



October 2020

## POVERTY REDUCTION AND GROWTH TRUST—2020 BORROWING AGREEMENTS WITH THE NATIONAL BANK OF BELGIUM, BANCO CENTRAL DO BRASIL, BANQUE DE FRANCE, THE GOVERNMENT OF JAPAN, DE NEDERLANDSCHE BANK NV, THE NORWEGIAN MINISTRY OF FINANCE REPRESENTING THE KINGDOM OF NORWAY, THE BANK OF SPAIN, THE SVERIGES RIKSBANK AND THE GOVERNMENT OF THE UNITED KINGDOM

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**International Monetary Fund  
Washington, D.C.**



October 7, 2020

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## INTRODUCTION

**1. This paper presents the first set of Poverty Reduction and Growth Trust (PRGT) borrowing agreements that have been signed to respond to the unprecedented demand for concessional financing during the COVID-19 pandemic.**<sup>1</sup> Pursuant to Section III, paragraph 2 of the Instrument to establish the PRGT, the Managing Director is authorized to enter into borrowing agreements and agree to their terms and conditions with PRGT lenders. On April 14, 2020 the Executive Board endorsed a policy decision to mobilize SDR 12.5 billion in additional PRGT loan resources immediately.<sup>2</sup> To launch the PRGT fundraising round, the Board approved an increase in the PRGT cumulative borrowing limit from SDR 38 billion to SDR 50.5 billion.

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<sup>1</sup> See *Review of Enhanced Access Limits Under the Rapid Credit Facility and Rapid Financing Instrument*, October 5, 2020.

<sup>2</sup> See *Review of Enhanced Access Limits Under the Rapid Credit Facility and Rapid Financing Instrument*, October 5, 2020.

**2. The fast-track loan mobilization round has been instrumental in allowing the Fund to raise access limits and scale up emergency financing to low-income countries (LICs).** To date, five new agreements and the augmentation of four existing agreements have been finalized with nine lenders as follows: Five new loan agreements have been concluded, including with the National Bank of Belgium (Belgium), the Banque de France (France), De Nederlandsche Bank NV (the Netherlands), the Norwegian Ministry of Finance Representing the Kingdom of Norway (Norway) and the Sveriges Riksbank (Sweden). Four existing agreements with Banco Central do Brasil (Brazil 2017 Note Purchase Agreement (NPA)), the Government of the United Kingdom (United Kingdom 2017 NPA), the Government of Japan (Japan 2010 NPA), and the 2017 agreement with the Bank of Spain (Spain 2017 loan agreement) have been augmented.<sup>3</sup> Together, they provide SDR 10.6 billion in new loan resources, with SDR 8.8 billion immediately available.<sup>4</sup>

**Table 1. New PRGT Loan Resources<sup>1</sup>**

Country	Effective Date	Amount	Modality	Currency	Type of Agreement	Encashment
Japan <sup>2</sup>	5/15/2020	3,600	Augmentation	SDR	NPA	Yes
France	5/18/2020	2,000	New agreement	SDR	Loan Agreement	Yes
United Kingdom	5/12/2020	2,000	Augmentation	SDR	NPA	Yes
Spain	7/1/2020	750	Augmentation	EUR	Loan Agreement	Yes
Brazil	8/27/2020	500	Augmentation	USD	NPA	Yes
Netherlands	7/24/2020	500	New agreement	SDR	Loan Agreement	No
Sweden	7/24/2020	500	New agreement	USD	Loan Agreement	Yes
Norway	7/1/2020	400	New agreement	USD	Loan Agreement	Yes
Belgium	7/29/2020	350	New agreement	EUR	Loan Agreement	No
<b>Total</b>		<b>10,600</b>				

Source: Finance Department.

<sup>1</sup> All agreements are for the benefit of the General Loan Account, remunerated at the SDRi rate (with the exception of the UK loan capped at 0.05%) and expire at end-2029.

<sup>2</sup> To be available in two equal tranches.

**3. In addition, a number of existing agreements were amended to provide for greater flexibility and more efficient use of loan resources.** Specifically, a number of lenders agreed to (i) allow drawings for the benefit of the General Loan Account, rather than earmarking their resources for specific facilities such as the Extended Credit Facility (ECF) (2017 agreements with Belgium and Italy, 2018 agreement with France, and 2017 NPA with the United Kingdom), (ii) relax limits on drawings (France's annual drawdown limit in the 2018 and 2020 agreements and the number of drawings per year in agreements with the Netherlands (2010 agreement, as amended,

<sup>3</sup> For ease of reference, this paper refers to both loan agreements and NPAs as "borrowing agreements" or "agreements".

<sup>4</sup> The SDR 3.6 billion agreed with Japan is to be provided in two equal tranches with the first one of SDR 1.8 billion available upon effectiveness of the agreement and the second one upon written notification by the authorities.

and 2020 agreement) and Spain (2017 agreement as amended)), (iii) provide flexibility to the Fund to make drawings in currencies (2020 agreement with France), and (iv) unify the interest rate at which PRGT loans are remunerated at the SDR interest rate (2012 and 2017 agreements with Belgium, 2017 NPA with Brazil, 2010 agreement with the Netherlands, 2010 and 2016 agreements with Norway, and 2017 agreement with Spain).<sup>5</sup>

**4. The drawdown period for PRGT loans has been extended to end-2029 for all new and amended agreements.** This is in line with the amendments to the PRGT Instrument approved by the Executive Board on May 24, 2019 to extend the commitment period for PRGT borrowing until December 31, 2024, and the drawdown period for the Loan Accounts of the Trust until December 31, 2029.<sup>6</sup> Such extensions had already been granted by Canada (2017 loan agreement), France (2018 loan agreement), Italy (2017 loan agreement), Japan (2010 NPA, as amended), Korea (2011 loan agreement as amended), and Saudi Arabia (2011 loan agreement).<sup>7</sup>

## PRINCIPAL ELEMENTS OF THE BORROWING AGREEMENTS

**5. Amounts.** The new borrowing agreements have the following maximum loan/NPA amounts: France SDR 2 billion; Netherlands SDR 500 million; Sweden SDR 500 million; Norway SDR 400 million; and Belgium SDR 350 million. Japan agreed to further augment its 2010 NPA by an additional SDR 3.6 billion (for a new total of SDR 7.2 billion) to become available in two equal tranches, with the first SDR 1.8 billion available on the effectiveness date of the amendment and the remainder upon written notice from Japan. In addition, the 2017 NPA with the United Kingdom was augmented by an additional SDR 2 billion (for a new total amount of SDR 4 billion), the 2017 agreement with Spain was augmented by SDR 750 million (for a new total amount of SDR 1.2 billion); and the 2017 NPA with Brazil was augmented by SDR 500 million (for a new total amount of SDR 1 billion).

**6. Account designations.** The new agreements with Belgium, France, the Netherlands, Norway and Sweden are for the benefit of the General Loan Account (GLA) which can be used to finance disbursements under any of the PRGT facilities. The 2017 agreements with Belgium and Italy, the 2018 agreement with France, and the 2017 NPA with the United Kingdom were amended to allow drawings for the benefit of the GLA. The 2016 agreement with Norway was amended to allow for

<sup>5</sup> All PRGT loans are denominated in SDRs, but the medium of disbursement and repayment can be both in SDRs or freely usable currencies. While PRGT loans in SDRs have been remunerated at the SDR rate since 2010, PRGT loans in currencies had previously been remunerated at the six-month derived SDR rate. The new and amended agreements have unified the interest rate at the SDR rate, in light of the planned termination of the LIBOR, which was previously used to calculate the rate of remuneration for currency loans.

<sup>6</sup> Decision No. 16515-(19/42), adopted May 24, 2019.

<sup>7</sup> These extensions became effective following the Managing Director's confirmation letters to the authorities dated September 30, 2019 for Canada, November 13, 2019 for France, September 11, 2020 for Italy, March 12, 2020 for Japan, May 8, 2020 for Korea and November 13, 2019 for Saudi Arabia. Lenders consents to these extensions and the Managing Director's confirmations are not attached as the related amendments are not affecting the amounts of the commitments.

drawings under both the RCF and the SCF, at the Trustee's discretion. The 2017 NPA with Brazil, the 2010 NPA with Japan, and the 2017 agreement with Spain continue to benefit the GLA.

**7. Drawings under commitments.** Drawings under all new and amended agreements can be made through December 31, 2029. The notification period of the intention to draw is five days (creditor's location) under the agreements with Belgium, Brazil, France, Norway, Spain, Sweden and the United Kingdom, and at least seven business days under the agreement with Japan. In the case of Japan, unless otherwise agreed between Japan and the Trustee, there will be no more than SDR 600 million drawn in any calendar month (paragraph 2(c)), provided that such a limit will not apply to encashment-related purchases under paragraph 3(ii) of the NPA.<sup>8</sup> The new and amended agreements with France set the annual drawdown limit at SDR 2 billion. The Netherlands and Spain both consented to remove a limit of five drawings per year from their new and amended agreements.

**8. Denomination and media.** Loan commitments and operations are denominated in SDRs. Unless otherwise agreed between the Trustee and the creditors, disbursements are to be made by the transfer of the equivalent amount of U.S. dollars for Brazil (paragraph 6(a) of NPA), Norway and Sweden (paragraph 4(a) of respective agreements); euros for Belgium and Spain (paragraph 4(a) of respective agreements), SDRs or U.S. dollars for Japan (paragraph 5(a)); SDRs or U.S. dollars for France (paragraph 4(a)); SDRs or euros for the Netherlands; and SDRs for the United Kingdom. Payments of principal by the Trust are to be made in U.S. dollars (or, if requested by the Trustee in SDRs) for Brazil (paragraph 3(a) of NPA), euros for Belgium and Spain (paragraph 7(a) of respective agreements), U.S. dollars for Norway and Sweden (paragraph 7(a)), and SDRs for France, the Netherlands and the United Kingdom, or in other media as may be agreed between the Trustee and the creditor. For Japan, principal repayments are to be made in the same media originally used to purchase each note (paragraph 7(a) of the General Terms and Conditions (GTC)) or in other media as may be agreed between the Trustee and Japan. Payments of interest by the Trust are to be made in SDRs to the SDR holdings account of the relevant member for all of the nine lenders under their new and amended agreements.

**9. Maturity.** Under the agreements with Belgium, the Netherlands, Norway, Spain and Sweden, each drawing is to be repaid in accordance with the repayment schedule for loan disbursements under the facility of the Trust for which it was drawn (paragraph 5(a) of respective agreements). Drawings under the agreement with France have an initial maturity of one year, which may be extended at the sole discretion of the Trustee by additional periods of up to one year. These extensions shall automatically be deemed to have elected by the Trustee, unless it notifies the lender otherwise. Under the NPAs with Brazil, Japan and the United Kingdom, each note shall have an initial maturity date of six months. The Trustee may at its sole discretion elect to extend the maturity date for each note by additional periods of up to six months. These extensions shall automatically be deemed to have been elected by the Trustee, unless it notifies the lender otherwise. The maximum extension period under the agreement with France and the NPAs with

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<sup>8</sup> This requirement has been suspended until October 5, 2020 based on mutual agreement.

Brazil, Japan and the United Kingdom are generally the maturity dates for the loan disbursement under the facility of the Trust for which a note was issued or the agreement was drawn (paragraph 3(a) of the GTC).

**10. Interest.** With the exception of the agreement with the United Kingdom, all new and amended loan agreements and NPAs provide for outstanding drawings to earn interest at the SDR interest rate established by the Fund. The augmented NPA with the United Kingdom continues to be remunerated at the SDR interest rate or 0.05 percent rate, whichever is lower.

**11. Suspension of drawings.** In the event that any installment of principal or interest is not paid by the Trust under the agreements within a period of ten days after its due date, the agreements provide for the suspension of further drawings pending consultations on this matter with the respective creditor (paragraph 2(b) of respective agreements).

**12. Transfer of claims.** Agreements allow for the voluntary transfer of claims on the Trust to a limited group of official-sector entities and for the temporary suspension of disbursements at any time prior to June 30, 2029, in the event of a liquidity need by the creditor (paragraphs 8(a) and 10 of the new agreements with Belgium, France, the Netherlands, Norway, and Sweden, and amended agreement with Spain; paragraphs 7 and 8 of the NPA and paragraph 5 of the GTC with Brazil; and paragraphs 6 and 7 of the NPA and paragraph 5 of the GTC with Japan and the United Kingdom).

**13. Encashment.** The new and amended agreements with Brazil, France, Japan, Norway, Spain, Sweden, and the United Kingdom include the right to seek early repayment of outstanding claims on the Trust in case of balance of payments and reserve needs, and authorizes drawings by the Trustee to fund such encashment requests of other participating creditors to any of the Loan Accounts of the Trust. The right to encashment under the agreements is in all cases subject to the availability of resources under the borrowing agreements of other participating creditors (paragraph 9 of agreements with France, Spain and Sweden, and paragraph 6 of the GTC under NPAs with Brazil, Japan, and the United Kingdom).

## CONCLUSION

**14. The new agreements with Belgium, France, the Netherlands, Norway, and Sweden and the augmentations of the agreements with Brazil, Japan, the United Kingdom, and Spain are among the first contributions under the 2020 PRGT loan resources mobilization round and represent an important step towards meeting the SDR 12.5 billion target.** Additional contributions, including from new lenders, are still needed to ensure that the Trust remains in a position to meet low-income countries' needs over the near and medium term. Discussions with other lenders are ongoing and staff will keep the Board informed of new developments.

## **Attachment I. Agreement Between the National Bank of Belgium and the International Monetary Fund as Trustee of the Poverty Reduction and Growth Trust**

The National Bank of Belgium (the “Bank”) and the International Monetary Fund (the “Fund”) as Trustee (the “Trustee”) of the Poverty Reduction and Growth Trust (the “Trust”), have reached understandings on:

- (i) a new borrowing agreement between the Bank and the Fund as Trustee for the purposes of providing new loan services to the Trust (the “2020 Borrowing Agreement”),
- (ii) amendments to the borrowing agreement between them dated August 30, 2017 (the “2017 Borrowing Agreement”), and
- (iii) amendments to the borrowing agreement between them dated November 11, 2012 (the “2012 Borrowing Agreement”),

as set out in Sections I, II and III below:

### **I. 2020 Borrowing Agreement**

The Bank agrees to lend to the Fund as Trustee of the Trust, for the purposes of providing loan resources to the Trust. Such loan resources shall be provided in accordance with the terms of the Instrument establishing the Trust adopted by the Executive Board of the Fund by Decision No. 8759-(87/176) ESAF, as amended (the “PRGT Instrument”), and on the terms and conditions set out below. This 2020 Borrowing Agreement is based on Section III, paragraph 2 of the PRGT Instrument, which authorizes the Managing Director to enter into borrowing agreements with creditors to the Loan Accounts of the Trust.

1. The amount of the loan shall be the equivalent of up to SDR 350 million.
2. (a) The Trustee may make drawings under this 2020 Borrowing Agreement at any time during the period from the effective date of this 2020 Borrowing Agreement through December 31, 2029. Unless otherwise agreed between the Bank and the Trustee, the Trustee shall give the Bank at least five business days (Brussels) notice of its intention to draw, and shall provide payment instructions at least two (Fund) business days prior to the value date of the transaction by SWIFT.  
  
(b) If any installment of principal or interest is not fully paid to the Bank within a period of ten days after its due date, the Trustee shall not make further drawings under this 2020 Borrowing

Agreement pending consultations with the Bank on the matter. However, the Trustee may resume drawings under this 2020 Borrowing Agreement once arrears to the Bank have been discharged.

3. The Trustee may make drawings under this 2020 Borrowing Agreement to finance loan disbursements by the Trustee under the General Loan Account of the Trust.

4. (a) The amount of each drawing shall be denominated in SDRs. Unless otherwise agreed between the Trustee and the Bank, the amount shall be paid by the Bank on the value date specified in the Trustee's notice by transfer of the equivalent amount in Euros to an account specified by the Trustee.

(b) Upon request, the Trustee shall issue to the Bank a non-negotiable certificate evidencing its claim on the Trust resulting from a drawing outstanding under this 2020 Borrowing Agreement.

5. (a) Each drawing shall be repaid in accordance with the repayment schedule for loan disbursements under the facility of the Trust for which it was drawn. At the time of each drawing, the Trustee will indicate in the notice requesting the drawing the specific repayment schedule for the amount drawn. Repayments by the Trust shall be made on the relevant maturity dates.

(b) By agreement between the Bank and the Trustee, any drawing or part thereof may be repaid by the Trustee at any time in advance of maturity. Unless otherwise agreed between the Bank and the Trustee, a request for agreement on early repayment shall be made by the Trustee with at least five business days (Brussels) notice.

(c) If the relevant maturity date is not a business day of the Fund, the Target system and the domestic markets of the other (non-euro) currencies included in the SDR basket, the repayment date shall be on the first succeeding business day that is a business day for the Fund, the Target system and the domestic markets of the other (non-euro) currencies included in the SDR basket.

6. (a) Effective through December 31, 2020, interest on the amount outstanding in respect of each drawing shall be computed at an annual rate determined by the Trustee at the time each drawing is made and at intervals of six calendar months thereafter, from the product of:

(i) the interest rates on domestic instruments in each currency included in the SDR basket, as reported to the Trustee by each reporting agency, two LIBOR business days prior to the commencement of the interest rate period to which such computation applies—provided that if this date is not a business date of the Fund, such date shall be the first preceding business day of the Fund that is also a LIBOR business day—as follows:

- the bond equivalent yield for six-month U.S. Treasury bills,
- the six-month Euro-denominated euro government bond yield for bonds rated AA and above, as published by the European Central Bank,



- the bond equivalent yield on six-month Chinese treasury bills,
- the bond equivalent yield on six-month Japanese treasury bills,
- the six-month interbank rate in the United Kingdom, and

(ii) the percentage weight of that currency in the valuation of the SDR on that business day, calculated by using the same amounts and exchange rates for currencies as are employed by the Fund for calculating the value of the SDR in terms of the U.S. dollar on that day. The applicable interest rate shall be the sum of the products so calculated, rounded to two decimal places.

(b) Effective from January 1, 2021, each drawing bears interest at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of its Articles of Agreement.

(c) The amount of interest payable in respect of each drawing shall be calculated on an actual day basis and shall be paid on all outstanding drawings under this 2020 Borrowing Agreement: (i) with respect to interest accumulated through December 31, 2020, promptly after June 30 and December 31 of 2020, and (ii) with respect to interest accumulated from January 1, 2021, promptly after January 31, April 30, July 31, and October 31 of each year.

7. (a) Repayments of principal by the Trustee shall be made in Euros or in other media as may be agreed between the Trustee and the Bank.

(b) Effective through December 31, 2020, payments of interest by the Trustee shall be made in Euros or in other media as may be agreed between the Trustee and the Bank. Effective January 1, 2021, payments of interest by the Trustee shall be made in SDRs or in other media as may be agreed between the Trustee and the Bank.

(c) Repayments or payments in Euros or other currencies by the Trustee shall be made to an account of the Bank as agreed between the Trustee and the Bank. Repayments or payments in SDRs by the Trustee shall be made by crediting Belgium's holdings account in the Special Drawing Rights Department.

8. (a) The Bank shall have the right to transfer at any time all or part of any claim to any member of the Fund, to the central bank or other fiscal agency designated by any member for purposes of Article V, Section 1, of the Fund's Articles of Agreement, or to any official entity that has been prescribed as a holder of SDRs pursuant to Article XVII, Section 3 of the Fund's Articles of Agreement.

(b) The transferee shall acquire all the rights of the Bank under this 2020 Borrowing Agreement with respect to repayment of and interest on the transferred claim.

9. At the request of the Bank, calls on its commitment to meet drawings may be suspended temporarily at any time prior to June 30, 2029, subject to the provisions of Section III, paragraph 4(c) and (d) of the PRGT Instrument.

10. Unless otherwise agreed between the Trustee and the Bank, all transfers, exchanges, and payments of principal and interest in currencies shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second (Fund) business day before the value date of the transfer, exchange or payment.

11. If the Fund changes the method of valuing the SDR, all transfers, exchanges, and payments of principal and interest made two or more (Fund) business days after the effective date of the change shall be made on the basis of the new method of valuation. If prior to December 31, 2020 there is a change in the currency composition of the SDR basket, the interest rate calculations and instruments under paragraph 6(a)(i) shall be modified by operation of this clause to (i) incorporate, for any new currency included in the SDR basket, the interest rate on a widely used six-month domestic instrument for such currency as determined by the Trustee after consultation with the Bank and (ii) delete, for any currency removed from the SDR basket, the reference to the relevant domestic instrument. This modification shall be effective as of the date the changes in the method of valuing the SDR become effective.

12. Any question arising under this 2020 Borrowing Agreement shall be settled by mutual agreement between the Bank and the Trustee.

## **II. Amendments to the 2017 Borrowing Agreement**

The Bank and the Trustee agree that the 2017 Borrowing Agreement shall be amended as follows:

1. Paragraph 2(a), first sentence, shall be revised to read:

"The Trustee may make drawings under this agreement at any time during the period from the effective date of this agreement through December 31, 2029."

2. Paragraph 3 shall be revised to read:

"The Trustee may make drawings under this agreement to finance loan disbursements by the Trustee under the General Loan Account of the Trust."

3. Paragraph 9 shall be revised to read:

"At the request of the Bank, calls on its commitment to meet drawings may be suspended temporarily at any time prior to June 30, 2029, subject to the provisions of Section III, paragraph 4(c) and (d) of the PRGT Instrument."

4. Drawings under the 2017 Borrowing Agreement shall be subject to the interest rate and interest payment modalities as set out in paragraphs 6, 7 and 11 of Section I above, which shall supersede and amend the provisions in paragraphs 6, 7, and 11 of the 2017 Borrowing Agreement.

### III. Amendments to the 2012 Borrowing Agreement.

The Bank and the Trustee agree that the 2012 Borrowing Agreement shall be amended as follows:

1. Drawings under the 2012 Borrowing Agreement shall be subject to the interest rate and interest payment modalities as set out in paragraphs 6, 7 and 11 of Section I above, which shall supersede and amend the provisions in paragraphs 5, 6 and 10 of the 2012 Borrowing Agreement.

### IV. Effectiveness

1. This agreement may be executed in one or more duplicate counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same agreement.

2. The 2020 Borrowing Agreement, the amendments to the 2017 Borrowing Agreement and the amendments to the 2012 Borrowing Agreement shall become effective on the last date written below.

IN WITNESS WHEREOF, the National Bank of Belgium and the International Monetary Fund, as Trustee of the Poverty Reduction and Growth Trust, have executed this agreement.

For the NATIONAL BANK OF BELGIUM:

\_\_\_\_\_  
Pierre Wunch /s  
Governor  
National Bank of Belgium

July 22, 2020

\_\_\_\_\_  
Date

For the INTERNATIONAL MONETARY FUND as Trustee:

\_\_\_\_\_  
Kristalina Georgieva /s  
Managing Director

July 29, 2020

\_\_\_\_\_  
Date

## **Attachment II. Amendment to the Note Purchase Agreement between Banco Central do Brasil and the Fund as Trustee of the Poverty Reduction and Growth Trust**

On behalf of the Trustee of the Poverty Reduction and Growth Trust (PRGT), it is proposed that the Note Purchase Agreement between Banco Central do Brasil and the Fund, as Trustee of the PRGT, dated June 1, 2017, be amended as follows:

1. Paragraph 3(a) shall be revised to read as follows:

“Notes in a total principal amount of up to the equivalent of SDR 1 billion may be issued under this Agreement.”

2. Paragraph 3(b) shall be revised to read as follows:

“The Trustee may issue and Purchaser shall purchase Notes at any time from the date this Agreement becomes effective in accordance with paragraph 9(b) through December 31, 2029. Unless otherwise agreed between Purchaser and the Trustee, the Trustee shall give Purchaser at least five business days’ (Brasilia) notice of the Trustee’s intention to issue Notes for purchase under this Agreement, including the amount of the Notes to be purchased, and shall provide payment instructions at least two Fund business days prior to the value date of the transaction by SWIFT.”

3. Paragraph 6(a) shall be revised to read as follows:

“(a) Unless otherwise agreed between the Trustee and Purchaser, the purchase price of each Note shall be paid by Purchaser on the value date specified in the Trustee’s notice under paragraph 2(b) by transfer of U.S. dollars to an account specified by the Trustee or, if requested by the Trustee, by transfer of SDRs, to an account specified by the Trustee.

4. Paragraph 6(c) shall be revised to read as follows:

(c) If the Fund changes the method of valuing the SDR, all purchases, transfers and exchanges of currency made two or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.”

5. Paragraph 7 shall be revised to read as follows:

“At the request of Purchaser, the issuance of Notes under this Agreement may be suspended temporarily at any time prior to June 30, 2029, in accordance with Section III, paragraphs 4(c) and (d) of the PRGT Instrument.”

6. Paragraph 4 of Annex 1 shall be revised as follows:

“Rate of Interest.

(a) Effective through December 31, 2020, interest on each Note shall be computed at an annual rate determined by the Trustee at the time each drawing is made and at intervals of six calendar months thereafter, from the product of:

(i) the interest rates on domestic instruments in each currency included in the SDR basket, as reported to the Trustee by each reporting agency, two LIBOR business days prior to the commencement of the interest rate period to which such computation applies—provided that if this date is not a business date of the Fund, such date shall be the first preceding business day of the Fund that is also a LIBOR business day—as follows:

- the bond equivalent yield for six-month U.S. Treasury bills,
- the six-month Euro-denominated euro government bond yield for bonds rated AA and above, as published by the European Central Bank,
- the bond equivalent yield on six-month Chinese treasury bills,
- the bond equivalent yield on six-month Japanese treasury bills,
- the six-month interbank rate in the United Kingdom, and

(ii) the percentage weight of that currency in the valuation of the SDR on that business day, calculated by using the same amounts and exchange rates for currencies as are employed by the Fund for calculating the value of the SDR in terms of the U.S. dollar on that day. The applicable interest rate shall be the sum of the products so calculated, rounded to two decimal places, provided that, if such calculation results in a negative interest rate, the interest rate shall be zero percent.

(b) Effective January 1, 2021, interest on the Notes outstanding and all new issuances and purchases of Notes in respect of each drawing shall be computed at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of its Articles of Agreement.

(c) The amount of interest payable in respect of each Note shall be calculated on an actual day basis and shall be paid as follows: (i) with respect to interest accumulated through December 31, 2020, promptly after June 30 and December 31 of each year, and (ii) with respect to interest accumulated from January 1, 2021, promptly after January 31, April 30, July 31, and October 31 of each year.”

7. Paragraph 5(f) of Annex 1 will be revised to read as follows:

“(f) If all or part of a Note is transferred during a semiannual or quarterly period as described in paragraph 4(c), the Trustee will pay interest to the transferee on the principal amount of the Note for the whole of that period.”

8. Paragraph 7 of Annex 1 shall be revised to read as follows:

“Media and Modalities of Payments on the Notes.

(a) Repayments by the Trustee of the principal amount of Notes shall be made in U.S. dollars or in other media as may be agreed upon between the Permitted Holder and the Trustee; provided however that payments by the Trustee of principal pursuant to paragraph 6(b) shall be made in SDRs or a freely usable currency as determined by the Trustee after consultation with the Permitted Holder.

(b) Effective through December 31, 2020, payments of interest on the Notes by the Trustee to a Permitted Holder shall be made in U.S. dollars or in other media as may be agreed between the Trustee and the Permitted Holder. Effective January 1, 2021, payments of interest by the Trustee shall be made in SDRs.

(c) All payments made by the Trustee to a Permitted Holder in currency will be made by crediting the amount due to an account specified in advance by the Permitted Holder for purposes of receiving such payments. Payments in SDRs will be made by crediting the SDR Department account of the Permitted Holder or of the Relevant Member as the case may be.”

9. Paragraph 9 of Annex I will be revised to read as follows:

“Changes in Method of Valuation of SDR.

(a) If the Fund changes the method of valuing the SDR, all transfers, exchanges, and payments of principal and interest made two or more business days of the Fund after the effective date of the change will be made on the basis of the new method of valuation.

(b) Effective through December 31, 2020, if there is a change in the currency composition of the SDR basket, the interest rate calculations and instruments under paragraph 4(a) shall be modified by operation of paragraph 9(a): to (i) incorporate, for any new currency included in the SDR basket, the interest rate on a widely used six-month domestic instrument for such currency as determined by the Trustee after consultation with the Permitted Holder and (ii) delete, for any currency removed from the SDR basket, the reference to the relevant domestic instrument. This modification shall be effective as of the date the changes in the method of valuing the SDR become effective.”

10. To incorporate the new interest rate and interest rate modalities provided above, effective January 1, 2021, (a) the form of a registered Note set out in Annex II shall be deleted in its entirety and replaced with the form of a registered Note as set out below (“Revised Form”); (b) the issuance of any registered Note shall be made substantially in this Revised Form; and (c) any registered Note that is issued prior to January 1, 2021 shall be exchanged and replaced with a new registered Note substantially in the Revised Form.

**"ANNEX II. Form of Registered Note**

Number \_\_\_\_\_

SDR \_\_\_\_\_

POVERTY REDUCTION AND GROWTH TRUST

REGISTERED NOTE

Issue Date: \_\_\_\_\_ Maturity Date: [to include description of automatic extensions of maturity]

The POVERTY REDUCTION AND GROWTH TRUST ("the Trust"), for value received, hereby promises to pay to \_\_\_\_\_, being the registered holder of this note an amount equivalent to \_\_\_\_\_ Special Drawing Rights (SDR) on the maturity date specified above and to pay interest thereon as set forth below.

This Note is issued in accordance with the General Terms and Conditions for Notes issued under the Note Purchase Agreement between the International Monetary Fund (the "Fund"), as Trustee of the Poverty Reduction and Growth Trust (the Trustee) and the Banco Central do Brasil dated [mm/dd/yy]. Each holder of this Note is deemed to have agreed to the General Terms and Conditions and relevant terms of the Note Purchase Agreement, including without limitation the maturity date (including the terms on which it may be extended at the sole option of the Trustee from time to time), the interest rate, the terms and conditions for early payment with the agreement of the holder of the Note at the request of the Trustee or the holder hereof, and the terms and conditions for transfer of this Note or any part thereof.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY JURISDICTION.

IN NO EVENT SHALL ANY HOLDER OF THIS NOTE SELL, ASSIGN, DISPOSE OF OR OTHERWISE TRANSFER THIS NOTE, DIRECTLY OR INDIRECTLY, TO ANY ENTITY THAT IS NOT (I) A MEMBER OF THE FUND, (II) THE CENTRAL BANK OR OTHER FISCAL AGENCY DESIGNATED BY A MEMBER OF THE FUND FOR PURPOSES OF ARTICLE V, SECTION 1 OF THE FUND'S ARTICLES OF AGREEMENT, OR (III) AN OFFICIAL ENTITY THAT HAS BEEN PRESCRIBED AS A HOLDER OF SPECIAL DRAWING RIGHTS PURSUANT TO ARTICLE XVII, SECTION 3 OF THE FUND'S ARTICLES OF AGREEMENT.

Interest on each Note shall be computed at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of the Fund's Articles of Agreement. The amount of interest payable on each Note shall be calculated on an actual day basis and shall be paid on a quarterly basis promptly after July 31, October 31, January 31, and April 30 of each year. Payments of interest shall be made in SDRs, or such currency as may be agreed upon between the registered holder and the Trustee. Payments in SDRs shall be made by crediting the SDR Department account of the registered holder (if any), or of the member for which the registered holder serves as central bank or other fiscal agency or other official institution in the case of registered holders that are the central bank or other fiscal agency or other official institution of a member of the Fund.

[Signatures]"

10. (a) This amendment may be executed in one or more duplicate counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

(b) This amendment shall become effective on the last date written below.

IN WITNESS WHEREOF, Banco Central do Brasil and the International Monetary Fund as Trustee of the Poverty Reduction and Growth Trust have executed this agreement.

For the BANCO CENTRAL DO BRASIL:

	August 20, 2020
	Date
Roberto Campos Neto /s Governor	

For the INTERNATIONAL MONETARY FUND, as TRUSTEE OF THE POVERTY REDUCTION AND GROWTH TRUST:

	August 27, 2020
	Date
Kristalina Georgieva /s Managing Director	



## **Attachment III. Agreement Between the Banque de France and the International Monetary Fund as Trustee of the Poverty Reduction and Growth Trust**

The Banque de France (the “Bank”) and the International Monetary Fund (the “Fund”) as Trustee (the “Trustee”) of the Poverty Reduction and Growth Trust (the “Trust”) have reached understandings on:

- (i) a new borrowing agreement between the Bank and the Fund as Trustee for the purposes of providing new loan services to the Trust (the “2020 Borrowing Agreement”), and
- (ii) amendments to the borrowing agreement between them dated February 1, 2018 (the “2018 Borrowing Agreement”),

as set out in Sections I and II below:

### **I. 2020 Borrowing Agreement**

The Bank agrees to lend to the Fund as Trustee of the Trust for the purposes of providing loan resources to the Trust. Such loan resources shall be provided in accordance with the terms of the Instrument establishing the Trust adopted by the Executive Board of the Fund by Decision No. 8759-(87/176) ESAF, as amended (the “PRGT Instrument”), and on the terms and conditions set out below. This 2020 Borrowing Agreement is based on Section III, paragraph 2 of the PRGT Instrument, which authorizes the Managing Director to enter into borrowing agreements with creditors to the Loan Accounts of the Trust.

1. The amount of the loan shall be the equivalent of up to SDR 2.0 billion.
2.
  - (a) The Trustee may make drawings under this 2020 Borrowing Agreement at any time during the period from the effective date of this 2020 Borrowing Agreement through December 31, 2029. Unless otherwise agreed between the Bank and the Trustee, the Trustee shall give the Bank at least five business days (Paris) notice of its intention to draw, and shall provide payment instructions at least two (Fund) business days prior to the value date of the transaction by SWIFT.
  - (b) If any installment of principal or interest is not paid to the Bank within a period of ten days after its due date, the Trustee shall not make further drawings under this 2020 Borrowing Agreement pending consultations with the Bank on the matter. However, the Trustee may resume drawings under this 2020 Borrowing Agreement once arrears to the Bank have been discharged.
  - (c) Unless otherwise agreed between the Bank and the Trustee, (i) the minimum amount for each drawing shall be SDR 1 million, and (ii) the amount of drawings during any calendar year

shall not exceed SDR 2.0 billion, in the aggregate, under this 2020 Borrowing Agreement and the Agreement effective February 1, 2018 between the Bank and the Trustee, as amended (the "2018 Borrowing Agreement").

3. The Trustee may make drawings under this 2020 Borrowing Agreement to finance (i) loan disbursements by the Trustee under the General Loan Account, and (ii) the early repayment pursuant to Section III, paragraph 4(b) of the PRGT Instrument of the Trustee's outstanding indebtedness under other borrowing agreements pertaining to any of the Loan Accounts of the Trust.

4. (a) The amount of each drawing shall be denominated in SDRs. Unless otherwise agreed between the Trustee and the Bank, the amount shall be paid by the Bank on the value date specified in the Trustee's notice by transfer of SDRs or, if requested by the Trustee, the equivalent amount in United States Dollars, to an account specified by the Trustee.

(b) Upon request, the Trustee shall issue to the Bank a non-negotiable certificate evidencing its claim on the Trust resulting from a drawing outstanding under this 2020 Borrowing Agreement.

(c) Unless otherwise agreed between the Bank and the Trustee, with respect to amounts drawn in United States Dollars under paragraph 4(a), (i) no more than the equivalent amount of SDR 75 million will be drawn in United States Dollars under this 2020 Borrowing Agreement and the 2018 Borrowing Agreement, in the aggregate, in any single day; and (ii) no more than the equivalent amount of SDR 2.0 billion will be drawn in United States Dollars from the Bank under this 2020 Borrowing Agreement and the 2018 Borrowing Agreement, in the aggregate.

5. (a) Except as otherwise provided in this subparagraph 5(a) and in paragraph 9 below, each drawing shall have a maturity date that is one year from its issue date. The Trustee may in its sole discretion elect to extend the maturity date of any drawing or of any portion thereof by additional periods of up to one year after the initial maturity date, which extension the Trustee shall automatically be deemed to have elected with respect to the maturity dates then in effect for all drawings unless, at least five business days (Fund) before a maturity date, the Trustee notifies the Bank in writing that the Trustee does not elect to extend the maturity date of the particular drawing or portion thereof; provided however that, in no event, shall the maturity date of any drawing be extended to a date that is later than the maturity dates for the loan disbursement under the facility of the Trust for which it was drawn. For purposes of the preceding sentence, drawings made in connection with the early repayment of other Trust borrowing pursuant to Section III, paragraph 4(b) of the PRGT Instrument, shall have the maximum maturity dates associated with such other borrowing.

At the time of each drawing, the Trustee shall provide information on the specific repayment schedule for the amount drawn.

(b) By agreement between the Bank and the Trustee, any drawing or part thereof may be repaid by the Trustee at any time in advance of maturity. Unless otherwise agreed between the Bank and the Trustee, a request for agreement on early repayment shall be made by the Trustee with at least five business days (Paris) notice.

(c) If the relevant maturity date is not a business day of the Fund, the repayment date shall be on the first succeeding business day.

6. (a) Each drawing bears interest at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of its Articles of Agreement.

(b) The amount of interest payable in respect of each drawing shall be calculated on an actual day basis and shall be paid on all outstanding drawings under this 2020 Borrowing Agreement promptly after July 31, October 31, January 31, and April 30 of each year.

7. (a) Repayments of principal and payments of interest by the Trustee shall be made in SDRs or in a freely usable currency as may be agreed between the Trustee and the Bank; provided however that repayments by the Trustee of principal pursuant to paragraph 9 shall be made in SDRs or a freely usable currency as determined by the Trustee after consultation with the Bank.

(b) Repayments or payments in SDRs by the Trustee shall be made by crediting France's holdings account in the Special Drawing Rights Department. Repayments or payments by the Trustee in currencies shall be made to an account as agreed between the Trustee and the Bank.

8. (a) The Bank shall have the right to transfer at any time all or part of any claim to any member of the Fund, to the central bank or other fiscal agency designated by any member for purposes of Article V, Section 1 of the Fund's Articles of Agreement, or to any official entity that has been prescribed as a holder of SDRs pursuant to Article XVII, Section 3 of the Fund's Articles of Agreement.

(b) The transferee shall acquire all the rights of the Bank under this 2020 Borrowing Agreement with respect to repayment of and interest on the transferred claim, except that the transferee shall acquire the right to request early repayment under paragraph 9 of this 2020 Borrowing Agreement only if it is a member or the central bank or other fiscal agency of a member and, at the time of transfer, the member's balance of payments and reserve position was considered sufficiently strong in the opinion of the Fund for its currency to be usable in transfers under the Financial Transactions Plan.

9. The Bank shall have the right to seek early repayment of all or part of the principal amount of its outstanding claims on the Trust pursuant to Section III, paragraph 4(b) of the PRGT Instrument if the Bank represents that the balance of payments and reserve position of France justify the early repayment, and the Trustee, having given this representation the overwhelming benefit of any doubt,

agrees. Early repayment is in all cases subject to the availability of resources under borrowing agreements to the Loan Accounts of the Trust that authorize drawings for such early repayment.

10. At the request of the Bank, calls on its commitment to meet drawings may be suspended temporarily at any time prior to June 30, 2029, subject to the provisions of Section III, paragraph 4(c) and (d) of the PRGT Instrument.

11. Unless otherwise agreed between the Trustee and the Bank, all transfers, exchanges, and payments of principal and interest in currencies shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second (Fund) business day before the value date of the transfer, exchange or payment.

12. If the Fund changes the currency composition or currency weights of the SDR basket, all transfers, exchanges, and payments of principal and interest made two or more (Fund) business days after the effective date of the change shall be made on the basis of the new SDR basket.

13. Any question arising under this 2020 Borrowing Agreement shall be settled by mutual agreement between the Bank and the Trustee.

## **II. Amendments to the 2018 Borrowing Agreement**

The Bank and the Trustee agree that the 2018 Borrowing Agreement shall be amended as follows:

1. The first sentence of paragraph 2(a) shall be revised to read:

“The Trustee may make drawings under this agreement at any time during the period from the effective date of this agreement through December 31, 2029.”

2. Paragraph 2(c) shall be revised to read:

“Unless otherwise agreed between the Bank and the Trustee, (i) the minimum amount for each drawing shall be SDR 1 million, and (ii) the amount of drawings during any calendar year shall not exceed SDR 2.0 billion, in the aggregate, under this agreement and the Borrowing Agreement between the Bank and the Trustee under the 2020 PRGT borrowing round (the “2020 Borrowing Agreement”).”

3. Paragraph 3 shall be revised to read:

“The Trustee may make drawings under this agreement to finance (i) loan disbursements by the Trustee under the General Loan Account, and (ii) the early repayment pursuant to Section III, paragraph 4(b) of the PRGT Instrument of the Trustee's outstanding indebtedness under other borrowing agreements to any of the Loan Accounts of the Trust.”

4. Paragraph 4(a) shall be revised to read:

“The amount of each drawing shall be denominated in SDRs. Unless otherwise agreed between the Trustee and the Bank, the amount shall be paid by the Bank on the value date specified in the Trustee’s notice by transfer of SDRs or, if requested by the Trustee, the equivalent amount in United States Dollars, to an account specified by the Trustee.”

5. A new Paragraph 4(c) shall be added to read:

“Unless otherwise agreed between the Bank and the Trustee, with respect to amounts drawn in United States Dollars under paragraph 4(a), (i) no more than the equivalent amount of SDR 75 million will be drawn in United States Dollars under this agreement and the 2020 Borrowing Agreement, in the aggregate, in any single day; and (ii) no more than the equivalent amount of SDR 2.0 billion will be drawn in United States Dollars from the Bank under this agreement and the 2020 Borrowing Agreement, in the aggregate.”

6. Paragraph 10 shall be revised to read:

“At the request of the Bank, calls on its commitment to meet drawings may be suspended temporarily at any time prior to June 30, 2029, subject to the provisions of Section III, paragraph 4(c) and (d) of the PRGT Instrument.”

### **III. Effectiveness**

1. This agreement may be executed in one or more duplicate counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same agreement.
2. The 2020 Borrowing Agreement and the amendments to the 2018 Borrowing Agreement shall become effective on the last date written below.

IN WITNESS WHEREOF, the Banque de France and the International Monetary Fund, as Trustee of the Poverty Reduction and Growth Trust, have executed this agreement.

For the BANQUE DE FRANCE:

\_\_\_\_\_  
François Villeroy de Galhau /s  
Governor  
Banque de France

May 16, 2020

\_\_\_\_\_  
Date

For the INTERNATIONAL MONETARY FUND as Trustee:

\_\_\_\_\_  
Kristalina Georgieva /s  
Managing Director

May 16, 2020

\_\_\_\_\_  
Date

## Attachment IV. Amendments to the Note Purchase Agreement between the Government of Japan and the Fund as Trustee of the Poverty Reduction and Growth Trust

On behalf of the Trustee of the Poverty Reduction and Growth Trust (PRGT), it is proposed that the Note Purchase Agreement between the Government of Japan and the Fund, as Trustee of the PRGT, dated September 3, 2010, as amended, be further amended as follows:

1. In paragraph 2 (a), upon effectiveness of the amendment, the total principal amount of Notes issuable under the Agreement shall be increased from the equivalent of up to SDR 3.6 billion to SDR 5.4 billion, and upon notice from the Government of Japan, shall be further increased to the equivalent of up to SDR 7.2 billion, so that the paragraph reads as follows (for your convenience, additions to the text are in blue underlined and deleted text is in red and struck through):

“Notes in a total principal amount of up to the equivalent of SDR ~~3.6~~ 5.4 billion may be issued under this Agreement, with such total principal amount increasing to up to the equivalent of SDR 7.2 billion upon written notice by Purchaser.”

2. In paragraph 5 (a), the minimum five business day (Tokyo) notice period for the Trustee to confirm the media and other terms of payment for purchase of Notes shall be specified to be modifiable by the parties, so that the relevant portion of the paragraph reads as follows (for your convenience, additions to the text are in blue underlined and deleted text is in red and struck through):

“Unless otherwise agreed between Purchaser and the Trustee, at ~~At~~ least five business days (Tokyo) prior to the issuance of Notes, the Trustee shall send a final notice to Purchaser either confirming the media and other terms of payment for purchase of Notes, or, if no agreement is reached by that time between the Trustee and Purchaser on the media of payment, cancelling the initial notice under paragraph 2(b).”

For the Government of Japan:

\_\_\_\_\_  
ASO Taro /s  
Minister of Finance, Japan

May 13, 2020

\_\_\_\_\_  
Date

For the INTERNATIONAL MONETARY FUND as Trustee:

\_\_\_\_\_  
Kristalina Georgieva /s  
Managing Director

May 15, 2020

\_\_\_\_\_  
Date

## **Attachment V. Agreement Between De Nederlandsche Bank NV and the International Monetary Fund as Trustee of the Poverty Reduction and Growth Trust**

De Nederlandsche Bank NV (the “Bank”) and the International Monetary Fund (the “Fund”) as Trustee (the “Trustee”) of the Poverty Reduction and Growth Trust (the “Trust”) have reached understandings on:

(i) a new borrowing agreement between the Bank and the Fund as Trustee for the purposes of providing new loan services to the Trust (the “2020 PRGT Borrowing Agreement”) in an amount equal to the equivalent of up to SDR 500 million, as such amount may be amended from time to time, and

(ii) amendments to the borrowing agreement between them dated July 27, 2010 (as amended, the “2010 PRGT Borrowing Agreement”) in an amount equal to the equivalent of up to SDR 1 billion, as such amount may be amended from time to time, as set out in Sections I and II below:

### **I. 2020 PRGT Borrowing Agreement**

The Bank agrees to lend to the Fund as Trustee of the Trust for the purposes of providing loan resources to the Trust. Such loan resources shall be provided in accordance with the terms of the Instrument establishing the Trust adopted by the Executive Board of the Fund by Decision No. 8759-(87/176) ESAF, as amended (the “PRGT Instrument”), and on the terms and conditions set out below. This 2020 PRGT Borrowing Agreement is based on Section III, paragraph 2 of the PRGT Instrument, which authorizes the Managing Director to enter into borrowing agreements with creditors to the Loan Accounts of the Trust.

1. The amount of the loan shall be the equivalent of up to SDR 500 million.

2. (a) The Trustee may make drawings under this 2020 PRGT Borrowing Agreement at any time during the period from the effective date of this 2020 PRGT Borrowing Agreement through December 31, 2029. Unless otherwise agreed between the Bank and the Trustee, the Trustee shall give the Bank at least five business days (Amsterdam) notice of its intention to draw, and shall provide payment instructions at least two Fund business days prior to the value date of the transaction by SWIFT.

(b) If any installment of principal or interest is not paid to the Bank within a period of ten days after its due date, the Trustee shall not make further drawings under this 2020 PRGT Borrowing Agreement pending consultations with the Bank on the matter. However, the Trustee may resume drawings under this 2020 PRGT Borrowing Agreement once arrears to the Bank have been discharged.

3. The Trustee may make drawings under this 2020 PRGT Borrowing Agreement to finance loan disbursements by the Trustee under the General Loan Account.



4. (a) The amount of each drawing shall be denominated in SDRs. Unless otherwise agreed between the Trustee and the Bank, the amount shall be paid by the Bank on the value date specified in the Trustee's notice by transfer of SDRs to an account specified by the Trustee or, if agreed between the Trustee and the Bank, the equivalent amount in Euros, to an account specified by the Trustee.

(b) Upon request, the Trustee shall issue to the Bank a non-negotiable certificate evidencing its claim on the Trust resulting from a drawing outstanding under this 2020 PRGT Borrowing Agreement.

5. (a) Each drawing shall be repaid in accordance with the repayment schedule for loan disbursements under the facility of the Trust for which it was drawn. At the time of each drawing, the Trustee shall provide information on the specific repayment schedule for the amount drawn. Repayments by the Trust shall be made on the relevant maturity dates.

(b) By agreement between the Bank and the Trustee, any drawing or part thereof may be repaid by the Trustee at any time in advance of maturity. Unless otherwise agreed between the Bank and the Trustee, a request for agreement on early repayment shall be made by the Trustee with at least five business days (Amsterdam) notice.

(c) If the relevant maturity date is not a business day of the Fund, the repayment date shall be on the first succeeding business day.

6. (a) Each drawing bears interest at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of its Articles of Agreement.

(b) The amount of interest payable in respect of each drawing shall be calculated on an actual day basis and shall be paid on all outstanding drawings under this 2020 PRGT Borrowing Agreement promptly after July 31, October 31, January 31, and April 30 of each year.

7. (a) Repayments of principal by the Trustee shall be made in SDRs, Euros or in another freely usable currency as may be agreed between the Trustee and the Bank. Payments of interest by the Trustee shall be in SDRs or in other media as may be agreed between the Trustee and the Bank.

(b) Repayments or payments in SDRs by the Trustee shall be made by crediting the Netherlands' holdings account in the Special Drawing Rights Department. Repayments by the Trustee in Euros or in other currencies shall be made to an account specified by the Bank.

8. (a) The Bank shall have the right to transfer at any time all or part of any claim to any member of the Fund, to the central bank or other fiscal agency designated by any member for purposes of Article V, Section 1 of the Fund's Articles of Agreement, or to any official entity that has been prescribed as a holder of SDRs pursuant to Article XVII, Section 3 of the Fund's Articles of Agreement.

(b) The transferee shall acquire all the rights of the Bank under this 2020 PRGT Borrowing Agreement with respect to repayment of and interest on the transferred claim.

9. At the request of the Bank, calls on its commitment to meet drawings may be suspended temporarily at any time prior to June 30, 2029, subject to the provisions of Section III, paragraph 4(c) and (d) of the PRGT Instrument.

10. Unless otherwise agreed between the Trustee and the Bank, all transfers, exchanges, and payments of principal in currencies shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second (Fund) business day before the value date of the transfer, exchange or payment.

11. If the Fund changes the currency composition or currency weights of the SDR basket, all transfers, exchanges, and payments of principal and interest made two or more (Fund) business days after the effective date of the change shall be made on the basis of the new SDR basket.

12. Any question arising under this 2020 PRGT Borrowing Agreement shall be settled by mutual agreement between the Bank and the Trustee.

## **II. Amendments to the 2010 PRGT Borrowing Agreement**

The Bank and the Trustee agree that the 2010 PRGT Borrowing Agreement shall be further amended as follows:

1. Paragraph 2(a) is amended (i) to extend the period through which the Trustee may make drawings under the 2010 PRGT Borrowing Agreement to December 31, 2029 and (ii) to delete the requirement that the Trustee endeavor to limit the number of drawings.
2. Paragraph 8 is amended to extend the date before which the Bank may request a temporary suspension of calls on its commitment under the 2010 PRGT Borrowing Agreement to June 30, 2029.
3. Effective January 1, 2021, drawings under the 2010 PRGT Borrowing Agreement shall be subject to the interest rate and interest payment modalities as set out in paragraphs 6, 7 and 11 of the 2020 PRGT Borrowing Agreement, which shall supersede and amend the interest rate and interest payment modalities set out in paragraphs 5, 6 and 10 of the 2010 PRGT Borrowing Agreement.

## **III. Effectiveness**

1. This agreement may be executed in one or more duplicate counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same agreement.
2. The 2020 PRGT Borrowing Agreement and the amendments to the 2010 PRGT Borrowing Agreement shall become effective on the last date written below.

IN WITNESS WHEREOF, De Nederlandsche Bank NV and the International Monetary Fund, as Trustee of the Poverty Reduction and Growth Trust, have executed this agreement.

For De NEDERLANDSCHE BANK NV:

July 14, 2020

\_\_\_\_\_  
Klaas H.W. Knot /s  
President

\_\_\_\_\_  
Date

For the INTERNATIONAL MONETARY FUND as Trustee:

July 24, 2020

\_\_\_\_\_  
Kristalina Georgieva /s  
Managing Director

\_\_\_\_\_  
Date

## **Attachment VI. Agreement Between the Norwegian Ministry of Finance representing the Kingdom of Norway and the International Monetary Fund as Trustee of the Poverty Reduction and Growth Trust**

The Norwegian Ministry of Finance, on behalf of the Kingdom of Norway (“Norway”), and the International Monetary Fund (the “Fund”) as Trustee (the “Trustee”) of the Poverty Reduction and Growth Trust (the “Trust”), have reached understandings on:

- (i) a new borrowing agreement between Norway and the Fund as Trustee for the purposes of providing new loan services to the Trust (the “2020 Borrowing Agreement”),
- (ii) amendments to the borrowing agreement between them dated November 17, 2016 (the “2016 Borrowing Agreement”), and
- (iii) amendments to the borrowing agreement between them, dated June 25, 2010, as amended from time to time, (the “2010 Borrowing Agreement”)

as set out in Sections I, II and III below:

### **I. 2020 Borrowing Agreement**

Norway agrees to lend to the Fund, as Trustee of the Trust, for the purposes of providing loan resources to the Trust. Such loan resources shall be provided in accordance with the terms of the Instrument establishing the Trust adopted by the Executive Board of the Fund by Decision No. 8759-(87/176) ESAF, as amended (the “PRGT Instrument”), and on the terms and conditions set out below. This 2020 Borrowing Agreement is based on Section III, paragraph 2 of the PRGT Instrument, which lender authorizes the Managing Director to enter into borrowing agreements with creditors to the Loan Accounts of the Trust.

Norges Bank (the Central Bank of Norway) shall act as agent for the Norwegian Ministry of Finance as regards the implementation of this 2020 Borrowing Agreement.

1. The amount of the loan shall be up to the equivalent of SDR 400 million.
2. (a) The Trustee may make drawings under this 2020 Borrowing Agreement at any time during the period from the effective date of this 2020 Borrowing Agreement through December 31, 2029. Unless otherwise agreed between Norges Bank and the Trustee, the Trustee shall give Norges Bank at least five business days (Oslo) notice of its intention to draw, and shall provide payment instructions at least two Fund business days prior to the value date of the transaction by SWIFT.
- (b) If any installment of principal or interest is not paid to Norway within a period of ten days after its due date, the Trustee shall not be authorized to make further drawings under this

2020 Borrowing Agreement pending consultations with Norges Bank on the matter. However, the Trustee may resume drawings under this 2020 Borrowing Agreement once arrears to Norway have been discharged and this has been confirmed by Norges Bank in writing.

3. The Trustee may make drawings under this 2020 Borrowing Agreement to (a) finance loan disbursements by the Trustee of up to SDR 400 million under the General Loan Account; and (b) the early repayment pursuant to Section III, paragraph 4(b) of the PRGT Instrument of the Trustee's outstanding indebtedness under other borrowing agreements pertaining to any of the Loan Accounts of the Trust.

4. (a) The amount of each drawing shall be denominated in SDRs. Unless otherwise agreed between the Trustee and Norges Bank, the amount shall be paid by Norway on the value date specified in the Trustee's notice by transfer of the equivalent amount of U.S. dollars to an account specified by the Trustee.

(b) At the request of Norges Bank, the Trustee shall issue to Norway a non-negotiable certificate evidencing its claim on the Trust resulting from a drawing outstanding under this 2020 Borrowing Agreement.

5. (a) Each drawing shall be repaid in accordance with the respective repayment schedules for loan disbursements under the facility of the Trust for which it was drawn. At the time of each drawing, the Trustee will indicate in the notice requesting the drawing the specific repayment schedule for the amount drawn. Repayments by the Trust shall be made on the relevant maturity dates.

(b) By agreement between Norges Bank and the Trustee, any drawing or part thereof may be repaid by the Trustee at any time in advance of maturity. Unless otherwise agreed between the Norges Bank and the Trustee, a request for agreement on early repayment shall be made by the Trustee with at least five business days (Oslo) notice.

(c) If the relevant maturity date is not a business day of the Fund, the Trans European Automated Real-Time Gross Settlement (Target) system and the domestic markets of the other (non-euro) currencies included in the SDR basket, the repayment date shall be on the first succeeding business day that is a business day for the Fund, the Target system and the domestic markets of the other (non-euro) currencies included in the SDR basket.

6. (a) Interest on the amount outstanding in respect of each drawing shall be computed at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of its Articles of Agreement.

(b) The amount of interest payable in respect of each drawing shall be calculated on an actual day basis and shall be paid on all outstanding drawings under this 2020 Borrowing Agreement promptly after January 31, April 30, July 31, and October 31 of each year.

7. (a) Repayments of principal shall be made in U.S. dollars or in other media as may be

agreed between the Trustee and Norges Bank; provided however that repayments by the Trustee of principal pursuant to paragraph 8(c) shall be made in SDRs or in other media as determined by the Trustee after consultation with the Norges Bank.

(b) Payments of interest by the Trustee shall be made in SDRs or in other media as may be agreed between the Trustee and Norges Bank.

(c) Repayment or payments in U.S. dollars shall be made by crediting the amount due to the account of the Norges Bank at the Federal Reserve Bank of New York in New York City (account No. 0210-8513-0). Repayment or payments in SDRs shall be made by crediting Norway's holdings account in the Special Drawing Rights Department. Repayment or payments in other currencies shall be made to an account of the Norges Bank as agreed between the Trustee and the Norges Bank.

8. (a) Norway shall have the right to transfer at any time all or part of any claim to any member of the Fund, to the central bank or other fiscal agency designated by any member for purposes of Article V, Section 1 of the Fund's Articles of Agreement, or to any official entity that has been prescribed as a holder of SDRs pursuant to Article XVII, Section 3 of the Fund's Articles of Agreement.

(b) The transferee shall acquire all the rights of Norway under this 2020 Borrowing Agreement with respect to repayment of and interest on the transferred claim, except that the transferee shall acquire the right to request early repayment under paragraph 9 of this 2020 Borrowing Agreement only if it is a member or the central bank or other fiscal agency of a member and, at the time of transfer, the member's balance of payments and reserve position was considered sufficiently strong in the opinion of the Fund for its currency to be usable in transfers under the Financial Transactions Plan.

(c) Norway shall have the right to seek early repayment of all or part of the principal amount of its outstanding claims on the Trust pursuant to Section III, paragraph 4(b) of the PRGT Instrument if Norway represents that the balance of payments and reserve position of Norway justify the early repayment, and the Trustee, having given this representation the overwhelming benefit of any doubt, agrees. Early repayment is in all cases subject to the availability of resources under borrowing agreements to the Loan Accounts of the Trust that authorize drawings for such early repayment.

9. At the request of Norges Bank, calls on Norway's commitment to meet drawings may be suspended temporarily at any time prior to June 30, 2029, subject to the provisions of Section III, paragraph 4(c) and (d) of the PRGT Instrument.

10. Unless otherwise agreed between the Trustee and Norges Bank, all transfers, exchanges, and payments of principal and interest in currencies shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second business day of the Fund before the value date of the transfer, exchange or payment.

11. If the Fund changes the method of valuing the SDR, all transfers, exchanges, and payments of principal and interest made two or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

12. Any question arising hereunder shall be settled by mutual agreement between Norway and the Trustee.

## **II. Amendments to the 2016 Borrowing Agreement**

Norway and the Trustee agree that the 2016 Borrowing Agreement shall be amended as follows:

1. Paragraph 1 shall be revised to read:

“The amount of the loan shall be up to the equivalent of SDR 300 million.”

2. Paragraph 2(a) shall be revised to read:

“The Trustee may make drawings under this agreement at any time during the period from the effective date of this agreement through December 31, 2029. Unless otherwise agreed between Norges Bank and the Trustee, the Trustee shall give Norges Bank at least five business days (Oslo) notice of its intention to draw and shall provide payment instructions at least two Fund business days prior to the value date of the transaction by SWIFT.”

3. Paragraph 3 shall be revised to read:

“The Trustee may make drawings under this agreement to finance loan disbursements by the Trustee under the Standby Credit Facility (SCF) Loan Account or the Rapid Credit Facility (RCF) Loan Account, at the Trustee’s discretion.”

4. Paragraph 6 shall be revised to read:

“(a) Effective through December 31, 2020, interest on the amount outstanding in respect of each drawing shall be computed at an annual rate determined by the Trustee at the time each drawing is made and at intervals of six calendar months thereafter, from the product of:

(i) the interest rates on domestic instruments in each currency included in the SDR basket, as reported to the Trustee by each reporting agency, two LIBOR business days prior to the commencement of the interest rate period to which such computation applies—provided that if this date is not a business date of the Fund, such date shall be the first preceding business day of the Fund that is also a LIBOR business day—as follows:

- the bond equivalent yield for six-month U.S. Treasury bills,

- the six-month Euro-denominated euro government bond yield for bonds rated AA and above, as published by the European Central Bank,
- the bond equivalent yield on six-month Chinese treasury bills,
- the bond equivalent yield on six-month Japanese treasury bills,
- the six-month interbank rate in the United Kingdom, and

- (ii) the percentage weight of that currency in the valuation of the SDR on that business day, calculated by using the same amounts and exchange rates for currencies as are employed by the Fund for calculating the value of the SDR in terms of the U.S. dollar on that day. The applicable interest rate shall be the sum of the products so calculated, rounded to two decimal places, provided that, if such calculation results in a negative interest rate, the applicable interest rate shall be zero percent.
- (b) Effective January 1, 2021, interest on the amount outstanding in respect of each drawing shall be computed at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of its Articles of Agreement.
- (c) The amount of interest payable in respect of each drawing shall be calculated on an actual day basis and shall be paid on all outstanding drawings under this agreement (i) with respect to interest accumulated through December 31, 2020, promptly after June 30 and December 31 of each year, and (ii) with respect to interest accumulated from January 1, 2021, promptly after January 31, April 30, July 31, and October 31 of each year."

5. Paragraph 7 shall be revised to read:

- "(a) Payments of principal shall be made in U.S. dollars or in other media as may be agreed between the Trustee and Norges Bank.
- (b) Effective through December 31, 2020, payments of interest by the Trustee shall be made in U.S. dollars or in other media as may be agreed between the Trustee and Norges Bank. Effective January 1, 2021, payments of interest by the Trustee shall be made in SDRs or in other media as may be agreed between the Trustee and Norges Bank.
- (c) Payments in U.S. dollars shall be made by crediting the amount due to the account of the Norges Bank at the Federal Reserve Bank of New York in New York City (account No. 0210-8513-0). Payments in SDRs shall be made by crediting Norway's holdings account in the Special Drawing Rights Department. Payments in other currencies shall be made to an account of the Norges Bank as agreed between the Trustee and the Norges Bank."

6. Paragraph 9 shall be revised to read:



“At the request of Norges Bank, calls on Norway’s commitment to meet drawings may be suspended temporarily at any time prior to June 30, 2029, subject to the provisions of Section III, paragraph 4(c) and (d) of the PRGT Instrument.”

7. Paragraph 11 shall be revised to read:

“(a) If the Fund changes the method of valuing the SDR, all transfers, exchanges, and payments of principal and interest made two or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

(b) If prior to December 31, 2020, there is a change in the currency composition of the SDR basket, the interest rate calculations and instruments under paragraph 6(a)(i) shall be modified by operation of this clause to:

(i) incorporate, for any new currency included in the SDR basket, the interest rate on a widely used six-month domestic instrument for such currency as determined by the Trustee after consultation with the Norges Bank, and

(ii) delete, for any currency removed from the SDR basket, the reference to the relevant domestic instrument. This modification shall be effective as of the date the changes in the method of valuing the SDR become effective.”

### **III. Amendments to the 2010 Borrowing Agreement**

Norway and the Trustee agree that the 2010 Borrowing Agreement shall be amended to provide that drawings thereunder shall be subject to the interest rate and interest payment modalities as set out in paragraphs 6 and 7 of the 2016 Borrowing Agreement, as amended above, which shall supersede and amend the provisions in paragraphs 5 and 6 of the 2010 Borrowing Agreement.

### **IV. Effectiveness**

1. This agreement may be executed in one or more duplicate counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

2. The 2020 Borrowing Agreement, the amendments to the 2016 Borrowing Agreement, and the amendments to the 2010 Borrowing Agreement shall become effective on the last date written below.

IN WITNESS WHEREOF, the Ministry of Finance, on behalf of the Kingdom of Norway and the International Monetary Fund, as Trustee of the Poverty Reduction and Growth Trust, have executed this agreement.

For the MINISTRY OF FINANCE, on behalf of the Kingdom of Norway:

June 26, 2020

\_\_\_\_\_  
Jan Tore Sanner /s  
Minister of Finance

\_\_\_\_\_  
Date

For the INTERNATIONAL MONETARY FUND as Trustee:

July 1, 2020

\_\_\_\_\_  
Kristalina Georgieva /s  
Managing Director

\_\_\_\_\_  
Date

## **Attachment VII. Amendment to Borrowing Agreement between the Bank of Spain and the International Monetary Fund as Trustee of the Poverty Reduction and Growth Trust**

The Bank of Spain (the "Bank") and the International Monetary Fund (the "Fund"), acting as Trustee (the "Trustee") of the Poverty Reduction and Growth Trust (the "Trust"), agree that the Borrowing Agreement between the Bank and the Fund, as Trustee of the Trust, dated February 22, 2017 (as amended from time to time) shall be amended as follows:

1. Paragraph 1 shall be revised to read:

"The amount of the loan shall be the equivalent of up to SDR 1.2 billion."

2. Paragraph 2(a) shall be revised to read:

"The Trustee may make drawings under this agreement at any time during the period from the effective date of this agreement through December 31, 2029. Unless otherwise agreed between Bank and the Trustee, the Trustee shall give the Bank at least five business days (Madrid) notice of its intention to draw, and shall provide payment instructions at least two Fund business days prior to the value date of the transaction by SWIFT."

3. Paragraph 6 shall be revised to read:

"(a) Interest on the amount outstanding in respect of each drawing shall be computed at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of its Articles of Agreement.

(b) The amount of interest payable in respect of each drawing shall be calculated on an actual day basis and shall be paid on all outstanding drawings under this agreement promptly after January 31, April 30, July 31, and October 31 of each year."

4. Paragraph 7 shall be revised to read:

"(a) Payments of principal by the Trustee shall be made in euros or in other media as may be agreed between the Trustee and the Bank; provided however that payments by the Trustee of principal pursuant to paragraph 9 shall be made in SDRs or a freely usable currency as determined by the Trustee after consultation with the Bank.

(b) Payments of interest by the Trustee shall be made in SDRs or in other media as may be agreed between the Trustee and the Bank.

(c) Payments in euros shall be made to an account as agreed between the Trustee and the Bank. Payments in SDRs shall be made by crediting Spain's holdings account in the Special Drawing Rights Department."

5. Paragraph 10 shall be revised to read:

“At the request of the Bank, calls on its commitment to meet drawings may be suspended temporarily at any time prior to June 30, 2029, subject to the provisions of Section III, paragraph 4(c) and (d) of the PRGT Instrument.”

6. Paragraph 12 shall be revised to read:

“If the Fund changes the method of valuing the SDR, all transfers, exchanges, and payments of principal and interest made two or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.”

7. This amendment may be executed in one or more duplicate counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

8. This amendment shall become effective on the last date written below.

IN WITNESS WHEREOF, the Bank of Spain and the International Monetary Fund, as Trustee of the Poverty Reduction and Growth Trust, have executed this amendment.

For the BANK OF SPAIN:

\_\_\_\_\_  
Pablo Hernández de Cos /s  
Governor

June 23, 2020

\_\_\_\_\_  
Date

For the INTERNATIONAL MONETARY FUND as Trustee:

\_\_\_\_\_  
Kristalina Georgieva /s  
Managing Director

July 1, 2020

\_\_\_\_\_  
Date

## **Attachment VIII. Agreement Between the Sveriges Riksbank and the International Monetary Fund as Trustee of the Poverty Reduction and Growth Trust**

Sveriges Riksbank (the “Bank”) agrees to lend to the International Monetary Fund (the “Fund”) as Trustee (the “Trustee”) of the Poverty Reduction and Growth Trust (the “Trust”) for the purposes of providing loan resources to the Trust under this agreement (as amended from time to time, the “2020 Borrowing Agreement”). Such loan resources shall be provided in accordance with the terms of the Instrument establishing the Trust adopted by the Executive Board of the Fund by Decision No. 8759-(87/176) ESAF, as amended (the “PRGT Instrument”), and on the terms and conditions set out below. This 2020 Borrowing Agreement is based on Section III, paragraph 2 of the PRGT Instrument, which authorizes the Managing Director to enter into borrowing agreements with creditors to the Loan Accounts of the Trust.

1. The amount of the loan shall be the equivalent of up to SDR 500 million.
2. (a) The Trustee may make drawings under this 2020 Borrowing Agreement at any time during the period from the effective date of this 2020 Borrowing Agreement through December 31, 2029. Unless otherwise agreed between the Bank and the Trustee, the Trustee shall give the Bank at least five business days (Stockholm) notice of its intention to draw, and shall provide payment instructions at least two Fund business days prior to the value date of the transaction by SWIFT.  
  
(b) If any installment of principal or interest is not fully paid to the Bank within a period of ten days after its due date, the Trustee shall not make further drawings under this 2020 Borrowing Agreement pending consultations with the Bank on the matter. However, the Trustee may resume drawings under this 2020 Borrowing Agreement once arrears to the Bank have been discharged.
3. The Trustee may make drawings under this 2020 Borrowing Agreement to finance (i) loan disbursements by the Trustee under the General Loan Account and (ii) the early repayment pursuant to Section III, paragraph 4(b) of the PRGT Instrument of the Trustee’s outstanding indebtedness under other borrowing agreements to any of the Loan Accounts of the Trust.
4. (a) The amount of each drawing shall be denominated in SDRs. Unless otherwise agreed between the Trustee and the Bank, the amount shall be paid by the Bank on the value date specified in the Trustee’s notice by transfer of the equivalent amount in U.S. dollars to an account specified by the Trustee.  
  
(b) Upon request, the Trustee shall issue to the Bank a non-negotiable certificate evidencing its claim on the Trust resulting from a drawing outstanding under this 2020 Borrowing Agreement.

5. (a) Each drawing shall be repaid in accordance with the repayment schedule for loan disbursements under the facility of the Trust for which it was drawn. At the time of each drawing, the Trustee will indicate in the notice requesting the drawing the specific repayment schedule for the amount drawn. Repayments by the Trust shall be made on the relevant maturity dates.

(b) By agreement between the Bank and the Trustee, any drawing or part thereof may be repaid by the Trustee at any time in advance of maturity. Unless otherwise agreed between the Bank and the Trustee, a request for agreement on early repayment shall be made by the Trustee with at least five business days (Stockholm) notice.

(c) If the relevant maturity date is not a business day of the Fund, the Trans-European Automated Real-time Gross Settlement (Target) system and the domestic markets of the other (non-euro) currencies included in the SDR basket, the repayment date shall be on the first succeeding business day that is a business day for the Fund, the Target system and the domestic markets of the other (non-euro) currencies included in the SDR basket.

6. (a) Interest on the amount outstanding in respect of each drawing shall be computed at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of its Articles of Agreement.

(b) The amount of interest payable in respect of each drawing shall be calculated on an actual day basis and shall be paid on all outstanding drawings under this 2020 Borrowing Agreement promptly after January 31, April 30, July 31, and October 31 of each year.

7. (a) Repayments of principal shall be made in U.S. dollars or in other media as may be agreed between the Trustee and the Bank; provided however that payments by the Trustee of principal pursuant to paragraph 9 shall be made in SDRs or a freely usable currency as determined by the Trustee after consultation with the Bank.

(b) Payments of interest by the Trustee shall be made in SDRs or in other media as may be agreed between the Trustee and the Bank.

(c) Repayments or payments in U.S. dollars or other currencies shall be made to an account of the Bank as agreed between the Trustee and the Bank. Payments in SDRs shall be made by crediting Sweden's holdings account in the Special Drawing Rights Department.

8. (a) The Bank shall have the right to transfer at any time all or part of any claim to any member of the Fund, to the central bank or other fiscal agency designated by any member for purposes of Article V, Section 1 of the Fund's Articles of Agreement, or to any official entity that has been prescribed as a holder of SDRs pursuant to Article XVII, Section 3 of the Fund's Articles of Agreement.

(b) The transferee shall acquire all the rights of the Bank under this 2020 Borrowing Agreement with respect to repayment of and interest on the transferred claim, except that the

transferee shall acquire the right to request early repayment under paragraph 9 of this 2020 Borrowing Agreement only if it is a member or the central bank or other fiscal agency of a member and, at the time of transfer, the member's balance of payments and reserve position was considered sufficiently strong in the opinion of the Fund for its currency to be usable in transfers under the Financial Transactions Plan.

9. The Bank shall have the right to seek early repayment of all or part of the principal amount of its outstanding claims on the Trust pursuant to Section III, paragraph 4(b) of the PRGT Instrument if the Bank represents that the balance of payments and reserve position of Sweden justify the early repayment, and the Trustee, having given this representation the overwhelming benefit of any doubt, agrees. Early repayment is in all cases subject to the availability of resources under borrowing agreements to the Loan Accounts of the Trust that authorize drawings for such early repayment.

10. At the request of the Bank, calls on its commitment to meet drawings may be suspended temporarily at any time prior to June 30, 2029, subject to the provisions of Section III, paragraph 4(c) and (d) of the PRGT Instrument.

11. Unless otherwise agreed between the Trustee and the Bank, all transfers, exchanges, and payments of principal and interest in currencies shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second business day of the Fund before the value date of the transfer, exchange or payment.

12. If the Fund changes the method of valuing the SDR, all transfers, exchanges, and payments of principal and interest made two or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

13. Any question arising hereunder shall be settled by mutual agreement between the Bank and the Trustee.

14. (a) This 2020 Borrowing Agreement may be executed in one or more duplicate counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

(b) This 2020 Borrowing Agreement shall become effective on the last date written below.

IN WITNESS WHEREOF, Sveriges Riksbank and the International Monetary Fund as Trustee of the Poverty Reduction and Growth Trust have executed this agreement.

For the Bank:

June 30, 2020

\_\_\_\_\_  
Stefan Ingves /s  
Governor

\_\_\_\_\_  
Date

For the INTERNATIONAL MONETARY FUND, as TRUSTEE OF THE POVERTY REDUCTION AND GROWTH TRUST:

July 24, 2020

\_\_\_\_\_  
Kristalina Georgieva /s  
Managing Director

\_\_\_\_\_  
Date



## **Attachment IX. Amendment to the Note Purchase Agreement between the Government of the United Kingdom and the International Monetary Fund as Trustee of the Poverty Reduction and Growth Trust**

The Government of the United Kingdom ("Purchaser"), acting through Her Majesty's Treasury, and the International Monetary Fund (the "Fund"), acting as Trustee (the "Trustee") of the Poverty Reduction and Growth Trust ("PRGT"), agree that the Note Purchase Agreement between the Purchaser and the Fund, as Trustee of the PRGT, dated January 23, 2017, be amended as provided below.

1. In paragraph 2(a), the amount shall be increased to SDR 4,000 million, so that the sentence shall be revised to read as follows:

"(a) Notes in a total principal amount of up to the equivalent of SDR 4,000 million may be issued under this Agreement."

2. In paragraph 2(b), in the first sentence, "2029" shall be substituted for "2024", so that the sentence shall be revised to read as follows:

"(b) The Trustee may issue and the Purchaser shall purchase Notes from the date this Agreement becomes effective in accordance with paragraph 9(b) through December 31, 2029."

3. In paragraph 3, "General Loan Account" shall be substituted for "Extended Credit Facility ("the ECF")", so that the paragraph shall be revised to read as follows:

"3. The Trustee may make drawings under this agreement to finance (i) loan disbursements by the Trustee under the General Loan Account of the Trust and (ii) the early repayment pursuant to Section III, paragraph 4(b) of the PRGT Instrument of the Trustee's outstanding indebtedness under other borrowing agreements to any of the Loan Accounts of the Trust."

4. In paragraph 6, "2029" shall be substituted for "2024", so that the sentence shall be revised to read as follows:

"6. At the request of Purchaser, the issuance of Notes under this Agreement may be suspended temporarily at any time prior to June 30, 2029, in accordance with Section III, paragraphs 4(c) and (d) of the Instrument."

5. For Notes issued after this amendment becomes effective, the General Terms and Conditions set out in Annex 1 shall be revised as follows:

- (a) In the title, the reference to “ECF” shall be deleted so that the Title shall be revised to read as follows:

“General Terms and Conditions for Notes Issued Under the Note Purchase Agreement Between the International Monetary Fund as Trustee of the Poverty Reduction and Growth Trust and the Government of the United Kingdom”

- (b) In Para 3(a) of Annex 1, words “Extended Credit Facility” shall be struck out; the words “facility of the Trust” shall be inserted; and footnote 1 shall be deleted, so that the paragraph shall be revised to read as follows:

“(a) Except as otherwise provided in this paragraph 3 and in subparagraph 6(b) below, each Note shall be repaid in accordance with the repayment schedule for the loan disbursement under the facility of the Trust for which it was issued. For purposes of the preceding sentence, Notes issued in connection with the early repayment of other Trust borrowing pursuant to Section III, paragraph 4(b) of the PRGT Instrument, shall have the repayment schedule associated with such other borrowing.”

6. For Notes issued after this amendment becomes effective, Annex 2 shall be revised as follows:

- (a) In the title, the words “ECF Loan” shall be struck out so that the title reads as follows:

“POVERTY REDUCTION AND GROWTH TRUST REGISTERED NOTE”

- (b) The second paragraph shall be revised to read as follows:

“This Note is issued in accordance with the General Terms and Conditions for Notes issued under the Note Purchase Agreement between the International Monetary Fund (the “Fund”), as Trustee of the Poverty Reduction and Growth Trust (the “Trustee”) and the Government of the United Kingdom dated [mm/dd/yy]. Each holder of this Note is deemed to have agreed to the General Terms and Conditions, and relevant terms of the Note Purchase Agreement, including without limitation the maturity date, the interest rate, the terms and conditions for early payment with the agreement of the holder of the Note at the request of the Trustee or the holder hereof, and the terms and conditions for transfer of this Note or any part thereof.”

7. (a) This amendment may be executed in one or more duplicate counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

- (b) This amendment shall become effective on the last date written below.

IN WITNESS WHEREOF, the Government of the United Kingdom, acting through Her Majesty's Treasury, and the International Monetary Fund as Trustee of the Poverty Reduction and Growth Trust have executed this Amendment.

For the GOVERNMENT OF THE UNITED KINGDOM, ACTING THROUGH HER MAJESTY'S TREASURY:

May 11, 2020

\_\_\_\_\_  
The Right Honourable Rishi Sunak /s  
Chancellor of the Exchequer

\_\_\_\_\_  
Date

For the INTERNATIONAL MONETARY FUND as Trustee:

May 12, 2020

\_\_\_\_\_  
Kristalina Georgieva /s  
Managing Director

\_\_\_\_\_  
Date