

**IMMEDIATE
ATTENTION**

EBS/10/4

January 11, 2010

To: Members of the Executive Board

From: The Secretary

Subject: **Framework Administered Account for Selected Fund Activities—Norway
Subaccount for Selected Fund Activities**

Attached for consideration by the Executive Directors is a paper that requests Executive Board approval to establish the Norway subaccount under the terms of the new Framework Administered Account to administer external financial resources for selected Fund activities (the “SFA Instrument”). The financing of activities under the terms of the SFA Instrument, which was established in March 2009 (EBS/09/27, 3/6/09), is implemented through the establishment and operation of a subaccount within the SFA.

It is not proposed to bring this matter to the agenda of the Executive Board for discussion unless an Executive Director so requests by **noon on Tuesday, January 19, 2010**. In the absence of such a request, the draft decision that appears on page 3 will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting.

It is intended that this paper will be published on the Fund’s external website after Tuesday, January 26, 2010.

Questions may be referred to Ms. SenGupta, LEG (ext. 30032), Mr. DiMaina, FIN (ext. 38455), and Ms. Kostial, OTM (ext. 35349).

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Framework Administered Account for Selected Fund Activities: Norway Subaccount for Selected Fund Activities

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

Approved by
Sean Hagan, Andrew Tweedie, and Alfred Kammer

January 8, 2010

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

2. The Fund, represented by the Managing Director, has reached understandings with Norway acting through the Ministry of Foreign Affairs (“Norway”), to finance capacity building, training and related activities. On the basis of these understandings, the Managing Director has established the essential terms and conditions of the Subaccount, with which Norway concurs, with respect to the nature, design, and implementation of the activities to be financed and the method by which the costs of the activities will be financed from the Subaccount. These terms and conditions include the following:

a. The resources of the Subaccount shall consist of amounts contributed to the Subaccount by Norway and earnings that accrue as a result of investment of these amounts (net of any costs associated with such investments). The resources of the Subaccount will be used to finance projects that seek to enhance the capacity of Fund members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial and related statistical

¹ Establishment of a New Framework Administered Account for Selected Fund Activities (EBS/09/27, 3/6/09).

fields, including training programs and projects that strengthen the legal and administrative framework in these core areas.

b. Norway and the Fund shall reach understandings upon operational features related to the activities to be financed from the Subaccount, consistent with the understandings that have been reached between Norway and the Fund and the Instrument governing the SFA.

c. Resources will be placed in the Subaccount by Norway on the basis of Letters of Understandings signed between Norway and the Fund relating to specific activities to be undertaken. The Subaccount will permit Norway to transfer resources from the Norway Subaccount to any subaccount under the SFA.

d. To help defray the expenses incurred by the Fund in the management of the Subaccount that it will finance, reimbursement equal to 7 percent of the expenses financed by the Subaccount will be paid to the Fund from the Subaccount.

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

PROPOSED DECISION

The following decision, which may be adopted by a majority of votes cast, is proposed for adoption by the Executive Board:

In accordance with the terms and conditions of the Instrument establishing the Framework Administered Account for Selected Fund Activities, Decision No. 14294-(09/31) adopted March 27, 2009, the Fund approves the establishment of the “Norway Subaccount for Selected Fund Activities” to administer resources contributed by Norway, as described in EBS/10/4 (1/11/10).

Attachment

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

1. “Central America, Panama, and the Dominican Republic Technical Assistance Center (CAPTAC-DR) Subaccount” (EBS/09/40, 3/30/09).
2. “Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Subaccount” (EBS/09/42, 3/31/09).
3. “East Africa Regional Technical Assistance Center (AFRITAC East) Subaccount” (EBS/09/146) (9/17/09).
4. “West Africa Regional Technical Assistance Center (AFRITAC West) Subaccount” (EBS/09/147) (9/18/09).
5. “Switzerland Subaccount for Selected Fund Activities” (EBS/09/175) (11/13/09).
6. “Germany Subaccount for Selected Fund Activities” (EBS/09/176) (11/13/09).
7. “European Investment Bank Subaccount for Selected Fund Activities” (EBS/09/177) (11/13/09).
8. “The Socialist People’s Libyan Arab Jamahiriya Subaccount for Selected Fund Activities” (EBS/09/178) (11/13/09).
9. “European Commission Subaccount for Selected Fund Activities” (EBS/09/179) (11/13/09).
10. “Kingdom of the Netherlands—Netherlands Subaccount for Selected Fund Activities” (EBS/09/183) (11/20/09).
11. “Middle East Regional Technical Assistance Center (METAC) Subaccount” (EBS/09/208) (12/16/09).