

# IMF Publication

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

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INTERNATIONAL MONETARY FUND

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

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(In consultation with the Legal and Strategy, Policy, and Review Departments)

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## I. INTRODUCTION

1. **This paper provides a semi-annual review of the status of financing for PRGF-ESF lending, subsidization of emergency assistance to PRGF-eligible countries, and HIPC and MDRI debt relief.** The last review was completed by the Executive Board on April 21, 2008.
2. **The main points of the paper are:**

### **PRGF-ESF financing**

- **Available loan resources provided by bilateral lenders are likely sufficient to meet potential demand for new PRGF-ESF lending in the immediate future.** As of July 2008, PRGF-ESF loan resources, including a new loan of US\$1 billion (SDR 0.6 billion) committed by France in the context of the ESF, stood at SDR 2.7 billion.
- **Existing PRGF-ESF subsidy resources are estimated to be sufficient to cover existing PRGF credit and subsidize new PRGF-ESF lending of about SDR 3.2 billion.** It is important that all contributions committed to the PRGF-ESF and PRGF-HIPC Trusts be received as soon as possible.

### **Subsidization of emergency assistance**

- **Resources available to subsidize charges on emergency assistance are expected to be fully used by end-2009.** Additional subsidy resources are needed to enable the Fund to continue providing emergency assistance to PRGF-eligible countries on concessional terms. In March 2008, the Managing Director requested additional contributions to address the financing needs for ENDA/EPCA. The goal of the fund-raising effort was to mobilize an additional SDR 100 million to cover subsidy needs for existing ENDA/EPCA credit and new lending through 2014. It remains important that additional contributions be forthcoming to meet the financing needs for emergency assistance.

### **Financing of HIPC-MDRI debt relief**

- **Available resources are estimated to be sufficient to cover the costs of HIPC and MDRI debt relief, except for the three protracted arrears cases (Somalia, Sudan, and Zimbabwe).** While the resources available for HIPC debt relief remain broadly unchanged from the last update, the projected surplus in the MDRI Trusts has increased by about SDR 0.1 billion, reflecting mainly the delay experienced by the Democratic Republic of the Congo in reaching the HIPC completion point.

## II. FINANCING OF PRGF-ESF OPERATIONS

### A. Loan Resources

3. As of end-July 2008, available PRGF-ESF loan resources, including new loan resources of US\$1 billion (SDR 0.6 billion) committed by France in the context of the ESF, stood at SDR 2.7 billion (Table 1). During the first seven months of 2008, new PRGF commitments amounted to SDR 0.6 billion.

New PRGF arrangements with six members

total SDR 0.5 billion,<sup>1</sup> and augmentation

under existing arrangements with nine

members amounts to SDR 0.1 billion.<sup>2</sup>

Projections by area departments suggest that demand for new PRGF arrangements, including augmentations, in the remainder of 2008 could amount to SDR 0.5 billion.

Should these projections materialize, total new PRGF commitments would reach SDR

1.1 billion in 2008, higher than SDR 0.7 billion projected in the last update. The projected increase in demand reflects higher-than-norm access under several new arrangements and augmentation under existing arrangements. Country-specific projections indicate that demand for PRGF arrangements in 2009–10 could amount to SDR 1.2 billion.<sup>3</sup> This would imply a significant pick-up in demand for PRGF loan resources compared with the last four years (Figure 1).

Table 1. PRGF-ESF Trust – Loan Resources  
(In billions of SDRs)

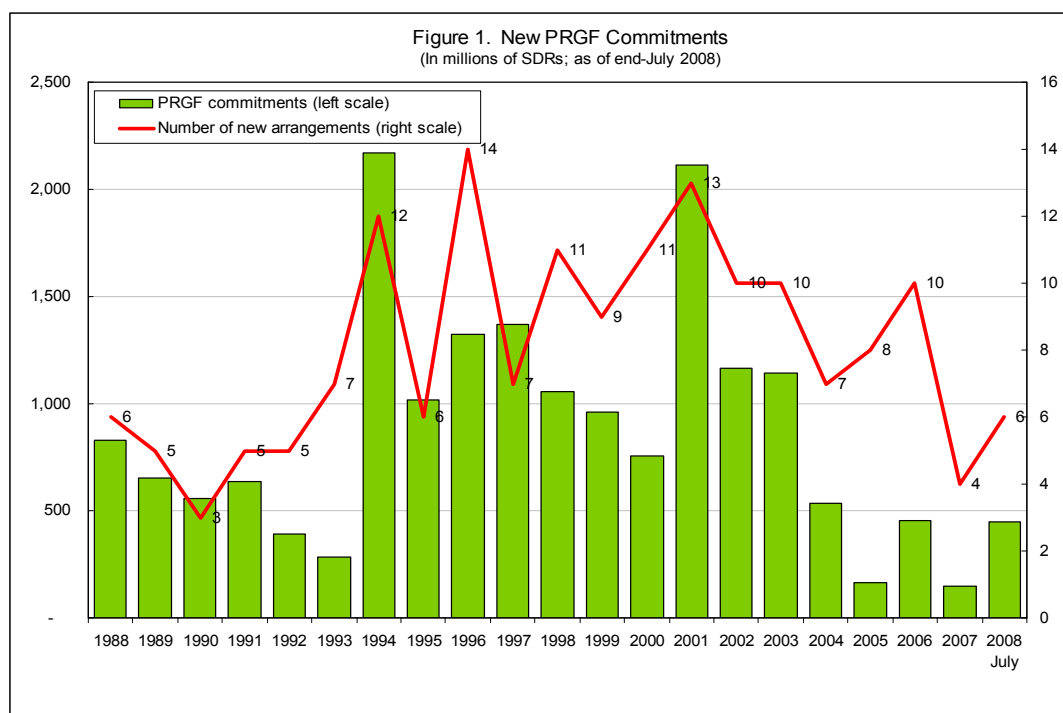
<b>Available resources (as of July 2008)</b>	<b>2.7</b>
Total available 1/	16.4
Cumulative commitments to borrowers	13.7
<b>Projected demand for remainder of 2008</b>	<b>0.5</b>
Of which: new PRGF	0.5
augmentation	0.02
<b>Remaining resources</b>	<b>2.2</b>

1/ Includes France's pledged new loan of US\$1 billion in the context of the ESF.

<sup>1</sup> Burundi, Liberia, Mali, Niger, Togo, and Zambia.

<sup>2</sup> Benin, Burkina Faso, Central African Republic, Grenada, Guinea, Haiti, Kyrgyz Republic, Madagascar, and Malawi.

<sup>3</sup> These projections do not take into account the three protracted arrears cases (Somalia, Sudan, and Zimbabwe). Zimbabwe has protracted arrears to the PRGF-ESF Trust and was removed from the list of PRGF-eligible countries by Executive Board Decision No. 12582-(01/99), adopted September 24, 2001. It is, therefore, currently not included in demand projections for PRGF-ESF resources.



4. **Projections of demand for PRGF-ESF loans are more uncertain than usual in light of the proposed changes to the ESF.** Demand for the modified ESF is difficult to predict, as the facility is designed to help countries deal with exogenous shocks that, by definition, are hard to forecast. Demand could vary significantly, depending on the number of countries, size of their respective quotas, and the level of access requested. Alternative scenarios are presented in the paper on Proposed Reforms to the Exogenous Shocks Facility (and Supplement 2).

5. **Staff's current projections indicate that available loan resources would likely be sufficient to meet demand for new PRGF-ESF lending in the immediate future.**

However, given the uncertainties associated with potential demand for the modified ESF, staff will monitor closely the availability of loan resources and update the Board through regular semi-annual reviews, or more frequently if warranted.

## B. PRGF-ESF Subsidy Resources

6. **Available subsidy resources for PRGF-ESF lending are estimated at SDR 1.4 billion at end-June 2008, broadly unchanged from the last update.<sup>4</sup> These**

<sup>4</sup> In previous updates, PRGF and ESF subsidy resources were discussed separately. Since most subsidy contributions provided by donors following the establishment of the ESF in early 2006 can be used for both PRGF and ESF operations, henceforth they will be discussed jointly.

resources include actual balances held in the PRGF-ESF and PRGF-HIPC Trusts, and contributions that have been committed but not yet received. Since the last update, Botswana has made an additional subsidy contribution of about SDR 0.7 million through a new deposit agreement with the PRGF-HIPC Trust.<sup>5</sup> The status of subsidy contributions pledged in the context of the establishment of the ESF has remained broadly unchanged from the last update (Table 2). To date, total pledges from 11 countries have amounted to SDR 218 million in cash terms,<sup>6</sup> relative to the initial target for ESF subsidy resources of SDR 500 million.<sup>7</sup> So far, SDR 66 million has been received. Given the potential increase in demand for concessional lending, it is important that donors continue to make their disbursements as agreed.

Table 2. ESF Subsidy Contributions  
(In millions of currency units; as of end-June 2008)

Form of contribution		Contribution pledged		Contribution received
		(Amount)	(SDR equivalent) 1/	(SDR equivalent)
Canada	Grant	CAN\$ 25.0	14.3	15.0
France	Concessional loan	US\$ 30.0	18.4	-
Iceland	Grant	ISK 10.2	0.1	0.1
Japan	Grant	SDR 20.0	20.0	7.4
Norway	Grant	SDR 24.7	24.7	5.4
Oman	Grant	SDR 3.0	3.0	2.2
Russian Federation	Grant	SDR 30.0	30.0	16.0
Saudi Arabia	Investment agreement	SDR 40.0 2/	40.0 2/	2.7
Spain	Grant	SDR 5.3	5.3	5.3
Trinidad and Tobago	Deposit agreement	SDR 0.8 2/	0.8 2/	0.08
United Kingdom	Grant	£ 50.0	61.0	12.1
<b>Total</b>			<b>217.5</b>	<b>66.2</b>

1/ Calculated using the exchange rates of end-June 2008.

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

<sup>5</sup> A new five-year deposit of US\$10 million (equivalent to SDR 6.1 million). Tables 12 and 13 present details about the bilateral contributions as at end-June 2008.

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

<sup>7</sup> When the ESF was established, it was considered appropriate to initially secure financing sufficient to cover the projected demand for ESF loans of SDR 2 billion and subsidy resources of SDR 0.5 billion (in end-2005 NPV terms) for a five-year period. See *Establishment of an Exogenous Shocks Facility under the Poverty Reduction and Growth Facility Trust* (10/4/05).

7. **Based on current projections, available subsidy resources are sufficient to subsidize existing PRGF arrangements and new PRGF-ESF lending of about SDR 3.2 billion.**<sup>8</sup> Of the available subsidy resources of SDR 1.4 billion, it is estimated that SDR 0.6 billion would be needed to cover the needs associated with existing PRGF arrangements, and the remaining SDR 0.8 billion could support new PRGF-ESF lending. If demand under the PRGF is in line with current projections of SDR 1.7 billion (the sum of SDR 0.5 billion for the remainder of 2008 and SDR 1.2 billion for 2009-10 as discussed in paragraph 3), this would still leave roughly SDR 1.5 billion for potential demand for shocks financing. These estimates do not take into account the pledges made by 10 members in the 1999–2000 fund-raising exercise that have not yet been received, amounting to SDR 32 million (Tables 3 and 16). It is important that these members make efforts to disburse their pledges as soon as possible. Should demand for the modified ESF turn out to be very strong, and higher than what can be accommodated by the remaining subsidy resources, the following options would be available. One would be to complete the original fund-raising exercise for the ESF by seeking additional resources in line with the request for subsidy resources of SDR 500 million to cover ESF operations for the first five years. A second option would be to advance the date for initiating the self-sustained PRGF-ESF operation (see below).

Table 3. PRGF-HIPC Trust – Pending Contributions  
(In millions of SDRs "as needed"; as of end-June 2008)

Venezuela	20.4	Dominican Republic	0.5
Argentina 1/	6.4	Lebanon	0.4
Gabon 1/	1.9	Grenada	0.1
Trinidad & Tobago	1.6	Vanuatu	0.1
Bahrain	0.9	Maldives	0.0
<b>Total</b>			<b>32.2</b>

1/ Remaining balances.

### C. Status of the PRGF-ESF Reserve Account

8. **The Reserve Account provides security to PRGF-ESF Trust lenders in the event of a delay or non-repayment by PRGF-ESF borrowers.** The Account has been financed by reflows of Structural Adjustment Facility and Trust Fund repayments and investment returns on the balance held in the Account. The balances in the Reserve Account amounted to SDR 3.6 billion as of end-June 2008, representing a substantial multiple of projected PRGF repayments falling due in the coming 12 months and about 95 percent of PRGF-ESF Trust obligations (Table 4).

<sup>8</sup> Since currently available loans resources amount to SDR 2.7 billion, additional loans resources would need to be mobilized if demand were to rise beyond this amount.



Table 4. PRGF-ESF Trust—Reserve Account Coverage  
(In millions of SDRs)

	Reserve Account balance (A)	PRGF-ESF Trust obligations (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 1/	92.8
2007	3,557	3,673	96.8
End-June 2008	3,630	3,834	94.7
<i>Memorandum item:</i>			
Projected PRGF repayments July 2008 - June 2009			413

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

#### D. Medium-Term Financing Framework

9. It is envisaged that, once available PRGF-ESF subsidy resources discussed above are fully committed, subsidization of new PRGF-ESF lending could be financed by the resources accumulated in the Reserve Account of the Trust on a “self-sustained” basis.<sup>9</sup> Under this approach, which would require an amendment of the PRGF-ESF Trust Instrument and the consent by Trust lenders, bilateral creditors would continue to provide loan resources that would be on-lent to PRGF-ESF borrowers, while income earned on the balances in the Reserve Account would be used to finance interest subsidies for PRGF and ESF loans. As in the current framework, the Reserve Account would also continue to provide security to PRGF-ESF Trust lenders in the event of a delay or non-repayment by PRGF-ESF borrowers.

<sup>9</sup> See *Review of Financing of the Fund’s Concessional Assistance and Debt Relief to Low-Income Member Countries* (3/22/06), and *The G-8 Debt Cancellation Proposal and Its Implications for the Fund—Further Considerations* (9/19/05).

10. **It remains difficult to predict the precise timing of the initiation of the “self-sustained” operation.** If such an operation were initiated in 2011, the resources in the Reserve Account could subsidize PRGF-ESF loans of about SDR 0.8 billion per annum on a sustained basis. This projection is based on several important assumptions:<sup>10</sup> (i) both the rate of investment earned on the Reserve Account balances and interest rate paid to Trust lenders would rise gradually from 4 percent in 2008 to 5 percent in 2013 and beyond; (ii) the Reserve Account would earn a premium of 90 basis points per annum from FY 2010 onwards, stemming from the proposed expansion of investment authority; and (iii) reimbursement of the GRA for PRGF-ESF administrative expenses would resume starting in the financial year in which the Board adopts a decision authorizing sales of gold acquired after the Second Amendment.<sup>11</sup> A one-year change in the start date of the self-sustained PRGF-ESF operation could have an impact of about SDR 45 million per annum. The estimated Reserve Account subsidization capacity under different assumptions was discussed in the last update paper.<sup>12</sup>

### III. SUBSIDIZATION OF EMERGENCY ASSISTANCE

11. **The Fund provides emergency assistance to help member countries in the wake of natural disasters or as they emerge from conflict (ENDA and EPCA).** Since 2001, bilateral contributions have allowed the Fund to provide such assistance to PRGF-eligible members at a reduced rate of charge of 0.5 percent per annum (plus burden-shared adjustments) first limited to EPCA and since 2005 also for ENDA (Table 5). So far, 16 members (29 instances) have benefited from subsidization of emergency assistance (Table 6). The continued strong demand for such assistance underscores its critical importance in providing timely balance of payments support to the Fund’s most vulnerable members.

12. **The available resources will not be sufficient to fully cover the costs of subsidizing existing emergency assistance** (Table 7). In the absence of additional contributions, the available resources are expected to be exhausted by end-2009, or sooner should new requests for subsidized emergency assistance be forthcoming. Thereafter, members with outstanding emergency assistance would need to pay unsubsidized charges on

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<sup>10</sup> In addition, the projection of the Reserve Account balances over the medium term includes assumed repayments of overdue Trust Fund, SAF, and PRGF obligations by the protracted arrears cases.

<sup>11</sup> *IMF Board of Governors Approves Key Element of IMF's New Income Model* (Press Release No. 08/101, May 6, 2008)

<sup>12</sup> *Update on the Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries* (April 11, 2008).

their ENDA/EPCA credit.<sup>13</sup> In March 2008, the Managing Director requested additional contributions from a number of members to address the ENDA/EPCA financing needs. The goal of the fund-raising effort was to mobilize an additional SDR 100 million to cover subsidy needs for existing ENDA/EPCA credit and new lending through 2014.<sup>14</sup>

13. **In response to the Managing Director's request, several members expressed a preference for using part of their existing contributions to the PRGF-ESF Trust to subsidize emergency assistance.**<sup>15</sup> They noted that it would be difficult to commit additional contributions to the Fund while resources contributed following the establishment of the ESF have not been used for ESF lending. Under the PRGF-ESF Trust Instrument, existing PRGF-ESF subsidy resources cannot be transferred to subsidize ENDA/EPCA lending. It remains urgent that additional subsidy contributions be secured to allow the Fund to continue providing emergency assistance on concessional terms in a timely manner.

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

14. **To date, 23 countries have reached the completion point and another 10 have reached the decision point under the enhanced HIPC Initiative.** In total, the Fund has committed HIPC Initiative assistance of SDR 2.3 billion. Of this amount, assistance disbursed to 23 countries that have reached the completion point amounted to SDR 1.7 billion, while HIPC Initiative interim assistance to the 10 countries that have reached the decision point but not yet the completion point totaled SDR 40 million (Table 8). Since the last update, the Executive Board approved an increase in HIPC interim assistance to one member—Haiti by SDR 33,000. No additional country has reached decision or completion point.

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<sup>13</sup> If, in any quarter, the subsidization resources are insufficient to subsidize the rate of charge on all eligible purchases to 0.5 percent for that quarter, the subsidy to each eligible recipient shall be pro-rated to bring the effective rate of charge paid after subsidization to the common percentage closest to 0.5 percent. See *Subsidization of the Fund's Emergency Assistance for Natural Disasters to PRGF-Eligible Members* (1/10/05) and *Instrument to Establish the Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account for PRGF-Eligible Members* (Decision No. 13417-(05/5), adopted January 21, 2005).

<sup>14</sup> Needed additional subsidy resources could be lower should any country with EPCA decide to make earlier repurchases of their outstanding EPCA credit through access to PRGF arrangements, as permitted under current policies. For instance, an earlier repurchase (say, in 2009) by Côte d'Ivoire, the largest low-income country user of EPCA, could lower the overall subsidy needs by about SDR 12 million.

<sup>15</sup> Of the 31 countries approached in March 2008, six have indicated positively, with one committing to a specific amount, seven have declined at this time, and the rest have not yet decided.

Table 5. Subsidy Contributions for Emergency Assistance  
(In millions; as of end-June 2008)

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. 2001	£ 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	1.2	0.5
Canada	Feb. 2005	Can\$ 5.0	2.9	2.3
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	0.3
Ireland	Nov. 2006	Euro 0.5	0.5	0.3
Japan	Apr. 2005	US\$ 2.5	1.7	1.7
Luxembourg	Feb. 2005	Euro 1.25	1.1	0.9
Russia	Feb. 2005	US\$ 1.5	1.0	0.6
Saudi Arabia 4/	Apr. 2005	US\$ 4.0	2.4	--
Switzerland	Feb. 2005	US\$ 2.0	1.4	1.4
<b>Sub Total</b>			<b>17.6</b>	<b>11.8</b>
<b>Sub-Account 3: Subsidization of EPCA and ENDA</b>				
France	Jan. 2005	Euro 1.5	1.2	1.2
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>13.0</b>	<b>13.0</b>
<b>Total</b>			<b>40.3</b>	<b>34.5</b>
<i>Memorandum item:</i>				
Pledges made since beginning of 2005			<b>29.0</b>	<b>23.3</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 2008.

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/ The agreement is being finalized with the authorities.

5/ Existing contribution, previously earmarked for EPCA.

Table 6. Countries that have Benefited from Subsidization of Emergency Assistance 1/

Country	Date approved	Purchases	
		In millions of SDRs	In percent of Quota
<b>1. Natural Disasters (ENDA) (7)</b>		<b>266.0</b>	
Malawi	Sep-02	17.4	25.0
Grenada	Jan-03	2.9	25.0
Grenada	Nov-04	2.9	25.0
Maldives	Mar-05	4.1	50.0
Sri Lanka	Mar-05	103.4	25.0
Dominica	Feb-08	2.1	25.0
Bangladesh	Apr-08	133.3	25.0
<b>2. Post-conflict (EPCA) (22)</b>		<b>234.7</b>	
Rwanda	Apr-97	8.9	15.0
Albania	Nov-97	8.8	25.0
Rwanda	Dec-97	6.0	10.0
Tajikistan	Dec-97	7.5	12.5
Tajikistan	Apr-98	7.5	12.5
Congo, Republic of	Jul-98	7.2	12.5
Sierra Leone	Nov-98	11.6	15.0
Guinea-Bissau	Sep-99	2.1	15.0
Sierra Leone	Dec-99	15.6	15.0
Guinea-Bissau	Jan-00	1.4	10.0
Sierra Leone	Sep-00	10.4	10.0
Congo, Republic of	Nov-00	10.6	12.5
Burundi	Oct-02	9.6	12.5
Burundi	May-03	9.6	12.5
Central African Republic	Jul-04	5.6	10.0
Haiti	Jan-05	10.2	12.5
Haiti	Oct-05	10.2	12.5
Central African Republic	Jan-06	7.0	12.5
Cote d'Ivoire	Aug-07	40.7	12.5
Guinea-Bissau	Jan-08	1.8	12.5
Cote d'Ivoire	Apr-08	40.7	12.5
Guinea-Bissau	Jul-08	1.8	12.5

1/ Subsidization for EPCA and ENDA started in 2001 and 2005, respectively. Cases approved prior to the beginning of subsidization also received interest subsidies on their outstanding credit.

Table 7. Subsidy Resources and Projected Needs  
for Existing Emergency Assistance  
(In millions of SDRs; as of end-July 2008)

	Credit outstanding	Subsidy (in NPV terms)
<b>Available resources</b>		<b>21.8</b>
EPCA account		5.4
ENDA account 1/		6.3
EPCA/ENDA joint account		10.1
<b>Projected needs</b>		<b>44.7</b>
<b>EPCA</b>	<b>84.9</b>	<b>14.5</b>
Côte d'Ivoire-I	40.7	6.4
Côte d'Ivoire-II	40.7	7.5
Guinea-Bissau-I	1.8	0.3
Guinea-Bissau-II	1.8	0.3
<b>ENDA</b>	<b>231.6</b>	<b>30.2</b>
Bangladesh	133.3	24.5
Dominica	2.1	0.4
Grenada	2.2	0.1
Maldives	3.6	0.2
Sri Lanka	90.4	5.1
<b>Projected shortfall</b>		<b>(22.9)</b>

1/ Including scheduled disbursements.

Table 8. Implementation of the HIPC Initiative  
(In millions of SDRs; as of end-July 2008)

	Decision point	Completion point	Amount committed	Amount disbursed 1/
<b>Completion point countries (23)</b>			<b>1,559</b>	<b>1,672</b>
1 Benin	Jul. 2000	Mar. 2003	18	20
2 Bolivia	Feb. 2000	Jun. 2001	62 2/	65
3 Burkina Faso	Jul. 2000	Apr. 2002	44 2/	46
4 Cameroon	Oct. 2000	Apr. 2006	29	34
5 Ethiopia	Nov. 2001	Apr. 2004	45	47
6 Gambia, The	Dec. 2000	Dec. 2007	2	2
7 Ghana	Feb. 2002	Jul. 2004	90	94
8 Guyana	Nov. 2000	Dec. 2003	57 2/	60
9 Honduras	Jun. 2000	Apr. 2005	23	26
10 Madagascar	Dec. 2000	Oct. 2004	15	16
11 Malawi	Dec. 2000	Aug. 2006	33	37
12 Mali	Sep. 2000	Mar. 2003	46 2/	49
13 Mauritania	Feb. 2000	Jun. 2002	35	38
14 Mozambique	Apr. 2000	Sep. 2001	107 2/	108
15 Nicaragua	Dec. 2000	Jan. 2004	64	71
16 Niger	Dec. 2000	Apr. 2004	31	34
17 Rwanda	Dec. 2000	Apr. 2005	47	51
18 São Tomé and Príncipe	Dec. 2000	Mar. 2007	0.8	0.9
19 Senegal	Jun. 2000	Apr. 2004	34	38
20 Sierra Leone	Mar. 2002	Dec. 2006	100	107
21 Tanzania	Apr. 2000	Nov. 2001	89	96
22 Uganda	Feb. 2000	May. 2000	120 2/	122
23 Zambia	Dec. 2000	Apr. 2005	469	508
<b>Decision point countries (10)</b>			<b>748</b>	<b>41</b>
24 Afghanistan	Jul. 2007	Floating	--	--
25 Burundi	Aug. 2005	Floating	19	0.3
26 Central African Republic	Sep. 2007	Floating	17	3
27 Chad	May. 2001	Floating	14	9
28 Congo, Dem. Rep. of	Jul. 2003	Floating	228	3
29 Congo, Rep. of	Mar. 2006	Floating	6	--
30 Guinea	Dec. 2000	Floating	24	10
31 Guinea-Bissau	Dec. 2000	Floating	9	1
32 Haiti	Nov. 2006	Floating	2	0.1
33 Liberia	Mar. 2008	Floating	428	15
<b>Pre-decision point countries (6)</b>				
34 Comoros	...	...	...	...
35 Côte d'Ivoire	...	...	...	...
36 Eritrea	...	...	...	...
37 Kyrgyz Republic	...	...	...	...
38 Nepal	...	...	...	...
39 Togo	...	...	...	...
<b>Protracted arrears cases (2)</b>				
40 Somalia	...	...	...	...
41 Sudan	...	...	...	...
<b>Total</b>			<b>2,324 3/</b>	<b>1,713</b>

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

2/ Includes commitment under the original HIPC Initiative.

3/ Including SDR 17 million committed to Côte d'Ivoire under the original HIPC Initiative.

15. **Since the inception of the MDRI in January 2006, 25 countries have received MDRI debt relief, totaling SDR 2.3 billion** (Table 9).<sup>16</sup> At the time of the establishment of the MDRI, the cost to the Fund of providing MDRI debt relief was estimated at about SDR 2.6 billion.<sup>17</sup> Under the established financing framework, qualifying members would receive 100 percent debt relief on the full stock of debt owed to the Fund at end-December 2004 that remains outstanding at the time the member qualifies for such debt relief and is not covered by assistance under the HIPC Initiative. The estimated cost would be covered by the resources in the MDRI-I Trust (SDR 1.5 billion) and MDRI-II Trust (SDR 1.12 billion).<sup>18</sup>

#### **A. Decision and Pre-Decision Point HIPC**

16. **The costs to the Fund of providing HIPC and MDRI debt relief to the remaining HIPC** (excluding the protracted arrears cases) **are estimated at SDR 0.5 billion in June 2008 NPV terms, or SDR 0.1 billion lower than estimated in the previous update** (Table 10). The estimated lower costs mainly reflect delays in reaching HIPC completion point by several HIPCs, in particular, by the Democratic Republic of the Congo (DRC) and Chad.<sup>19</sup> Of this amount, the estimated costs of providing HIPC and MDRI debt relief to the HIPCs identified during the ring-fencing exercise is about SDR 8 million, slightly lower than estimated in the last update.<sup>20</sup>

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<sup>16</sup> Includes 23 countries that have reached HIPC completion point and two non-HIPCs (Cambodia and Tajikistan) with per capita income of US\$380 or less.

<sup>17</sup> The overall cost of debt relief for eligible members was estimated at SDR 3.5 billion in end-2005 NPV terms. This would be financed by the resources in the MDRI-I and MDRI-II Trusts, as well as HIPC Initiative resources (estimated at SDR 0.8 billion). Excluding the latter, the net cost of the MDRI would amount to SDR 2.6 billion.

<sup>18</sup> These estimates exclude the protracted arrears cases and the HIPCs that were newly identified during the HIPC Initiative ring-fenced exercise based on end-2004 debt data. The latter group comprises Eritrea, Haiti, Kyrgyz Republic, and Nepal which were identified during the ring-fencing exercise, and Afghanistan, which was added to the list of ring-fenced countries in April 2007.

<sup>19</sup> The DRC is now expected to reach the completion point in the fourth quarter of 2009 as compared to early 2009 assumed in the last update. As a result, the DRC would need to make payments from its own resources of principal on debt outstanding at end-2004 before reaching its completion point. This will reduce the stock of DRC's debt to the Fund that would be MDRI-eligible and, thus, the cost of MDRI debt relief for the Fund.

<sup>20</sup> The Kyrgyz Republic is excluded from the cost estimates, as the authorities indicated in early 2007 that they did not wish to avail themselves of debt relief under the HIPC Initiative.



Table 9. Debt Relief Following Implementation of the MDRI  
(In millions of SDRs; as of end-July 2008)

		Delivery date	Fund credit from disbursements prior to end-2004	Financed by HIPC umbrella sub-accounts 1/	Remaining MDRI-eligible credit	Financed by	
						MDRI-I Trust	MDRI-II Trust
			(A)	(B)	(C=A-B=D+E)	(D)	(E)
<b>HIPC countries (23)</b>			<b>2,576</b>	<b>399</b>	<b>2,176</b>	<b>1,093</b>	<b>1,083</b>
1	Benin	Jan. 2006	36	2	34	-	34
2	Bolivia	Jan. 2006	161	6	155	-	155
3	Burkina Faso	Jan. 2006	62	5	57	57	-
4	Cameroon	Apr. 2006	173	24	149	-	149
5	Ethiopia	Jan. 2006	112	32	80	80	-
6	Gambia	Dec. 2007	9	2	7	7	-
7	Ghana	Jan. 2006	265	45	220	220	-
8	Guyana	Jan. 2006	45	13	32	-	32
9	Honduras	Jan. 2006	107	9	98	-	98
10	Madagascar	Jan. 2006	137	9	128	128	-
11	Malawi	Sep. 2006	38	23	15	15	-
12	Mali	Jan. 2006	75	13	62	62	-
13	Mauritania	Jun. 2006	33	3	30	-	30
14	Mozambique	Jan. 2006	107	24	83	83	-
15	Nicaragua	Jan. 2006	140	49	92	-	92
16	Niger	Jan. 2006	78	18	60	60	-
17	Rwanda	Jan. 2006	53	33	20	20	-
18	São Tomé and Príncipe	Mar. 2007	1	0	1	1	-
19	Senegal	Jan. 2006	100	6	95	-	95
20	Sierra Leone	Dec. 2006	117	41	77	77	-
21	Tanzania	Jan. 2006	234	27	207	207	-
22	Uganda	Jan. 2006	88	12	76	76	-
23	Zambia	Jan. 2006	403	4	398	-	398
<b>Non-HIPC countries (2) 2/</b>			<b>126</b>	<b>-</b>	<b>126</b>	<b>126</b>	<b>-</b>
24	Cambodia	Jan. 2006	57	-	57	57	-
25	Tajikistan, Rep. of	Jan. 2006	69	-	69	69	-
<b>Total</b>			<b>2,701.8</b>	<b>399.3</b>	<b>2,302.5</b>	<b>1,219.4</b>	<b>1,083.1</b>

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

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

Table 10. Financing of Debt Relief to  
the Remaining HIPC  
(In billions of SDRs; end-June 2008 NPV terms)

<b>Resources available in</b>	<b>0.83</b>
HIPC sub-account 1/	0.49
MDRI-I Trust	0.30
MDRI-II Trust	0.04
<b>Financing needed from</b>	<b>0.51</b>
HIPC sub-account	0.38
MDRI-I Trust	0.12
MDRI-II Trust	0.01
<b>Remaining balance</b>	<b>0.32</b>
HIPC sub-account	0.11
MDRI-I Trust	0.18
MDRI-II Trust	0.03

1/ Including resources in the HIPC Umbrella account.

17. **Resources available in the PRGF-HIPC and MDRI-I and II Trusts for debt relief amounted to SDR 0.8 billion at end-June 2008, more than sufficient to cover the estimated needs.**<sup>21</sup> Specifically, available PRGF-HIPC Trust resources are projected to exceed the financing needs by SDR 0.1 billion, largely reflecting lower-than-estimated costs for two pre-decision point members (Côte d'Ivoire and Togo), while the MDRI Trusts are projected to incur a surplus of about SDR 0.2 billion due to delays in reaching completion points by the DRC and Chad. It should be noted that the estimated costs of HIPC debt relief do not include potential needs for topping-up assistance, which are inherently difficult to predict.<sup>22</sup> Moreover, these projections are based on assumptions regarding the timing of HIPC decision and completion points and the future path of interest rates, which are subject to change.

<sup>21</sup> Excluding to Liberia, as discussed below.

<sup>22</sup> To date, the Board has approved topping-up assistance to six countries (Burkina Faso, Ethiopia, Malawi, Niger, Rwanda, and São Tomé and Príncipe) amounting to SDR 63 million.

18. **The estimated cost to the Fund of providing HIPC Initiative and beyond-HIPC debt relief to Liberia remains at about SDR 530 million, in line with the previous estimate.**<sup>23</sup> In total, 102 member countries

have pledged SDR 547 million, sufficient to cover the estimated cost of debt relief. As indicated in Table 11, most of these contributions have been or will be placed in the Liberia Administered Account (LAA). So far, 74 contributors have transferred close to SDR 400 million of their contributions to the LAA, while 10 others have placed their contributions of about SDR 20 million in the PRGF-HIPC Trust. Commitments of SDR 127 million pledged by 18 contributors remain to be disbursed.

Table 11. Financing of Debt Relief to Liberia  
(In millions of SDRs; March 14, 2008 NPV terms)

<b>Financing needed</b>	<b>528</b>
HIPC assistance	427
Beyond-HIPC assistance	101
<b>Resources in 1/</b>	<b>547</b>
Liberia Administered Account	516
PRGF-HIPC Trust	31

1/ Including contributions to be received.

## B. Remaining Protracted Arrears Cases

19. **Providing debt relief to Somalia and Sudan would require substantial additional resources.** As of end-June 2008, the total stock of arrears to the Fund of these members amounted to SDR 1.3 billion. As the costs for providing debt relief to these members were not included in the original financing framework of the HIPC Initiative and the MDRI,<sup>24</sup> additional financing would need to be identified and secured when these members are ready to clear their arrears to the Fund and embark on the HIPC Initiative.<sup>25</sup> The approach developed for Liberia's arrears clearance and debt relief, including the necessary financing modalities, could provide a useful framework for Sudan and Somalia at an appropriate time.

20. **Additional resources could also potentially be needed to provide debt relief to Zimbabwe, if it were assessed to be eligible.** Currently, Zimbabwe is not PRGF-eligible and is not on the list of "ring-fenced" countries that could benefit from the HIPC Initiative. However, when Zimbabwe is ready to clear its protracted arrears to the PRGF-ESF Trust (SDR 88 million at end-June 2008), an assessment would need to be made of Zimbabwe's eligibility for the HIPC Initiative based on relevant criteria, including whether the NPV of debt at end-2004 exceeded the HIPC thresholds. On that basis, it would be determined

<sup>23</sup> *Liberia—Financing Modalities for Arrears Clearance and Debt Relief and Related Decision* (8/28/07).

<sup>24</sup> Neither Sudan nor Somalia are eligible for debt relief under MDRI, as there would be no MDRI-eligible debt following the clearance of their arrears. It would be possible, though, that they could receive beyond HIPC debt relief through other vehicles, as is envisaged for Liberia.

<sup>25</sup> 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).

whether and, if so, to what extent, additional resources would need to be identified and secured to cover HIPC and possibly beyond-HIPC debt relief for Zimbabwe.

Table 12. Summary of Bilateral Contributions to the PRGF-ESF and PRGF-HIPC Trusts  
(In millions of SDRs; as of end-June 2008)

	PRGF-ESF Trust 1/ 2/				PRGF-HIPC Trust	
	Subsidy contributions "as needed" 3/			Loan commitments	Subsidies and HIPC grant contributions "as needed" 3/	Of which: Pending "as needed" 3/
	For subsidization	For MDRI debt relief	Total			
<b>TOTAL</b>	<b>2,068.1</b>	<b>1,120.0</b>	<b>3,188.1</b>	<b>15,759.7</b>	<b>1,562.3</b>	<b>32.2</b>
<b>Major industrial countries</b>	<b>1,297.2</b>	<b>818.8</b>	<b>2,116.0</b>	<b>12,864.8</b>	<b>880.5</b>	<b>--</b>
Canada	128.0	84.8	212.8	700.0	48.8	--
France	247.2	116.4	363.6	2,900.0	82.2	--
Germany	112.7	66.1	178.8	2,750.0	127.2	--
Italy	45.1	84.4	129.5	1,380.0	63.6	--
Japan	399.9	253.4	653.3	5,134.8	144.0	--
United Kingdom	265.0	155.4	420.4	--	82.2	--
United States	99.4	58.3	157.6	--	332.6	--
<b>Other advanced countries</b>	<b>645.4</b>	<b>250.4</b>	<b>895.8</b>	<b>2,452.8</b>	<b>299.7</b>	<b>--</b>
Australia	12.2	3.7	16.0	--	24.8	--
Austria	60.0	--	60.0	--	14.3	--
Belgium	66.1	39.5	105.6	350.0	35.3	--
Denmark	40.2	23.6	63.8	100.0	18.5	--
Finland	25.8	15.1	40.9	--	8.0	--
Greece	22.7	13.3	36.0	--	6.3	--
Iceland	2.6	1.5	4.1	--	0.9	--
Ireland	5.3	2.4	7.6	--	5.9	--
Israel	--	--	--	--	1.8	--
Korea	39.1	21.0	60.1	92.7	15.9	--
Luxembourg	12.9	--	12.9	--	0.7	--
Netherlands	128.5	--	128.5	450.0	45.4	--
New Zealand	--	--	--	--	1.7	--
Norway	26.7	15.7	42.3	150.0	18.5	--
Portugal	2.6	1.4	4.0	--	6.6	--
San Marino	--	--	--	--	0.0*	--
Singapore	11.0	6.5	17.5	--	16.5	--
Spain	15.5	3.1	18.6	708.4	23.3	--
Sweden	109.0	65.0	174.0	--	18.3	--
Switzerland	65.1	38.5	103.6	601.7	37.0	--
<b>Fuel exporting countries</b>	<b>10.2</b>	<b>6.1</b>	<b>16.3</b>	<b>49.5</b>	<b>114.3</b>	<b>23.2</b>
Algeria	--	--	--	--	5.5	--
Bahrain	--	--	--	--	0.9	0.9
Brunei Darussalam	--	--	--	--	0.1	--
Gabon	--	--	--	--	2.5	1.9
Iran, Islamic Republic of	1.0	0.6	1.5	--	2.2	--
Kuwait	--	--	--	--	3.1	--
Libya	--	--	--	--	7.3	--
Nigeria	--	--	--	--	13.9	--
Oman	--	--	--	--	0.8	--
Qatar	--	--	--	--	0.5	--
Saudi Arabia	9.2	5.5	14.7	49.5	53.5	--
United Arab Emirates	--	--	--	--	3.8	--
Venezuela	--	--	--	--	20.4	20.4

Table 12 (continued). Summary of Bilateral Contributions to the PRGF-ESF and PRGF-HIPC Trusts  
(In millions of SDRs; as of end-June 2008)

	PRGF-ESF Trust 1/ 2/				PRGF-HIPC Trust	
	Subsidy contributions "as needed" 3/			Loan commitments	Subsidies and HIPC grant contributions "as needed" 3/	Of which: Pending "as needed" 3/
	For subsidization	For MDRI debt relief	Total committed			
<b>Other developing countries</b>	<b>103.4</b>	<b>44.8</b>	<b>148.2</b>	<b>355.6</b>	<b>224.7</b>	<b>9.1</b>
Argentina	19.6	11.5	31.1	--	16.2	6.4
Bangladesh	0.5	0.2	0.8	--	1.7	--
Barbados	--	--	--	--	0.4	--
Belize	--	--	--	--	0.3	--
Botswana	1.0	0.6	1.6	--	6.4	--
Brazil	--	--	--	--	15.0	--
Cambodia	--	--	--	--	0.0*	--
Chile	2.2	1.3	3.6	--	4.4	--
China	9.6	4.2	13.8	200.0	19.7	--
Colombia	--	--	--	--	0.9	--
Cyprus	--	--	--	--	0.8	--
Dominican Republic	--	--	--	--	0.5	0.5
Egypt	7.4	4.3	11.7	155.6	1.3	--
Fiji	--	--	--	--	0.1	--
Ghana	--	--	--	--	0.5	--
Grenada	--	--	--	--	0.1	0.1
India	11.8	--	11.8	--	22.9	--
Indonesia	3.6	2.1	5.8	--	8.2	--
Jamaica	--	--	--	--	2.7	--
Lebanon	--	--	--	--	0.4	0.4
Malaysia	19.1	11.2	30.2	--	12.7	--
Maldives	--	--	--	--	0.0*	0.0
Malta	0.9	0.5	1.3	--	1.1	--
Mauritius	--	--	--	--	0.1	--
Mexico	--	--	--	--	54.5	--
Micronesia, F. S.	--	--	--	--	0.0*	--
Morocco	5.4	3.2	8.5	--	1.6	--
Pakistan	2.1	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	11.4	--	11.4	--	--	--
Uruguay	0.8	0.5	1.3	--	2.2	--
Vanuatu	--	--	--	--	0.1	0.1
Vietnam	--	--	--	--	0.4	--

Table 12 (concluded). Summary of Bilateral Contributions to the PRGF-ESF and PRGF-HIPC Trusts  
(In millions of SDRs; as of end-June 2008)

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

\* Less than SDR 5,000.

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

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

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

Table 13. PRGF-ESF Trust—Subsidy Agreements 1/  
(In millions of SDRs; as of end-June 2008)

	Effective date of agreement	Vehicle 2/	Deposit/Investment Amount			Interest Rate (percent)	Maturity (years)
			Agreed	Received	Outstanding		
<b>Austria</b>							
Austrian National Bank	Jun. 8, 1988	Admin. Account	60.0	60.0	--	0.5	5½–10
Austrian National Bank	Apr. 19, 1994	Admin. Account	50.0	50.0	--	0.5	5½–10
<b>Belgium</b>							
National Bank of Belgium	Jun. 30, 1989	Admin. Account	100.0	100.0	--	0.5	10
National Bank of Belgium	Apr. 21, 1994	Admin. Account	80.0	80.0	--	0.5	10
<b>Botswana</b>							
Bank of Botswana 3/ 4/	Jun. 30, 1994	Admin. Account	6.9	6.9	--	2.0	10
<b>Chile</b>							
Banco Central de Chile	Aug. 24, 1994	Admin. Account	15.0	15.0	--	0.5	5
<b>Greece</b>							
Bank of Greece	Nov. 30, 1988	Admin. Account	35.0	35.0	--	0.5	5½–10
Bank of Greece	Apr. 22, 1994	Admin. Account	35.0	35.0	--	0.5	5½–10
<b>Indonesia</b>							
Bank Indonesia 5/	Jun. 23, 1994	Admin. Account	25.0	25.0	--	--	10
<b>Iran, Islamic Republic of</b>							
Central Bank of Iran	May 24, 1994	Admin. Account	5.0	5.0	--	0.5	10
<b>Malaysia</b>							
Bank Negara Malaysia	May 17, 1988	Subsidy Account	40.0	40.0	--	0.5	10
Bank Negara Malaysia 4/	Jun. 30, 1994	Subsidy Account	40.0	40.0	--	2.0	10
<b>Malta</b>							
Central Bank of Malta	Dec. 13, 1989	Subsidy Account	1.4	1.4	--	0.5	13
Central Bank of Malta	May 27, 1994	PRGF-ESF Subsidy Account	1.4	1.4	--	0.5	13
<b>Pakistan</b>							
State Bank of Pakistan 6/	Apr. 21, 1994	PRGF-ESF Subsidy Account	10.0	10.0	10.0	0.5	16
<b>Portugal</b>							
Banco do Portugal	May 5, 1994	Admin. Account	13.1	13.1	0.4	0.5	6–10
<b>Saudi Arabia</b>							
The Saudi Fund for Development and the Kingdom of Saudi Arabia 7/	April 11, 2006	PRGF-ESF Subsidy Account	132.6	38.2	38.2	0.5	15½
<b>Singapore</b>							
Monetary Authority of Singapore	Nov. 4, 1988	Subsidy Account	40.0	40.0	--	2.0	10
Monetary Authority of Singapore 4/	May 20, 1994	Subsidy Account	40.0	40.0	--	2.0	10
<b>Spain</b>							
Government of Spain 8/	Feb. 8, 1995	PRGF-ESF Subsidy Account	60.3	39.7	18.3	0.5	10
<b>Thailand</b>							
Bank of Thailand	Jun. 14, 1988	Subsidy Account	20.0	20.0	--	2.0	10
Bank of Thailand	Apr. 22, 1994	Subsidy Account	40.0	40.0	--	2.0	10
<b>Trinidad and Tobago</b>							
Government of Trinidad and Tobago	Dec. 7, 2006	PRGF-ESF Subsidy Account	3.0	3.0	3.0	1.0	10
<b>Tunisia</b>							
Banque Centrale de Tunisie 9/	May 4, 1994	Subsidy Account	3.6	3.6	--	0.5	10
<b>Uruguay</b>							
Banco Central del Uruguay 10/	Jul. 7, 1994	Subsidy Account	7.2	7.2	--	--	10
<b>Total</b>			864.4	749.4	70.0		

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

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

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

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

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

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

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

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

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

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



Table 14. PRGF-ESF Trust—Loan Agreements  
(In millions of SDRs; as of end-June 2008)

	Effective date of agreement	Expiration date for drawings	Loan commitments	Amount Disbursed		Early repayment related to the MDRI	Amount outstanding
				Amount	In percent of commitment		
<b>Belgium</b>							
National Bank of Belgium 1/	Jul. 2, 1999	Dec. 31, 2014	350.0	266.5	76.2	163.0	76.7
<b>Canada</b>							
Government of Canada	Feb. 22, 1989	Dec. 31, 1997	300.0	300.0	100.0	16.1	--
Government of Canada	May 9, 1995	Dec. 31, 2005	400.0	400.0	100.0	110.1	185.4
<b>China</b>							
Government of China 1/	Jul. 05, 1994	Dec. 31, 2014	200.0	189.0	94.5	49.0	85.0
<b>Denmark</b>							
National Bank of Denmark	May 3, 2000	Dec. 31, 2003	100.0	100.0	100.0	100.0	--
<b>Egypt</b>							
Central Bank of Egypt 1/	Jun. 13, 1994	Dec. 31, 2014	155.6	114.0	73.3	21.9	32.7
<b>France</b>							
Agence Française de Développement 2/	Apr. 05, 1988	Dec. 31, 1997	800.0	800.0	100.0	--	--
Agence Française de Développement 2/	Jan. 03, 1995	Dec. 31, 2005	750.0	750.0	100.0	--	260.1
Agence Française de Développement 1/ 2/	Dec. 17, 1999	Dec. 31, 2014	1,350.0	692.2	51.3	376.1	316.1
<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	132.3
Kreditanstalt für Wiederaufbau 1/	Jun. 19, 2000	Dec. 31, 2009	1,350.0	377.3	27.9	180.6	185.1
<b>Italy</b>							
Bank of Italy 3/	Oct. 04, 1990	Dec. 31, 1997	370.0	370.0	100.0	11.7	--
Bank of Italy 3/	May. 29, 1998	Dec. 31, 2005	210.0	210.0	100.0	170.9	--
Bank of Italy 1/	Mar. 1, 2000	Dec. 31, 2014	800.0	572.9	71.6	63.5	465.5
<b>Japan</b>							
Japan Bank for International Cooperation 4/	Apr. 12, 1988	Dec. 31, 1997	2,200.0	2,200.0	100.0	--	--
Japan Bank for International Cooperation 1/ 4/	Oct. 05, 1994	Dec. 31, 2014	2,934.8	2,720.2	92.7	--	1,805.0
<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	--
<b>Netherlands</b>							
Bank of the Netherlands 1/	Sep. 29, 1999	Dec. 31, 2014	450.0	283.7	63.1	55.2	218.6
<b>Norway</b>							
Bank of Norway	Apr. 14, 1988	Dec. 31, 1997	90.0	90.0	100.0	2.7	--
Bank of Norway	Jun. 16, 1994	Dec. 31, 2005	60.0	60.0	100.0	32.5	--
<b>OPEC Fund for International Development 5/</b>	Dec. 20, 1994	Dec. 31, 2005	37.0	37.0	100.0	25.7	--
<b>Spain</b>							
Bank of Spain 6/	Jun. 20, 1988	Jun. 30, 1993	216.4	216.4	100.0	--	--
Government of Spain	Feb. 08, 1995	Dec. 31, 2005	67.0	67.0	100.0	--	25.0
Bank of Spain 1/	Feb. 14, 2000	Dec. 31, 2014	425.0	234.1	55.1	41.4	192.7
<b>Switzerland</b>							
Swiss Confederation 7/	Dec. 23, 1988	Dec. 31, 1997	200.0	200.0	100.0	--	--
Swiss National Bank 1/	Jun. 22, 1995	Dec. 31, 2014	401.7	306.8	76.4	44.7	175.7
Subtotal			15,710.2	13,049.9	83.1	1,818.0	4,155.7
<b>Associated Agreement - Saudi Fund for Development (SFD)</b>	Feb. 27, 1989	--- 8/	49.5	49.5	100.0	--	--
<b>Total Loan and Associated Loan Agreements 9/</b>			15,759.7	13,099.4	83.1	1,818.0	4,155.7

1/ Including additional loan commitments for interim PRGF operations.

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

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

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

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

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

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

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

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

Table 15. Commitments to Finance the Cost of IMF's Debt Relief to Liberia  
(In millions of SDRs; in March 14, 2008 NPV terms)

	Commitments 1/	Of which, to be disbursed
<b>Total (102)</b>	<b>547.4</b>	<b>127.2</b>
<b>G-8 countries (8)</b>	<b>326.8</b>	<b>76.6</b>
Canada	11.4	-
France	26.0	26.0
Germany	44.5	44.5
Italy	21.5	-
Japan	47.4	6.1
Russian Federation	35.4	-
United Kingdom	20.8	-
United States	119.8	-
<b>Other FTP participants (34)</b>	<b>146.9</b>	<b>27.0</b>
Australia	4.1	-
Austria	4.9	4.9
Belgium	7.6	7.6
Botswana	0.2	-
China	12.7	-
Cyprus	0.2	-
Czech Republic	2.2	-
Denmark	3.8	-
Finland	2.9	-
Greece	1.3	-
Hungary	5.6	5.6
India	11.2	-
Ireland	2.1	-
Israel	1.1	-
Kazakhstan	1.0	-
Korea	7.1	-
Kuwait	2.8	-
Luxembourg	0.4	-
Malaysia	3.6	-
Mauritius	0.2	0.2
Mexico	7.7	-
Netherlands	11.1	-
New Zealand	1.1	-
Norway	6.1	-
Poland	3.7	3.7

Table 15 (continued). Commitments to Finance the Cost of IMF's Debt Relief to Liberia  
(In millions of SDRs; in March 14, 2008 NPV terms)

	Commitments 1/	Of which, to be disbursed
Portugal	2.9	-
Saudi Arabia	11.2	-
Singapore	2.0	-
Slovak Republic	1.6	-
Slovenia	0.5	-
Spain	10.7	-
Sweden	5.1	5.1
Switzerland	6.3	-
Thailand	1.8	-
<b>Non-FTP countries (60)</b>	<b>73.7</b>	<b>23.6</b>
Albania	0.1	-
Algeria	1.9	-
Angola*	0.0	-
Argentina	5.2	5.2
Armenia*	0.0	-
Belize	0.1	-
Brazil	16.9	16.9
Bulgaria	1.8	-
Burkina Faso	0.1	0.1
Burundi *	0.0	-
Cambodia *	0.0	-
Cameroon	0.6	-
Central African Republic	0.1	-
Chad *	0.0	0.05
Congo, Dem. Rep. of	2.8	-
Côte d'Ivoire	1.8	-
Croatia	0.5	-
Dominica *	0.0	-
Egypt	1.2	-
Estonia	0.2	-
Gabon	0.6	-
Gambia	0.1	-
Ghana	1.3	-
Guinea	0.1	-
Guinea-Bissau *	0.0	0.01
Iceland	0.1	-
Indonesia	5.1	-
Iran *	0.0	-
Jamaica	2.1	-
Kenya	0.8	-

Table 15 (concluded). Commitments to Finance the Cost of IMF's Debt Relief to Liberia  
(In millions of SDRs; in March 14, 2008 NPV terms)

	Commitments 1/	Of which, to be disbursed
Latvia	0.3	-
Lesotho *	0.0	-
Liberia	2.1	-
Libya	4.5	-
Lithuania	0.7	-
Macedonia	0.1	-
Madagascar	0.3	-
Malawi	0.2	-
Mali	0.2	0.2
Malta	0.4	-
Mauritania	0.2	-
Morocco	2.3	-
Namibia *	0.0	-
Nepal	0.1	-
Nicaragua	0.1	-
Pakistan	6.1	-
Papua New Guinea	0.4	-
Philippines	1.6	-
Romania	1.6	-
Rwanda	0.1	0.1
Samoa *	0.0	0.01
Senegal *	0.0	-
Sierra Leone	0.4	0.4
South Africa	1.8	-
Sri Lanka	1.7	-
Togo	0.1	-
Ukraine	2.5	-
Uruguay	0.7	0.7
Yemen, Republic of	0.4	-
Zambia	1.2	-
<i>Memorandum item:</i>		
Estimated cost of IMF's debt relief to Liberia (NPV terms)	528	

\* Amounts less than SDR 50,000.

1/ Including interest earned in the Liberia Interim Administered Account from the early contributions made by several contributors prior to March 14, 2008.

Table 16. Information on Pending Bilateral Contributions to the PRGF-HIPC Trust 1/  
(Status as of end-June 2008)

Country	Status
<b>Argentina:</b>	The remaining balance of SDR 6.4 million (as needed) of its pledged contribution to be financed from its Post-SCA-2 balance of SDR 6.3 million.
<b>Bahrain:</b>	Contribution of income on an interest-free deposit through 2018.
<b>Dominican Republic:</b>	Contribution of net income on a deposit through 2018 to be financed from its Post-SCA-2 balance of SDR 1.2 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.
<b>Lebanon:</b>	Contribution of income on an interest-free deposit through 2018.
<b>Maldives:</b>	Contribution of income on an interest-free deposit through 2018.
<b>Trinidad and Tobago:</b>	Contribution of income on an interest-free deposit of its Post-SCA-2 balance of SDR 2.8 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 34.4 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.