



**INTERNATIONAL FEDERATION
OF ACCOUNTANTS**

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**Agenda Item
10**

DATE: October 15, 2007
MEMO TO: Members of the IPSASB
FROM: Matthew Bohun-Aponte
SUBJECT: Review of the Cash Basis IPSAS

OBJECTIVE OF THIS SESSION

To **review** and **approve** the project initiation document and a project to review the Cash Basis IPSAS.

AGENDA MATERIAL:

Papers

- 10.1 Project Initiation Document
- 10.2 List of World Bank economies

ACTION REQUIRED

The IPSASB is asked to:

- **review** the attached project initiation document;
- **provide** staff with comments and suggestions for improvement; and
- **approve** the PID and initiation of the project.

BACKGROUND

When the IPSASB approved the Cash Basis IPSAS in 2003 it resolved to undertake a review of that Standard in the light of its implementation, and, if necessary, amend the Standard to resolve any significant implementation issues. In April 2007, the IPSASB published its “Strategy and Operational Plan 2007 – 2009” in which it indicated its intention to initiate a review of the Cash Basis IPSAS in the 2007 – 2009 time period. The World Bank has also expressed support for the review, indicating that it may be able to assist such a review through the World Bank regional managers.

Identification of Entities Adopting the Cash Basis IPSAS

A major issue that faces staff in developing the project is to identify the basis of financial reporting used by different jurisdictions. Attachment 10.2 lists the 209 economies identified by the World Bank. Staff will endeavor to identify the reporting basis for as many of these as possible. The PID lists a number of sources that will be used to identify the reporting bases including: Ministry of Finance websites, World Bank ROSC reports and the Compliance section of the IFAC website. Staff anticipate identifying other sources of information as the project progresses.

Process

When the Cash Basis IPSAS was being developed, a number of constituents expressed the view that field testing of the requirements of the proposed Standard would be advantageous because it would allow the IPSASB to identify implementation issues before the Standard was issued. Despite extensive efforts by the IPSASB, World Bank and others, it proved impossible to get public sector entities to volunteer to undertake the field testing. The IPSASB and constituents agreed to issue the Standard without field testing on the understanding that a post-implementation review would be conducted within a few years.

Staff anticipate that with a post-implementation review, the same issue will arise. Staff have therefore prepared the Project Initiation Document (see Attachment 10.1) on the basis that the review will be conducted primarily by means of face-to-face interviews with key personnel in public sector entities that have adopted the Cash Basis IPSAS. This will necessarily involve staff and/or IPSASB members traveling to jurisdictions that have implemented the Cash Basis IPSAS. Given that written requests for information have not been successful with this particular constituency previously, staff are of the view that this approach is unavoidable.

It may also be useful, for the IPSASB to hold one or more public hearings as part of the review process. A public hearing could be organized if it is identified that there are several neighboring jurisdictions that have implemented the Cash Basis IPSAS and there are sufficient interested parties in the region to make a one or two day hearing worthwhile. If this were to occur, one or two IPSASB members would need to participate, in addition to the staff members running the project.

IFAC's Developing Nations Committee and the multi-lateral development agencies may also provide assistance with this review.

Interview Questions

Staff are of the view, that whilst it is necessary to conduct face-to-face interviews, it is also necessary to structure those interviews to ensure that they are as productive as possible. An effective way of doing this is to develop a questionnaire that covers a range of implementation issues, and which can provide some talking points for the interviews, in addition to providing specific data items for later analysis. This questionnaire will be developed after the project has been approved. Some of the work done on the implementation survey will be incorporated into this process.

ACTION: Staff recommend that the IPSASB review the PID and approve the initiation of the project.
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**Matthew Bohun-Aponte
TECHNICAL MANAGER**



**INTERNATIONAL PUBLIC SECTOR
ACCOUNTING STANDARDS BOARD**

PROJECT BRIEF AND OUTLINE

1. Subject

Review of the Cash Basis IPSAS, “Financial Reporting Under the Cash Basis of Accounting”.

2. Project Rationale and Objectives

a) Issue identification

The Cash Basis IPSAS was first issued in January 2003. When the Cash Basis IPSAS was developed the IPSASB’s predecessor body, the Public Sector Committee, acknowledged that whilst it had intended to field test the requirements of the Standard before issuing it, it had been unable to do so. In lieu of field testing the PSC, and later the IPSASB, proposed undertaking a post-implementation review three to five years after promulgation to determine if the requirements of the Standard are appropriate. As the Cash Basis IPSAS has now been in place for almost five years, it is an appropriate time to begin a review.

b) Objectives to be achieved

The primary objective of the project is to identify the major difficulties that public sector entities have encountered in implementing the Standard, and to determine whether the Standard should be modified in light of these difficulties or if further guidance should be provided by the IPSASB.

A further objective of the project is to identify whether further reporting requirements should be added to the Standard. If users identify essential information they require for decision making that is not mandated by the Standard, the IPSASB will consider whether further requirements should be added to the Standard.

The review also has the objective of determining whether any of the encouraged additional disclosures in Part 2 of the Standard should be included as mandatory requirements in Part 1 of the Standard.

c) Link to IFAC/IPSASB Strategic Plans

Link to IFAC Strategic Plan

IFAC’s Strategic Plan includes the strategic theme to “Be recognized as the international standard setter in the areas of auditing and assurance, education, ethics and governmental financial reporting”. In particular, the IPSASB’s role is to develop and promote the

application of International Public Sector Accounting Standards, including the Cash Basis IPSAS. As the IPSASB is the sole developer of international financial reporting standards on the cash basis of accounting, it bears the responsibility to ensure that the standard meets financial statement user's needs and is capable of being implemented by governments adopting the standard. As such, it is timely that the IPSASB undertake a post-implementation review of the standard.

The IFAC strategic plan also includes the strategic theme "Sustainability of the profession", which encompasses the development and growth of the accounting profession, particularly in areas where the profession is in the early stages of development. The Cash Basis IPSAS is an important tool for the profession in countries where public sector financial reporting is non-existent or rudimentary. It is therefore important for the IPSASB to continue to develop the Cash Basis IPSAS for use by the profession in those countries that need to develop public sector financial reporting from a very low base.

Link to IPSASB Strategy

The IPSASB Strategy includes a commitment to undertake a review of the Cash Basis IPSAS in the light of implementation experiences.

3. Outline of the Project

a) Project Scope

. The aim of the project is to identify countries that have implemented the Cash Basis IPSAS, "Financial Reporting under the Cash Basis of Accounting" analyze their experiences and determine how the Standard can be improved.

b) Major Problems and Key Issues that Should be Addressed

Major problems that may arise include:

- Identifying the reporting basis used by the public sector in a given jurisdiction. The sources of information that will be used include the current IPSASB implementation survey, IFAC's compliance program, the internet, World Bank ROSC reports and information obtained from other multi-lateral or bi-lateral development entities. Some of these sources are more comprehensive and reliable than others.
- Obtaining the cooperation of public sector entities in undertaking the analysis of the implementation of the Cash Basis IPSAS. As a result of conducting the implementation survey we now have an extensive database of government contacts in a number of countries that we will try to draw upon. While the IPSASB experienced considerable difficulty in field testing the requirements of the Cash Basis IPSAS and, more recently, has the proposed Standard on External Assistance it is hoped that personal approaches to the target entities will have more success.

4. Describe the Implications for any Specific Persons or Groups

a) Relationship to IASB

There are no implications for the IPSASB's relationship with the IASB as it does not develop cash basis financial reporting standards.

b) Relationship to other projects in process and planned

The External Assistance project proposes amendments to the Cash Basis IPSAS to require certain disclosures by recipients of external assistance. As that project also focuses on the Cash Basis IPSAS, this review would overlap the scope of that project. However, it is unlikely that many public sector entities will have sufficient experience in implementing the external assistance requirements to provide in-depth implementation analysis of them.

c) Other

This project has implications for the IPSASB's relationship with the multi-lateral development banks (MDBs), which have a keen interest in seeing this IPSAS kept up to date. The MDB's promote the adoption of the Cash Basis IPSAS in jurisdictions where there is currently little or no external financial reporting by public sector entities. These entities are keen to ensure that the Cash Basis IPSAS meets the needs of these entities and that it is capable of implementation in jurisdictions where accounting and bookkeeping skills may be scarce within public sector entities. The World Bank in particular has expressed keen interest in this project.

5. Development Process, Project Timetable and Project Output

a) Development process

The first step in the project is to endeavor to identify from various publicly available sources the type of financial reporting system used by each of the 209 economies identified by the World Bank. The resources to be used include:

- IPSASB implementation survey results where applicable
- Internet sites of Ministries of Finance;
- World Bank ROSC reports;
- IFAC compliance program results; and
- Other internet sources.

The aim of this identification process is to identify those governments and public sector entities that claim that their financial statements comply with the Cash Basis IPSAS. It is likely that for a significant proportion of the 209 economies, no information will be available from public sources.

Having identified public sector entities applying the Cash Basis IPSAS, a sample of these entities will be identified to approach in order to undertake a post implementation study to identify issues. Ideally, the selected entities will, , reflect a range of geographical, language and accounting traditions.

Experience has shown that economies in transition are most likely to adopt the Cash Basis IPSAS as a first stage in reforming public sector financial management. To this end the assistance of the Developing Nations Committee of IFAC may be significant. The most effective way to get these entities to assist in a post implementation study may be through personal interview of appropriate government officials. An interview questionnaire should, however, be developed to form the basis of discussion with a government official.

Consideration will also be given to holding regional public hearings in areas where several jurisdictions adopt the Cash Basis IPSAS. In this event, two or three IPSASB members will need to participate in addition to the staff member assigned to the project.

b) Project timetable

Task	Target Completion Date
Project Approval by IPSASB	November 2007
Accounting Basis Identification	March 2008
Interview Questionnaire Design	May 2008
Sample Selection	June 2008
Country Interviews	March 2009
Report to IPSASB	June 2009
Draft Exposure draft of improvements to Standard	November 2009
ED approved and published	March 2010
Revised Cash Basis IPSAS published	March 2011

c) Project output

The output of this project will be a detailed report to the IPSASB explaining the views of the public sector entities interviewed. This report will include any suggestions made by the public sector entities for improvements or modifications to the Cash Basis IPSAS. The report will contain recommendations for modifications/improvements to the Standard.

An exposure draft will be developed proposing changes to the Cash Basis IPSAS based on the review report; ultimately the a revised Cash Basis IPSAS will be developed.

6. Resources Required

a) Task Force/subcommittee required?

A full Task Force is unlikely to be required, however, members may need to assist the Technical Staff with interviews in jurisdictions applying IPSASs. This is particularly the case when the jurisdiction selected operates in a language other than English.

The IFAC Developing Nations Committee has contacts in many economies in transition that may prove useful in obtaining cooperation from entities implementing the Cash Basis IPSAS..

b) Staff

One staff member will be required on this project for the period of the review (November 2007 – March 2011).

7. Important Sources of Information that Address the Matter being Proposed

www.ifac.org/complianceprogram

http://www.worldbank.org/ifa/rosc_cg.html

Ministries of Finance websites.

World Bank regional managers, and other multi-lateral development agencies, may be able to provide assistance in identifying public sector entities implementing the Cash Basis IPSAS.

8. Factors that might add to complexity or length

The major factor that could add to the length or complexity of the project is the success in obtaining cooperation from public sector entities implementing the Cash Basis IPSAS. Experience with trying to obtain cooperation of these entities in field testing the current Standard, as well as the External Assistance exposure draft, indicates that only a personal approach will be successful. Whilst this is resource intensive from both financial and staffing perspectives, this is the only way in which to obtain meaningful data.

Prepared by _____

Date _____

(Technical Manager IPSASB)

The following should be completed after board or committee approval and after revising the project proposal form to reflect any changes by the board or committee.

Approved by _____

Date _____

(Chair IPSASB)

COMMENTS BY TECHNICAL MANAGERS

The comments of Technical Manager from each technical area are required before this Project Proposal is considered by the board or committee proposing to undertake the project.

Technical Manager to the Compliance Advisory Panel

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____

Technical Manager to the DNC

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____

Technical Manager to the SMPC

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____

Technical Manager to the IESBA

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____

Technical Manager to the IAASB

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____

Technical Manager to the PAIB Committee

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____

Technical Manager to the IAESB

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____

Technical Manager to the Transnational Auditors Committee

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____

World Bank list of economies (July 2007)

	<i>Economy</i>	<i>Code</i>	<i>Region</i>	<i>Income Group</i>	<i>Lending category</i>	<i>Other</i>
1	Afghanistan	AFG	South Asia	Low income	IDA	
2	Albania	ALB	Europe & Central Asia	Lower middle income	Blend	
3	Algeria	DZA	Middle East & North Africa	Lower middle income	IBRD	
4	American Samoa	ASM	East Asia & Pacific	Upper middle income	..	
5	Andorra	ADO	..	High income: nonOECD	..	
6	Angola	AGO	Sub-Saharan Africa	Lower middle income	IDA	
7	Antigua and Barbuda	ATG	..	High income: nonOECD	IBRD	
8	Argentina	ARG	Latin America & Caribbean	Upper middle income	IBRD	
9	Armenia	ARM	Europe & Central Asia	Lower middle income	Blend	
10	Aruba	ABW	..	High income: nonOECD	..	
11	Australia	AUS	..	High income: OECD	..	
12	Austria	AUT	..	High income: OECD	..	EMU
13	Azerbaijan	AZE	Europe & Central Asia	Lower middle income	Blend	
14	Bahamas, The	BHS	..	High income: nonOECD	..	
15	Bahrain	BHR	..	High income: nonOECD	..	
16	Bangladesh	BGD	South Asia	Low income	IDA	
17	Barbados	BRB	..	High income: nonOECD	..	
18	Belarus	BLR	Europe & Central Asia	Lower middle income	IBRD	
19	Belgium	BEL	..	High income: OECD	..	EMU
20	Belize	BLZ	Latin America & Caribbean	Upper middle income	IBRD	
21	Benin	BEN	Sub-Saharan Africa	Low income	IDA	HIPC
22	Bermuda	BMU	..	High income: nonOECD	..	
23	Bhutan	BTN	South Asia	Lower middle income	IDA	
24	Bolivia	BOL	Latin America & Caribbean	Lower middle income	Blend	HIPC
25	Bosnia and Herzegovina	BIH	Europe & Central Asia	Lower middle income	Blend	
26	Botswana	BWA	Sub-Saharan Africa	Upper middle income	IBRD	
27	Brazil	BRA	Latin America & Caribbean	Upper middle income	IBRD	
28	Brunei Darussalam	BRN	..	High income: nonOECD	..	
29	Bulgaria	BGR	Europe & Central Asia	Upper middle income	IBRD	
30	Burkina Faso	BFA	Sub-Saharan Africa	Low income	IDA	HIPC
31	Burundi	BDI	Sub-Saharan Africa	Low income	IDA	HIPC
32	Cambodia	KHM	East Asia & Pacific	Low income	IDA	
33	Cameroon	CMR	Sub-Saharan Africa	Lower middle income	IDA	HIPC
34	Canada	CAN	..	High income: OECD	..	
35	Cape Verde	CPV	Sub-Saharan Africa	Lower middle income	IDA	

	<i>Economy</i>	<i>Code</i>	<i>Region</i>	<i>Income Group</i>	<i>Lending category</i>	<i>Other</i>
36	Cayman Islands	CYM	..	High income: nonOECD	..	
37	Central African Republic	CAF	Sub-Saharan Africa	Low income	IDA	HIPC
38	Chad	TCD	Sub-Saharan Africa	Low income	IDA	HIPC
39	Channel Islands	CHI	..	High income: nonOECD	..	
40	Chile	CHL	Latin America & Caribbean	Upper middle income	IBRD	
41	China	CHN	East Asia & Pacific	Lower middle income	IBRD	
42	Colombia	COL	Latin America & Caribbean	Lower middle income	IBRD	
43	Comoros	COM	Sub-Saharan Africa	Low income	IDA	HIPC
44	Congo, Dem. Rep.	ZAR	Sub-Saharan Africa	Low income	IDA	HIPC
45	Congo, Rep.	COG	Sub-Saharan Africa	Lower middle income	IDA	HIPC
46	Costa Rica	CRI	Latin America & Caribbean	Upper middle income	IBRD	
47	Côte d'Ivoire	CIV	Sub-Saharan Africa	Low income	IDA	HIPC
48	Croatia	HRV	Europe & Central Asia	Upper middle income	IBRD	
49	Cuba	CUB	Latin America & Caribbean	Lower middle income	..	
50	Cyprus	CYP	..	High income: nonOECD	..	
51	Czech Republic	CZE	..	High income: OECD	..	
52	Denmark	DNK	..	High income: OECD	..	
53	Djibouti	DJI	Middle East & North Africa	Lower middle income	IDA	
54	Dominica	DMA	Latin America & Caribbean	Upper middle income	Blend	
55	Dominican Republic	DOM	Latin America & Caribbean	Lower middle income	IBRD	
56	Ecuador	ECU	Latin America & Caribbean	Lower middle income	IBRD	
57	Egypt, Arab Rep.	EGY	Middle East & North Africa	Lower middle income	IBRD	
58	El Salvador	SLV	Latin America & Caribbean	Lower middle income	IBRD	
59	Equatorial Guinea	GNQ	Sub-Saharan Africa	Upper middle income	IBRD	
60	Eritrea	ERI	Sub-Saharan Africa	Low income	IDA	HIPC
61	Estonia	EST	..	High income: nonOECD	..	
62	Ethiopia	ETH	Sub-Saharan Africa	Low income	IDA	HIPC
63	Faeroe Islands	FRO	..	High income: nonOECD	..	
64	Fiji	FJI	East Asia & Pacific	Lower middle income	IBRD	
65	Finland	FIN	..	High income: OECD	..	EMU
66	France	FRA	..	High income: OECD	..	EMU
67	French Polynesia	PYF	..	High income: nonOECD	..	
68	Gabon	GAB	Sub-Saharan Africa	Upper middle income	IBRD	
69	Gambia, The	GMB	Sub-Saharan Africa	Low income	IDA	HIPC
70	Georgia	GEO	Europe & Central Asia	Lower middle income	IDA	
71	Germany	DEU	..	High income: OECD	..	EMU
72	Ghana	GHA	Sub-Saharan Africa	Low income	IDA	HIPC

	<i>Economy</i>	<i>Code</i>	<i>Region</i>	<i>Income Group</i>	<i>Lending category</i>	<i>Other</i>
73	Greece	GRC	..	High income: OECD	..	EMU
74	Greenland	GRL	..	High income: nonOECD	..	
75	Grenada	GRD	Latin America & Caribbean	Upper middle income	Blend	
76	Guam	GUM	..	High income: nonOECD	..	
77	Guatemala	GTM	Latin America & Caribbean	Lower middle income	IBRD	
78	Guinea	GIN	Sub-Saharan Africa	Low income	IDA	HIPC
79	Guinea-Bissau	GNB	Sub-Saharan Africa	Low income	IDA	HIPC
80	Guyana	GUY	Latin America & Caribbean	Lower middle income	IDA	HIPC
81	Haiti	HTI	Latin America & Caribbean	Low income	IDA	HIPC
82	Honduras	HND	Latin America & Caribbean	Lower middle income	IDA	HIPC
83	Hong Kong, China	HKG	..	High income: nonOECD	..	
84	Hungary	HUN	Europe & Central Asia	Upper middle income	..	
85	Iceland	ISL	..	High income: OECD	..	
86	India	IND	South Asia	Low income	Blend	
87	Indonesia	IDN	East Asia & Pacific	Lower middle income	Blend	
88	Iran, Islamic Rep.	IRN	Middle East & North Africa	Lower middle income	IBRD	
89	Iraq	IRQ	Middle East & North Africa	Lower middle income	IBRD	
90	Ireland	IRL	..	High income: OECD	..	EMU
91	Isle of Man	IMY	..	High income: nonOECD	..	
92	Israel	ISR	..	High income: nonOECD	..	
93	Italy	ITA	..	High income: OECD	..	EMU
94	Jamaica	JAM	Latin America & Caribbean	Lower middle income	IBRD	
95	Japan	JPN	..	High income: OECD	..	
96	Jordan	JOR	Middle East & North Africa	Lower middle income	IBRD	
97	Kazakhstan	KAZ	Europe & Central Asia	Upper middle income	IBRD	
98	Kenya	KEN	Sub-Saharan Africa	Low income	IDA	
99	Kiribati	KIR	East Asia & Pacific	Lower middle income	IDA	
100	Korea, Dem. Rep.	PRK	East Asia & Pacific	Low income	..	
101	Korea, Rep.	KOR	..	High income: OECD	IBRD	
102	Kuwait	KWT	..	High income: nonOECD	..	
103	Kyrgyz Republic	KGZ	Europe & Central Asia	Low income	IDA	HIPC
104	Lao PDR	LAO	East Asia & Pacific	Low income	IDA	
105	Latvia	LVA	Europe & Central Asia	Upper middle income	..	
106	Lebanon	LBN	Middle East & North Africa	Upper middle income	IBRD	
107	Lesotho	LSO	Sub-Saharan Africa	Lower middle income	IDA	
108	Liberia	LBR	Sub-Saharan Africa	Low income	IDA	HIPC
109	Libya	LBY	Middle East & North Africa	Upper middle income	IBRD	

	<i>Economy</i>	<i>Code</i>	<i>Region</i>	<i>Income Group</i>	<i>Lending category</i>	<i>Other</i>
110	Liechtenstein	LIE	..	High income: nonOECD	..	
111	Lithuania	LTU	Europe & Central Asia	Upper middle income	..	
112	Luxembourg	LUX	..	High income: OECD	..	EMU
113	Macao, China	MAC	..	High income: nonOECD	..	
114	Macedonia, FYR	MKD	Europe & Central Asia	Lower middle income	IBRD	
115	Madagascar	MDG	Sub-Saharan Africa	Low income	IDA	HIPC
116	Malawi	MWI	Sub-Saharan Africa	Low income	IDA	HIPC
117	Malaysia	MYS	East Asia & Pacific	Upper middle income	IBRD	
118	Maldives	MDV	South Asia	Lower middle income	IDA	
119	Mali	MLI	Sub-Saharan Africa	Low income	IDA	HIPC
120	Malta	MLT	..	High income: nonOECD	..	
121	Marshall Islands	MHL	East Asia & Pacific	Lower middle income	IBRD	
122	Mauritania	MRT	Sub-Saharan Africa	Low income	IDA	HIPC
123	Mauritius	MUS	Sub-Saharan Africa	Upper middle income	IBRD	
124	Mayotte	MYT	Sub-Saharan Africa	Upper middle income	..	
125	Mexico	MEX	Latin America & Caribbean	Upper middle income	IBRD	
126	Micronesia, Fed. Sts.	FSM	East Asia & Pacific	Lower middle income	IBRD	
127	Moldova	MDA	Europe & Central Asia	Lower middle income	IDA	
128	Monaco	MCO	..	High income: nonOECD	..	
129	Mongolia	MNG	East Asia & Pacific	Low income	IDA	
130	Montenegro	MNE	Europe & Central Asia	Upper middle income	IBRD	
131	Morocco	MAR	Middle East & North Africa	Lower middle income	IBRD	
132	Mozambique	MOZ	Sub-Saharan Africa	Low income	IDA	HIPC
133	Myanmar	MMR	East Asia & Pacific	Low income	IDA	
134	Namibia	NAM	Sub-Saharan Africa	Lower middle income	IBRD	
135	Nepal	NPL	South Asia	Low income	IDA	HIPC
136	Netherlands	NLD	..	High income: OECD	..	EMU
137	Netherlands Antilles	ANT	..	High income: nonOECD	..	
138	New Caledonia	NCL	..	High income: nonOECD	..	
139	New Zealand	NZL	..	High income: OECD	..	
140	Nicaragua	NIC	Latin America & Caribbean	Lower middle income	IDA	HIPC
141	Niger	NER	Sub-Saharan Africa	Low income	IDA	HIPC
142	Nigeria	NGA	Sub-Saharan Africa	Low income	IDA	
143	Northern Mariana Islands	MNP	East Asia & Pacific	Upper middle income	..	
144	Norway	NOR	..	High income: OECD	..	
145	Oman	OMN	Middle East & North Africa	Upper middle income	..	
146	Pakistan	PAK	South Asia	Low income	Blend	

	<i>Economy</i>	<i>Code</i>	<i>Region</i>	<i>Income Group</i>	<i>Lending category</i>	<i>Other</i>
147	Palau	PLW	East Asia & Pacific	Upper middle income	IBRD	
148	Panama	PAN	Latin America & Caribbean	Upper middle income	IBRD	
149	Papua New Guinea	PNG	East Asia & Pacific	Low income	Blend	
150	Paraguay	PRY	Latin America & Caribbean	Lower middle income	IBRD	
151	Peru	PER	Latin America & Caribbean	Lower middle income	IBRD	
152	Philippines	PHL	East Asia & Pacific	Lower middle income	IBRD	
153	Poland	POL	Europe & Central Asia	Upper middle income	IBRD	
154	Portugal	PRT	..	High income: OECD	..	EMU
155	Puerto Rico	PRI	..	High income: nonOECD	..	
156	Qatar	QAT	..	High income: nonOECD	..	
157	Romania	ROM	Europe & Central Asia	Upper middle income	IBRD	
158	Russian Federation	RUS	Europe & Central Asia	Upper middle income	IBRD	
159	Rwanda	RWA	Sub-Saharan Africa	Low income	IDA	HIPC
160	Samoa	WSM	East Asia & Pacific	Lower middle income	IDA	
161	San Marino	SMR	..	High income: nonOECD	..	
162	São Tomé and Príncipe	STP	Sub-Saharan Africa	Low income	IDA	HIPC
163	Saudi Arabia	SAU	..	High income: nonOECD	..	
164	Senegal	SEN	Sub-Saharan Africa	Low income	IDA	HIPC
165	Serbia	SRB	Europe & Central Asia	Upper middle income	IBRD	
166	Seychelles	SYC	Sub-Saharan Africa	Upper middle income	IBRD	
167	Sierra Leone	SLE	Sub-Saharan Africa	Low income	IDA	HIPC
168	Singapore	SGP	..	High income: nonOECD	..	
169	Slovak Republic	SVK	Europe & Central Asia	Upper middle income	IBRD	
170	Slovenia	SVN	..	High income: nonOECD	..	EMU
171	Solomon Islands	SLB	East Asia & Pacific	Low income	IDA	
172	Somalia	SOM	Sub-Saharan Africa	Low income	IDA	HIPC
173	South Africa	ZAF	Sub-Saharan Africa	Upper middle income	IBRD	
174	Spain	ESP	..	High income: OECD	..	EMU
175	Sri Lanka	LKA	South Asia	Lower middle income	IDA	
176	St. Kitts and Nevis	KNA	Latin America & Caribbean	Upper middle income	IBRD	
177	St. Lucia	LCA	Latin America & Caribbean	Upper middle income	Blend	
178	St. Vincent and the Grenadines	VCT	Latin America & Caribbean	Upper middle income	Blend	
179	Sudan	SDN	Sub-Saharan Africa	Low income	IDA	HIPC
180	Suriname	SUR	Latin America & Caribbean	Lower middle income	IBRD	
181	Swaziland	SWZ	Sub-Saharan Africa	Lower middle income	IBRD	
182	Sweden	SWE	..	High income: OECD	..	

	<i>Economy</i>	<i>Code</i>	<i>Region</i>	<i>Income Group</i>	<i>Lending category</i>	<i>Other</i>
183	Switzerland	CHE	..	High income: OECD	..	
184	Syrian Arab Republic	SYR	Middle East & North Africa	Lower middle income	IBRD	
185	Tajikistan	TJK	Europe & Central Asia	Low income	IDA	
186	Tanzania	TZA	Sub-Saharan Africa	Low income	IDA	HIPC
187	Thailand	THA	East Asia & Pacific	Lower middle income	IBRD	
188	Timor-Leste	TMP	East Asia & Pacific	Low income	IDA	
189	Togo	TGO	Sub-Saharan Africa	Low income	IDA	HIPC
190	Tonga	TON	East Asia & Pacific	Lower middle income	IDA	
191	Trinidad and Tobago	TTO	..	High income: nonOECD	IBRD	
192	Tunisia	TUN	Middle East & North Africa	Lower middle income	IBRD	
193	Turkey	TUR	Europe & Central Asia	Upper middle income	IBRD	
194	Turkmenistan	TKM	Europe & Central Asia	Lower middle income	IBRD	
195	Uganda	UGA	Sub-Saharan Africa	Low income	IDA	HIPC
196	Ukraine	UKR	Europe & Central Asia	Lower middle income	IBRD	
197	United Arab Emirates	ARE	..	High income: nonOECD	..	
198	United Kingdom	GBR	..	High income: OECD	..	
199	United States	USA	..	High income: OECD	..	
200	Uruguay	URY	Latin America & Caribbean	Upper middle income	IBRD	
201	Uzbekistan	UZB	Europe & Central Asia	Low income	Blend	
202	Vanuatu	VUT	East Asia & Pacific	Lower middle income	IDA	
203	Venezuela, RB	VEN	Latin America & Caribbean	Upper middle income	IBRD	
204	Vietnam	VNM	East Asia & Pacific	Low income	IDA	
205	Virgin Islands (U.S.)	VIR	..	High income: nonOECD	..	
206	West Bank and Gaza	WBG	Middle East & North Africa	Lower middle income	..	
207	Yemen, Rep.	YEM	Middle East & North Africa	Low income	IDA	
208	Zambia	ZMB	Sub-Saharan Africa	Low income	IDA	HIPC
209	Zimbabwe	ZWE	Sub-Saharan Africa	Low income	Blend	
1	World	WLD				
2	Low income	LIC				
3	Middle income	MIC				
4	Lower middle income	LMC				
5	Upper middle income	UMC				
6	Low & middle income	LMY				
7	East Asia & Pacific	EAP				
8	Europe & Central Asia	ECA				

	<i>Economy</i>	<i>Code</i>	<i>Region</i>	<i>Income Group</i>	<i>Lending category</i>	<i>Other</i>
9	Latin America & Caribbean	LAC				
10	Middle East & North Africa	MNA				
11	South Asia	SAS				
12	Sub-Saharan Africa	SSA				
13	High income	HIC				
14	European Monetary Union	EMU				
15	High income: OECD	OEC				
16	High income: nonOECD	NOC				
17	Heavily indebted poor countries (HIPC)	HPC				
18	Least developed countries: UN classification	LDC				

This table classifies all World Bank member economies, and all other economies with populations of more than 30,000. For operational and analytical purposes, economies are divided among income groups according to 2006 gross national income (GNI) per capita, calculated using the World Bank Atlas method. The groups are: low income, \$905 or less; lower middle income, \$906–3,595; upper middle income, \$3,596–11,115; and high income, \$11,116 or more. Other analytical groups based on geographic regions are also used.

Geographic classifications and data reported for geographic regions are for low-income and middle-income economies only. Low-income and middle-income economies are sometimes referred to as developing economies. The use of the term is convenient; it is not intended to imply that all economies in the group are experiencing similar development or that other economies have reached a preferred or final stage of development. Classification by income does not necessarily reflect development status.

Lending category: IDA countries are those that had a per capita income in 2006 of less than \$1,065 and lack the financial ability to borrow from IBRD. IDA loans are deeply concessional—interest-free loans and grants for programs aimed at boosting economic growth and improving living conditions. IBRD loans are nonconcessional. Blend countries are eligible for IDA loans because of their low per capita incomes but are also eligible for IBRD loans because they are financially creditworthy.

Note: Income classifications are in effect until 1 July 2008.