

Riabukha O. D.

Tryhub I.P.

National University of Food technologies

Kyiv, Ukraine

The cooperation of the International Monetary Fund (IMF) with Ukraine

In a further internationalization of economic activity in the world and the changes that occur throughout the totality of commodity-money relations, role of various international monetary institutions becomes more significant.

The most important role among them in modern times has the International Monetary Fund (IMF), which shows remarkable flexibility and high adaptability to changing conditions of international monetary relations.

IMF - a monetary and financial institution intergovernmental cooperation. The IMF was created to regulate the foreign exchange settlement between states and the provision of financial assistance to member countries by providing foreign exchange in the event of difficulties due to violation of balance of payments, short-term loans in foreign currency. The Fund operates as a specialized United Nations agency. Virtually IMF the institutional foundation of modern international monetary system.

The activities of the IMF covers three main areas: lending, management of international monetary relations and constant supervision of the world economy. [1, p.28]

Ukraine joined the International Monetary Fund (IMF) in September 1992. In June 1992, the Verkhovna Rada of Ukraine adopted the Law "About Ukraine's accession to the International Monetary Fund. International Bank for Reconstruction and Development. International Finance Corporation. International Development Association and the Multilateral Agency investment Guarantee".

Quota of Ukraine at the end of 1992. was 0.7%. Under this quota entry fee for Ukraine was determined in the amount of 911 million USD. Under the existing provisions of a fixed amount only 22.7% is paid in hard currency, and the rest - in

local currency. Given the acute shortage of hard currency, Ukraine took the so-called Fund loan at IMF for member countries that are experiencing financial difficulties. The required contribution as issued debt, under which Ukraine granted interest-free and permanent loan that will be repaid as possible. [3, p. 417]

Currently, Ukraine's quota in the Fund is 1 billion 372 million Special Drawing Rights (SDRs).

In cooperation of Ukraine with IMF within the loan programs can be divided into 5 stages:

The first stage (1994-1995). During this period, Ukraine has received financial assistance in the form of system transformation loans (STF) in the amount of 498.7 million. SDR (763.1 mln. USD) for support Ukraine's balance of payments. Because of the failure of a number of conditions Ukraine program was completed on time and from the IMF in this program is not provided loans to the amount of residues 900 million. SDR.

The second stage (1995-1998 years). Ukraine received IMF loans totaling 1.3182 billion. SDR. (1935 USD.) by the three year program "Stand-By". The main goal of the loan was to support the national currency and finance deficits of Ukraine. All three loans "Stand-by" provided at an annual rate of 6.29% for a period of 5 years with deferred payment of principal at 3.25 years.

The third stage (1998-2002). Implementation of the program Extended Fund Facility (EFF), which included the granting Ukraine credit totaling 2.6 billion. USD. In December 2000, the validity of the EFF was extended to September 2002, but as a result the Fund and Ukraine did not provide residual amount of loans recognizing the negative findings of the last review of the implementation of the program.

Thus, Ukraine received as part of the EFF 1.193,0 million. SDRs (1.591,0 mln. USD.), which were directed to replenish foreign exchange reserves of the National Bank of Ukraine.

The fourth stage (2002 - 2008 years). March 29, 2004 the IMF Executive Board approved the program "precautionary stand-by" for Ukraine, which provided for the

possibility for Ukraine to get a loan in the amount of 411.6 million. SDRs, the equivalent of about 600 mln. USD.

The "precautionary stand-by" was aimed at ensuring gradual transformation to advisory relations between Ukraine and the IMF. The agreement was signed for a period of 12 months, the duration of this agreement expired in accordance with its terms.

Fifth stage (2008 - 2014 years). Given the aggravation of the financial crisis, 15 October 2008, the Ukrainian side invited to Kyiv IMF mission for consultations on the issue of attracting by Ukraine Fund resources in the framework of cooperation "stand-by".

July 28, 2010 Ukraine adopted a new joint program with the IMF "Stand-by" totaling 10 billion. SDRs (15.1 billion. USD.), for a period of 2.5 years, eliminating Agreement "Stand-by" approved in November 2008, including all the tranches that are still in accordance with the Agreement. August 2, 2010 Ukraine received the first tranche under the new program of \$ 1 250 billion. SDR (1.89 billion. USD.), including to the budget sent 675 million. SDRs (1.022 billion. USD.).

December 10, 2010 was completed the first review of the program and signed a new letter of intent. The result of completion of the review by the Board of Directors of the IMF tranche was the allocation of \$ 1 billion. SDR (about 1.5 billion. USD.), of which 1 billion. USD. came to support the state budget.

From 24 October to 4 November 2011 in Ukraine was the mission of the European Department of the IMF to complete the second review from the IMF joint program "Stand By ". However, in the process of harmonization of the Letter of Intent have any questions about the list of previous activities under the program [2].

From 4 March to 25 March 2014. in Kyiv was the mission of the European Department of the IMF to get acquainted with the current economic situation and discuss the Government's economic reform program.

As a result of the appeal of Ukrainian side, April 30, 2014 the IMF Executive Board approved the 24 month agreement «Stand-By" for Ukraine in the amount of 10.976 billion. SDR (800% of the quota of the country).

From 24 June to 17 July 2014 in Kyiv worked mission IMF's European Department for the purpose of the first review «Stand-By». By results of the mission and the appeal of Ukrainian side, August 29, 2014 the IMF Executive Board decided to complete the first review «Stand-By» and allocation of the second tranche for Ukraine in the amount in the amount of 914 million. SDRs (approximately 1.39 billion. USD.).

Overall, in cooperation with the IMF during 1994 - 2012 years, Ukraine has received 23.1819 billion. SDRs (equivalent to 35.2891 billion. USD. USA)(Table 1).

Table 1

Loans from the IMF for Ukraine during 1994-2014 years

Loan Program	Period, years	loan amount		Share,%
		mln SDR	mln. USD.	
STF	1994-1995	498,7	763,1	2,15
"Stand-By"	1995-1998	1318,2	1935	5,69
EFF	1998-2002	1139	1591	4,91
"Stand-By"	2008-2010	7000	10600	30,20
"Stand-By":	2010-2012	2250	3390	9,71
- I tranche	28.05.2010	1250	1890	5,39
- II tranche	22.12.2010	1000	1500	4,31
"Stand-By":	2014-2016	10976	17010	47,35
- I tranche	30.04.2014	2058	3190	8,88
- II tranche	29.08.2014	914	1390	3,94
Total	1994-2014	23181,9	35289,1	100

Continued cooperation between Ukraine and the IMF under present circumstances is reasonable and justified because in terms of tactics: IMF loans are cheaper than those involved in the global financial markets; interaction with the IMF insure the flow of funds to Ukraine from other lenders and investors. Cooperation with the IMF allows Ukraine to use advisory, expert and analytical services IMF forecasts that in times of economic globalization is crucial.

References:

1. Єременко О. Кредитна діяльність Міжнародного валютного фонду/ О. Єременко, Ю. Ковбасюк // Вісн. Нац. банку України. - 2003. - № 3. - С. 58-

62.

2. Інформаційна довідка Міністерства фінансів України щодо історії співпраці з Міжнародним валютним фондом. Від 03.10.2012 [Електронний ресурс]. Доступ до ресурсу - . www.minfin.gov.ua

3. Программа сотрудничества МВФ и Украины не решила структурных проблем – отчет МВФ [Електронний ресурс]. - Доступ до ресурсу : <http://economics.unian.net/rus/detail/110606>