

Article V, Section 12(f)

Special Disbursement Account

SPECIAL DISBURSEMENT ACCOUNT: INVESTMENT

1. The Managing Director is authorized to invest a member's currency held in the Special Disbursement Account in accordance with the provisions of Article V, Section 12(h) .

2. ...

3. ...

*Decision No. 12152-(00/21),
March 3, 2000*

STRUCTURAL ADJUSTMENT FACILITY—USE OF RESOURCES OF SPECIAL
DISBURSEMENT ACCOUNT—LIST OF ELIGIBLE MEMBERS AND
AMOUNTS OF ASSISTANCE

1. The members on the list annexed to this decision are eligible to receive balance of payments assistance under the Structural Adjustment Facility within the Special Disbursement Account (“the Facility”).

2. The potential access of each eligible member to the resources of the Facility as of March 29, 1989 shall be 50 percent of quota; no more than 15 percent of quota shall be disbursed under the first annual arrangement; no more than 20 percent of quota shall be disbursed under the second annual arrangement; and no more than 15 percent of quota shall be disbursed under the third annual arrangement.

*Decision No. 8240-(86/56) SAF,
March 26, 1986,
as amended by Decision Nos. 8542-(87/36) SAF, March 2, 1987,
8651-(87/105) SAF, July 22, 1987,
8935-(88/118) SAF, July 29, 1988,
9117-(89/40) SAF, March 29, 1989,
9986-(92/48) SAF, April 7, 1992,
10184-(92/132) SAF, November 3, 1992,*

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*14522-(10/3), January 11, 2010, effective April 10, 2010,
15835-(15/73), July 17, 2015, and
16658-(20/18),
February 19, 2020*

ANNEX

*Low-Income Developing Members Eligible for Assistance
Under the Structural Adjustment Facility
Within the Special Disbursement Account*¹

Members	
Afghanistan	Maldives
Bangladesh	Mali
Benin	Marshall Islands, Republic of
Bhutan	Mauritania

¹ Ed. Note: Effective November 22, 1999, the Enhanced Structural Adjustment Facility (ESAF) was renamed the Poverty Reduction and Growth Facility (PRGF). The original table is from “Eligibility to Use the Fund’s Facilities for Concessional Borrowing,” SM/12/14, January 17, 2012. Zimbabwe is not PRGT-eligible due to its removal from the PRGT-eligible list by an Executive Board decision in connection with its overdue obligations to the PRGT. Decision No. 15224-(12/82), August 9, 2012, added South Sudan to the list of eligible members. Decision No. 15351-(13/32), April 8, 2013, added the Federated States of Micronesia, Marshall Islands, and Tuvalu to the list, and removed Georgia and Armenia. The removal of Armenia and Georgia from the list shall become effective on July 8, 2013, or on the date of the termination of any respective arrangement under the PRGT that may be in existence for Armenia or Georgia, whichever date is later. Decision No. 15835-(15/73), July 17, 2015, removed Bolivia, Mongolia, Nigeria, and Vietnam from the list, effective on October 16, 2015, or on the date of the termination of any respective arrangement under the PRGT that may be in existence for Bolivia, Mongolia, Nigeria, or Vietnam, whichever is later. Decision No. 16658-(20/18), February 19, 2020, removed Guyana from the list “effective five months from the date of adoption of this decision (“Effective Date”), provided that any arrangement under the Poverty Reduction and Growth Trust or any Policy Support Instrument in existence as of such Effective Date may continue until the expiration or other termination of the arrangement or the PSI.”

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Burkina Faso	Micronesia, Federated States of
Burundi	Moldova, Republic of
Cambodia	Mozambique
Cameroon	Myanmar
Cape Verde	Nepal
Central African Republic	Nicaragua
Chad	Niger
Comoros	Papua New Guinea
Congo, Democratic Republic of	Rwanda
Congo, Republic of	St. Lucia
Côte d'Ivoire	St. Vincent and the Grenadines
Djibouti	São Tomé and Príncipe
Dominica	Senegal
Eritrea	Sierra Leone
Ethiopia	Solomon Islands
Gambia, The	Somalia
Ghana	South Sudan
Grenada	Sudan
Guinea	Tajikistan
Guinea-Bissau	Tanzania
Guyana	Timor-Leste
Haiti	Togo
Honduras	Tonga
Kenya	Tuvalu
Kyrgyz Republic	Uganda
Lao People's Democratic Republic	Uzbekistan
Lesotho	Vanuatu
Madagascar	Yemen, Republic of
Malawi	Zambia

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ELIGIBILITY TO USE THE FUND'S FACILITIES FOR CONCESSIONAL FINANCING—PRGT ELIGIBILITY CRITERIA

1. The following criteria for entry and graduation shall, respectively, guide Executive Board decisions to add members to, and remove members from, the list annexed to Decision No. 8240-(86/56) SAF, as amended (the “PRGT-eligibility list”):

(A) *Criteria for entry*: A member will be added to the PRGT-eligibility list if (i) its annual per capita gross national income (“GNI”), based on the latest available qualifying data, is (a) below the International Development Association (“IDA”) operational cut-off; or (b) less than twice the IDA operational cut-off if the member qualifies as a “small country” under the definition set forth in subparagraph (D); or (c) less than five times the IDA operational cut-off if the member qualifies as a “microstate” under the definition set forth in subparagraph (D); and (ii) the sovereign does not have capacity to access international financial markets on a durable and substantial basis as defined in subparagraph (C).

(B) *Criteria for graduation*: A member will be removed from the PRGT-eligibility list if it meets either or both the income and market access criteria specified in (1) and (2) below, and does not face serious short-term vulnerabilities as specified in (3) below:

(1) *Income Criterion*: the member’s annual per capita GNI (i) has been above the IDA operational cut-off for at least the last five years for which qualifying data are available; (ii) has not been on a declining trend over the same period, comparing the first and last relevant annual data; and (iii) based on the latest qualifying annual data, is (a) at least twice the IDA operational cut-off; or (b) at least three times the IDA operational cut-off if the member qualifies as a “small country” under the definition set forth in subparagraph (D); or (c) at least six times the IDA operational cut-off if the member qualifies as a “microstate” under the definition set forth in subparagraph (D).

(2) *Market Access Criterion*: (i) the sovereign has the capacity to access international financial markets on a durable and

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substantial basis as defined in subparagraph (C); (ii) the member's annual per capita GNI is above 100 percent of the IDA operational cut-off based on the latest qualifying annual data; and (iii) the member's annual per capita GNI has not been on a declining trend over the last five years for which qualifying data are available, comparing the first and last relevant annual data.

(3) *Absence of serious short-term vulnerabilities*: the member does not face serious short-term vulnerabilities, which shall require in particular (i) the absence of risks of a sharp decline in the member's income, or of a loss of its market access (where relevant); (ii) limited debt vulnerabilities as indicated by the most recent debt sustainability analysis, including, for members whose debt has been assessed under the Debt Sustainability Framework for Low-Income Countries, an external debt distress classification of moderate or less and does not face a heightened overall risk of debt distress reflecting significant vulnerabilities related to domestic debt and/or private external debt; and (iii) confirmation that overall debt vulnerabilities remain limited, taking into account developments and prospects since the most recent debt sustainability analysis. For a member whose annual per capita GNI exceeds the applicable income graduation threshold in (1) above by 50 percent or more, graduation from PRGT eligibility will not be subject to the assessment of serious short-term vulnerabilities defined in this subparagraph (3). Such an assessment by the Executive Board will however be required if the member has an "IDA-grant only" or "IDA loan-grant mix" status at the World Bank, in which case graduation will depend on an assessment that the member does not have such serious short-term vulnerabilities.

(C) For the purposes of subparagraphs (A) and (B)(2), the sovereign's capacity to access international financial markets on a durable and substantial basis shall be evidenced by either of the following:

(1) The issuance or guarantee by a public debtor of external bonds in international markets, or disbursements under external commercial loans contracted or guaranteed by a public debtor in international markets that (i) for the purposes of subparagraph (A) occurred during at least two of the last five years for which

qualifying data are available (the “entry duration threshold”), and has been in a cumulative amount equivalent to at least fifty percent of the member’s quota in the Fund at the time of the assessment (the “entry scale threshold”) provided that (a) if the member’s quota increase under the Fourteenth General Review of Quotas has become effective, the cumulative amount shall be equivalent to at least 25 percent of the member’s quota and (b) if the amount of issuance or guarantee of external bonds and of disbursements under external commercial loans in a single year for which qualifying data are available totals less than two percent of the member’s quota in the Fund at the time of the assessment, that year shall not count towards meeting the entry duration threshold, or (ii) for the purposes of paragraph (B)(2), occurred during at least three of the last five years for which qualifying data are available (the “graduation duration threshold”), and has been in a cumulative amount equivalent to at least one hundred percent of the member’s quota in the Fund at the time of the assessment (the “graduation scale threshold”), provided that (a) if the member’s quota increase under the Fourteenth General Review of Quotas has become effective, the cumulative amount shall be equivalent to at least 50 percent of the member’s quota and (b) if the amount of issuance or guarantee of external bonds and of disbursements under external commercial loans in a single year for which qualifying data are available totals less than two percent of the member’s quota at the time of the assessment, that year shall not count towards meeting the graduation duration threshold, or

(2) The existence of convincing evidence that the sovereign could have tapped international markets as specified under (1) above, even though the actual issuance or guarantee by a public debtor of external bonds in international markets, or actual disbursements under external commercial loans contracted or guaranteed by a public debtor in international markets, fell short of the entry and graduation duration thresholds and/or the entry and graduation scale thresholds specified under (1) above. Determinations under this paragraph shall be a case-specific assessment that takes into account relevant factors, including the volume and terms of recent external borrowing or guaranteeing of external

borrowing in international markets, and the sovereign credit rating where one exists.

For purposes of this subparagraph (C): (i) a “public debtor” shall include the sovereign (national government) as well as other public borrowers (including political subdivisions, agencies of the national government or of political subdivisions, autonomous public bodies and public corporations) whose ability to borrow in international markets is assessed to be an indicator of the sovereign’s creditworthiness, however borrowing by a public corporation will generally not be assessed as an indicator of the sovereign’s creditworthiness where such borrowing is based on the public corporation’s own balance sheet (including by collateralizing its own assets) and is not guaranteed by the sovereign; (ii) “external bonds” are those issued in international capital markets and “external commercial loans” are commercial loans contracted in international markets by residents of a member with nonresidents, provided that bonds issued and loans contracted in markets that are not integrated with broader international market, including loans or bonds subsidized or guaranteed (partially or fully) by official external entities (including foreign governments and foreign public sector entities as well as international organizations), and loans from foreign state-owned banks, shall not qualify; and (iii) bonds and commercial loans guaranteed by a public debtor shall be obligations of a private debtor whose repayment is guaranteed by a public debtor.

(D) For the purposes of the criteria set forth in this paragraph 1, a member will be considered a “small country” if it has a population below 1.5 million, and a “microstate” if it has a population below 200,000.

(E) For the purposes of the criteria set forth in this paragraph 1, assessments of per capita GNI will normally be based on World Bank data using the ATLAS methodology, but other data sources may be used in exceptional circumstances, including data estimated by Fund staff in the absence of World Bank data. Qualifying data for the purposes of the criteria set forth in this paragraph 1 shall be data

in respect of which the most recent observation relates to a calendar year that is not more than 30 months in the past at the time of the assessment.

2. Executive Board decisions to remove a member from the PRGT-eligibility list pursuant to the graduation criteria set forth in paragraph 1 of this decision shall become effective five months after their adoption (the “effectiveness date”), provided that such decisions shall not affect any arrangement under the Poverty Reduction and Growth Trust established pursuant to Decision No. 8759-(87/176) ESAF, adopted December 18, 1987, as amended (“PRGT”), or any program subject to assessment and endorsement by the Fund under a policy support instrument (“PSI”), that are in existence as of the effectiveness date. Any such arrangement or PSI may continue until the expiration or other termination of the arrangement or PSI, and the arrangement or PSI may be extended or access under the arrangement may be augmented where appropriate in accordance with the applicable policies on extension or augmentation.

3. Notwithstanding the entry into effect of a decision to remove a member from the PRGT-eligibility list in accordance with this decision, any outstanding PRGT resources disbursed to such member shall remain subject to the terms of the PRGT. In Section II, paragraph 4(c) of the PRGT, the reference to “as such list may be amended from time to time,” shall be deleted.

4. The term “eligible recipients” under paragraph 7(a) of Decision No. 12481-(01/45) governing subsidies for post conflict and natural disaster purchases of PRGT-eligible members shall be understood to include members that, at the time of their removal from the PRGT-eligibility list pursuant to this decision, have outstanding post conflict or natural disaster purchases in respect of which subsidies may be provided under Decision No. 12481-(01/45), for as long as such purchases remain outstanding. In subparagraph 7(d) of Decision No. 12481-(01/45), as amended, the references to “qualifying PRGT-eligible members” shall be replaced with references to “PRGT-eligible members,” and the second sentence shall be deleted.

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5. It is expected that the criteria for entry and graduation set forth in this decision shall be reviewed every two years.¹ It is also expected that the PRGT-eligibility list shall be reviewed and updated every two years on the basis of the then applicable criteria for entry and graduation, provided however that (i) decisions on entry onto the PRGT-eligibility list of members that meet the entry criteria specified in paragraph 1 above may also be adopted in the interim period between reviews; (ii) notwithstanding paragraph 1 above, decisions may be adopted in the interim period between reviews in respect of the re-entry onto the PRGT-eligibility list of members that had previously been removed from such list as a sanction for overdue obligations, so long as such a member at the time of re-entry does not meet the criteria for graduation specified in subparagraph 1(B) above; and (iii) decisions may be adopted in the interim period between reviews in respect of the graduation from the PRGT-eligibility list of members that meet the criteria for graduation specified in subparagraph 1(B) above, at the request of such a member. (SM/09/288, Sup. 1, Rev. 1, 1/11/10) (SM/09/288, 12/11/09)

*Decision No. 14521-(10/3),
January 11, 2010,
as amended by Decision Nos. 15105-(12/17), February 17, 2012,
15350-(13/32), April 8, 2013,
15834-(15/73), July 17, 2015, and
16657-(20/18),
February 19, 2020*

MODALITIES OF GOLD PLEDGE FOR USE OF PRGF TRUST RESOURCES UNDER RIGHTS APPROACH

1. As long as loans from the Poverty Reduction and Growth Facility Trust (hereinafter the “PRGF Trust”) to members for the financing of “rights” as defined in the Managing Director’s Summing Up at EBM/90/97 of June 20, 1990 are outstanding, the Fund shall

¹ Ed. Note: At the 2012 review of eligibility to use the Fund’s facilities for concessional financing, the next review was scheduled to take place in 2013, a year ahead of schedule.

review the adequacy of the Reserve Account of the ESAF Trust (hereinafter the “Reserve Account”) by end March and end September of each year.

2. The Fund shall determine whether the amounts held in the Reserve Account, plus other available means of financing that would effectively restore the resources of the Trust, are sufficient to meet all obligations which could give rise to a payment from the Reserve Account to lenders to the Loan Account of the ESAF Trust in the six months following a review under paragraph 1. To the extent that it is determined by the Fund that these resources are insufficient to meet all such obligations (the “potential shortfall”), then the Managing Director is hereby authorized and instructed to sell gold held in the General Resources Account of the Fund in an amount that would generate proceeds available for transfer to the Special Disbursement Account under Article V, Section 12(*f*), up to the equivalent of the potential shortfall in the Reserve Account provided that

(i) these proceeds shall not exceed the equivalent of the previous drawings on the Reserve Account attributable to overdue obligations under loans from the ESAF Trust to members for the financing of rights as described above, plus foregone interest earnings on amounts equivalent to these drawings, and less any amounts corresponding to these drawings that have been subsequently paid by such members or for which the Reserve Account has previously been replenished from the proceeds of a gold sale under this decision; and

(ii) the total amount of gold available for sale under this decision shall not exceed the amount specified in paragraph 4.

3. The proceeds of any sale of gold under this decision in excess of an amount equivalent at the time of the sale to one special drawing right per 0.888671 gram of fine gold shall be placed in the Special Disbursement Account and shall be transferred immediately thereupon to the Reserve Account.

4. Subject to Paragraphs 5, 6, and 7 the Fund shall retain full ownership of holdings of gold of 3 million ounces in the General Resources Account, less any amounts sold pursuant to this decision,

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as long as loans from the ESAF Trust to members for the financing of rights as described above remain outstanding.

5. The need to maintain the full amount specified in paragraph 4 available for sale shall be reassessed on the occasion of the reviews under paragraph 1. This amount shall not be reduced without the consent of all lenders to the Loan Account of the ESAF Trust.

6. This decision shall not be amended by the Fund except with the consent of all lenders to the Loan Account of the ESAF Trust.

7. This decision shall be terminated (i) when after all loans that may be made from the ESAF Trust have been fully disbursed, the resources held in the Reserve Account exceed the amounts outstanding under ESAF Trust loans, or (ii) when after all loans that may be made from the ESAF Trust for the financing of rights as described above have been fully disbursed, there are no outstanding obligations under such ESAF Trust loans, with respect to which a gold sale can be made under this decision, whichever is earlier.

*Decision No. 10286-(93/23) ESAF,
February 22, 1993,
as amended by Decision No. 12229-(00/66) PRGF,
June 30, 2000*

ANNUAL REIMBURSEMENT OF GENERAL RESOURCES ACCOUNT IN RESPECT OF EXPENSES OF CONDUCTING BUSINESS OF PRGF-ESF TRUST

1. Beginning the financial year in which the Fund adopts a decision authorizing the sale of the current stock of post-Second Amendment gold, the Fund will resume annual reimbursements of the General Resources Account in respect of the expenses of conducting the business of the PRGF-ESF Trust, pursuant to Decision No. 8760-(87/176), adopted December 18, 1987.

2. Notwithstanding paragraph 1 above, the lending and subsidization capacity of the PRGF-ESF Trust will be kept under close review and, if a determination is made by the Fund that the resources of the Trust are likely to be insufficient to support anticipated demand for PRGF-ESF

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assistance and the Fund has been unable to obtain additional subsidy resources, the Fund should temporarily suspend annual reimbursements of the General Resources Account in respect of the expenses of conducting the business of the PRGF-ESF Trust. Upon suspension, the Fund will engage donors with a view to restoring the sustainability of the PRGF-ESF Trust. (SM/08/80, Rev. 1, Sup. 1; 4/8/08)

*Decision No. 14093-(08/32),
April 7, 2008*