

INTERNATIONAL MONETARY FUND

**Review of PRGF-HIPC Financing and the Adequacy of
the Reserve Account of the PRGF Trust**

Prepared by the Finance Department

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

Approved by Eduard Brau

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I. INTRODUCTION

1. **This paper provides the basis for the semi-annual Board decision on the adequacy of the Reserve Account of the PRGF Trust.** As has been the practice in the past, the paper also updates the information on the financing of PRGF-HIPC operations and the subsidization of post-conflict emergency assistance.¹ Detailed information on PRGF loan, subsidy, and HIPC grant contributions, as well as the Reserve Account balance, is provided in appendix tables. A draft decision confirming the adequacy of the Reserve Account is proposed below for adoption by the Executive Board.²
2. **Staff proposes that this paper be made public on the Fund's external website,** as in the case of the previous update reports.
3. **This paper differs from previous updates in that it does not cover the projections of the demand for, and supply of, resources for financing PRGF operations over the**

¹ The previous update report—*Update on the Financing of PRGF and HIPC Operations and the Subsidization of Post-Conflict Emergency Assistance* (SM/03/296, 8/19/03)—was discussed by the Executive Board on September 3, 2003.

² The Executive Board is required to review the adequacy of the Reserve Account of the PRGF Trust every six months as long as PRGF loans related to the encashment of rights under rights accumulation programs remain outstanding (Decision No. 10286-(93/23), adopted February 22, 1993, as amended). Such a loan remains outstanding to Zambia through 2005.

medium and long term. This issue, together with various financing options, is already covered in detail in *The Fund's Support of Low-Income Member Countries—Considerations on Instruments and Financing* (SM/04/53, 2/24/04), which is scheduled for discussion by the Executive Board on March 31, 2004 (Box 1 summarizes the key points in SM/04/53 on financing requirements and options). Staff will take up these issues again in future financing papers in light of the forthcoming Board discussion.

II. RESERVE ACCOUNT OF THE PRGF TRUST

4. **The Reserve Account of the PRGF Trust is designed primarily to provide security to the lenders of the PRGF Trust in the event of a delay or nonpayment by PRGF borrowers.**³ The Reserve Account has been financed by reflows of SAF and Trust Fund repayments and investment returns on balances held in the Account. In September 2001, both the PRGF and PRGF-HIPC Trusts were amended to allow PRGF loans to be committed through the PRGF Trust during the period 2002–05 (the so-called interim period) and to extend the coverage of the Reserve Account to interim PRGF loans.

5. **At end-February 2004, the balance in the Reserve Account of the PRGF Trust amounted to SDR 3.1 billion, up marginally compared to six months ago.** The relatively small increase reflects the adverse impact of the current low interest rate environment on investment returns, as well as Zimbabwe's arrears to the PRGF Trust.⁴ Zimbabwe's arrears have necessitated repayments from the Reserve Account of about SDR 78 million to PRGF Trust lenders. The Reserve Account will be replenished when Zimbabwe settles its arrears to the PRGF Trust.

6. **Resources currently available in the Reserve Account provide sufficient protection to PRGF Trust lenders.** The balance in the Reserve Account is consistent with the historical average of 40–45 percent of outstanding claims on the PRGF Trust, and exceeds by a factor of seven the projected repayment obligations (of about SDR 0.4 billion) falling due to PRGF Trust lenders in the six months through September 2004.

³ The Reserve Account also serves to meet temporary mismatches between repayments from borrowers and repayments to lenders. For a more detailed description of the Reserve Account, see Box 2 of SM/04/53.

⁴ Zimbabwe has been in continuous arrears to the PRGF Trust since mid-February 2001. At end-February 2004, Zimbabwe's total arrears to the PRGF Trust (including interest arrears) amounted to SDR 80.5 million (out of its total arrears to the Fund of SDR 199 million).

Box 1. Projected Financing Requirements and Financing Options
(From SM/04/53, 2/24/04)

Financing Requirements

- **For 2004–05**, the remaining period of the interim PRGF, available PRGF resources are likely sufficient to cover the projected requirements.
- **For 2006–10**, staff believes that financing needs are such as to require a PRGF lending capacity of SDR 0.8–1.2 billion per year, broadly in line with the lending level in the recent past. This would likely involve a declining trend in commitments for “regular” PRGF operations, but a rising trend in lending in response to exogenous shocks.
- **Beyond 2010**, many factors would point to a decline in financing requirements, but, at this stage, it would be difficult to have confidence in projections. However, it will be important for the Fund to maintain a significant financing capacity to address low-income members’ balance of payments needs and in support of their efforts to achieve Millennium Development Goals by 2015. The precise options for using that financing capacity beyond 2010 will need to be examined closer to that time.

Financing Options¹

Staff considers pros and cons of various financing options and finds that:

- Notwithstanding their respective merits, three options—**self-sustained PRGF**, **sun-setting PRGF**, and **grants**—that rely solely on the resources accumulating in the Reserve Account of the PRGF Trust would not provide sufficient financing to meet the projected annual requirements of SDR 0.8–1.2 billion in 2006–10.²
- Options that involve using the Reserve Account resources for the **subsidization of the rate of charge on GRA credit under EFF-like arrangements** could accommodate the projected level of financing requirements. This approach would, however, represent a departure from the current funding structure of the Fund’s concessional operations through trust arrangements, with various policy and financial implications.
- The option that allows a **self-sustained PRGF to begin operations in 2006 while supplementing its lending capacity by new bilateral loan resources** is most promising. This option would provide sufficient flexibility to meet the projected financing requirements of SDR 0.8–1.2 billion per year in 2006–10, while also providing for the continuation of self-sustained PRGF operations beyond 2010 at a significant level. Moreover, this option would maintain the current approach of conducting PRGF lending outside the GRA.

¹ Exercising any of these options would require a decision by the Executive Board with an 85 percent majority of the total voting power and the consent of all 17 bilateral creditors to the Loan Account of the PRGF Trust.

² Projected financing capacities under these options are based on the actual Reserve Account balance as of August 2003 and an assumed rate of return on investment of Reserve Account resources of 5 percent per annum in perpetuity. A lower rate of return would reduce the future financing capacity.

III. STATUS OF PRGF-HIPC FINANCING

7. **Staff's updated projections indicate that available PRGF subsidy and HIPC grant resources are likely sufficient to cover the projected needs under the PRGF and PRGF-HIPC Trusts.** Since the financing issues beyond 2005 concerning the Fund's continued involvement in low-income countries are discussed in the separate Board paper (SM/04/53), this paper focuses on two near-term issues:

Pending bilateral contributions

8. **As of end-February 2004, 98 percent of all contributions to the PRGF-HIPC Trust had been made effective.** Since the last update of this information in SM/03/296, pledges from Fiji and Tonga to the PRGF-HIPC Trust have become effective. However, pledged contributions by 10 countries, amounting to SDR 32.2 million, remain pending (Table 1). It is important that these countries make their pending contributions effective as soon as possible so as to ensure full funding of PRGF-HIPC operations.

Table 1. Pending Contributions to the PRGF-HIPC Trust (In millions of SDRs "as needed"; as of February 2004) 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	0.01
Total			32.2
1/ "As needed" is defined in Appendix Table 2, footnote 3.			
2/ This is the remaining balance 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.			

Financing of HIPC Initiative assistance

9. **The financing available under the PRGF-HIPC Trust for HIPC Initiative assistance, while still sufficient overall, is becoming more strained.**⁵ This reflects the current low rate of return on investment of gold proceeds held in the Special Disbursement

⁵ Staff's current estimates indicate that the Fund's share of HIPC Initiative assistance, excluding potential topping-up assistance, will amount to US\$2.8 billion (2003 NPV terms), or SDR 2.2 billion on a cash basis. See *Initiative for Heavily Indebted Poor Countries — Statistical Update* (SM/04/109, 4/1/04).

Account (SDA).⁶ Should the current low rate of return on investment continue over an extended period, a heavily frontloaded disbursement of HIPC Initiative assistance and/or potential topping-up assistance could quickly drain the investment income already accumulated in the SDA.

10. **Under these circumstances, it is possible that the Fund would need to make temporary transfers of resources from the PRGF Reserve Account to provide liquidity for financing its HIPC Initiative debt relief.**⁷ Since the repayment for such transfers would only occur in later years, the temporary use of Reserve Account resources would reduce the level of financing available for future PRGF lending until the Reserve Account is replenished.

11. Given the sensitivity of available PRGF subsidy and HIPC grant resources to interest rate movements, **staff will continue to carefully monitor the status of the financing for PRGF-HIPC operations** and report to the Executive Board of major developments as warranted.

IV. SUBSIDIZATION OF POST-CONFLICT EMERGENCY ASSISTANCE

12. **Contributions to the subsidization of post-conflict emergency assistance are estimated to be adequate through at least end-2005.** In May 2001, an administered account was established to subsidize the rate of charge on post-conflict emergency assistance to PRGF-eligible countries to 0.5 percent per year. At end-February 2004, total pledged contributions to this account from seven countries amounted to SDR 11.6 million. Of this amount, subsidy grants of SDR 1.9 million have been disbursed to seven members,⁸ including additional subsidy grants of SDR 0.25 million disbursed to Burundi, the Republic of Congo, and Guinea-Bissau since the last update. To date, SDR 9.6 million remains unused, compared to an estimated need for subsidies of about SDR 4 million through end-2005.

⁶ For a fuller discussion of the SDA, see Boxes 2 and 10 of SM/04/53.

⁷ As specified in Decision No. 8759-(87/176) ESAF, the PRGF-HIPC Trust can make use of up to SDR 250 million in transfers from the Reserve Account to cover temporary cash shortfalls in the Trust. As of end-February 2004, transfers amounting to SDR 43 million have already been made.

⁸ Including Albania, Burundi, the Republic of Congo, Guinea-Bissau, Rwanda, Sierra Leone, and Tajikistan. Of these countries, only two countries—the Republic of Congo and Guinea-Bissau—still have outstanding balances on post-conflict emergency assistance.

V. PROPOSED DECISION

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

Pursuant to Decision No. 10286-(93/23) ESAF, adopted on February 22, 1993, as amended, the Fund has reviewed the adequacy of balances in the Reserve Account of the PRGF Trust, and determines that they are sufficient to meet all obligations that could give rise to payments from the Account to lenders to the Loan Account of the PRGF Trust in the six months from April 1, 2004 to September 30, 2004.

Table 2. Summary of Bilateral Contributions to
the PRGF and PRGF-HIPC Trusts

(In millions of SDRs; as of end-January 2004)

	PRGF Trust		PRGF-HIPC Trust	
	Subsidy contributions "as needed" 1/	Loan commitments 2/	Subsidies and HIPC grant contributions "as needed" 3/	Of which: Pending "as needed" 3/
TOTAL	3,490.7	15,722.7	1,561.6	32.2
Major industrial countries	2,299.9	12,864.8	880.5	--
Canada	204.5	700.0	48.8	--
France	470.6	2,900.0	82.2	--
Germany	198.1	2,750.0	127.2	--
Italy	154.3	1,380.0	63.6	--
Japan	724.1	5,134.8	144.0	--
United Kingdom	370.1	--	82.2	--
United States	178.1	--	332.6	--
Other advanced countries	977.8	2,452.8	299.7	--
Australia	16.5	--	24.8	--
Austria	62.2	--	14.3	--
Belgium	118.2	350.0	35.3	--
Denmark	67.0	100.0	18.5	--
Finland	42.1	--	8.0	--
Greece	39.4	--	6.3	--
Iceland	4.6	--	0.9	--
Ireland	8.4	--	5.9	--
Israel	--	--	1.8	--
Korea	60.0	92.7	15.9	--
Luxembourg	14.1	--	0.7	--
Netherlands	142.8	450.0	45.4	--
New Zealand	--	--	1.7	--
Norway	45.5	150.0	18.5	--
Portugal	5.1	--	6.6	--
San Marino	--	--	0.05	--
Singapore	30.7	--	16.5	--
Spain	24.5	708.4	23.3	--
Sweden	186.6	--	18.3	--
Switzerland	109.9	601.7	37.0	--
Fuel exporting countries	16.7	49.5	114.3	23.2
Algeria	--	--	5.5	--
Bahrain	--	--	0.9	0.9
Brunei Darussalam	--	--	0.1	--
Gabon	--	--	2.5	1.9
Iran, Islamic Republic of	1.9	--	2.2	--
Kuwait	--	--	3.1	--
Libya	--	--	7.3	--
Nigeria	--	--	13.9	--
Oman	--	--	0.8	--
Qatar	--	--	0.5	--
Saudi Arabia	14.8	49.5	53.5	--
United Arab Emirates	--	--	3.8	--
República Bolivariana de Venezuela	--	--	20.4	20.4

Table 2. Summary of Bilateral Contributions to
the PRGF and PRGF-HIPC Trusts (continued)
(In millions of SDRs; as of end-January 2004)

	PRGF Trust		PRGF-HIPC Trust	
	Subsidy contributions "as needed" 1/	Loan commitments 2/	Subsidies and HIPC grant contributions "as needed" 3/	Of which: Pending "as needed" 3/
Other developing countries	182.9	355.6	224.1	9.1
Argentina	35.3	--	16.2	6.4
Bangladesh	0.9	--	1.7	--
Barbados	--	--	0.4	--
Belize	--	--	0.3	--
Botswana	1.9	--	5.7	--
Brazil	--	--	15.0	--
Cambodia	--	--	0.04	--
Chile	4.0	--	4.4	--
China	15.1	200.0	19.7	--
Colombia	--	--	0.9	--
Cyprus	--	--	0.8	--
Dominican Republic	--	--	0.5	0.5
Egypt	13.4	155.6	1.3	--
Fiji	--	--	0.1	--
Ghana	--	--	0.5	--
Grenada	--	--	0.1	0.1
India	13.1	--	22.9	--
Indonesia	6.5	--	8.2	--
Jamaica	--	--	2.7	--
Lebanon	--	--	0.4	0.4
Malaysia	43.9	--	12.7	--
Maldives	--	--	0.01	0.01
Malta	2.1	--	1.1	--
Mauritius	--	--	0.1	--
Mexico	--	--	54.5	--
Micronesia, F. S.	--	--	0.00*	--
Morocco	9.7	--	1.6	--
Pakistan	3.8	--	3.4	--
Paraguay	--	--	0.1	--
Peru	--	--	2.5	--
Philippines	--	--	6.7	--
Samoa	--	--	0.00*	--
South Africa	--	--	28.6	--
Sri Lanka	--	--	0.6	--
St. Lucia	--	--	0.1	--
St. Vincent and the Grenadines	--	--	0.1	--
Swaziland	--	--	0.01	--
Thailand	17.3	--	4.5	--
Tonga	--	--	0.02	--
Trinidad and Tobago	--	--	1.6	1.6
Tunisia	1.7	--	1.5	--
Turkey	11.8	--	--	--
Uruguay	2.5	--	2.2	--
Vanuatu	--	--	0.1	0.1
Vietnam	--	--	0.4	--

Table 2. Summary of Bilateral Contributions to
the PRGF and PRGF-HIPC Trusts (concluded)
(In millions of SDRs; as of end-January 2004)

	PRGF Trust		PRGF-HIPC Trust	
	Subsidy contributions "as needed" 1/	Loan commitments 2/	Subsidies and HIPC grant contributions "as needed" 3/	Of which: Pending "as needed" 3/
Countries in transition	13.4	--	42.9	--
Croatia	--	--	0.4	--
Czech Republic	13.4	--	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	--

* Less than SDR 5,000.

^{1/} The calculations are based on actual interest rates through end-January 2004 and an assumed SDR interest rate of 5 percent per annum thereafter.

^{2/} Excludes a loan commitment from the OPEC Fund for International Development of US\$50 million (equivalent to SDR 37 million).

^{3/} The term "as needed" refers to the nominal undiscounted sum of the projected delivery of HIPC assistance plus the profile of projected subsidy needs associated with PRGF lending during 2002–05.

Table 3. PRGF Trust—Subsidy Agreements 1/
(In millions of SDRs, unless otherwise noted; as of March 1, 2004)

	Effective date of agreement	Vehicle	Deposit/Investment Amount			Interest Rate (percent)	Maturity (years)
			Approved	Received	Outstanding		
Austria							
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	15.0	0.5	5½–10
Belgium							
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	80.0	0.5	10
Botswana							
Bank of Botswana 2/	Jun. 30, 1994	Admin. Account	6.9	6.9	—	2.0	10
Chile							
Banco Central de Chile	Aug. 24, 1994	Admin. Account	15.0	15.0	—	0.5	5
Greece							
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	3.5	0.5	5½–10
Indonesia							
Bank Indonesia 3/	Jun. 23, 1994	Admin. Account	25.0	25.0	25.0	—	10
Iran, Islamic Republic of							
Central Bank of Iran 4/	May 24, 1994	Admin. Account	5.0	5.0	5.0	0.5	10
Malaysia							
Bank Negara Malaysia	May 17, 1988	Subsidy Account	40.0	40.0	—	0.5	10
Bank Negara Malaysia	Jun. 30, 1994	Subsidy Account	40.0	40.0	—	2.0	10
Malta							
Central Bank of Malta	Dec. 13, 1989	Subsidy Account	1.4	1.4	—	0.5	13
Central Bank of Malta	May 27, 1994	Subsidy Account	1.4	1.4	1.4	0.5	13
Pakistan							
State Bank of Pakistan 5/	Apr. 21, 1994	Subsidy Account	10.0	6.7	6.7	0.5	16
Portugal							
Banco do Portugal	May 5, 1994	Admin. Account	13.1	13.1	8.8	0.5	6–10
Singapore							
Monetary Authority of Singapore	Nov. 4, 1988	Subsidy Account	40.0	40.0	—	2.0	10
Monetary Authority of Singapore	May 20, 1994	Subsidy Account	40.0	40.0	—	2.0	10
Thailand							
Bank of Thailand 6/	Jun. 14, 1988	Subsidy Account	20.0	20.0	—	2.0	10
Bank of Thailand 6/	Apr. 22, 1994	Subsidy Account	40.0	40.0	—	2.0	10
Tunisia							
Banque Centrale de Tunisie 7/	May 4, 1994	Subsidy Account	3.6	3.6	3.6	0.5	10
Uruguay							
Banco Central del Uruguay 8/	Jul. 7, 1994	Subsidy Account	7.2	7.2	7.2	—	10
Total			668.5	665.2	156.0		

1/ Subsidy contributions to the PRGF Trust result from the difference between the investment income on contributions and the below market rate of interest paid to contributors. Excludes contribution by Spain that will coincide with the repayment installments of the PRGF Trust loan from the Government of Spain.

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

3/ 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.

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

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

6/ In January 1998, the Bank of Thailand requested and obtained the immediate encashment of the two investments totaling SDR 60 million.

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

8/ 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.

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

Table 4. PRGF Trust—Loan Agreements
(In millions of SDRs; as of end-January 2004)

	Effective date of agreement	Expiration date for drawings	Loan commitment	Amount Disbursed		Amount outstanding
				Amount	In percent of commitment	
Belgium						
National Bank of Belgium 1/	Jul. 2, 1999	Dec. 31, 2009	350.0	242.3	69.2	242.3
Canada						
Government of Canada	Feb. 22, 1989	Dec. 31, 1997	300.0	300.0	100.0	78.8
Government of Canada	May 9, 1995	Dec. 31, 2005	400.0	338.7	84.7	322.6
China						
Government of China 1/	Jul. 05, 1994	Dec. 31, 2009	200.0	153.5	76.7	143.1
Denmark						
National Bank of Denmark	May 3, 2000	Dec. 31, 2003	100.0	100.0	100.0	100.0
Egypt						
Central Bank of Egypt 1/	Jun. 13, 1994	Dec. 31, 2009	155.6	100.0	64.3	89.3
France						
Agence Française de Développement 2/	Apr. 05, 1988	Dec. 31, 1997	800.0	800.0	100.0	137.6
Agence Française de Développement 2/	Jan. 03, 1995	Dec. 31, 2005	750.0	750.0	100.0	710.9
Agence Française de Développement 1/ 2/	Dec. 17, 1999	Dec. 31, 2009	1,350.0	121.2	9.0	121.2
Germany						
Kreditanstalt für Wiederaufbau	Mar. 31, 1989	Dec. 31, 1997	700.0	700.0	100.0	166.3
Kreditanstalt für Wiederaufbau	May 17, 1995	Dec. 31, 2005	700.0	700.0	100.0	678.1
Kreditanstalt für Wiederaufbau 1/	Jun. 19, 2000	Dec. 31, 2009	1,350.0	183.1	13.6	183.1
Italy						
Bank of Italy 3/	Oct. 04, 1990	Dec. 31, 1997	370.0	370.0	100.0	86.1
Bank of Italy 3/	May. 29, 1998	Dec. 31, 2005	210.0	210.0	100.0	208.3
Bank of Italy 1/	Mar. 1, 2000	Dec. 31, 2009	800.0	363.7	45.5	363.7
Japan						
Japan Bank for International Cooperation 4/	Apr. 12, 1988	Dec. 31, 1997	2,200.0	2,200.0	100.0	593.9
Japan Bank for International Cooperation 1/ 4/	Oct. 05, 1994	Dec. 31, 2009	2,934.8	1,944.9	66.3	1,898.9
Korea						
Bank of Korea	Apr. 20, 1989	Dec. 31, 1997	65.0	65.0	100.0	7.2
Bank of Korea	Jun. 20, 1994	Dec. 31, 2005	27.7	27.7	100.0	25.9
Netherlands						
Bank of the Netherlands 1/	Sep. 29, 1999	Dec. 31, 2009	450.0	140.4	31.2	140.4
Norway						
Bank of Norway	Apr. 14, 1988	Dec. 31, 1997	90.0	90.0	100.0	15.2
Bank of Norway	Jun. 16, 1994	Dec. 31, 2005	60.0	60.0	100.0	54.6
OPEC Fund for International Development 5/	Dec. 20, 1994	Dec. 31, 2005	37.0	37.0	100.0	37.0
Spain						
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	63.2
Bank of Spain 1/	Feb. 14, 2000	Dec. 31, 2009	425.0	41.4	9.7	41.4
Switzerland						
Swiss Confederation 7/	Dec. 23, 1988	Dec. 31, 1997	200.0	200.0	100.0	--
Swiss National Bank 1/	Jun. 22, 1995	Dec. 31, 2009	401.7	184.4	45.9	161.5
Subtotal			15,710.2	10,706.8	68.2	6,670.6
Associated Agreement - Saudi Fund for Development (SFD)	Feb. 27, 1989	--- 8/	49.5	49.5	100.0	6.0
Total Loan and Associated Loan Agreements 9/			15,759.7	10,756.3	68.3	6,676.6

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.

Table 5. PRGF Trust—Reserve Account Coverage
(In millions of SDRs)

	Reserve Account cumulative balance (end of period)	PRGF Trust obligations 1/ (end of period)	Annual loan repayments to lenders 1/
1988	169	103	--
1989	272	510	--
1990	395	795	--
1991	513	1,320	--
1992	630	1,786	--
1993	793	2,005	--
1994	1,009	2,786	33
1995	1,336	3,919	114
1996	1,716	4,446	181
1997	2,093	4,892	285
1998	2,345	5,421	366
1999	2,548	5,820	412
2000	2,714	5,773	475
2001	2,917	5,971	665
2002	3,079	6,636	696
2003	3,115	6,703	781
2004 Feb.	3,116	6,757	66

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, and overdue Trust Fund obligations (SDR 117 million), overdue SAF obligations (SDR 10 million), and overdue PRGF obligations (SDR 80 million).

Table 6. Information on Pending Bilateral Contributions to the PRGF-HIPC Trust
Status as of end-February 2004⁹

Argentina:	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 5.4 million.
Bahrain:	Contribution of income on an interest-free deposit through 2018.
Dominican Republic:	Contribution of net income on a deposit through 2018 to be financed from its Post-SCA-2 balance of SDR 1.0 million at 1 percent per annum.
Gabon:	The remaining balance of SDR 1.9 million (as needed) of its pledged contribution to be financed by grants.
Grenada:	Contribution of net income on a deposit for 10 years of SDR 0.20 million at 0.5 percent per annum.
Lebanon:	Contribution of income on an interest-free deposit through 2018.
Maldives:	Contribution of income on an interest-free deposit through 2018.
Mauritius:	The authorities are considering an additional contribution.
Trinidad and Tobago:	Contribution of income on an interest-free deposit of its Post-SCA-2 balance of SDR 2.4 million.
Vanuatu:	Grant contribution of its Post-SCA-2 balance of SDR 0.05 million.
República Bolivariana de Venezuela:	Prepared to contribute based on its quota-based share. Contribution could be financed through use of its Post-SCA-2 balance of SDR 30.4 million.

⁹ Reflects pledged contributions which are not yet effective. Post-SCA-2 amounts shown include refunds of SCA-2 resources and accumulated interest income.