

INTERNATIONAL MONETARY FUND

**Update on the Financing of the Fund's Concessional Assistance  
and Debt Relief to Low-Income Member Countries**

Prepared by the Finance Department

(In consultation with the Legal and Policy Development and Review Departments)

Approved by Michael G. Kuhn

April 4, 2007

**I. INTRODUCTION**

1. **This paper provides a semi-annual review of the status of financing for PRGF-ESF lending, HIPC and MDRI debt relief, and subsidization of emergency assistance to PRGF-eligible members.**<sup>1</sup> The last review was completed by the Executive Board on September 6, 2006. The Fund's financing arrangements for concessional assistance and debt relief are described in Box 1 and Figure 1.

2. **The main points of the paper are:**

- Available **loan resources** appear sufficient to meet new demand for PRGF-ESF arrangements over the next two to three years. However, under current projections, additional **subsidy resources** of about SDR 110 million—similar to the estimate provided in the last update—would be needed to ensure full subsidization of existing and future interim PRGF loans.
- **ESF subsidy contributions** pledged by ten countries to date have amounted to SDR 224 million in cash terms, or SDR 207 million in end-2005 NPV terms. This remains less than half of the target for subsidy resources of SDR 500 million initially sought.

---

<sup>1</sup> The decisions adopting both the PRGF-HIPC and MDRI Trust Instruments require that the Executive Board conduct semi-annual reviews of the financing of these Trusts (Decision No. 11436-(97/10), February 4, 1997, as amended; and Decision No. 13588-(05/99) MDRI, adopted November 23, 2005, which became effective on January 5, 2006). A decision to complete the semi-annual reviews is proposed in Section V. Starting in 2002, staff has updated the Board regularly on the mobilization of resources for the subsidization of emergency assistance.

- Additional grant resources will need to be identified and secured to allow the Fund to provide HIPC and MDRI debt relief to the **three protracted arrears cases** (Liberia, Somalia, and Sudan). Among these countries, mobilizing the necessary resources for debt relief to Liberia, estimated at about SDR 530 million, has become a matter of urgency.
- Additional subsidy resources will need to be mobilized to enable the Fund to continue to provide **emergency assistance** on concessional terms. While currently available resources are estimated to be sufficient to cover existing needs, several countries are expected to request emergency post-conflict assistance in the coming months. In anticipation of these and future requests, additional subsidy resources in the order of SDR 15–35 million would need to be mobilized.

### Box 1. Financing Arrangements for Concessional Assistance and Debt Relief

The Fund extends its concessional assistance and debt relief to eligible countries through the following channels:<sup>1</sup>

**PRGF-ESF Trust**—established in 1987—is to receive and provide resources for PRGF-ESF operations.<sup>2</sup> The Trust comprises a Loan Account, a Reserve Account, and three Subsidy Accounts. The Loan Account borrows loan resources from central banks, governments, and official institutions, largely at market-related interest rates, and onlends these resources to PRGF-ESF eligible countries.<sup>3</sup> The Reserve Account provides security to Trust lenders in the event of a delay or non-repayment by PRGF-ESF borrowers. The Trust has three Subsidy Accounts: one to subsidize PRGF loans only, one to subsidize ESF loans only, and one for the subsidization of both PRGF and ESF loans.

**PRGF-HIPC Trust**—established in 1997—is to receive and provide resources for debt relief under the HIPC Initiative and for subsidization of interim PRGF loans. The Trust is funded through contributions provided by member countries and the Fund itself. The operations of the Trust are conducted through one account, under which three sub-accounts have been established—the PRGF sub-account, the PRGF-HIPC sub-account, and the HIPC sub-account—to permit contributors to earmark resources for either interim PRGF or HIPC operations or both.

**MDRI Trusts**—established in 2006—are to receive and provide grant resources for MDRI debt relief to eligible countries. The MDRI-I Trust was funded from the Fund’s own resources previously held in the Special Disbursement Account for debt relief to qualifying countries with per capita incomes at or below US\$380. The MDRI-II Trust was funded from bilateral contributions previously held in the PRGF Trust Subsidy Account for debt relief to qualifying HIPC countries with per capita incomes above US\$380.

**Administered Account for emergency assistance**—in January 2005, the Executive Board decided to extend the subsidization of emergency post-conflict assistance (EPCA) to emergency assistance for natural disasters (ENDA) for PRGF-eligible member countries, subject to resource availability<sup>4</sup>. In this context, three sub-accounts were set up to mobilize contributions from members wishing to contribute to the subsidization of: (i) EPCA only; (ii) ENDA only; and (iii) both types of emergency assistance.

---

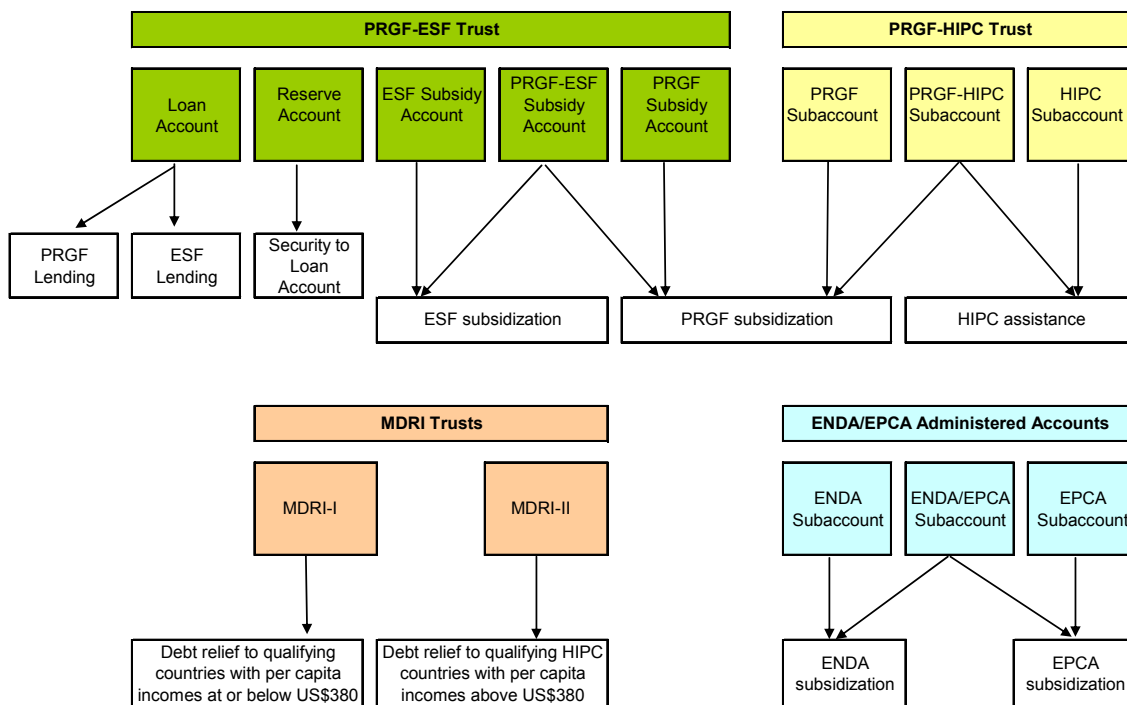
<sup>1</sup> For a more detailed discussion of these financing arrangements, see *The Multilateral Debt Relief Initiative (G-8 proposal) and Its Implications for the Fund—Further Considerations—Supplement on Financing Arrangements*.

<sup>2</sup> The Trust, initially referred to as the ESAF Trust, was renamed the PRGF Trust in 1999 and the PRGF-ESF Trust in 2006.

<sup>3</sup> There were, in total, 17 lenders (and one lender with an associated loan agreement) to the Loan Account, of which five have been fully repaid.

<sup>4</sup> See *Subsidization of the Fund’s Emergency Assistance for Natural Disasters to PRGF-Eligible Members*.

**Figure 1. Financial Structure of the Fund's Concessional Operations**



## II. FINANCING OF PRGF-ESF OPERATIONS

### Interim Loan Resources

3. **As of end-2006, available loan resources for PRGF-ESF lending amounted to SDR 2.5 billion, as compared to SDR 2.7 billion at mid-2006.** Since the last update, new PRGF arrangements, totaling SDR 0.2 billion, were approved for the Central African Republic, Haiti, Madagascar, and Mauritania. In addition, Burkina Faso and Moldova received augmentation to their existing PRGF arrangements of SDR 6 million and SDR 31 million, respectively. For 2006 as a whole, ten new PRGF arrangements, amounting to SDR 0.4 billion, were approved. To date, no country has requested assistance under the ESF.

4. **These available loan resources appear sufficient to cover PRGF-ESF commitments over the next two to three years** (Table 1). Latest staff estimates, based on country-specific projections, suggest that, excluding the three protracted arrears cases (Liberia, Somalia, and Sudan),<sup>2</sup> total demand for PRGF loans in 2007 and 2008 combined

<sup>2</sup> Zimbabwe has protracted arrears to the PRGF-ESF Trust but is not discussed in this paper because it is currently not PRGF-eligible, as it was removed from the list of PRGF-eligible countries.

could amount to about SDR 1½ billion, reflecting possible requests for PRGF arrangements by a few large quota countries. While the timing of arrears clearance by the three protracted arrears cases and their possible requests for new PRGF loans is difficult to predict, total PRGF loan resources of about SDR 1 billion would be needed for these three cases under the current PRGF exceptional access limit of 185 percent of quota.

Table 1. Loan Resources of the PRGF-ESF Trust  
(In billions of SDRs; as of end-2006)

Existing loan resources	15.8
Commitments to borrowers	13.3
Of which: cumulative disbursements	12.5
<b>Uncommitted loan resources</b>	<b>2.5</b>
<b>Projected demand for PRGF loans</b>	<b>1.6</b>
2007	0.7
2008	0.8
<b>Remaining uncommitted loan resources</b>	<b>1.0</b>
Possible need by 1/	1.0
Liberia	0.2
Somalia	0.2
Sudan	0.6
<i>Memorandum item:</i>	
New loan resources 2/	0.7

1/ Assuming PRGF access equivalent to the exceptional limit of 185 percent of the 12th Review quota.

2/ Pledged by France in the context of resource mobilization for the ESF.

5. **To enable the PRGF-ESF Trust to borrow additional loan resources, the Executive Board approved, on August 30, 2006, the necessary amendments to the PRGF-ESF Trust Instrument.** These amendments became effective on December 8, 2006, following the consent of all lenders to the PRGF-ESF Loan Account. As a result, the borrowing limit of the Trust was increased from SDR 16 billion to SDR 20 billion. In the context of resource mobilization for the ESF, France has pledged new loan resources of about SDR 0.7 billion, which, once finalized, could be used to make loans to PRGF-eligible countries under both PRGF and ESF arrangements.<sup>3</sup>

### Interim PRGF Subsidy Resources

6. **Currently available subsidy resources of SDR 1.3 billion are likely to fall short of the amount needed to fully subsidize existing and future interim PRGF loans.** These resources include subsidies currently held in the PRGF-ESF and PRGF-HIPC Trusts, projected additional inflows to both Trusts, and the G-8 additional subsidy contribution of SDR 100 million (in end-2005 NPV terms) committed to the PRGF-ESF Trust to maintain

<sup>3</sup> In the last update, it was also envisaged that Spain would provide its subsidy contribution to the ESF through a new loan agreement on concessional terms. In the end, in January 2007, Spain's contribution was received in the form of a grant.

the Fund's concessional lending capacity in the context of the MDRI. However, they do not include ESF-related subsidy contributions discussed below.<sup>4</sup> Under current interest rate assumptions, subsidy resources of SDR 1.4 billion would be needed to subsidize existing and future interim PRGF loans, implying a shortfall of about SDR 0.1 billion in end-2006 NPV terms, broadly unchanged from the last update (Table 2).

Table 2. Estimated Interim PRGF Subsidy Resources 1/  
(In billions of SDRs; as of end-2006)

PRGF-ESF Trust	1.0
PRGF-ESF Subsidy Account	1.0
PRGF Subsidy Account	-
PRGF-HIPC Trust 2/	0.1
Projected additional inflows 3/	0.1
<b>Total</b>	<b>1.3</b>

1/ Excludes subsidy contributions pledged for the ESF, but includes the G-8 contribution of SDR 100 million in the context of the MDRI.

2/ Excludes the HIPC sub-account balance which is earmarked for HIPC assistance only.

3/ In end-2006 NPV terms; mainly reflects interest income on bilateral deposit agreements with the PRGF-HIPC Trust.

7. **Ten remaining contributors to the PRGF-HIPC Trust have yet to take the necessary steps to make effective their pledged subsidy contributions of SDR 32.2 million** (Table 3). It is, therefore, important that these contributors take the necessary action as soon as possible to ensure full funding of PRGF-HIPC operations.

Table 3. Pending Contributions to the PRGF-HIPC Trust  
(In millions of SDRs "as needed"; as of end-January 2007) 1/

Venezuela	20.4	Dominican Republic	0.5
Argentina 2/	6.4	Lebanon	0.4
Gabon 2/	1.9	Grenada	0.1
Trinidad & Tobago	1.6	Vanuatu	0.1
Bahrain	0.9	Maldives	0.0
		<b>Total</b>	<b>32.2</b>

1/ "As needed" is defined in Appendix Table 2, footnote 3.

2/ These are the remaining balances for Argentina and Gabon, which have already contributed SDR 16.2 million and SDR 2.5 million "as needed", respectively, to the PRGF-HIPC Trust.

## ESF Subsidy Contributions

8. **Since the establishment of the ESF, pledged subsidy contributions have totaled less than half of the amount initially sought.** When the ESF was established, it was considered appropriate to initially secure financing sufficient to cover the projected demand

<sup>4</sup> Although for analytical and presentational purposes, the discussion in this paper distinguishes between PRGF and ESF subsidies, the resources in the PRGF-ESF Subsidy Account are, in fact, available to subsidize both PRGF and ESF loans.

for ESF loans of SDR 2 billion for a five-year period. To this end, the Fund sought to mobilize subsidy resources of SDR 0.5 billion in end-2005 NPV terms<sup>5</sup> Subsidy contributions pledged by 10 countries to date have amounted to SDR 224 million in cash terms and SDR 207 million on an NPV basis (Table 4).<sup>6</sup>

Table 4. ESF Subsidy Contributions  
(In millions of currency units; as of end-January 2007)

Contributors	Date of pledge	Form of contribution	Contribution pledged		
			(Amount)	(SDR equivalent) 1/	(NPV equivalent) 2/
Canada	11/28/05	Grant	CAN\$ 25.0	14.3	14.6
France	12/16/05	Concessional Loan	US\$ 30.0	20.1	16.6 4/
Japan	11/28/05	Grant	SDR 20.0	20.0	18.0
Oman	3/19/06	Grant	SDR 3.0	3.0	2.9
Norway	2/22/06	Grant	SDR 24.7	24.7	22.6
Russian Federation	1/30/06	Grant	SDR 30.0	30.0	26.9
Saudi Arabia	3/7/06	Investment Agreement	SDR 40.0 3/	40.0 3/	40.0
Spain	4/24/06	Grant	SDR 5.3	5.3	5.1
Trinidad and Tobago	8/25/06	Deposit Agreement	SDR 0.8 3/	0.8 3/	0.8
United Kingdom	11/23/05	Grant	£ 50.0	65.5	59.8
<b>Total</b>				<b>223.7</b>	<b>207.2</b>

1/ Calculated using the exchange rate of end-January 2007.

2/ In end-2005 NPV terms.

3/ Reflecting net investment income (in end-2005 NPV terms) to be generated from investment/deposit agreements.

4/ Tentative estimates; subject to finalization of commitment.

## PRGF-ESF Reserve Account

9. **As of end-2006, the balance in the Reserve Account amounted to SDR 3.4 billion.**<sup>7</sup> The Reserve Account coverage ratio rose from 50 percent at end-2005 to 90 percent at end-2006, following the implementation of the MDRI, which reduced total PRGF credit outstanding by about 40 percent (Table 5). The Reserve Account balance thus currently represents a substantial multiple of projected PRGF repayments falling due through end-2007.

<sup>5</sup> See *Establishment of an Exogenous Shocks Facility under the Poverty Reduction and Growth Facility Trust*.

<sup>6</sup> These contributions have been, or will be, placed in the PRGF-ESF Subsidy Account to subsidize both PRGF and ESF loans, with the exception of the contributions from Canada and Norway, which have been placed in the ESF Subsidy Account to subsidize exclusively ESF lending.

<sup>7</sup> The Reserve Account provides security to PRGF-ESF Trust lenders in the event of a delay or non-repayment by PRGF-ESF borrowers. The Account has been financed by reflows of Structural Adjustment Facility and Trust Fund repayments and investment returns on the balance held in the Account. As of end-2006, Zimbabwe's arrears to the PRGF-ESF Trust had necessitated repayments of SDR 76 million from the Reserve Account to PRGF-ESF Trust lenders. The Reserve Account will be replenished when Zimbabwe settles its arrears to the PRGF-ESF Trust. In addition, the remaining overdue obligations to the SAF of SDR 10 million (by Somalia), and Trust Fund of SDR 118 million (SDR 31 million by Liberia, SDR 8 million by Somalia, and SDR 80 million by Sudan) will also be transferred to the Reserve Account once these arrears are settled.

Table 5. PRGF-ESF Trust—Reserve Account Coverage 1/  
(In millions of SDRs)

	Reserve Account balance (end of period)	PRGF-ESF Trust obligations (end of period)	Reserve coverage ratio (In percent)
	(A)	(B)	(A)/(B)
1988	169	103	164.1
1989	272	510	53.3
1990	395	795	49.7
1991	513	1,320	38.9
1992	630	1,786	35.3
1993	793	2,005	39.6
1994	1,009	2,786	36.2
1995	1,336	3,919	34.1
1996	1,716	4,446	38.6
1997	2,093	4,892	42.8
1998	2,345	5,421	43.3
1999	2,548	5,820	43.8
2000	2,714	5,773	47.0
2001	2,917	5,971	48.9
2002	3,079	6,636	46.4
2003	3,115	6,703	46.5
2004	3,174	6,632	47.9
2005	3,285	6,185	53.1
2006	3,392	3,656 2/	92.8
<i>Memorandum item:</i>			
Projected PRGF repayments in Apr-Dec 2007		245	

1/ Excludes associated loans of SDR 49.5 million from the Saudi Fund for Development (SFD), the risk of which is borne by the SFD, overdue Trust Fund obligations (SDR 118 million), and overdue SAF obligations (SDR 10 million).

2/ The sharp drop from 2005 reflects early repayments arising from the delivery of MDRI debt relief.

10. **Once PRGF-ESF subsidy resources have been fully utilized, Reserve Account resources could be used to subsidize PRGF-ESF lending, with the principal being provided by bilateral creditors.**<sup>8</sup> Staff's latest estimates suggest that available Reserve Account resources could subsidize annual lending of about SDR 0.7 billion per annum in perpetuity, starting in 2009.<sup>9</sup> These estimates do not make any allowance for the possible reimbursement of the GRA for the cost of administering the PRGF-ESF Trust.<sup>10</sup> The reimbursement of the GRA for such administrative expenses—averaging about SDR 60 million per annum in recent years—would reduce resources available in the Reserve Account and thus lower the annual subsidized lending capacity from SDR 0.7 billion to about SDR 0.5 billion in perpetuity.

<sup>8</sup> See *Review of Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries*, and *The G-8 Debt Cancellation Proposal and its Implications for the Fund—Further Considerations* (paragraph 53).

<sup>9</sup> These projections are based on the assumption that SDR interest rates will rise gradually from present levels to 5.0 percent per annum by 2011 and beyond. At this lending level, the reserve coverage ratio would remain well above the historical average of 40 percent.

<sup>10</sup> The Board decided not to seek reimbursement for the cost of administering the PRGF-ESF Trust to the GRA for FY1998-2004 and has subsequently renewed this decision on an annual basis since FY2005.



### III. FINANCING OF HIPC AND MDRI DEBT RELIEF

11. **Since the last update, three additional countries have qualified for and received MDRI debt relief, bringing the total amount of debt relief granted to 24 qualifying countries to SDR 2.7 billion.** Such relief was financed by resources from both the MDRI Trusts (SDR 2.3 billion) and the PRGF-HIPC Trust (SDR 0.4 billion). On August 31, 2006, Malawi reached the HIPC completion point and qualified for MDRI debt relief in an amount of SDR 38 million. In addition, the Board approved topping-up assistance equivalent to SDR 10.1 million at the completion point, which was delivered on December 19, 2006 following receipt of satisfactory financing assurances. On December 15, 2006, Sierra Leone qualified for and received MDRI debt relief of SDR 117 million. São Tomé and Príncipe reached completion point on March 16, 2007 and qualified to receive MDRI and topping-up HIPC assistance totaling SDR 1.9 million, of which, topping-up assistance would amount to SDR 0.8 million. In all three cases, debt relief was financed from the MDRI-I Trust and the resources remaining in the respective HIPC umbrella sub-accounts (Table 6).

#### Previously Identified HIPCs<sup>11</sup>

12. **Staff's updated estimated cost to the Fund of providing HIPC-MDRI debt relief to the remaining 11 countries that had been identified as HIPCs before the 2006 HIPC Initiative ring-fencing exercise is about SDR 0.7 billion in end-2006 NPV terms, broadly unchanged since the last update paper.** Of this amount, SDR 0.6 billion would be the cost of providing debt relief to the seven HIPCs that have already reached the decision point, while the remaining SDR 0.1 billion would be associated with debt relief for the four HIPCs that have not yet reached the decision point. These estimates will continue to be revised as these countries move closer to their decision and completion points.

---

<sup>11</sup> *The G-8 Debt Cancellation Proposal and its Implications for the Fund— Further Considerations*, Table 2, for the list of remaining HIPCs that had been identified as HIPCs before the 2006 HIPC Initiative ring-fencing exercise. The remaining decision point countries are Burundi, Chad, the Democratic Republic of the Congo, Republic of Congo, the Gambia, Guinea, and Guinea-Bissau. The pre-decision point countries consist of the Central African Republic, Comoros, Cote d'Ivoire, and Togo.

Table 6. Implementation of the MDRI  
(In millions of SDRs; as of March 19, 2007)

Recipient country	Delivery date	Fund credit outstanding resulting from disbursements made prior to January 1, 2005 1/	Sources of financing		
			HIPC Umbrella sub-accounts 2/	MDRI-I Trust	MDRI-II Trust
1 Benin	6-Jan-06	36	2	-	34
2 Bolivia	6-Jan-06	161	6	-	155
3 Burkina Faso	6-Jan-06	62	5	57	-
4 Cambodia 3/	6-Jan-06	57	-	57	-
5 Cameroon	28-Apr-06	173	24	-	149
6 Ethiopia	6-Jan-06	112	32	80	-
7 Ghana	6-Jan-06	265	45	220	-
8 Guyana	6-Jan-06	45	13	-	32
9 Honduras	6-Jan-06	107	9	-	98
10 Madagascar	6-Jan-06	137	9	128	-
11 Malawi	1-Sep-06	38 4/	23 4/	15	-
12 Mali	6-Jan-06	75	13	62	-
13 Mauritania	22-Jun-06	33	3	-	30
14 Mozambique	6-Jan-06	107	24	83	-
15 Nicaragua	6-Jan-06	140	49	-	92
16 Niger	6-Jan-06	78	18	60	-
17 Rwanda	6-Jan-06	53	33	20	-
18 São Tomé and Príncipe	19-Mar-07	1	-	1	-
19 Senegal	6-Jan-06	100	6	-	95
20 Sierra Leone	18-Dec-06	117	41	77	-
21 Tajikistan, Rep. of 3/	6-Jan-06	69	-	69	-
22 Tanzania	6-Jan-06	234	27	207	-
23 Uganda	6-Jan-06	88	12	76	-
24 Zambia	6-Jan-06	403	4	-	398
<b>Total</b>		<b>2,692</b>	<b>397</b>	<b>1,212</b>	<b>1,083</b>

1/ MDRI eligible debt outstanding at the time of MDRI relief.

2/ Balances outstanding at the time of MDRI relief.

3/ Non-HIPCs but qualified for MDRI debt relief with a per capita income below the US\$380 threshold.

4/ Of this amount, about SDR 8 million was financed from topping-up HIPC assistance, which was disbursed on December 19, 2006 upon receipt of satisfactory financing assurances.

13. **Available resources appear broadly sufficient to finance debt relief to these countries.** As of end-2006, available resources for HIPC and MDRI debt relief amounted to SDR 0.8 billion, including SDR 0.5 billion in the HIPC sub-account earmarked for HIPC assistance, SDR 0.3 billion in the MDRI-I Trust, and SDR 0.04 billion in the MDRI-II Trust. Table 7 indicates that available HIPC resources would marginally exceed the financing needs associated with these HIPCs,<sup>12</sup> while resources in the MDRI-I and MDRI-II Trusts would also likely exceed the projected financing needs, owing to a reduction in MDRI-eligible debt resulting from delays in reaching completion point by a number of countries.

<sup>12</sup> The estimated costs of HIPC assistance do not include potential needs for topping-up assistance. As of end-2006, topping up assistance of SDR 62 million had been provided to Burkina Faso, Ethiopia, Malawi, Niger, and Rwanda.

Table 7. Cost and Financing of Full Debt Relief to the Remaining HIPC's Identified Earlier  
(In billions of SDRs; in end-2006 NPV terms)

<b>Estimated costs</b>	<b>0.73</b>
<b>Financing needed from</b>	<b>0.73</b>
Earmarked HIPC resources	0.40
MDRI-I Trust	0.30
MDRI-II Trust	0.03
<b>Available resources</b>	<b>0.80</b>
Earmarked HIPC resources	0.46
MDRI-I Trust	0.30
MDRI-II Trust	0.04
<b>Projected balance</b>	<b>0.07</b>
Earmarked HIPC resources	0.06
MDRI-I Trust	0.00
MDRI-II Trust	0.01

### Newly Identified HIPC's<sup>13</sup>

14. **The cost to the Fund of providing HIPC-MDRI debt relief to the four new HIPC's (Eritrea, Haiti, the Kyrgyz Republic, and Nepal) identified during the 2006 HIPC Initiative ring-fencing exercise are estimated at SDR 80 million in end-2006 NPV terms.**<sup>14</sup> Of this amount, SDR 23 million would be associated with potential HIPC assistance, and the remaining SDR 57 million would be related to MDRI debt relief. Among the four countries, the estimated cost of debt relief for the Kyrgyz Republic would be about SDR 67 million based on end-2004 data. However, a preliminary assessment using more recent data suggests that the Kyrgyz Republic's NPV of debt-to-revenue ratio would likely fall below the HIPC Initiative threshold. The authorities have recently indicated that they do not wish to avail themselves of debt relief under the HIPC Initiative. On November 22, 2006, Haiti reached decision point, and the Fund committed HIPC Initiative assistance of SDR 2.1 million.<sup>15</sup>

15. **As discussed in the previous update report, the Fund's cost of providing debt relief to the newly identified HIPC's was not included in the original HIPC-MDRI financing framework.** While resources in the HIPC and MDRI Trusts are available to

<sup>13</sup> An assessment is currently in progress to examine Afghanistan's eligibility for HIPC Initiative assistance.

<sup>14</sup> The HIPC Initiative sunset clause was allowed to take effect at end-2006 but countries that are assessed to have met the income and indebtedness criteria based on end-2004 data, including countries that might be assessed to have met these criteria at some point in the future, were grandfathered. This allows countries that have not yet met the policy performance criterion of the HIPC Initiative to benefit from debt relief under existing debt relief initiatives. See *Initiative for Heavily Indebted Poor Countries—Issues Related to the Sunset Clause*.

<sup>15</sup> Haiti had repaid all its MDRI-eligible debt to the Fund as of the decision point.

qualifying members on a “first-come, first-served basis,” additional resources may need to be sought to enable the provision of debt relief to these countries. In this context, the G-8 have committed to cover, on a fair burden-sharing basis, the cost of debt relief for countries that may become eligible for the HIPC Initiative under the extended sunset clause. Staff will continue to closely monitor and assess the cost of providing debt relief to these countries.

### **Protracted Arrears Cases**

16. **Providing debt relief to the three protracted arrears cases—Liberia, Somalia, and Sudan—would require substantial additional resources.** As of end-2006, the total arrears of these countries to the Fund amounted to SDR 1.8 billion. Staff’s current estimates indicate that HIPC assistance will account for the lion’s share of the total cost of debt relief for these countries. As the costs of debt relief for these countries were not included in the HIPC-MDRI financing framework, additional resources will need to be mobilized in a timely manner. In this context, the G-8 has committed that donors would provide extra resources necessary for full debt relief at completion point for these countries. In light of the recent positive economic developments in Liberia and its close cooperation with the Fund, mobilizing the necessary resources for Liberia, estimated at about SDR 0.5 billion, has become a matter of urgency.

## **IV. SUBSIDIZATION OF EMERGENCY ASSISTANCE**

17. **In January 2005, the Executive Board decided to extend the subsidization of emergency post-conflict assistance (EPCA) to emergency assistance for natural disasters (ENDA) for PRGF-eligible member countries, subject to resource availability.** It was estimated that subsidy resources of about SDR 45–65 million would need to be mobilized for 2005–09. Since then, firm pledges of about SDR 29 million have been committed by 17 countries (Appendix Table 1),<sup>16</sup> with the remaining SDR 15–35 million yet to be mobilized. Subsidy resources currently available for both ENDA and EPCA amount to SDR 28 million (Table 8), including the balances of the three sub-accounts and forthcoming disbursements of existing pledges. Of this amount, SDR 6 million is available for subsidization of EPCA only, SDR 9 million for subsidization of ENDA only, and SDR 13 million for subsidization of both.

---

<sup>16</sup> Since the last update, Ireland has made a commitment of Euro 500,000 (equivalent of SDR 0.4 million) in the form of grant to subsidize ENDA.

Table 8. Subsidy Contributions for Emergency Assistance  
(In millions of SDRs; as of end-February 2007)

Sub accounts	Contribution pledged	Contribution received	Subsidy used	Account balance	NPV of forthcoming contributions	Available resources
EPCA	9.7	9.7	4.1	6.4	-	6.4
ENDA	17.7	8.3	8.3	0.0	9.0	9.0
EPCA/ENDA	13.0	13.0	0.9	13.0	-	13.0
<b>Total</b>	<b>40.4</b>	<b>31.0</b>	<b>13.4</b>	<b>19.4</b>	<b>9.0</b>	<b>28.3</b>

18. **Total resources needed for the subsidization of outstanding emergency assistance are estimated at SDR 12 million in end-2006 NPV terms** (Table 9). Currently, there is no outstanding EPCA credit subject to subsidization, as two members—Haiti and Central African Republic—made early repurchases of their EPCA credit, totaling SDR 33 million, in early December 2006 and January 2007, respectively. Since the last update, Malawi’s outstanding ENDA credit of about SDR 11 million has been extinguished through HIPC Initiative and MDRI debt relief.

Table 9. ENDA/EPCA Credit Outstanding and Subsidy Needs 1/  
(In millions of SDRs; as of end-February 2007)

	Credit outstanding	Estimated subsidy needs 2/
<b>ENDA</b>	<b>111.8</b>	<b>12.2</b>
Grenada	4.4	0.3
Maldives	4.1	0.5
Sri Lanka	103.4	11.4
<b>EPCA</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>111.8</b>	<b>12.2</b>

1/ Excluding credit outstanding that is not subject to subsidization and future cases.

2/ In NPV terms.

19. **Excluding subsidies needed for existing ENDA users, the remaining resources would amount to SDR 16 million, sufficient to subsidize new ENDA/EPCA purchases of about SDR 85 million.** Looking ahead, several countries are expected to request EPCA in the coming months, with the projected financing needs exceeding the available subsidy resources by a small margin. As currently available subsidy resources are expected to be fully utilized, additional resources would need to be forthcoming to enable the Fund to meet new requests for subsidization of emergency assistance in a timely manner. In this context, the original target for subsidy contributions of SDR 45–65 million set in early 2005 (see paragraph 17) remains appropriate. Therefore, in addition to the pledges already received, the remaining amount of SDR 15–35 million would need to be mobilized.

**V. PROPOSED DECISION**

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

The Executive Board notes the report entitled “Update on the Financing of the Fund’s Concessional Assistance and Debt Relief to Low-Income Member Countries” and decides that (i) the semi-annual reviews of the financing of the MDRI-I and MDRI-II Trusts, contemplated in paragraphs 1 and 2, respectively, of Decision No.13588-(05/99) MDRI, adopted November 23, 2005, effective January 5, 2006, and (ii) the semi-annual review of the financing of the Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations, contemplated in paragraph 2 of Decision No. 11436-(97/10) adopted February 4, 1997, as amended, are completed.

Appendix Table 1. Subsidy Contributions for Emergency Assistance  
(In millions; as of end-February 2007)

Contributor	Date of pledge	Contribution pledge	SDR equivalent 1/	Contribution received	Subsidy disbursed
<b>Sub-Account 1: EPCA subsidization only</b>					
Belgium	Mar. 2002	SDR 0.63	0.6	0.6	0.5
Canada	Oct. 2002	Can\$ 3.25	1.7	1.7	--
Norway	Jun. 2002	SDR 3.0	3.0	3.0	--
Sweden	Jan. 2002	SDR 0.8	0.8	0.8	0.8
Switzerland	Mar. 2002	US\$ 1.0	0.8	0.8	--
United Kingdom	Oct. 2001	£ 2.5	2.9	2.9	2.9
<b>Sub Total</b>			<b>9.7</b>	<b>9.7</b>	<b>4.1</b>
<b>Sub-Account 2: ENDA subsidization only</b>					
Australia	Jun. 2005	Aus\$ 2.0	1.0	0.6	0.6
Austria 2/	Apr. 2005	SDR 1.2	1.3	--	--
Canada	Feb. 2005	Can\$ 5.0	2.9	1.1	1.1
China	May 2005	US\$ 2.0	1.4	1.4	1.4
Germany 3/	Nov. 2005	Euro 1.65	1.4	1.4	1.4
India	Feb. 2005	SDR 1.5	1.5	--	--
Ireland	Nov. 2006	Euro 0.5	0.4	0.1	0.1
Japan	Apr. 2005	US\$ 2.5	1.7	1.7	1.7
Luxembourg	Feb. 2005	Euro 1.25	1.1	0.2	0.2
Russia	Feb. 2005	US\$ 1.5	1.0	0.4	0.4
Saudi Arabia	Apr. 2005	US\$ 4.0	2.7	--	--
Switzerland	Feb. 2005	US\$ 2.0	1.4	1.4	1.4
<b>Sub Total</b>			<b>17.7</b>	<b>8.3</b>	<b>8.3</b>
<b>Sub-Account 3: Subsidization of EPCA and ENDA</b>					
France	Jan. 2005	Euro 1.5	1.2	1.2	--
Netherlands 4/	Mar. 2002	US\$ 2.0	1.5	1.5	--
Netherlands	Mar. 2005	US\$ 2.0	1.4	1.4	--
Norway	Feb. 2005	NKr 10.0	1.1	1.1	--
Sweden	Feb. 2005	US\$ 10.0	6.6	6.6	--
United Kingdom	Feb. 2005	£ 1.0	1.2	1.2	0.9
<b>Sub Total</b>			<b>13.0</b>	<b>13.0</b>	<b>0.9</b>
<b>Total</b>			<b>40.4</b>	<b>31.0</b>	<b>13.4</b>
<i>Memorandum item:</i>					
Pledges made since beginning of 2005			<b>29.2</b>	<b>19.8</b>	<b>9.2</b>

1/ For contributions which have been fully received, the SDR equivalent is the actual SDR amount received using the exchange rate on the value date. For contributions that are not yet disbursed, the SDR equivalent is calculated using the exchange rate on February 28, 2007.

2/ Reflecting investment income to be generated on a deposit agreement, effective May 2006.

3/ To subsidize the rate of charge on purchases by Sri Lanka and Maldives under ENDA following the 2004 Tsunami.

4/ Existing contribution, previously earmarked for EPCA.

Appendix: Table 2. Summary of Bilateral Contributions to the PRGF-ESF and PRGF-HIPC Trusts  
(In millions of SDRs; as of end-2006)

	PRGF-ESF Trust 1/ 2/				PRGF-HIPC Trust	
	Subsidy contributions "as needed" 3/			Loan commitments	Subsidies and HIPC grant contributions "as needed" 3/	Of which: Pending "as needed" 3/
	For subsidization	For MDRI debt relief	Total			
<b>TOTAL</b>	<b>2,065.7</b>	<b>1,120.0</b>	<b>3,185.7</b>	<b>15,759.7</b>	<b>1,561.6</b>	<b>32.2</b>
<b>Major industrial countries</b>	<b>1,296.4</b>	<b>818.8</b>	<b>2,115.2</b>	<b>12,864.8</b>	<b>880.5</b>	--
Canada	125.6	84.8	210.4	700.0	48.8	--
France	253.0	116.4	369.3	2,900.0	82.2	--
Germany	112.4	66.1	178.5	2,750.0	127.2	--
Italy	47.2	84.4	131.544	1,380.0	63.6	--
Japan	395.0	253.4	648.4	5,134.8	144.0	--
United Kingdom	264.3	155.4	419.7	--	82.2	--
United States	99.1	58.3	157.3	--	332.6	--
<b>Other advanced countries</b>	<b>639.9</b>	<b>250.4</b>	<b>890.2</b>	<b>2,452.8</b>	<b>299.7</b>	--
Australia	11.8	3.7	15.5	--	24.8	--
Austria	59.4	--	59.4	--	14.3	--
Belgium	66.1	39.5	105.6	350.0	35.3	--
Denmark	40.1	23.6	63.7	100.0	18.5	--
Finland	25.7	15.1	40.9	--	8.0	--
Greece	22.7	13.3	36.0	--	6.3	--
Iceland	2.6	1.5	4.1	--	0.9	--
Ireland	5.2	2.4	7.6	--	5.9	--
Israel	--	--	--	--	1.8	--
Korea	38.7	21.0	59.7	92.7	15.9	--
Luxembourg	12.8	--	12.8	--	0.7	--
Netherlands	128.5	--	128.5	450.0	45.4	--
New Zealand	--	--	--	--	1.7	--
Norway	26.6	15.7	42.3	150.0	18.5	--
Portugal	2.6	1.4	4.0	--	6.6	--
San Marino	--	--	--	--	0.0	--
Singapore	11.0	6.5	17.5	--	16.5	--
Spain	14.5	3.1	17.7	708.4	23.3	--
Sweden	109.0	65.0	174.0	--	18.3	--
Switzerland	62.5	38.5	101.0	601.7	37.0	--
<b>Fuel exporting countries</b>	<b>14.3</b>	<b>6.1</b>	<b>20.4</b>	<b>49.5</b>	<b>114.3</b>	<b>23.2</b>
Algeria	--	--	--	--	5.5	--
Bahrain	--	--	--	--	0.9	0.9
Brunei Darussalam	--	--	--	--	0.1	--
Gabon	--	--	--	--	2.5	1.9
Iran, Islamic Republic of	1.0	0.6	1.5	--	2.2	--
Kuwait	--	--	--	--	3.1	--
Libya	--	--	--	--	7.3	--
Nigeria	--	--	--	--	13.9	--
Oman	--	--	--	--	0.8	--
Qatar	--	--	--	--	0.5	--
Saudi Arabia	13.3	5.5	18.9	49.5	53.5	--
United Arab Emirates	--	--	--	--	3.8	--
Venezuela	--	--	--	--	20.4	20.4



Appendix: Table 2 (continued). Summary of Bilateral Contributions to the PRGF-ESF and PRGF-HIPC Trusts  
(In millions of SDRs; as of end-2006)

	PRGF-ESF Trust 1/ 2/				PRGF-HIPC Trust	
	Subsidy contributions "as needed" 3/			Loan commitments	Subsidies and HIPC grant contributions "as needed" 3/	Of which: Pending "as needed" 3/
	For subsidization	For MDRI debt relief	Total committed			
<b>Other developing countries</b>	<b>103.3</b>	<b>44.8</b>	<b>148.1</b>	<b>355.6</b>	<b>224.1</b>	<b>9.1</b>
Argentina	19.5	11.5	31.0	--	16.2	6.4
Bangladesh	0.5	0.2	0.8	--	1.7	--
Barbados	--	--	--	--	0.4	--
Belize	--	--	--	--	0.3	--
Botswana	1.0	0.6	1.6	--	5.7	--
Brazil	--	--	--	--	15.0	--
Cambodia	--	--	--	--	0.0	--
Chile	2.2	1.3	3.5	--	4.4	--
China	9.5	4.2	13.7	200.0	19.7	--
Colombia	--	--	--	--	0.9	--
Cyprus	--	--	--	--	0.8	--
Dominican Republic	--	--	--	--	0.5	0.5
Egypt	7.4	4.3	11.7	155.6	1.3	--
Fiji	--	--	--	--	0.1	--
Ghana	--	--	--	--	0.5	--
Grenada	--	--	--	--	0.1	0.1
India	11.9	--	11.9	--	22.9	--
Indonesia	3.6	2.1	5.8	--	8.2	--
Jamaica	--	--	--	--	2.7	--
Lebanon	--	--	--	--	0.4	0.4
Malaysia	19.0	11.2	30.2	--	12.7	--
Maldives	--	--	--	--	0.0	0.0
Malta	0.9	0.5	1.3	--	1.1	--
Mauritius	--	--	--	--	0.1	--
Mexico	--	--	--	--	54.5	--
Micronesia, F. S.	--	--	--	--	0.0	--
Morocco	5.4	3.2	8.5	--	1.6	--
Pakistan	2.2	0.3	2.5	--	3.4	--
Paraguay	--	--	--	--	0.1	--
Peru	--	--	--	--	2.5	--
Philippines	--	--	--	--	6.7	--
Samoa	--	--	--	--	0.0	--
South Africa	--	--	--	--	28.6	--
Sri Lanka	--	--	--	--	0.6	--
St. Lucia	--	--	--	--	0.1	--
St. Vincent and the Grenadines	--	--	--	--	0.1	--
Swaziland	--	--	--	--	0.0	--
Thailand	7.4	4.4	11.9	--	4.5	--
Tonga	--	--	--	--	0.0	--
Trinidad and Tobago	--	--	--	--	1.6	1.6
Tunisia	0.6	0.3	0.9	--	1.5	--
Turkey	11.3	--	11.3	--	--	--
Uruguay	0.8	0.5	1.3	--	2.2	--
Vanuatu	--	--	--	--	0.1	0.1
Vietnam	--	--	--	--	0.4	--

Appendix: Table 2 (concluded). Summary of Bilateral Contributions to the PRGF-ESF and PRGF-HIPC Trusts  
(In millions of SDRs; as of end-2006)

	PRGF-ESF Trust 1/ 2/				PRGF-HIPC Trust	
	Subsidy contributions "as needed" 3/			Loan commitments	Subsidies and HIPC grant contributions "as needed" 3/	Of which: Pending "as needed" 3/
	For subsidization	For MDRI debt relief	Total committed			
<b>Countries in transition</b>	<b>11.8</b>	--	<b>11.8</b>	--	<b>42.9</b>	--
Croatia	--	--	--	--	0.4	--
Czech Republic	11.8	--	11.8	--	4.1	--
Estonia	--	--	--	--	0.5	--
Hungary	--	--	--	--	6.0	--
Latvia	--	--	--	--	1.0	--
Poland	--	--	--	--	12.0	--
Russian Federation	--	--	--	--	14.6	--
Slovak Republic	--	--	--	--	4.0	--
Slovenia	--	--	--	--	0.4	--
<i>Memorandum Item:</i>						
OPEC Fund for International Development	--	--	--	37.0	--	--

\* Less than SDR 5,000.

1/ Subsidy contributions of Bangladesh, Belgium, Czech Republic, India, Luxembourg, Netherlands, Saudi Arabia, Sweden, and Thailand are held in the PRGF Subsidy Account. Tunisia's contribution is held in both PRGF Subsidy Account and ESF Subsidy Account. All other countries' contributions are held in the PRGF-ESF Subsidy Account.

2/ Excludes the G-8 commitment of SDR 100 million in end-2005 NPV terms and new ESF subsidy contributions.

3/ Estimated values of total contributions include forthcoming contributions that are not yet received. The term "as needed" refers to the nominal sum of concessional assistance taking into account the profile of subsidy needs associated with PRGF lending and the provision of HIPC assistance, respectively.

Appendix: Table 3. PRGF-ESF Trust—Subsidy Agreements 1/  
(In millions of SDRs; as of end-January 2007)

	Effective date of agreement	Vehicle 2/	Deposit/Investment Amount			Interest Rate (percent)	Maturity (years)
			Agreed	Received	Outstanding		
<b>Austria</b>							
Austrian National Bank	Jun. 8, 1988	Admin. Account	60.0	60.0	--	0.5	5½–10
Austrian National Bank	Apr. 19, 1994	Admin. Account	50.0	50.0	--	0.5	5½–10
<b>Belgium</b>							
National Bank of Belgium	Jun. 30, 1989	Admin. Account	100.0	100.0	--	0.5	10
National Bank of Belgium	Apr. 21, 1994	Admin. Account	80.0	80.0	--	0.5	10
<b>Botswana</b>							
Bank of Botswana 3/ 4/	Jun. 30, 1994	Admin. Account	6.9	6.9	--	2.0	10
<b>Chile</b>							
Banco Central de Chile	Aug. 24, 1994	Admin. Account	15.0	15.0	--	0.5	5
<b>Greece</b>							
Bank of Greece	Nov. 30, 1988	Admin. Account	35.0	35.0	--	0.5	5½–10
Bank of Greece	Apr. 22, 1994	Admin. Account	35.0	35.0	--	0.5	5½–10
<b>Indonesia</b>							
Bank Indonesia 5/	Jun. 23, 1994	Admin. Account	25.0	25.0	--	--	10
<b>Iran, Islamic Republic of</b>							
Central Bank of Iran	May 24, 1994	Admin. Account	5.0	5.0	--	0.5	10
<b>Malaysia</b>							
Bank Negara Malaysia	May 17, 1988	Subsidy Account	40.0	40.0	--	0.5	10
Bank Negara Malaysia 4/	Jun. 30, 1994	Subsidy Account	40.0	40.0	--	2.0	10
<b>Malta</b>							
Central Bank of Malta	Dec. 13, 1989	Subsidy Account	1.4	1.4	--	0.5	13
Central Bank of Malta	May 27, 1994	PRGF-ESF Subsidy Account	1.4	1.4	1.4	0.5	13
<b>Pakistan</b>							
State Bank of Pakistan 6/	Apr. 21, 1994	PRGF-ESF Subsidy Account	10.0	8.7	8.7	0.5	16
<b>Portugal</b>							
Banco do Portugal	May 5, 1994	Admin. Account	13.1	13.1	2.6	0.5	6–10
<b>Saudi Arabia</b>							
The Saudi Fund for Development and the Kingdom of Saudi Arabia 7/	April 11, 2006	PRGF-ESF Subsidy Account	132.6	38.2	38.2	0.5	15½
<b>Singapore</b>							
Monetary Authority of Singapore	Nov. 4, 1988	Subsidy Account	40.0	40.0	--	2.0	10
Monetary Authority of Singapore 4/	May 20, 1994	Subsidy Account	40.0	40.0	--	2.0	10
<b>Spain</b>							
Government of Spain 8/	Feb. 8, 1995	PRGF-ESF Subsidy Account	60.3	27.6	27.6	0.5	10
<b>Thailand</b>							
Bank of Thailand	Jun. 14, 1988	Subsidy Account	20.0	20.0	--	2.0	10
Bank of Thailand	Apr. 22, 1994	Subsidy Account	40.0	40.0	--	2.0	10
<b>Trinidad and Tobago</b>							
Government of Trinidad and Tobago	Dec. 7, 2006	PRGF-ESF Subsidy Account	3.0	--	--	1.0	10
<b>Tunisia</b>							
Banque Centrale de Tunisie 9/	May 4, 1994	Subsidy Account	3.6	3.6	--	0.5	10
<b>Uruguay</b>							
Banco Central del Uruguay 10/	Jul. 7, 1994	Subsidy Account	7.2	7.2	--	--	10
<b>Total</b>			<b>864.4</b>	<b>733.0</b>	<b>78.5</b>		

1/ Subsidy contributions to the PRGF-ESF Trust result from the difference between the investment income on contributions and the below market rate of interest paid to contributors.

2/ In January 2006, the original PRGF Subsidy Account was renamed as the PRGF-ESF Subsidy Account, and two new subsidy accounts, the ESF Subsidy Account and the PRGF Subsidy Account, were established. For deposits/investments that have not yet expired, the current name of the account is presented. For deposits/investments that have been repaid, the old name of Subsidy Account is kept.

3/ Equivalent of US\$10 million (at the exchange rate of June 29, 1994).

4/ The Fund made early repayments to Botswana, Malaysia, and Singapore on March 1, 2004.

5/ Interest rate paid is equivalent to the return on investment by the Fund on this deposit (net of any costs), less 2.0 percent per annum. If the interest rate obtained is less than 2.0 per annum, the deposit shall bear zero interest.

6/ All the deposits will be repaid together at the end of sixteen years after the date of the first deposit.

7/ Including (i) a new investment of SDR 38.2 million; and (ii) a rollover of two investments of SDR 49.8 million and SDR 27.9 million and of the deposit of SDR 16.7 million from the PRGF-HIPC Trust upon their maturities in 2011, 2011-14, and 2018, respectively.

8/ The investment coincides with the repayment of each of the first nine (out of ten) semiannual installments of a drawing of the PRGF-ESF Trust loan of SDR 67 million from the Government of Spain (the Instituto de Crédito Oficial).

9/ Equivalent of US\$5 million (at the exchange rate of May 11, 1994).

10/ Interest rate paid is equivalent to the return on this investment by the Fund (net of any costs), less 2.6 percent per annum. If the interest rate obtained by the Fund is 2.6 percent per annum or less, the investment shall bear zero interest.

Appendix: Table 4. PRGF-ESF Trust—Loan Agreements  
(In millions of SDRs; as of end-January 2007)

	Effective date of agreement	Expiration date for drawings	Loan commitments	Amount Disbursed		Early repayment related to the MDRI	Amount outstanding
				Amount	In percent of commitment		
<b>Belgium</b>							
National Bank of Belgium 1/	Jul. 2, 1999	Dec. 31, 2014	350.0	242.3	69.2	163.0	65.3
<b>Canada</b>							
Government of Canada	Feb. 22, 1989	Dec. 31, 1997	300.0	300.0	100.0	16.1	--
Government of Canada	May 9, 1995	Dec. 31, 2005	400.0	400.0	100.0	110.1	212.0
<b>China</b>							
Government of China 1/	Jul. 05, 1994	Dec. 31, 2014	200.0	176.3	88.1	37.7	92.9
<b>Denmark</b>							
National Bank of Denmark	May 3, 2000	Dec. 31, 2003	100.0	100.0	100.0	100.0	--
<b>Egypt</b>							
Central Bank of Egypt 1/	Jun. 13, 1994	Dec. 31, 2014	155.6	100.0	64.3	21.9	32.6
<b>France</b>							
Agence Française de Développement 2/	Apr. 05, 1988	Dec. 31, 1997	800.0	800.0	100.0	--	--
Agence Française de Développement 2/	Jan. 03, 1995	Dec. 31, 2005	750.0	750.0	100.0	--	441.2
Agence Française de Développement 1/ 2/	Dec. 17, 1999	Dec. 31, 2014	1,350.0	522.7	38.7	376.1	146.6
<b>Germany</b>							
Kreditanstalt für Wiederaufbau	Mar. 31, 1989	Dec. 31, 1997	700.0	700.0	100.0	19.7	0.9
Kreditanstalt für Wiederaufbau	May 17, 1995	Dec. 31, 2005	700.0	700.0	100.0	313.0	227.7
Kreditanstalt für Wiederaufbau 1/	Jun. 19, 2000	Dec. 31, 2009	1,350.0	377.3	27.9	180.6	196.6
<b>Italy</b>							
Bank of Italy 3/	Oct. 04, 1990	Dec. 31, 1997	370.0	370.0	100.0	11.7	--
Bank of Italy 3/	May. 29, 1998	Dec. 31, 2005	210.0	210.0	100.0	170.9	--
Bank of Italy 1/	Mar. 1, 2000	Dec. 31, 2014	800.0	497.9	62.2	63.5	434.5
<b>Japan</b>							
Japan Bank for International Cooperation 4/	Apr. 12, 1988	Dec. 31, 1997	2,200.0	2,200.0	100.0	--	6.0
Japan Bank for International Cooperation 1/ 4/	Oct. 05, 1994	Dec. 31, 2014	2,934.8	2,624.1	89.4	--	2,088.7
<b>Korea</b>							
Bank of Korea	Apr. 20, 1989	Dec. 31, 1997	65.0	65.0	100.0	0.3	--
Bank of Korea	Jun. 20, 1994	Dec. 31, 2005	27.7	27.7	100.0	20.0	--
<b>Netherlands</b>							
Bank of the Netherlands 1/	Sep. 29, 1999	Dec. 31, 2014	450.0	193.6	43.0	55.2	138.4
<b>Norway</b>							
Bank of Norway	Apr. 14, 1988	Dec. 31, 1997	90.0	90.0	100.0	2.7	--
Bank of Norway	Jun. 16, 1994	Dec. 31, 2005	60.0	60.0	100.0	32.5	--
<b>OPEC Fund for International Development 5/</b>	Dec. 20, 1994	Dec. 31, 2005	37.0	37.0	100.0	25.7	--
<b>Spain</b>							
Bank of Spain 6/	Jun. 20, 1988	Jun. 30, 1993	216.4	216.4	100.0	--	--
Government of Spain	Feb. 08, 1995	Dec. 31, 2005	67.0	67.0	100.0	--	39.4
Bank of Spain 1/	Feb. 14, 2000	Dec. 31, 2014	425.0	144.2	33.9	41.4	102.8
<b>Switzerland</b>							
Swiss Confederation 7/	Dec. 23, 1988	Dec. 31, 1997	200.0	200.0	100.0	--	--
Swiss National Bank 1/	Jun. 22, 1995	Dec. 31, 2014	401.7	234.4	58.3	44.7	116.0
Subtotal			15,710.2	12,406.0	79.0	1,806.7	4,341.7
<b>Associated Agreement - Saudi Fund for Development (SFD)</b>	Feb. 27, 1989	-- 8/	49.5	49.5	100.0	--	--
<b>Total Loan and Associated Loan Agreements 9/</b>			15,759.7	12,455.5	79.0	1,806.7	4,341.7

1/ Including additional loan commitments for interim PRGF operations.

2/ Before April 17, 1998, known as Caisse Française de Développement.

3/ In late 1999, the Bank of Italy replaced the Ufficio Italiano dei Cambi as lender to the PRGF Trust.

4/ On October 1, 1999, the Export-Import Bank of Japan merged with the Overseas Economic Cooperation Fund and became the Japan Bank for International Cooperation.

5/ The loan commitment is for the SDR equivalent of US\$50 million.

6/ The original loan commitment of the Bank of Spain was SDR 220 million; however, only SDR 216.4 million was drawn and disbursed by the expiration date for drawings.

7/ The full loan commitment of SDR 200 million was drawn in January 1989; this amount was fully disbursed to borrowers by March 1994.

8/ On August 26, 1998, the SFD indicated that it did not intend to make further loans in association with the PRGF.

9/ Any mismatch of outstanding resources between the amount owed by PRGF borrowers and the amount owed to PRGF lenders arises because of mismatches in timing between drawdowns from lenders to the Trust and disbursements of PRGF loans to borrowers.

Appendix: Table 5. Information on Pending Bilateral Contributions to the PRGF-HIPC Trust<sup>1</sup>  
(Status as of end-January 2007)

Country	Status
<b>Argentina</b>	The remaining balance of SDR 6.4 million (as needed) of its pledged contribution to be financed from its Post-SCA-2 balance of SDR 5.9 million.
<b>Bahrain</b>	Contribution of income on an interest-free deposit through 2018.
<b>Dominican Republic</b>	Contribution of net income on a deposit through 2018 to be financed from its Post-SCA-2 balance of SDR 1.1 million at 1 percent per annum.
<b>Gabon</b>	The remaining balance of SDR 1.9 million (as needed) of its pledged contribution to be financed by grants.
<b>Grenada</b>	Contribution of net income on a deposit for 10 years of SDR 0.20 million at 0.5 percent per annum.
<b>Lebanon</b>	Contribution of income on an interest-free deposit through 2018.
<b>Maldives</b>	Contribution of income on an interest-free deposit through 2018.
<b>Mauritius</b>	The authorities are considering an additional contribution.
<b>Trinidad and Tobago</b>	Contribution of income on an interest-free deposit of its Post-SCA-2 balance of SDR 2.7 million.
<b>Vanuatu</b>	Grant contribution of its Post-SCA-2 balance of SDR 0.05 million.
<b>República Bolivariana de Venezuela</b>	Prepared to contribute based on its quota-based share. Contribution could be financed through use of its Post-SCA-2 balance of SDR 32.5 million.

<sup>1</sup> Reflects pledged contributions which are not yet effective. Post-SCA-2 amounts shown include refunds of SCA-2 resources and accumulated interest income.