

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 Strategy, Policy, and Review Departments)

Approved by Andrew Tweedie

September 13, 2011

Contents	Page
Executive Summary .....	3
I. Introduction .....	4
II. LIC Facilities and Financing Framework.....	4
III. Financing of PRGT Operations .....	6
A. Projected Financing Needs.....	6
B. Loan Resources .....	8
C. Subsidy Resources.....	10
D. PRGT Reserve Account.....	13
IV. Subsidization of Emergency Assistance.....	14
V. Financing of Debt Relief.....	14
A. Remaining HIPC’s .....	15
B. Pending Contributions to Liberia’s Debt Relief.....	16
C. Protracted Arrears Cases .....	17
 Figures	
1. Concessional Financing Framework.....	5
2. PRGT Commitments to LICs, 1988–2011.....	6
 Tables	
1. New PRGT Commitments to LICs in 2011 .....	6
2. Scenarios of Medium Term Concessional Lending to LICs .....	8
3. New Commitments of Loan Resources to the PRGT .....	9
4. PRGT Loan Resources Mobilization.....	10
5. ESF Subsidy Contributions.....	11
6. PRG-HIPC Trust—Pending Contributions .....	11
7. New Subsidy Commitments to the PRGT .....	12
8. Financing of Debt Relief to the Remaining HIPC’s .....	15
9. Pending Disbursements to Finance Debt Relief to Liberia.....	16

## Appendix Tables

1.	Summary of Bilateral Commitments to the PRGF-ESF and PRG-HIPC Trusts .....	18
2.	PRGT—Borrowing Agreements .....	21
3.	PRGT—Subsidy Agreements .....	22
4.	PRGT—Reserve Account Coverage .....	23
5.	Subsidy Contributions for Emergency Assistance .....	24
6.	Implementation of the HIPC Initiative .....	25
7.	Debt Relief Following Implementation of the MDRI .....	26
8.	Information on Pending Bilateral Contributions to the PRG-HIPC Trust .....	27

## EXECUTIVE SUMMARY

**Lower-than-expected demand over the recent past has raised the lending capacity of the PRGT for the years 2012–14.** Staff's latest projections suggest PRGT demand in 2011 could be about SDR 1.4 billion, up from SDR 1.2 billion in 2010. Assuming the 2009 LIC financing package is completed, these projections would be consistent with lending capacity of about SDR 2.1 billion per year from 2012–14, or SDR 1.5 billion per year through 2015.

**Most of the targeted loan resources under the 2009 package have now been secured, but additional pledges of about SDR 1 billion in loans are still needed.** Fourteen members have pledged SDR 9.8 billion in new loan resources for the PRGT, compared to the target of SDR 10.8 billion. New borrowing agreements totaling SDR 9.5 billion have been signed with thirteen lenders. Eight of these agreements provide loan resources in SDRs, and seven creditors also participate in the voluntary encashment regime.

**Pledges of additional bilateral subsidy resources remain necessary to complete the overall agreed financing package.** So far, twenty-three members have committed SDR 155 million in additional subsidies, compared to the agreed target for bilateral subsidy contributions of SDR 200–400 million (in end 2008 NPV terms). A number of large traditional donors have not yet made pledges.

**The Board has affirmed its support for a strategy to use part of the profits from recent gold sales to generate SDR 0.5–0.6 billion (end-2008 NPV terms) to subsidize PRGT lending to LICs.** This strategy will require a distribution of part of the profits to members with a prior agreement to return them as donor contributions to the PRGT. It will be important to ensure that the initiation of the distribution process does not undermine the current bilateral fund-raising process.

**Available resources in the HIPC/MDRI accounts are projected to be sufficient to cover debt relief to the few remaining eligible countries (except Somalia and Sudan).** Substantial additional resources will be needed when Somalia and Sudan are ready to embark on the HIPC Initiative. The approach developed for Liberia's debt relief, including financing modalities, could provide a useful framework for these two countries at an appropriate time.

**Following Liberia's HIPC completion point, a number of countries have yet to finalize their contributions to Liberia's debt relief.** These members should disburse their pledged contributions as soon as possible.

**The PRGT is projected to have the capacity for sustainable lending of about SDR 0.7–0.8 billion annually beyond 2014.** Based on staff's longer term projections, however, additional subsidy resources would eventually be needed to ensure the PRGT has sufficient capacity to meet expected demand.

## I. INTRODUCTION<sup>1</sup>

1. **This paper reviews the status of financing for the Fund’s concessional lending and debt relief for low-income countries (LICs).**<sup>2</sup> It is based on the latest available data and projections, and it takes into account the pledges made so far in response to the Managing Director’s fund-raising request of August 2009.

2. **The paper is organized as follows.** Section II describes progress in the implementation of the July 2009 reform of the Fund’s concessional lending instruments and the associated financing framework. Section III reviews PRGT operations and discusses developments in the PRGT Reserve Account. Section IV provides updates on the subsidization of emergency assistance, while Section V presents the developments on the financing of debt relief under the HIPC, MDRI, and the Post-Catastrophe Debt Relief (PCDR) Trust.

## II. LIC FACILITIES AND FINANCING FRAMEWORK

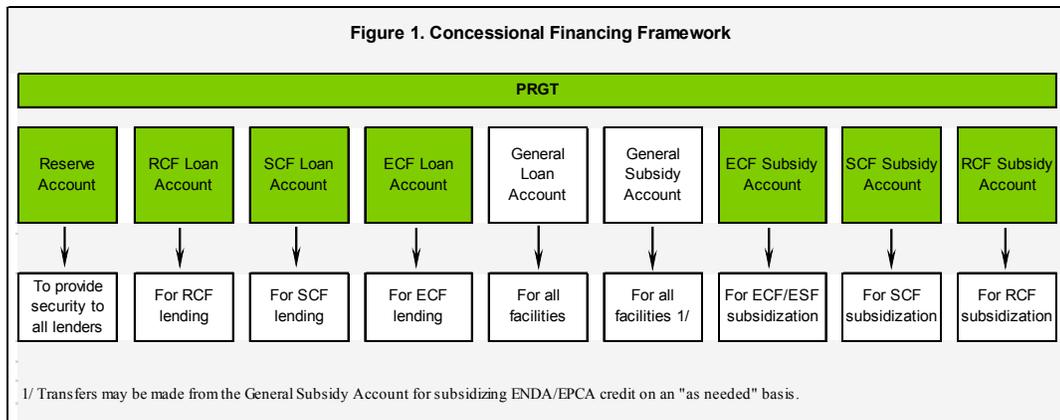
3. **Since the effectiveness of the LIC reforms in January 2010, the PRGT has been fully operational.** Lending commitments to LICs have been approved under all three PRGT facilities—the Extended Credit Facility (ECF), the Standby Credit Facility (SCF), and the Rapid Credit Facility (RCF).<sup>3</sup> Since the effectiveness of the LIC reforms, total commitments under the ECF amounted to SDR 1.5 billion (including augmentations under existing ECF programs), and commitments under the SCF and the RCF amounted to SDR 0.1 billion each. Loan and subsidy resources have been made available for all the loan and subsidy accounts of the PRGT (Figure 1). In light of the closure of the ESF Subsidy Account in May 2010 after resources in that account were depleted, the resources in the ECF Subsidy Account are available to meet the subsidy needs of the existing ESF loans.

---

<sup>1</sup> This paper was prepared by a staff team led by Robert Powell and comprising Patrick Njoroge, Ivetta Hakobyan, Sandra Marcelino, Maria Mendez, Izabela Rutkowska, and Fang Yang.

<sup>2</sup> The decisions adopting both the PRG-HIPC Trust 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, and effective on January 5, 2006). A decision to complete the current semi-annual reviews is proposed in Section VI. Starting in 2002, staff has updated the Board regularly on the mobilization of resources for the subsidization of emergency assistance.

<sup>3</sup> See [IMF Reforms Financial Facilities for Low-Income Countries](#) (7/29/09). The Framework became effective on January 7, 2010.



4. **A new structure of PRGT lending interest rates has also applied.** The 2009 LIC facility reform provided increased concessionalism of the Fund's financial support to LICs through a new interest rate structure. The interest rate structure is subject to periodic reviews to take account of the developments in world interest rates—the first review is expected to be completed by December 31, 2011.<sup>4</sup> In addition, a temporary waiver of interest payments remains in effect on all outstanding PRGT loans through December 2011 and subsidization of the rate of charge to zero percent for subsidized EPCA/ENDA through January 2012.

5. **The LIC financing package, approved in July 2009 as part of the LIC reforms, remains appropriate.** The financing package aimed to boost the Fund's concessional lending capacity to SDR 11.3 billion for 2009–14, and requires the mobilization of new loan resources of SDR 10.8 billion to meet the projected demand (including a liquidity buffer to enable a voluntary encashment regime). The package also includes new subsidy resources of SDR 1.5 billion (end-2008 NPV terms). Most of the additional subsidies are being financed from the Fund's internal resources—including transfers from the PRGT Reserve Account, delaying reimbursement of the GRA for PRGT administrative costs, and use of resources linked to gold sales. New bilateral subsidy contributions of SDR 200–400 million (end-2008 NPV terms) are also an important element to complete the financing package.<sup>5</sup> A wide spectrum of the membership has been approached to mobilize the necessary loan and bilateral subsidy resources, and staff has been following up on these requests.

<sup>4</sup> See Decision No. 14354-(09-79), adopted July 23, 2009, and effective on January 7, 2010.

<sup>5</sup> Additional background information for these estimates was provided in [Financing the Fund's Concessional Lending to Low-Income Countries](#).

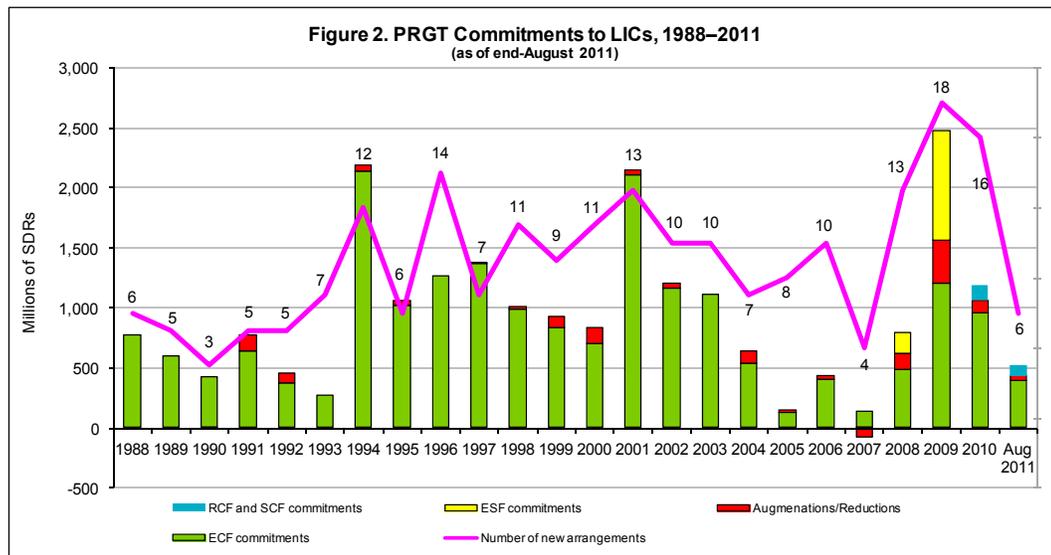
### III. FINANCING OF PRGT OPERATIONS

#### A. Projected Financing Needs

6. **New PRGT commitments in the first eight months of 2011 amounted to SDR 0.5 billion** (Table 1 and Figure 2). They included: (i) SDR 392.3 million for two new ECF arrangements; (ii) augmentations totaling SDR 39.1 million under three existing ECF arrangements; and (iii) RCF financing of SDR 88.4 million for three members. There has been no SCF commitment during this period.

Table 1. New PRGT Commitments to LICs in 2011  
(In millions of SDRs, as of end-August 2011)

Country	Board approval	Amount	Country	Board approval	Amount
<b>New ECF arrangements</b>			<b>RCF disbursements</b>		
Kenya	Jan-11	325.7	St. Lucia	Jan-11	3.8
Kyrgyz Republic	Jun-11	66.6	St. Vincent and Grenadines	Feb-11	2.1
			Cote d'Ivoire	July-11	81.3
<b>ECF augmentations</b>			St. Vincent and Grenadines	July-11	1.2
Mali	Jun-11	25.2			
Burundi	Jul-11	5.0			
Liberia	Jul-11	8.9			
<b>Total</b>					<b>519.8</b>



7. **Lower-than-expected demand over the recent past has raised the lending capacity of the PRGT for the years 2012–14.** New lending commitments to LICs in 2009, at SDR 2.5 billion, were broadly in line with projections, but LIC demand has since fallen back more rapidly than was assumed, reflecting in part the rapid recovery of many LICs after the global financial crisis.<sup>6</sup>

8. **Staff’s latest projections suggest PRGT demand in 2011 could be about SDR 1.4 billion.** While the timing of potential requests from some members with larger quotas is uncertain, information provided by area departments suggest that total demand in 2011 could be higher than the SDR 1.2 billion in 2010 and broadly in line with the projections made at the time of the LIC reforms.

- These projections for 2011 would be consistent with a lending capacity of about SDR 2.1 billion per year for 2012–14 (Table 2–middle panel).<sup>7</sup> As such, the existing financing package would provide scope for commitments to rise significantly to meet possible needs arising from the slow pace of global recovery. Under this high demand scenario, the self-sustained subsidization of the PRGT would commence in 2015 at an annual capacity of about SDR 0.7 billion.
- However, if demand in the medium term was to remain in the range of SDR 1.4–1.6 billion, as was previously assumed, the completion of the 2009 LIC financing package would imply available resources that could support commitments at this level for an additional year, through end-2015 (Table 2–lower panel). Alternatively, these uncommitted subsidy resources could be used to raise the projected sustainable lending capacity of the PRGT starting from 2015 by about SDR 0.1 billion to SDR 0.8 billion.<sup>8</sup>

---

<sup>6</sup> See [Emerging from the Global Crisis—Macroeconomic Challenges Facing Low-Income Countries](#) (11/10/10) for a discussion of LICs’ countercyclical response and IMF financial support that helped ease the impact of the crisis and facilitated the recovery.

<sup>7</sup> These projections do not take into account the three protracted arrears cases (Somalia, Sudan, and Zimbabwe). Zimbabwe has protracted arrears to the PRGT and was removed from the list of PRGT-eligible countries. See [IMF Declares Zimbabwe Ineligible To Use IMF Resources](#) (9/25/01).

<sup>8</sup> It has been envisaged that once the available subsidy resources are fully committed, the PRGT lending could be subsidized on a “self-sustained basis” using the resources in the Reserve Account. For illustrative purposes, the sustainable lending capacity combines lending subsidized by the Reserve Account and by the uncommitted subsidy resources assumed in the 2009 financing package at end-2014.

Table 2. Scenarios of Medium Term Concessional Lending to LICs

Commitments	Actual annual average 2000-08 <sup>1/</sup>	Actual		Projections				Total 2/ (2009-14)	Sustainable lending capacity beyond 2014
		2009	2010	2011	2012	2013	2014		
<i>Projections at the time of the 2009 LIC reforms</i>									
In billions of SDR	0.7	2.7	2.7	1.5	1.5	1.5	1.5	11.3	0.70
In billions of US\$ <sup>3/</sup>	1.0	4.0	4.0	2.3	2.3	2.3	2.3	17.0	
<i>High Demand Scenario</i>									
In billions of SDR	0.7	2.5	1.2	1.4	2.1	2.1	2.1	11.3	0.70
In billions of US\$ <sup>3/</sup>	1.0	3.7	1.8	2.1	3.1	3.1	3.1	17.0	
<i>Lower Demand Scenario</i>									
In billions of SDR	0.7	2.5	1.2	1.4	1.5	1.5	1.5	9.6	0.80
In billions of US\$ <sup>3/</sup>	1.0	3.7	1.8	2.1	2.3	2.3	2.3	14.3	

Source: Finance Department.

1/Excluding the relatively high level of lending committed to Pakistan in the aftermath of 9/11, and to Liberia in 2008 following arrears clearance.

2/May not add up due to rounding.

3/ Assuming exchange rate of US\$1.5 per SDR.

## B. Loan Resources

9. **Most of the targeted loan resources under the 2009 financing package have now been secured.** Fourteen members have pledged SDR 9.8 billion in new loan resources for the PRGT, compared to the target of SDR 10.8 billion. New borrowing agreements totaling SDR 9.5 billion have been signed with thirteen lenders (Table 3). The bulk of the secured resources are available to the GLA and the ECF Loan Account—SDR 7.0 billion and SDR 2.1 billion, respectively, while the SCF and RCF Loan Accounts have each received SDR 0.2 billion. Since the last update, SDR 1.8 billion has been secured for the General Loan Account (GLA) through borrowing agreements with the Bank of Italy, the Swiss National Bank, and the Saudi Arabian Monetary Agency. However, additional pledges of about SDR 1 billion are still needed to reach the agreed target.

10. **Some of the new PRGT borrowing agreements have made use of elements of the new framework for mobilizing bilateral loan resources.**<sup>9</sup> Of the loan resources secured so far, SDR 5.6 billion are through traditional Loan Agreements, and SDR 3.9 billion through Note Purchase Agreements (NPAs). Seven members—China, France, Italy, Korea, Japan, the United Kingdom and Saudi Arabia—have included in their borrowing agreements participation in the encashment regime of the PRGT, which will enable their claims to be readily repayable in case of balance of payments need. Five of these borrowing agreements have shorter maturities than under traditional loan agreements. In all these cases, the Fund, at its sole discretion, can extend the maturities for additional periods up to the maturity dates for the corresponding loan disbursements under the facility of the Trust.

11. **Borrowing agreements in SDRs have also supported PRGT lending.** Eight of the new borrowing agreements provide SDR 7.5 billion loan resources in SDRs and all these

<sup>9</sup> See Decision No. 14593-(10/41), adopted April 21, 2010.

contributors have voluntary SDR trading arrangements in place.<sup>10</sup> As of end-June 2011, drawings of SDR 59.9 million have been made under these new SDR borrowing agreements, and sales of SDRs related to these drawings amounted to SDR 49 million. These sales were conducted through the voluntary SDR trading arrangements.

Table 3. New Commitments of Loan Resources to the PRGT 1/  
(In millions of SDRs; as of end-August 2011)

	Amount	Effective Date	Media	Type	Account	Encashment	Shorter Maturity
<b>Effective</b>	<b>9,461</b>						
Canada	500	3/5/2010	USD	Loan	GLA	No	No
China	800	9/3/2010	SDR	NPA	ECF	Yes	Yes
Denmark	200	1/28/2010	USD	Loan	GLA	No	No
France	1,328	9/3/2010	SDR	Loan	ECF	Yes	Yes
Italy	800	4/18/2011	SDR	Loan	ECF	Yes	No
Japan	1,800	9/3/2010	SDR	NPA	GLA	Yes	Yes
Korea	500	1/7/2011	SDR	Loan	GLA	Yes	No
Netherlands	500	7/27/2010	EUR	Loan	GLA	No	No
Norway	300	6/25/2010	USD	Loan	SCF, RCF	No	No
Saudi Arabia	500	5/13/2011	SDR	Loan	GLA	Yes	Yes
Spain	405	12/17/2009	SDR	Loan	GLA	No	No
Switzerland	500	4/21/2011	EUR	Loan	GLA	No	No
U.K.	1,328	9/3/2010	SDR	NPA	GLA	Yes	Yes
<b>Pledged</b>	<b>350</b>						
Belgium	350						
<b>Total</b>	<b>9,811</b>						

1/ Germany (KfW) made a pledge of SDR 1.53 billion. As mutually acceptable lending terms could not be agreed, it is excluded from the total.

12. **Uncommitted PRGT loan resources, including the recently secured resources, stood at about SDR 8.1 billion as of end-August 2011.** Specifically, available uncommitted resources of the GLA and the Special Loan Accounts (SLA) for the ECF, RCF, and SCF amounted to SDR 6.2 billion, SDR 1.8 billion, SDR 0.04 billion, and SDR 0.08 billion, respectively. These loan resources will be sufficient to cover projected demand beyond 2013.<sup>11</sup>

<sup>10</sup> New borrowing agreements that will provide resources in SDRs are with the following creditors: the Bank of Spain; Banque de France; the People's Bank of China; the Bank of Korea, the Government of Japan, the Government of the United Kingdom, the Bank of Italy, and the Saudi Arabian Monetary Agency.

<sup>11</sup> The PRGT Instrument provides that resources of the SLAs will be drawn first for disbursements under the respective facilities, and the resources in the GLA will be used for a facility only when resources in the relevant SLA are exhausted. In addition, staff will manage disbursements under borrowing agreements of contributors participating in the encashment regime in a manner that preserves a sufficient liquidity buffer for the encashment regime to be operational.

13. **Additional pledges of about SDR 1 billion are still needed to complete the loan package.** The target at SDR 10.8 billion of new loan contributions would support the projected concessional lending capacity of SDR 11.3 billion through 2014/2015 and provide a liquidity buffer for loan contributions under the voluntary encashment regime. It is therefore important that further pledges of about SDR 1 billion be mobilized, and the remaining pledged resources be secured to complete the package (Table 4).

Table 4. PRGT Loan Resources Mobilization  
(In billions of SDRs; as of end-August 2011)

<b>Target for loan resource mobilization</b>	<b>10.8</b>
of which: initial target	9.0
liquidity buffer needed	1.8
<b>Loan Resources Secured</b> <sup>1/</sup>	<b>9.5</b>
<b>Additional resources required</b>	<b>1.3</b>
<i>Memorandum items:</i>	
Loan resources pledged but not yet available	<b>0.4</b>

<sup>1/</sup> Secured through Loan Agreements with Canada, Denmark, France, Italy, Korea, the Netherlands, Norway, Saudi Arabia, Spain, and Switzerland and through Note Purchase Agreements with China, Japan, and the United Kingdom.

### C. Subsidy Resources

14. **At end-June 2011, available PRGT subsidy resources amounted to SDR 1.4 billion, excluding contributions received or committed in the context of the current fund-raising effort.**<sup>12</sup> This amount includes all contributions pledged during the 2005 ESF fund-raising exercise, including SDR 57 million that are expected to be received (Table 5). However, it excludes SDR 25.9 million pledged during earlier fund-raising that donors have not yet provided (Table 6).<sup>13</sup> On this basis, since it is estimated that about SDR 1 billion will be needed to subsidize existing PRGT commitments, SDR 0.4 billion is currently available to subsidize new lending.

<sup>12</sup> This amount also excludes the internal resources approved as part of the financing package of July 2009, under which it was agreed that: (i) the equivalent of SDR 0.62 billion (end-2008 NPV terms) may be transferred from the Reserve Account to the General Subsidy Account for the subsidization of the Fund's lending under the PRGT; (ii) for the financial years 2010 to 2012, no reimbursement shall be made to the General Resources Account from the Reserve Account of the PRGT for the cost of administering the PRGT. The estimated cost of administering the PRGT shall be transferred after the end of each such financial year from the PRGT Reserve Account (through the Special Disbursement Account) to the General Subsidy Account of the PRGT; and (iii) the use of SDR 0.5–0.6 billion (end-2008 NPV terms) linked to gold sales. See [IMF Reforms Financial Facilities for Low-Income Countries \(7/29/09\)](#).

<sup>13</sup> Argentina disbursed its pledge of SDR 6.4 million to PRG-HIPC Trust from its Post SCA-2 account on May 30, 2011. This pledge was made in the context of the mobilization of subsidies for PRGF-HIPC operations in 1999.

Table 5. ESF Subsidy Contributions  
(In millions of currency units; end-June 2011)

	Form of contribution	Contribution pledged		Contribution received
		(Amount)	(SDR equivalent)	(SDR equivalent)
Canada	Grant	CAN\$ 25.0	14.3	15.0
France	Concessional loan	SDR 20.0 1/	20.0 1/	0.6
Iceland	Grant	ISK 10.2	0.1	0.1
Japan	Grant	SDR 20.0	20.0	20.0
Norway	Grant	SDR 24.7	24.7	22.1
Oman	Grant	SDR 3.0	3.0	2.2
Russian Federation	Grant	SDR 30.0	30.0	30.0
Saudi Arabia	Investment agreement	SDR 40.0 2/	40.0 2/	5.9
Spain	Grant	SDR 5.3	5.3	5.3
Trinidad and Tobago	Deposit agreement	SDR 0.8 2/	0.8 2/	0.3
United Kingdom	Grant	£ 50.0	53.1	53.1
<b>Total</b>			<b>211.3</b>	<b>154.5</b>

1/ To be generated from the concessional loan as an implicit subsidy.

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

Table 6. PRG-HIPC Trust – Pending Contributions  
(In millions of SDRs "as needed"; end-June 2011)

Venezuela	20.4	Lebanon	0.4
Gabon 1/	1.9	Grenada	0.1
Trinidad & Tobago	1.6	Vanuatu	0.1
Bahrain	0.9	Maldives	0.01
Dominican Republic	0.5		
		<b>Total</b>	<b>25.9</b>

1/ Remaining balances.

15. **The financing package approved in July 2009 remains adequate to ensure the availability of resources to subsidize projected new lending of up to SDR 11.3 billion through 2014.** As was envisaged, this package would secure additional subsidy resources of SDR 1.5 billion (end-2008 NPV terms), needed to raise lending capacity to SDR 11.3 billion through at least 2014. Subsidy resources would remain adequate to support PRGT lending through 2014 with a higher lending capacity of about SDR 2.1 billion per year for 2012–14, or through 2015 if medium-term demand was in the range SDR 1.4–1.6 billion.

16. **It is important that additional pledges of bilateral subsidy resources be secured to complete the agreed financing package.** Progress has been made in securing bilateral subsidy resources. In response to the Managing Director's request, twenty-three members have so far agreed to contribute a total of SDR 155 million in subsidy resources (Table 7). They include nontraditional donors, of which several are emerging market countries. Nevertheless, a number of large traditional donors have not yet made pledges and further subsidy contributions remain necessary to reach the bilateral contributions target of SDR 200–400 million.

17. On April 6, the Board affirmed its support for a strategy to use part of the profits from the limited gold sales to generate SDR 0.5–0.6 billion (end-2008 NPV terms) to subsidize PRGT lending, as part of the 2009 LIC financing package.<sup>14</sup> This strategy will require a distribution of the profits to members, in proportion to their quota shares, and a return of broadly equivalent amounts by the members to the PRGT as subsidy contributions. It would be important to have strong ex-ante assurances from the membership of a high return rate to ensure that LICs benefit from the distribution as intended. In order to raise the agreed amount of SDR 0.5–0.6 billion (end-2008 NPV terms), a distribution of SDR 0.6–0.7 billion has been considered reasonable, based on an assumed 10 percent “leakage” rate. A Board decision has not yet been taken to distribute part of the gold profits but it will be important to ensure that initiation of the distribution process does not undermine the current bilateral fundraising efforts.<sup>15</sup>

Table 7. New Subsidy Commitments to the PRGT  
(In millions of currency units; as of end-August 2011)

		Contributions pledged	
		Amount	SDR equivalent
1	Algeria	SDR 2.3	2.3
2	Argentina	SDR 3.9	3.9
3	Australia	A\$30	17.6
4	Austria	SDR 3.9	3.9
5	Botswana	SDR 0.2	0.2 1/
6	Canada	CAN\$40 and SDR 2.8	28.0
7	China	SDR 17.5	17.5 1/
8	Denmark	DKK 30	3.6
9	Italy	SDR 22.1	22.1
10	Korea	SDR 8.8	8.8
11	Kuwait	US\$3.9	2.6
12	Malta	SDR 0.2	0.2
13	Morocco	SDR 1.1	1.1 1/
14	Netherlands	SDR 9.5	9.5
15	Peru	SDR 1.2	1.2 1/
16	Philippines	SDR 1.9	1.9
17	Qatar	SDR 0.6	0.6
18	South Africa	SDR 3.4	3.4
19	Spain	SDR 9.0	9.0
20	Sweden	SEK 50	4.8 2/
21	Switzerland	SFr 16	11.9 2/
22	Trinidad and Tobago	SDR 0.6	0.6
23	Uruguay	SDR 0.6	0.6 1/
<b>Total</b>			<b>155.2</b>

1/ Reflecting net investment income (in end-2008 NPV terms) to be generated from investment agreements.

2/ Calculated using the exchange rates as of August 31, 2011.

<sup>14</sup> See [IMF Executive Board Considers Use of Gold Sale Profits](#) (4/8/11) and [Use of Gold Sale Profits—Initial Considerations and Options](#) (3/16/11).

<sup>15</sup> See [Use of Gold Sale Profits—Further Considerations](#) (8/5/11).

#### **D. PRGT Reserve Account**

18. **The PRGT Reserve Account will continue to provide adequate security to PRGT lenders and note purchasers.** The Account has been financed by reflows of Trust Fund and Structural Adjustment Facility (SAF) repayments, and investment returns on the balances held in the Account. The Trust can tap these resources temporarily to meet its obligations in the event of a delayed payment by a borrower to any loan account of the Trust. The balance in the Reserve Account stood at SDR 3.93 billion at end-June 2011, representing a substantial multiple of the projected PRGT loan repayments falling due over the next 12 months and about 79.8 percent of total PRGT obligations (Appendix Table 4).<sup>16</sup> It is expected that the Reserve Account will continue to provide a loan coverage ratio of about 40 percent in the medium term, in line with the historical average.

19. **It is envisaged that resources in the Reserve Account could support “self-sustained” subsidization of PRGT lending beyond 2014–15.** As noted above, available subsidy resources as well as subsidy resources to be raised as part of the 2009 financing package would likely be fully committed by 2014 or 2015. Without additional financing, staff projections suggest that the Reserve Account could subsidize annual lending of at least SDR 0.7 billion in nominal terms on a sustained basis starting from 2015 or 2016. However, these projections are subject to significant uncertainties, including: PRGT demand in the medium term; the rate of investment return on the Reserve Account balance; interest rates paid to lenders; the resumption of the reimbursement of the GRA for PRGT administrative expenses; and the timing of potential repayment of overdue Trust Fund, SAF, and PRGT obligations by the protracted arrears cases.

20. **Staff projections of longer term demand for the Fund’s concessional lending point to a range of between SDR 1.1–1.9 billion annual for the period 2015–34.**<sup>17</sup> On the basis of these projections, additional subsidy resources would eventually be needed to ensure that the PRGT has sufficient capacity to meet the expected demand. Thus, the framework for lending on a “self-sustained basis” will need to be revisited at an appropriate time to ensure that the lending capacity remains in line with expected demand.

---

<sup>16</sup> This balance includes resources expected to be transferred to the PRGT General Subsidy Account as noted earlier.

<sup>17</sup> See [Demand Projections for the Fund’s Concessional Resources](#) (3/16/11).

#### IV. SUBSIDIZATION OF EMERGENCY ASSISTANCE

21. **The EPCA/ENDA Administered Subsidy Account is being maintained on an interim basis for the subsidization of EPCA/ENDA credits outstanding on January 7, 2010.** Once these outstanding EPCA/ENDA credits are fully repaid (expected by April 2013), the EPCA/ENDA Administered Subsidy Account will be terminated. Contributors will be encouraged at that time to transfer any balances in the account to the PRGT General Subsidy Account (GSA) or one of the special subsidy accounts of the PRGT (Appendix Table 5).

22. **Available subsidy resources in the EPCA/ENDA Administered Subsidy Account are estimated to be sufficient to subsidize the remaining EPCA/ENDA credits.** As of end-June 2011, two PRGT-eligible members had outstanding ENDA credit (Bangladesh and Dominica) amounting to SDR 135 million. There were no PRGT-eligible members with outstanding EPCA credits. The rate of charge on EPCA/ENDA credits is subsidized to zero percent until end-January 2012, and thereafter to an annual rate of 0.25 percent. At end-June 2011, available subsidy resources amounted to about SDR 12.3 million. It is estimated that these resources are likely to be sufficient to subsidize the outstanding credits, including providing the additional interest relief through end-January 2012. In the unlikely event that subsidy resources in the EPCA/ENDA subsidy account were depleted, the PRGT Instrument would allow subsidization of any remaining EPCA/ENDA credits from the PRGT GSA.

#### V. FINANCING OF DEBT RELIEF

23. **As of end-June 2011, the Fund has provided SDR 5.2 billion of debt relief to eligible countries.** This includes HIPC debt relief of SDR 2.5 billion to 36 countries. MDRI debt relief of SDR 2.3 billion to 30 countries, “beyond-HIPC” debt relief to Liberia, and PCDR debt relief to Haiti (Appendix Tables 6 and 7). No new countries reached the HIPC completion point since the last update, and the total number of completion point countries was 32. There remain 4 decision point countries which have so far received HIPC interim assistance of about SDR 29 million from the Fund. No debt relief has been provided through the PCDR Trust since the last update, and the balance in the PCDR Trust stood at SDR 0.1 billion at end-June 2011.

### A. Remaining HIPC

24. **The Fund's cost of debt relief to the remaining HIPCs excluding the protracted arrears cases is estimated at SDR 0.05 billion (end-June 2011 NPV terms), in line with previous estimates** (Table 8).<sup>18</sup> This estimate excludes the arrears cases and is based on assumptions regarding the timing of HIPC decision and the future path of interest rates, all of which are subject to uncertainty. This estimate does not take into account potential needs for HIPC topping-up assistance.

25. **Available resources in the PRG-HIPC and MDRI Trusts are estimated to be sufficient to cover debt relief to the remaining eligible countries (excluding the protracted arrears cases)**. Since the HIPC sub-account of the PRG-HIPC Trust is depleted, resources of about SDR 0.05 billion from the PRG-HIPC sub-account are expected to be used to cover the projected HIPC needs. The two MDRI Trusts are expected to have surpluses totaling about SDR 0.05 billion (Table 8).

Table 8. Financing of Debt Relief to  
the Remaining HIPCs  
(Billions of SDRs; end-June 2011 NPV terms)

<b>Resources available in</b>	<b>0.05</b>
HIPC sub-account 1/	-
MDRI-I Trust	0.01
MDRI-II Trust	0.04
<b>Financing needed from</b>	<b>0.05</b>
HIPC and PRG-HIPC sub-accounts 1/	0.05
MDRI-I Trust	-
MDRI-II Trust	-
<b>Remaining balance</b>	<b>0.05</b>
HIPC sub-account	-
MDRI-I Trust	0.01
MDRI-II Trust	0.04
<i>Memorandum items:</i>	
Resources in the PCDR Trust	0.10

1/ Since the HIPC sub-account is depleted, resources of SDR 0.05 billion are expected to be drawn from the PRG-HIPC sub-account to meet the estimated cost of the remaining HIPCs.

<sup>18</sup> Cost estimates as of end-June 2011, including Chad, Comoros, Cote d'Ivoire, Guinea and Eritrea, but excluding Somalia and Sudan. Members that are HIPC-eligible based on the ring-fencing exercise but have decided not to avail themselves of debt relief under the HIPC Initiative (Nepal and Kyrgyz Republic) are excluded from this cost estimate. This cost estimate does not include Zimbabwe, which is currently not HIPC-eligible but could become eligible for HIPC debt relief if it is judged to meet the relevant criteria.

## B. Pending Contributions to Liberia's Debt Relief

26. **Following Liberia's HIPC completion point, there remain a number of countries that have yet to finalize their pledged contributions to the Fund's debt relief to Liberia.** Since the last update, Argentina has delivered its contribution of about SDR 5.3 million, which was placed in the PRG-HIPC Trust. Pledged contributions totaling SDR 17.7 million (March 2008 NPV terms) from eight members have yet to be received (Table 9). It is important that these contributions be disbursed as soon as possible to replenish the PRG-HIPC Trust.

Table 9. Pending Disbursements to Finance Debt Relief to Liberia as of end-August 2011  
(In millions of SDRs; in March 14, 2008 NPV terms)

Brazil	16.9	Mali	0.19
Burkina Faso	0.06	Rwanda	0.07
Chad	0.05	Samoa	0.01
Guinea-Bissau	0.01	Sierra Leone	0.38
<b>Total</b>			<b>17.7</b>

27. **The SCA-1/Deferred Charges Administered Account now holds a balance from one member.** The Executive Board has approved a decision to delay the termination date of the account to March 13, 2012, to allow completion of the procedures that would allow the disbursement of the pledged contributions for financing Liberia's debt relief.<sup>19</sup>

<sup>19</sup> See [Amendment of the Instrument to Establish the SCA-1/Deferred Charges Administered Account—Extension of Termination Date](#) (3/03/11). This account, which became effective on March 14, 2008, was an interim vehicle to temporarily hold the refunds of the distribution of portion of the SCA-1 balances and the deferred charges adjustments in the context of the Fund's debt relief to Liberia, pending instructions from members as to the disposition of the resources.

### C. Protracted Arrears Cases

28. **Providing debt relief to Somalia and Sudan would require substantial additional resources.** As of end-August 2011, the total stock of arrears of the two countries to the Fund amounted to SDR 1.2 billion.<sup>20</sup> As the costs for providing debt relief to these countries were not included in the original costing estimates for the HIPC Initiative,<sup>21</sup> additional financing would need to be secured when these members are ready to clear their arrears and embark on the HIPC Initiative and possible beyond-HIPC debt relief.<sup>22</sup> The approach developed for Liberia's debt relief, including the financing modalities, could provide a useful framework for Sudan and Somalia at an appropriate time.

29. **Additional resources could potentially also be needed to provide debt relief to Zimbabwe, if it were assessed to be eligible.** Zimbabwe is currently neither PRGT-eligible nor is it included in the list of "ring-fenced" countries that could benefit from the HIPC Initiative. However, when Zimbabwe's PRGT-eligibility is restored following the arrears clearance to the PRGT (SDR 87.4 million at end-August 2011), an assessment of Zimbabwe's eligibility for the HIPC Initiative would need to be made based on the relevant criteria, including whether the NPV of its debt at end-2004 exceeded the HIPC thresholds. Additional resources may be needed to cover any such HIPC and "beyond-HIPC" debt relief for Zimbabwe.

---

<sup>20</sup> Following the secession of South Sudan from Sudan on July 9, 2011 all the overdue obligations to the Fund remain a liability of Sudan, which is the continuing state.

<sup>21</sup> Neither Somalia nor Sudan is eligible for debt relief under the MDRI, as there would be no MDRI-eligible debt following the clearance of their arrears. It is possible, however, that they could be considered for "beyond-HIPC" debt relief, as was done in the case of Liberia.

<sup>22</sup> In the context of the MDRI in 2005, the G-8 committed that donors would provide the extra resources necessary for full debt relief at completion point for the three protracted arrears cases (Liberia, Somalia, and Sudan).

Appendix Table 1. Summary of Bilateral Commitments to the PRGF-ESF and PRG-HIPC Trusts  
(In millions of SDRs; as of June 30, 2011)

	PRGF-ESF Trust 1/			PRG-HIPC Trust		
	Subsidy contributions "as needed" 2/			Loan commitments	Subsidies and HIPC grant contributions "as needed" 2/	Of which: Pending "as needed" 2/
	For subsidization	For MDRI debt relief	Total			
<b>TOTAL</b>	<b>2,185.9</b>	<b>1,120.0</b>	<b>3,305.9</b>	<b>25,890.7</b>	<b>1,562.3</b>	<b>25.9</b>
<b>Major industrial countries</b>	<b>1,415.4</b>	<b>818.8</b>	<b>2,234.2</b>	<b>19,290.8</b>	<b>880.5</b>	--
Canada	144.3	84.8	229.2	1,200.0 3/	48.8	--
France	230.5	116.4	346.9	4,898.0 3/4/	82.2	--
Germany	113.2	66.1	179.3	2,750.0	127.2	--
Italy	127.6	84.4	212.0	2,180.0 3/	63.6	--
Japan	433.9	253.4	687.3	6,934.8 3/	144.0	--
United Kingdom	266.1	155.4	421.5	1,328.0 3/	82.2	--
United States	99.8	58.3	158.0	--	332.6	--
<b>Other advanced countries</b>	<b>644.5</b>	<b>250.4</b>	<b>894.9</b>	<b>4,857.8</b>	<b>299.7</b>	--
Australia	12.4	3.7	16.1	--	24.8	--
Austria	60.9	--	60.9	--	14.3	--
Belgium	66.1	39.5	105.6	350.0	35.3	--
Denmark	40.4	23.6	64.0	300.0 3/	18.5	--
Finland	25.9	15.1	41.0	--	8.0	--
Greece	22.8	13.3	36.1	--	6.3	--
Iceland	2.6	1.5	4.2	--	0.9	--
Ireland	5.3	2.4	7.7	--	5.9	--
Israel	--	--	--	--	1.8	--
Korea	39.3	21.0	60.4	592.7 3/	15.9	--
Luxembourg	12.9	--	12.9	--	0.7	--
Netherlands	128.5	--	128.5	950.0 3/	45.4	--
New Zealand	--	--	--	--	1.7	--
Norway	26.8	15.7	42.4	450.0 3/	18.5	--
Portugal	2.6	1.4	4.0	--	6.6	--
San Marino	--	--	--	--	0.0*	--
Singapore	11.1	6.5	17.6	--	16.5	--
Spain	12.7	3.1	15.9	1,113.4 3/	23.3	--
Sweden	109.0	65.0	174.0	--	18.3	--
Switzerland	65.0	38.5	103.5	1,101.7 3/	37.0	--
<b>Fuel exporting countries</b>	<b>10.2</b>	<b>6.1</b>	<b>16.3</b>	<b>549.5</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	9.2	5.5	14.7	549.5 3/	53.5	--
United Arab Emirates	--	--	--	--	3.8	--
Venezuela	--	--	--	--	20.4	20.4

Appendix Table 1 (continued). Summary of Bilateral Commitments to the PRGF-ESF and PRG-HIPC Trusts  
(In millions of SDRs; as of June 30, 2011)

	PRGF-ESF Trust 1/			PRG-HIPC Trust		
	Subsidy contributions "as needed" 2/			Loan commitments	Subsidies and HIPC grant contributions "as needed" 2/	Of which: Pending "as needed" 2/
	For subsidization	For MDRI debt relief	Total			
<b>Other developing countries</b>	<b>104.1</b>	<b>44.8</b>	<b>148.8</b>	<b>1,155.6</b>	<b>224.7</b>	<b>2.7</b>
Argentina	19.8	11.5	31.3	--	16.2	--
Bangladesh	0.5	0.2	0.8	--	1.7	--
Barbados	--	--	--	--	0.4	--
Belize	--	--	--	--	0.3	--
Botswana	1.0	0.6	1.6	--	6.4	--
Brazil	--	--	--	--	15.0	--
Cambodia	--	--	--	--	0.0*	--
Chile	2.2	1.3	3.6	--	4.4	--
China	9.7	4.2	13.9	1,000.0 3/	19.7	--
Colombia	--	--	--	--	0.9	--
Cyprus	--	--	--	--	0.8	--
Dominican Republic	--	--	--	--	0.5	0.5
Egypt	7.4	4.3	11.8	155.6	1.3	--
Fiji	--	--	--	--	0.1	--
Ghana	--	--	--	--	0.5	--
Grenada	--	--	--	--	0.1	0.1
India	11.7	--	11.7	--	22.9	--
Indonesia	3.7	2.1	5.8	--	8.2	--
Jamaica	--	--	--	--	2.7	--
Lebanon	--	--	--	--	0.4	0.4
Malaysia	19.1	11.2	30.3	--	12.7	--
Maldives	--	--	--	--	0.01	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	8.6	--	1.6	--
Pakistan	2.1	0.3	2.4	--	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	11.6	--	11.6	--	--	--
Uruguay	0.8	0.5	1.3	--	2.2	--
Vanuatu	--	--	--	--	0.1	0.1
Vietnam	--	--	--	--	0.4	--

Appendix Table 1 (concluded). Summary of Bilateral Commitments to the PRGF-ESF and PRG-HIPC Trusts  
(In millions of SDRs; as of June 30, 2011)

	PRGF-ESF Trust 1/			Loan commitments	PRG-HIPC Trust	
	Subsidy contributions "as needed" 2/				Subsidies and HIPC grant contributions "as needed" 2/	Of which: Pending "as needed" 2/
	For subsidization	For MDRI debt relief	Total			
<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/ These are contributions originally pledged for the PRGF-ESF Trust which are now available for the PRGT. Excludes the G-8 commitment of SDR 100 million in end-2005 NPV terms, new ESF subsidy contributions, and any subsidy contribution made in the context of the LIC reform of 2009.

2/ 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.

3/ Including new borrowing agreement in support of 2009 reform of LIC facilities.

4/ Including a borrowing agreement in support of the establishment of the ESF.

Appendix Table 2. PRGT—Borrowing Agreements

(In millions of SDRs; as of end-June, 2011)

	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, 2018	350.0	350.0	100.0	163.0	123.3
<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	143.3	59.4
Government of Canada 2/	Mar. 5, 2010	Dec. 31, 2018	500.0	28.5	5.7	--	28.5
<b>China</b>							
Government of China 1/	Jul. 05, 1994	Dec. 31, 2014	200.0	200.0	100.0	71.3	48.9
People's Bank of China 3/	Sep. 3, 2010	Dec. 31, 2018	800.0	29.4	3.7	--	29.4
<b>Denmark</b>							
National Bank of Denmark	Mar. 3, 2000	Dec. 31, 2003	100.0	100.0	100.0	100.0	-
National Bank of Denmark 2/	Jan. 28, 2010	Dec. 31, 2018	200.0	3.1	1.6	--	3.1
<b>Egypt</b>							
Central Bank of Egypt 1/	Jun. 13, 1994	Dec. 31, 2018	155.6	155.6	100.0	21.9	55.9
<b>France</b>							
Agence Française de Développement 4/	Apr. 05, 1988	Dec. 31, 1997	800.0	800.0	100.0	--	-
Agence Française de Développement 4/	Jan. 03, 1995	Dec. 31, 2005	750.0	750.0	100.0	--	45.0
Agence Française de Développement 1/ 4/	Dec. 17, 1999	Dec. 31, 2018	1,350.0	1,350.0	100.0	485.2	864.8
Agence Française de Développement 4/ 5/	Aug. 20, 2009	Dec. 31, 2014	670.0	372.2	55.6	--	372.2
Bank of France 3/	Sep. 3, 2010	Dec. 31, 2018	1,328.0	-	--	--	-
<b>Germany</b>							
Kreditanstalt für Wiederaufbau	Mar. 31, 1989	Dec. 31, 1997	700.0	700.0	100.0	19.7	-
Kreditanstalt für Wiederaufbau	May 17, 1995	Dec. 31, 2005	700.0	700.0	100.0	313.0	20.6
Kreditanstalt für Wiederaufbau 1/	Jun. 19, 2000	Dec. 31, 2014	1,350.0	1,350.0	100.0	591.0	661.8
<b>Italy</b>							
Bank of Italy 6/	Oct. 04, 1990	Dec. 31, 1997	370.0	370.0	100.0	11.7	-
Bank of Italy 6/	May. 29, 1998	Dec. 31, 2005	210.0	210.0	100.0	170.9	-
Bank of Italy 1/	Mar. 1, 2000	Dec. 31, 2018	800.0	800.0	100.0	335.6	412.0
Bank of Italy	Apr. 18, 2011	Dec. 31, 2018	800.0	30.5	3.8	--	30.5
<b>Japan</b>							
Japan Bank for International Cooperation 7/	Apr. 12, 1988	Dec. 31, 1997	2,200.0	2,200.0	100.0	--	-
Japan Bank for International Cooperation 1/ 7/	Oct. 05, 1994	Dec. 31, 2018	2,934.8	2,934.8	100.0	--	1,159.5
Government of Japan 2/	Sep. 3, 2010	Dec. 31, 2018	1,800.0	-	--	--	-
<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	-
Bank of Korea	Jan. 7, 2011	Dec. 31, 2018	500.0	-	--	--	-
<b>Netherlands</b>							
Bank of the Netherlands 1/	Sep. 29, 1999	Dec. 31, 2018	450.0	450.0	100.0	55.2	315.4
Bank of the Netherlands 2/	Jul. 27, 2010	Dec. 31, 2018	500.0	-	--	--	-
<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	-
Government of Norway 8/	Jun. 25, 2010	Dec. 31, 2018	300.0	31.2	10.4	--	31.2
<b>OPEC Fund for International Development 9/</b>							
	Dec. 20, 1994	Dec. 31, 2005	37.0	37.0	100.0	25.7	-
<b>Saudi Arabia</b>							
Saudi Arabian Monetary Agency	May 13, 2011	Dec. 31, 2018	500.0	-	--	--	-
<b>Spain</b>							
Bank of Spain 10/	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	--	5.5
Bank of Spain 1/	Feb. 14, 2000	Dec. 31, 2018	425.0	425.0	100.0	61.7	338.5
Bank of Spain 2/	Dec. 17, 2009	Dec. 31, 2018	405.0	-	--	--	-
<b>Switzerland</b>							
Swiss Confederation 11/	Dec. 23, 1988	Dec. 31, 1997	200.0	200.0	100.0	--	-
Swiss National Bank 1/	Jun. 22, 1995	Dec. 31, 2018	401.7	401.7	100.0	73.2	210.5
Swiss National Bank	Apr. 21, 2011	Dec. 31, 2018	500.0	-	--	--	-
<b>United Kingdom</b>							
Government of the United Kingdom 2/	Sep. 3, 2010	Dec. 31, 2018	1,328.0	-	--	--	-
Subtotal			25,841.2	16,205.2	62.7	2,713.9	4,816.0
<b>Associated Agreement - Saudi Fund for Development (SFD)</b>							
	Feb. 27, 1989	-- 12/	49.5	49.5	100.0	--	--
Total Loan and Associated Loan Agreements 13/			25,890.7	16,254.7	62.8	2,713.9	4,816.0

1/ Including additional loan commitments for interim PRGF operations.

2/ Committed to the General Loan Account of the PRGT.

3/ Committed to the ECF Loan Account of the PRGT.

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

5/ The loan commitment, which became effective on August 20, 2009, was made in the context of establishment of the ESF.

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

7/ 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.

8/ Committed to the SCF Loan Account and RCF Loan Account of the PRGT in equal proportion.

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

10/ 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.

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

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

13/ 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 3. PRGT—Subsidy Agreements 1/  
(In millions of SDRs; as of end-August 2011)

	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>China</b>							
People's Bank of China	Aug. 23, 2011	General Subsidy	100.0	100.0	100.0	0.1	6¼
<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	--	0.5	13
<b>Pakistan</b>							
State Bank of Pakistan 6/	Apr. 21, 1994	ECF Subsidy Account	10.0	10.0	--	0.5	16
<b>Peru</b>							
Banco Central de Reserva del Peru 7/	Jan. 29, 2010	General Subsidy Account	6.1	6.1	6.1	0.1	7
<b>Portugal</b>							
Banco do Portugal	May 5, 1994	Admin. Account	13.1	13.1	--	0.5	6–10
<b>Saudi Arabia</b>							
The Saudi Fund for Development and the Kingdom of Saudi Arabia 8/	April 11, 2006	General Subsidy Account	132.6	93.0	93.0	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 9/	Feb. 8, 1995	General Subsidy Account	60.3	56.6	12.9	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	ECF Subsidy Account	3.0	3.0	3.0	1.0	10
<b>Tunisia</b>							
Banque Centrale de Tunisie 10/	May 4, 1994	Subsidy Account	3.6	3.6	--	0.5	10
<b>Uruguay</b>							
Banco Central del Uruguay 11/	Jul. 7, 1994	Subsidy Account	7.2	7.2	--	--	10
Banco Central del Uruguay	Mar. 11, 2010	General Subsidy Account	2.0	2.0	2.0	--	10
<b>Total</b>			972.5	929.3	217.0		

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

2/ As a result of renaming of the PRG Trust and its subsidy accounts in January 2010, the name of subsidy account shown represents the current name of the account for deposits/investments that have not yet expired, and the old name of the account for deposits/investments that have been repaid.

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 percent 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/ Interest rate paid is 0.1 percent per annum until a subsidy contribution of SDR 1.2 million (end-2008 NPV) is reached. No interest will be paid if net investment earnings are lower than 0.1 percent per annum.

8/ 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 PRG-HIPC Trust upon their maturities in 2011, 2011-14, and 2018, respectively.

Following the Saudi authorities' confirmation, actual rollovers temporarily held in ECF Subsidy Account were transferred to General Subsidy Account of the PRGT effective August 24, 2011.

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

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

11/ 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. PRGT Reserve Account Coverage  
(In millions of SDRs; end-period)

	Reserve Account balance (A)	Outstanding PRGT credit (B)	Reserve coverage ratio (In percent) (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 <sup>1/</sup>	92.8
2007	3,557	3,673	96.8
2008	3,818	3,895	98.0
2009	3,926	4,965	79.1
2010	3,967	5,068	78.3
June 2011	3,929	4,799	81.9
<i>Memorandum item:</i> PRGT repayments: July 2011 - June 2012			402

<sup>1/</sup> The decline in total PRGT credit outstanding by about 40 percent from 2005 reflects early repayments arising from the delivery of HIPC and MDRI debt relief.

Appendix Table 5. Subsidy Contributions for Emergency Assistance  
(In millions of currencies; as of end-June 2011)

Contributor	Date of pledge	Contribution pledged	SDR equivalent 1/	Contribution received
<b>Sub-Account 1: EPCA subsidization only</b>				
Belgium	Mar. 2002	SDR 0.63	0.6	0.6
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
Switzerland	Mar. 2002	US\$ 1.0	0.8	0.8
United Kingdom	Oct. 2002	£ 2.5	2.9	2.9
<b>Sub Total</b>			<b>9.7</b>	<b>9.7</b>
<b>Sub-Account 2: ENDA subsidization only</b>				
Australia	Jun. 2005	Aus\$ 2.0	1.1	1.1
Austria 2/	Apr. 2005	SDR 1.3	0.6	0.6
Canada	Feb. 2005	Can\$ 5.0	2.9	2.9
China	May 2005	US\$ 2.0	1.4	1.4
Germany 3/	Nov. 2005	Euro 1.65	1.4	1.4
India	Feb. 2005	SDR 1.5	1.5	1.5
Ireland	Nov. 2006	Euro 0.5	0.4	0.4
Japan	Apr. 2005	US\$ 2.5	1.7	1.7
Russia	Feb. 2005	US\$ 1.5	1.0	1.0
Saudi Arabia	Apr. 2005	US\$ 4.0	2.6	1.3
Switzerland	Feb. 2005	US\$ 2.0	1.4	1.4
<b>Sub Total</b>			<b>15.9</b>	<b>14.7</b>
<b>Sub-Account 3: Subsidization of EPCA and ENDA</b>				
France	Jan. 2005	Euro 1.5	1.2	1.2
Korea	Jul. 2009	KRW 1,000	0.5	0.5
Luxembourg 4/	Feb. 2005	Euro 1.25	1.1	1.1
Luxembourg	Nov. 2008	Euro 0.5	0.5	0.5
Netherlands 5/	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
<b>Sub Total</b>			<b>15.1</b>	<b>15.1</b>
<b>Total</b>			<b>40.8</b>	<b>39.5</b>
<i>Memorandum item:</i>				
Pledges made since beginning of 2005			<b>29.6</b>	<b>28.3</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 at end-June 2011.

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 ENDA.

5/ Existing contribution, previously earmarked for EPCA.

Appendix Table 6. Implementation of the HIPC Initiative  
(In millions of SDRs; end-June 2011)

	Decision point	Completion point	Amount committed	Amount disbursed 1/	
<b>Completion point countries (32)</b>			<b>2,333</b>	<b>2,513</b>	
1	Afghanistan 2/	Jul-07	Jan-10	-	-
2	Benin	Jul-00	Mar-03	18	20
3	Bolivia	Feb-00	Jun-01	62 3/	65
4	Burkina Faso	Jul-00	Apr-02	44 3/	46
5	Burundi	Aug-05	Jan-09	19	22
6	Cameroon	Oct-00	Apr-06	29	34
7	Central African Republic	Sep-07	Jun-09	17	18
8	Congo, Dem. Rep. of	Jul-03	Jul-10	280	331
9	Congo, Rep. of	Mar-06	Jan-10	5	6
10	Ethiopia	Nov-01	Apr-04	45	47
11	Gambia, The	Dec-00	Dec-07	2	2
12	Ghana	Feb-02	Jul-04	90	94
13	Guinea-Bissau	Dec-00	Dec-10	9	9
14	Guyana	Nov-00	Dec-03	57 3/	60
15	Haiti	Nov-06	Jun-09	2	2
16	Honduras	Jun-00	Apr-05	23	26
17	Liberia	Mar-08	Jun-10	441	452
18	Madagascar	Dec-00	Oct-04	14.7	16
19	Malawi	Dec-00	Aug-06	33	37
20	Mali	Sep-00	Mar-03	46 3/	49
21	Mauritania	Feb-00	Jun-02	35	38
22	Mozambique	Apr-00	Sep-01	107 3/	108
23	Nicaragua	Dec-00	Jan-04	64	71
24	Niger	Dec-00	Apr-04	31	34
25	Rwanda	Dec-00	Apr-05	47	51
26	São Tomé and Príncipe	Dec-00	Mar-07	1	1
27	Senegal	Jun-00	Apr-04	34	38
28	Sierra Leone	Mar-02	Dec-06	100	107
29	Tanzania	Apr-00	Nov-01	89	96
30	Togo	Nov-08	Dec-10	0.2	0.2
31	Uganda	Feb-00	May-00	120 3/	122
32	Zambia	Dec-00	Apr-05	469	508
<b>Decision point countries (4)</b>			<b>67</b>	<b>29</b>	
33	Chad	May-01	Floating	14	9
34	Comoros	Jul-10	Floating	3	-
35	Cote d'Ivoire	Apr-09	Floating	25 4/	10
36	Guinea	Dec-00	Floating	24	10
<b>Pre-decision point countries (2)</b>					
37	Eritrea	...	...	...	...
38	Kyrgyz Republic 5/	...	...	...	...
<b>Protracted arrears cases (2)</b>					
39	Somalia	...	...	...	...
40	Sudan	...	...	...	...
<b>Total</b>			<b>2,416 6/</b>	<b>2,542</b>	

1/ Includes the commitment made in NPV terms plus interest earned on that commitment.

2/ At the time of its decision point, Afghanistan did not have any outstanding eligible debt.

3/ Includes commitment under the original HIPC Initiative.

4/ Amount committed to Côte d'Ivoire under the enhanced HIPC Initiative only.

5/ The Kyrgyz Republic decided not to avail itself of debt relief under the HIPC Initiative.

6/ Also includes SDR 17 million committed to Côte d'Ivoire under the original HIPC Initiative.

Appendix Table 7. Debt Relief Following Implementation of the MDRI  
(In millions of SDRs; end-June 2011)

	Delivery date	Fund credit from disbursements prior to end-2004 1/	Financed by HIPC umbrella sub-accounts 2/	Remaining MDRI-eligible credit (C=A-B=D+E)	Financed by	
					MDRI-I Trust (D)	MDRI-II Trust (E)
		(A)	(B)	(C=A-B=D+E)	(D)	(E)
<b>HIPC countries (29) 3/</b>		<b>3,406</b>	<b>1,097</b>	<b>2,308</b>	<b>1,220</b>	<b>1,088</b>
1 Benin	Jan-06	36	2	34	-	34
2 Bolivia	Jan-06	161	6	155	-	155
3 Burkina Faso	Jan-06	62	5	57	57	-
4 Burundi	Feb-09	26	17	9	9	-
5 Cameroon	Apr-06	173	24	149	-	149
6 Central African Rep.	Jul-09	4	2	2	2	-
7 Congo, Dem. Rep. of	Jul-10	248	248	0	-	-
8 Congo, Rep. of	Jan-10	7.9	3	4.8	-	4.8
9 Ethiopia	Jan-06	112	32	80	80	-
10 Gambia	Dec-07	9	2	7	7	-
11 Ghana	Jan-06	265	45	220	220	-
12 Guinea-Bissau	Dec-10	0.5	0.5	0	-	-
13 Guyana	Jan-06	45	13	32	-	32
14 Honduras	Jan-06	107	9	98	-	98
15 Liberia	Jun-10	543 4/	427	116	116 4/	-
16 Madagascar	Jan-06	137	9	128	128	-
17 Malawi	Sep-06	38	23	15	15	-
18 Mali	Jan-06	75	13	62	62	-
19 Mauritania	Jun-06	33	3	30	-	30
20 Mozambique	Jan-06	107	24	83	83	-
21 Nicaragua	Jan-06	140	49	92	-	92
22 Niger	Jan-06	78	18	60	60	-
23 Rwanda	Jan-06	53	33	20	20	-
24 São Tomé and Príncipe	Mar-07	1	0.4	1	1	-
25 Senegal	Jan-06	100	6	95	-	95
26 Sierra Leone	Dec-06	117	41	77	77	-
27 Tanzania	Jan-06	234	27	207	207	-
28 Uganda	Jan-06	88	12	76	76	-
29 Zambia	Jan-06	403	4	398	-	398
<b>Non-HIPC countries (2) 5/</b>		<b>126</b>	<b>-</b>	<b>126</b>	<b>126</b>	<b>-</b>
30 Cambodia	Jan-06	57	-	57	57	-
31 Tajikistan, Rep. of	Jan-06	69	-	69	69	-
<b>Total</b>		<b>3,532</b>	<b>1,097</b>	<b>2,434</b>	<b>1,347</b>	<b>1,088</b>

1/ Amount outstanding at the completion point (net of repayments between January 1, 2005 to the completion point date).

2/ Balances available at the time of MDRI debt relief.

3/ Afghanistan, Haiti, and Togo did not have MDRI-eligible credit and did not receive MDRI debt relief.

4/ Liberia received MDRI-type (beyond-HIPC) debt relief at end-June 2010, which was financed from the Liberia Administered Account. Its eligible credit outstanding corresponds to the amount of arrears clearance to the IMF in March 2008.

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

Appendix Table 8. Information on Pending Bilateral Contributions to the PRG-HIPC Trust 1/  
(Status as of end-June 2011)

Country	Status
<b>Bahrain:</b>	Contribution of income on an interest-free deposit through 2018; conclusion of deposit agreement pending.
<b>Dominican Republic:</b>	Contribution of net income on a deposit through 2018 to be financed from its Post-SCA-2 balance of SDR 1.2 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 pledged; conclusion of deposit agreement pending.
<b>Lebanon:</b>	Contribution of income on an interest-free deposit through 2018; conclusion of deposit agreement pending.
<b>Maldives:</b>	Contribution of income on an interest-free deposit through 2018; conclusion of deposit agreement pending.
<b>Trinidad and Tobago:</b>	Contribution of income on an interest-free deposit of its Post-SCA-2 balance of SDR 2.9 million.
<b>Vanuatu:</b>	Grant contribution of its Post-SCA-2 balance of SDR 0.06 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 35.3 million.

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