payable . . . . .	202	240	156	156	115	115	44	43
Total Resources and Liabilities . . . . .	<u>50,202</u>	<u>63,736</u>	<u>183,443</u>	<u>181,521</u>	<u>7,009</u>	<u>7,009</u>	<u>15,601</u>	<u>15,557</u>
<hr/>								
	Greece		Indonesia		Iran, I. R. of		Portugal	
	1999	1998	1999	1998	1999	1998	1999	1998
<b>Assets</b>								
Investments (Note 2) . . . . .	35,000	42,000	25,000	25,000	5,000	4,000	10,955	8,764
Interest receivable . . . . .	1,127	1,334	770	764	41	41	100	40
Advance payments to the ESAF Subsidy Account . . . . .	—	—	—	—	—	—	—	2
Total Assets . . . . .	<u>36,127</u>	<u>43,334</u>	<u>25,770</u>	<u>25,764</u>	<u>5,041</u>	<u>4,041</u>	<u>11,055</u>	<u>8,806</u>
<b>Resources and Liabilities</b>								
Resources . . . . .	1,112	1,295	272	286	18	23	47	—
Deposits (Note 3) . . . . .	35,000	42,000	25,000	25,000	5,000	4,000	10,955	8,764
Interest payable . . . . .	15	39	498	478	23	18	53	42
Total Resources and Liabilities . . . . .	<u>36,127</u>	<u>43,334</u>	<u>25,770</u>	<u>25,764</u>	<u>5,041</u>	<u>4,041</u>	<u>11,055</u>	<u>8,806</u>

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

/s/ David Williams  
Treasurer

/s/ M. Camdessus  
Managing Director

**Enhanced Structural Adjustment Facility Administered Accounts**  
**Income Statements**  
**for the Years Ended April 30, 1999 and 1998**

*(In thousands of SDRs)*  
 (Note 1)

	Austria		Belgium		Botswana		Chile	
	1999	1998	1999	1998	1999	1998	1999	1998
Investment income . . . . .	2,378	2,808	8,039	7,869	265	287	685	636
Interest expense on deposits . . . . .	256	335	900	900	138	138	75	75
Net Income . . . . .	2,122	2,473	7,139	6,969	127	149	610	561
	Greece		Indonesia		Iran, I. R. of		Portugal	
	1999	1998	1999	1998	1999	1998	1999	1998
Investment income . . . . .	1,647	1,886	1,095	1,059	188	163	433	374
Interest expense on deposits . . . . .	177	223	595	558	25	20	54	43
Net Income . . . . .	1,470	1,663	500	501	163	143	379	331

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

**Enhanced Structural Adjustment Facility Administered Accounts**  
**Statements of Changes in Resources**  
**for the Years Ended April 30, 1999 and 1998**

*(In thousands of SDRs)*  
 (Note 1)

	Austria		Belgium		Botswana		Chile	
	1999	1998	1999	1998	1999	1998	1999	1998
Balance, beginning of the year . . . . .	1,496	491	1,365	717	—	—	514	327
Net income . . . . .	2,122	2,473	7,139	6,969	127	149	610	561
Transfers to the ESAF Trust Subsidy Account	(3,618)	(1,468)	(5,217)	(6,321)	(127)	(149)	(567)	(374)
Balance, end of the year . . . . .	—	1,496	3,287	1,365	—	—	557	514
	Greece		Indonesia		Iran, I. R. of		Portugal	
	1999	1998	1999	1998	1999	1998	1999	1998
Balance, beginning of the year . . . . .	1,295	498	286	—	23	15	—	—
Net income . . . . .	1,470	1,663	500	501	163	143	379	331
Transfers to the ESAF Trust Subsidy Account	(1,653)	(866)	(514)	(215)	(168)	(135)	(332)	(331)
Balance, end of the year . . . . .	1,112	1,295	272	286	18	23	47	—

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

**Enhanced Structural Adjustment Facility Administered Accounts  
Saudi Fund for Development Special Account**

**Statement of Receipts and Uses of Resources  
as at April 30, 1999 and 1998**

*(In thousands of SDRs)  
(Note 1)*

	<u>1999</u>	<u>1998</u>
<b>Receipts of Resources</b>		
Cumulative transfers from the Saudi Fund for Development .....	49,500	49,500
Cumulative repayments of associated loans .....	9,350	5,450
Cumulative receipts of interest on associated loans .....	1,302	1,082
Accrued interest on associated loans .....	68	75
	<u>60,220</u>	<u>56,107</u>
<b>Uses of Resources</b>		
Associated loans (Note 4) .....	49,500	49,500
Cumulative repayments to the Saudi Fund for Development .....	9,350	5,450
Cumulative payments of interest on transfers .....	1,302	1,082
Accrued interest on transfers .....	68	75
	<u>60,220</u>	<u>56,107</u>

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

**Enhanced Structural Adjustment Facility Administered Accounts  
Notes to the Financial Statements  
as at April 30, 1999 and 1998**

***Purpose***

At the request of certain member countries, the IMF established administered accounts for the benefit of the Subsidy Account of the Enhanced Structural Adjustment Facility Trust (the ESAF 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 ESAF 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 Enhanced Structural Adjustment Facility (ESAF). The IMF acts as agent of the SFD. Disbursements from the SFD Special Account are made simultaneously with ESAF 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 separate 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.

***1. Accounting Practices***

The accounts are expressed in terms of the SDR. 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 a basket of currencies of five members. As of January 1, 1999, the deutsche mark and the French franc were substituted by the euro in the SDR valuation basket. The currencies in the basket and their amounts are as follows:

<u>Currency</u>	<u>Amounts</u>	
	<u>To December 31, 1998</u>	<u>From January 1, 1999</u>
Deutsche mark/euro as of January 1, 1999	0.446	0.228
French franc/euro as of January 1, 1999	0.813	0.1239
Japanese yen	27.2	27.2
Pound sterling	0.105	0.105
U.S. dollar	0.582	0.5821

The administered accounts are maintained on the accrual basis; accordingly, income is recognized as it is earned, and expenses are recorded as they are incurred. Further discussions of specific accounting principles and disclosure practices have been included in other notes.

***2. Investments***

The resources of each administered account are invested in SDR-denominated deposits and valued at cost, which approximates market value.

### **3. 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 as of April 30, 1999.

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 date 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 as of July 24, 1998, the maturities of the first three deposits will be extended by the National Bank of Belgium, for further periods of six months, provided that the total maturity period of each deposit does not exceed five years. The deposits shall be invested by the IMF, and the IMF shall pay 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) shall be retained in the account and invested, pending further disposition by the National Bank of Belgium.

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 Chile was established on October 4, 1994 for the administration of resources deposited in the account by the Banco Central de Chile. The deposit, totaling SDR 15.0 million, is to be repaid in one installment ten years after the date of deposit. The deposit bears interest at a rate of  $\frac{1}{2}$  of 1 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 had been repaid in full as of April 30, 1999.

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.

### **4. Associated Loans**

The SFD has provided resources to support arrangements under the ESAF through loans in association with loans under the ESAF. 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 an ESAF arrangement. These loans are repayable in ten equal semiannual installments commencing not later than the end of the first six months of the sixth year, and are to be completed at the end of the tenth year after the date of disbursement. Interest on the outstanding balance is currently set at a rate of  $\frac{1}{2}$  of 1 percent a year.

III. FINANCIAL STATEMENTS  
OF THE ESAF-HIPC TRUST



**ESAF-HIPC Trust**  
**Balance Sheet**  
**as at April 30, 1999 and 1998**

*(In thousands of SDRs)*  
*(Note 1)*

	ESAF-HIPC Trust Account	Umbrella Account for HIPC Operations	Combined 1999	Combined 1998
<b>Assets</b>				
Investments (Note 2) . . . . .	119,297	57,822	177,119	70,750
Transfer receivable (Note 3) . . . . .	20,377	—	20,377	40,700
Interest receivable . . . . .	1,933	939	2,872	149
Total Assets . . . . .	<u>141,607</u>	<u>58,761</u>	<u>200,368</u>	<u>111,599</u>
<b>Resources and Liabilities</b>				
Resources . . . . .	99,651	58,761	158,412	95,987
Deposits (Note 4) . . . . .	41,607	—	41,607	15,607
Interest payable . . . . .	349	—	349	5
Total Resources and Liabilities . . . . .	<u>141,607</u>	<u>58,761</u>	<u>200,368</u>	<u>111,599</u>

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

/s/ David Williams  
*Treasurer*

/s/ M. Camdessus  
*Managing Director*

**ESAF-HIPC Trust**  
**Income Statement and Changes in Resources**  
**for the Years Ended April 30, 1999 and 1998**

*(In thousands of SDRs)*  
*(Note 1)*

	ESAF-HIPC Trust Account	Umbrella Account for HIPC Operations	Combined 1999	Combined 1998
Balance, beginning of the year . . . . .	44,374	51,613	95,987	2,277
Transfers (Note 3) . . . . .	54,428	—	54,428	60,989
Contributions received (Note 3) . . . . .	19,108	21,249	40,357	83,442
HIPC grants (Note 5) . . . . .	(21,249)	—	(21,249)	(51,514)
Disbursements (Note 5) . . . . .	—	(16,570)	(16,570)	—
Income earned on investments (Note 2) . . . . .	3,632	2,469	6,101	1,090
Interest expense on deposits (Note 4) . . . . .	(642)	—	(642)	(297)
Net changes in resources . . . . .	<u>55,277</u>	<u>7,148</u>	<u>62,425</u>	<u>93,710</u>
Balance, end of the year . . . . .	<u>99,651</u>	<u>58,761</u>	<u>158,412</u>	<u>95,987</u>

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

**ESAF-HIPC Trust**  
**Notes to the Financial Statements**  
**as at April 30, 1999 and 1998**

**Purpose**

The Trust for Special ESAF Operations for the Heavily Indebted Poor Countries and for Interim ESAF Subsidy Operations (“the ESAF-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 ESAF subsidy purposes. The resources of the ESAF-HIPC Trust are separate 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 ESAF-HIPC Trust are conducted through the ESAF-HIPC Trust Account and the Umbrella Account for HIPC Operations.

*ESAF-HIPC Trust Account*

The resources of the ESAF-HIPC Trust Account consist of grant contributions, deposits, 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 ESAF-HIPC Trust Account.

The resources held in the ESAF-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 ESAF operations to ESAF-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 ESAF-HIPC Trust. Within the Umbrella Account, resources received are administered through the establishment of subaccounts for each eligible member upon the approval of a disbursement under the ESAF-HIPC Trust.

The resources of a subaccount of the Umbrella Account consist of (i) amounts disbursed from the ESAF-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 subaccount.

The resources held in a subaccount of the Umbrella Account are to be used to meet the member’s debt obligations to the IMF in accordance with the schedule agreed upon by the Trustee and the member for the use of the proceeds of the ESAF-HIPC disbursements.

**1. Accounting Practices**

The accounts are expressed in terms of the SDR. 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 a basket of currencies of five members. As of January 1, 1999, the deutsche mark and the French franc were substituted by

the euro in the SDR valuation basket. The currencies in the basket and their amounts are as follows:

Currency	Amounts	
	To December 31, 1998	From January 1, 1999
Deutsche mark/euro as of January 1, 1999	0.446	0.228
French franc/euro as of January 1, 1999	0.813	0.1239
Japanese yen	27.2	27.2
Pound sterling	0.105	0.105
U.S. dollar	0.582	0.5821

Members are not obligated to maintain the SDR value of their currencies held in the accounts of the ESAF-HIPC Trust.

The accounts of the ESAF-HIPC Trust are maintained on the accrual basis; accordingly, income is recognized as it is earned, and expenses are recorded as they are incurred. Further discussions of specific accounting principles and disclosure practices have been included in other notes.

**2. Investments**

The resources of the ESAF-HIPC Trust are invested pending their use. Investments are denominated in SDRs or in currency and are carried at cost, which does not exceed net realizable value. Pending their investment, resources may be temporarily held in currency, which also may give rise to valuation gains and losses.

**3. Contributions and Transfers**

*ESAF-HIPC Trust Account*

The Trustee accepts contributions of resources on such terms and conditions as agreed between the ESAF-HIPC Trust and the contributor. At April 30, 1999, six contributions amounting to SDR 53.3 million had been received (four contributions amounting to SDR 34.2 million at April 30, 1998): SDR 2.3 million from Finland; SDR 1.1 million from Nigeria; SDR 27.2 million and SDR 19.1 million, respectively, from Japan; SDR 3.6 million from the Netherlands; and SDR 20,000 from Belize. The contribution from the Netherlands is earmarked for interim ESAF subsidy operations.

Total transfers from the ESAF Trust Reserve Account through the Special Disbursement Account amounted to SDR 102.1 million at April 30, 1999 (SDR 61.0 million at April 30, 1998). At April 30, 1999, there was a transfer due from the General Resources Account amounting to SDR 13.3 million (no transfers had been made at April 30, 1998).

*Umbrella Account*

The Umbrella Account receives the proceeds of grants or loans disbursed by the ESAF-HIPC Trust on behalf of an eli-

gible member. Two grants amounting to SDR 51.5 million and SDR 21.2 million had been received on behalf of Uganda and Bolivia, respectively, at April 30, 1999 (one grant of SDR 51.5 million at April 30, 1998).

#### **4. Deposits**

##### *ESAF-HIPC Trust Account*

The Trustee accepts deposits, loans, and other types of investments made by contributors to the ESAF-HIPC Trust on such terms and conditions as agreed between the ESAF-HIPC Trust and the Contributor. At April 30, 1999, five deposits amounting to SDR 41.6 million had been received by the ESAF-HIPC Trust Account (two deposits amounting to SDR 15.6 million at April 30, 1998). The first deposit of SDR 14.6 million bears interest at a rate of 2 percent a year and is to be repaid in one installment five years after the date of deposit, made on April 30, 1997. Two deposits of SDR 1 million each, which bear interest at a rate of  $\frac{1}{2}$  of 1 percent a year and are to be repaid in one installment ten years after the date of the initial deposit, were made on May 30, 1997 and May 30, 1998, respectively. The fourth and fifth deposits of SDR 15 million and SDR 10 million, respectively, bear interest at a rate of 2 percent a year and are to be repaid in one installment ten years after the date of the

deposit, made on June 29, 1998 and November 20, 1998, respectively.

#### **5. Disbursements**

##### *ESAF-HIPC Trust Account*

The proceeds of grants or loans made on behalf of an eligible member will be paid in a single disbursement to the Umbrella Account for the benefit of that member. Resources needed for interim ESAF subsidy operations will be drawn by the Trustee as needed. At April 30, 1999, two disbursements of SDR 51.5 million and SDR 21.2 million had been made to the Umbrella Account for the benefit of Uganda and Bolivia, respectively (one disbursement of SDR 51.5 million at April 30, 1998).

##### *Umbrella Account*

The resources of a subaccount within the Umbrella Account, including any income from investments, shall be used to meet the member's debt-service payments on its existing debt to the IMF as they fall due in accordance with the schedule agreed upon by the Trustee and the member. At April 30, 1999, disbursements of SDR 9.8 million and SDR 6.8 million had been made from the subaccounts of Uganda and Bolivia, respectively, in accordance with the agreed schedules (no disbursements had been made at April 30, 1998).



IV. FINANCIAL STATEMENTS  
OF ADMINISTERED ACCOUNTS  
ESTABLISHED AT THE REQUEST OF MEMBERS



**Administered Accounts**  
**Established at the Request of Members**  
**Balance Sheets**  
**as at April 30, 1999 and 1998**

(Note 1)

	Administered Account Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account for Rwanda	
	1999	1998	1999	1998	1999	1998	1999	1998
	<i>(In thousands of U.S. dollars)</i>				<i>(In thousands of SDRs)</i>			
<b>Assets</b>								
Investments (Note 2) . . . . .	101,800	96,700	25,997	20,634	4,798	3,389	480	788
Currency deposit . . . . .	98	83	—	—	—	—	—	—
Interest receivable . . . . .	—	—	—	—	—	—	4	8
Total Assets . . . . .	<u>101,898</u>	<u>96,783</u>	<u>25,997</u>	<u>20,634</u>	<u>4,798</u>	<u>3,389</u>	<u>484</u>	<u>796</u>
<b>Resources</b>								
Total Resources . . . . .	<u>101,898</u>	<u>96,783</u>	<u>25,997</u>	<u>20,634</u>	<u>4,798</u>	<u>3,389</u>	<u>484</u>	<u>796</u>

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

/s/ David Williams  
*Treasurer*

/s/ M. Camdessus  
*Managing Director*

**Administered Accounts**  
**Established at the Request of Members**  
**Income Statements and Changes in Resources**  
**for the Years Ended April 30, 1999 and 1998**

(Note 1)

	Administered Account Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account for Rwanda	
	1999	1998	1999	1998	1999	1998	1999	1998
	<i>(In thousands of U.S. dollars)</i>				<i>(In thousands of SDRs)</i>			
Balance, beginning of the year	96,783	91,561	20,634	14,996	3,389	3,029	796	1,129
Contributions . . . . .	—	—	24,988	18,868	4,712	2,961	—	—
Income earned on investments (Note 2) . . . . .	5,115	5,222	1,359	1,073	233	177	24	38
	<u>101,898</u>	<u>96,783</u>	<u>46,981</u>	<u>34,937</u>	<u>8,334</u>	<u>6,167</u>	<u>820</u>	<u>1,167</u>
Payments to beneficiaries . . . . .	—	—	20,984	14,303	3,536	2,778	336	371
Balance, end of the year . . . . .	<u>101,898</u>	<u>96,783</u>	<u>25,997</u>	<u>20,634</u>	<u>4,798</u>	<u>3,389</u>	<u>484</u>	<u>796</u>

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

## Administered Accounts Established at the Request of Members

### Notes to the Financial Statements as at April 30, 1999 and 1998

#### *Purpose*

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. At April 30, 1999 and 1998, cumulative resources received amounted to \$135.2 million, of which \$72.5 million had been disbursed.

#### *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. At April 30, 1999, cumulative contributions received by the account designated for technical assistance amounted to \$122.3 million, of which \$101.4 million had been disbursed (\$98.2 million and \$81.3 million, respectively, at April 30, 1998).

Cumulative contributions include \$5.9 million earmarked for scholarships, of which \$5.6 million had been disbursed at April 30, 1999 (\$4.7 million and \$4.4 million, respectively, at April 30, 1998). At April 30, 1999, cumulative contributions designated for the OAP amounted to \$2.2 million, of which \$2.0 million had been disbursed (\$1.2 million and \$1.0 million, respectively, at April 30, 1998).

#### *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.

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. At April 30, 1999, cumulative contributions received by the account amounted to \$11.8 million, of which \$7.5 million had been disbursed (\$7.1 million and \$4.0 million, respectively, at April 30, 1998).

#### *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. At April 30, 1999, cumulative contributions received amounted to \$4.3 million, of which \$2.7 million had been disbursed (\$2.9 million and \$1.3 million, respectively, at April 30, 1998).

#### *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. At April 30, 1999, cumulative contributions received amounted to \$1.5 million, of which \$1.5 million had been disbursed (\$1.5 million and \$1.3 million, respectively, at April 30, 1998).

#### *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. At April 30, 1999, cumulative contributions received amounted to \$0.7 million, of which \$0.5 million had been disbursed (\$0.5 million and \$0.3 million, respectively, at April 30, 1998).

#### *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. At April 30, 1999,

cumulative contributions received amounted to \$4.6 million, of which \$2.3 million had been disbursed (\$2.0 million and \$0.9 million, respectively, at April 30, 1998).

#### *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. At April 30, 1999, cumulative contributions received amounted to \$0.26 million, of which \$0.22 million had been disbursed (\$0.26 million and \$0.13 million, respectively, at April 30, 1998).

#### *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. At April 30, 1999, cumulative contributions received amounted to \$0.47 million, of which \$0.19 million had been disbursed.

#### *Administered Account for Rwanda*

At the request of the Netherlands, Sweden, and the United States (“the donor countries”), the IMF established an account on October 27, 1995 to administer resources contributed by the donor countries to provide grants to Rwanda. These grants are to be used for reimbursing the service charge and reducing, to the equivalent of a rate of ½ of 1 percent a year, the rate of the quarterly charges payable by Rwanda on its use of the IMF’s financial resources under the Compensatory and Contingency Financing Facility (CCFF). At April 30, 1999, cumulative contributions received by the account amounted to SDR 1.54 million, of which SDR 1.19 million had been disbursed (SDR 1.54 million and SDR 0.86 million, respectively, at April 30, 1998).

### *1. Accounting Practices*

The accounts are maintained on the accrual basis; accordingly, income is recognized as it is earned, and expenses are recorded as they are incurred. Further discussions of specific accounting principles and disclosure practices have been included in other notes.

#### *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 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.

#### *Administered Account for Rwanda*

The accounts are expressed in terms of the SDR. 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 a basket of currencies of five members. As of January 1, 1999,

the deutsche mark and the French franc were substituted by the euro in the SDR valuation basket. The currencies in the basket and their amounts are as follows:

Currency	Amounts	
	To December 31, 1998	From January 1, 1999
Deutsche mark/euro as of January 1, 1999	0.446	0.228
French franc/euro as of January 1, 1999	0.813	0.1239
Japanese yen	27.2	27.2
Pound sterling	0.105	0.105
U.S. dollar	0.582	0.5821

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

### *2. Investments*

The assets of the accounts are invested pending their disbursement and are valued at cost, which approximates market value. Interest received on these assets varies and is market related.

### *3. 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 promptly 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 promptly to Japan.

#### *Framework Administered Account for Technical Assistance Activities*

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

#### *Administered Account for Rwanda*

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



V. FINANCIAL STATEMENTS  
OF THE TRUST FUND



**Trust Fund**  
**Balance Sheet**  
**as at April 30, 1999 and 1998**

*(In thousands of SDRs)*  
*(Note 1)*

	1999	1998
<b>Assets</b>		
Loans receivable (Note 2) . . . . .	89,345	89,784
Interest and charges receivable and accrued (Note 3) . . . . .	<u>26,399</u>	<u>25,952</u>
Total Assets . . . . .	<u>115,744</u>	<u>115,736</u>
<b>Resources and Deferred Income</b>		
Trust resources . . . . .	89,345	89,784
Deferred income (Note 3) . . . . .	<u>26,399</u>	<u>25,952</u>
Total Resources and Deferred Income . . . . .	<u>115,744</u>	<u>115,736</u>

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

/s/ David Williams  
*Treasurer*

/s/ M. Camdessus  
*Managing Director*

**Trust Fund**  
**Income Statement**  
**for the Years Ended April 30, 1999 and 1998**

*(In thousands of SDRs)*  
*(Note 1)*

	1999	1998
<b>Income</b>		
Interest and charges on loans (Note 2) . . . . .	448	450
Deferred income, net of settlements (Note 3) . . . . .	<u>(448)</u>	<u>(450)</u>
Net Income . . . . .	<u>—</u>	<u>—</u>

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

**Trust Fund**  
**Statement of Changes in Resources**  
**for the Years Ended April 30, 1999 and 1998**

*(In thousands of SDRs)*  
*(Note 1)*

	1999	1998
Balance, beginning of the year . . . . .	89,784	90,444
Net income . . . . .	<u>—</u>	<u>—</u>
Balance before transfers to the Special Disbursement Account . . . . .	89,784	90,444
Transfers to the Special Disbursement Account (Note 4) . . . . .	<u>(439)</u>	<u>(660)</u>
Balance, end of the year . . . . .	<u>89,345</u>	<u>89,784</u>

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

**Trust Fund**  
**Notes to the Financial Statements**  
**as at April 30, 1999 and 1998**

***Purpose***

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 separate 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.

***1. Accounting Practices***

The accounts are expressed in terms of the SDR. 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 a basket of currencies of five members. As of January 1, 1999, the deutsche mark and the French franc were substituted by the euro in the SDR valuation basket. The currencies in the basket and their amounts are as follows:

Currency	Amounts	
	To December 31, 1998	From January 1, 1999
Deutsche mark/euro as of January 1, 1999	0.446	0.228
French franc/euro as of January 1, 1999	0.813	0.1239
Japanese yen	27.2	27.2
Pound sterling	0.105	0.105
U.S. dollar	0.582	0.5821

The accounts are maintained on the accrual basis; accordingly, income is recognized as it is earned, and expenses are recorded as they are incurred, except that interest income from members that are overdue in settling their obligations to the Trust Fund by six months or more is deferred and is recognized as income only when paid, unless the member has remained current in settling charges when due (see Note 3). Further discussions of specific accounting principles and disclosure practices have been included in other notes. 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.

***2. Loans***

Loans were made from the Trust Fund to those eligible 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. Beginning May 1, 1993, special charges on overdue obligations to the Trust Fund have been suspended for members who are more than six months overdue.

***3. Overdue Obligations***

At April 30, 1999 and 1998, 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 April 30, 1999, total deferred income amounted to SDR 26.4 million (SDR 26.0 million at April 30, 1998). Overdue loan repayments and interest and special charges due from these members were as follows:

	Loans		Interest and Special Charges	
	1999	1998	1999	1998
<i>In millions of SDRs</i>				
Total overdue	89.3	89.8	26.3	25.8
Overdue six months or more	89.3	89.8	26.0	25.6
Overdue three years or more	89.3	89.8	24.9	24.4

The type and duration of the arrears of these members at April 30, 1999 were as follows:

Member	Loans	Interest and Special Charges	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>				
Liberia	23.6	6.8	30.4	January 1985
Somalia	6.5	1.3	7.8	July 1987
Sudan	59.2	18.2	77.4	June 1985
Total	<u>89.3</u>	<u>26.3</u>	<u>115.6</u>	

***4. 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.

VI. FINANCIAL STATEMENTS  
OF THE SUPPLEMENTARY FINANCING FACILITY  
SUBSIDY ACCOUNT



## Supplementary Financing Facility Subsidy Account

### Balance Sheet as at April 30, 1999 and 1998

*(In thousands of SDRs)*  
(Note 1)

	1999	1998
<b>Assets</b>		
Deposits (Note 2) .....	2,239	2,381
Interest receivable .....	<u>20</u>	<u>25</u>
Total Assets .....	<u>2,259</u>	<u>2,406</u>
<b>Resources</b>		
Total Resources .....	<u>2,259</u>	<u>2,406</u>

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

/s/ David Williams  
*Treasurer*

/s/ M. Camdessus  
*Managing Director*

## Supplementary Financing Facility Subsidy Account

### Income Statement and Changes in Resources for the Years Ended April 30, 1999 and 1998

*(In thousands of SDRs)*  
(Note 1)

	1999	1998
Balance, beginning of the year .....	2,406	2,308
Investment income .....	<u>92</u>	<u>98</u>
Balance before transfers .....	2,498	2,406
Transfers to the Special Disbursement Account (Note 3) .....	<u>(239)</u>	<u>—</u>
Balance, end of the year .....	<u>2,259</u>	<u>2,406</u>

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

## Supplementary Financing Facility Subsidy Account

### Notes to the Financial Statements as at April 30, 1999 and 1998

#### *Purpose*

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 separate 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.

#### *1. Accounting Practices*

The accounts are expressed in terms of the SDR. 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 a basket of currencies of five members. As of January 1, 1999, the deutsche mark and the French franc were substituted by the euro in the SDR valuation

basket. The currencies in the basket and their amounts are as follows:

Currency	Amounts	
	To December 31, 1998	From January 1, 1999
Deutsche mark/euro as of January 1, 1999	0.446	0.228
French franc/euro as of January 1, 1999	0.813	0.1239
Japanese yen	27.2	27.2
Pound sterling	0.105	0.105
U.S. dollar	0.582	0.5821

The accounts are maintained on the accrual basis; accordingly, income is recognized as it is earned, and expenses are recorded as they are incurred. Further discussions of specific accounting principles and disclosure practices have been included in other notes.

#### *2. Deposits*

The assets of the Subsidy Account, pending their disbursement, are held in the form of interest-earning time deposits denominated in SDRs.

#### *3. Transfer of Resources*

Resources in excess of the remaining subsidy payments are to be transferred to the Special Disbursement Account. At April 30, 1999 and 1998, 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.

VII. FINANCIAL STATEMENTS  
OF THE RETIRED STAFF BENEFITS  
INVESTMENT ACCOUNT



**Retired Staff Benefits Investment Account**  
**Balance Sheet**  
**as at April 30, 1999 and 1998**

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

	<u>1999</u>	<u>1998</u>
<b>Assets</b>		
Investments (Note 2)		
Cash equivalents .....	30,034	29,495
Other .....	177,615	144,878
Interest and other receivables .....	<u>1,143</u>	<u>1,931</u>
Total Assets .....	<u>208,792</u>	<u>176,304</u>
<b>Resources and Liabilities</b>		
Resources .....	198,185	176,304
Accounts payable .....	<u>10,607</u>	<u>—</u>
Total Resources and Liabilities .....	<u>208,792</u>	<u>176,304</u>

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

/s/ David Williams  
*Treasurer*

/s/ M. Camdessus  
*Managing Director*

**Retired Staff Benefits Investment Account**  
**Income Statement and Changes in Resources**  
**for the Years Ended April 30, 1999 and 1998**

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

	<u>1999</u>	<u>1998</u>
Balance, beginning of the year .....	176,304	144,848
Contributions received .....	10,200	12,600
Income earned on investments (Note 2) .....	7,799	7,865
Net gain in current value of investments (Note 2) .....	5,019	11,667
Investment fees .....	<u>(1,137)</u>	<u>(676)</u>
Balance, end of the year .....	<u>198,185</u>	<u>176,304</u>

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

## Retired Staff Benefits Investment Account

### Notes to the Financial Statements as at April 30, 1999 and 1998

#### *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 \$150 million at April 30, 1999 (\$140 million at April 30, 1998).

The portion of the cumulative past-service cost that has been charged to income in the General Resources Account is fully funded.

The assets of the RSBIA are kept 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.

#### *1. Accounting Practices*

The RSBIA is expressed in U.S. dollars. All transactions and operations of the RSBIA, including the transfers to and by the RSBIA, are denominated in U.S. dollars. The cost of transactions in other currencies—for example, the payment of future benefits—will be paid by the RSBIA.

The RSBIA is maintained on the accrual basis; accordingly, income is recognized as it is earned, and expenses are recorded as they are incurred. Further discussions of specific accounting principles and disclosure practices have been included in other notes.

#### *2. 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.

The net gain in the current value of 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.

A summary of the RSBIA’s investments at market values is as follows:

Investments	1999	1998
	<i>In millions of U.S. dollars</i>	
Equity securities	77	63
Debt securities	75	62
Short-term investments	30	30
Real estate	27	21
	209	176

In addition to these investments, the RSBIA held commitments in fixed-income futures contracts to minimize interest rate risk. At April 30, 1999, the notional value of these derivatives amounted to \$9.6 million and the unrealized gain was less than \$0.1 million (\$11.1 million and less than \$0.1 million at April 30, 1998).

#### *3. 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 \$198 million at April 30, 1999 (\$183 million at April 30, 1998). Each year the IMF amortizes a portion of the past-service cost and recognizes the increase in the liability during the year as an expense in the General Resources Account. These amounts, less the return on investments, are transferred to the RSBIA to be held and invested pending their use by the IMF. During the year ended April 30, 1999, an amount of \$10.2 million has been transferred to the RSBIA (\$12.6 million during the year ended April 30, 1998).

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

#### *4. 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.