

**FOR
AGENDA**

SM/07/324

September 13, 2007

To: Members of the Executive Board

From: The Secretary

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

Attached for consideration by the Executive Directors is a paper on the update on the financing of the Fund's concessional assistance and debt relief to low-income member countries, which is tentatively scheduled for discussion on **Wednesday, September 26, 2007**. A draft decision appears on page 14. The issuance of this paper was delayed in order to incorporate updated information.

The staff proposes the publication of this paper after the Executive Board completes its discussion.

Questions may be referred to Mr. Lin (ext. 37299), Ms. Wong (ext. 34153), and Ms. Budras (ext. 35456) in FIN.

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

Prepared by the Finance Department

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

Approved by Michael G. Kuhn

September 12, 2007

I. INTRODUCTION

1. **This paper provides a semi-annual review of the status of financing for PRGF-ESF lending, HIPC and MDRI debt relief, and subsidization of emergency assistance to PRGF-eligible members.**¹ The last review was completed by the Executive Board on April 13, 2007 (SM/07/117, 4/4/07).
2. **The main points of the paper are:**
 - **Available loan resources under the PRGF-ESF Trust are projected to be broadly sufficient** to meet new loan demand over the next two to three years. The unused loan resources currently stand at SDR 2.7 billion.
 - **PRGF subsidy resources are currently projected to fall short** of the amount needed by about SDR 0.1 billion, about the same level estimated in the last update.
 - **ESF subsidy contributions are less than half of the target** for subsidy resources of SDR 500 million (end-2005 NPV terms) initially sought, unchanged from the last

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

update. The pledged contributions from ten countries have remained at about SDR 224 million in cash terms (or SDR 207 million in end-2005 NPV terms).

- **Subsidy resources for emergency assistance are currently estimated to be sufficient** to cover existing needs. However, additional contributions on the order of SDR 15–35 million would need to be mobilized to allow the Fund to meet expected future requests for emergency assistance on concessional terms.
- **Additional grant resources are needed for delivery by the Fund of HIPC and MDRI debt relief to the three protracted arrears cases** (Liberia, Somalia, and Sudan). In light of Liberia’s strengthened cooperation with the Fund, Fund management has proposed a financing package to mobilize the necessary resources for proceeding with arrears clearance and debt relief for Liberia.

II. FINANCING OF PRGF-ESF OPERATIONS

Loan Resources

3. **Available loan resources for PRGF-ESF lending stood at SDR 2.7 billion as of end-June 2007, an increase of about SDR 0.2 billion from the last update.** During the first half of 2007, the Board approved two new PRGF arrangements (for Burkina Faso and the Gambia), totaling the equivalent of SDR 20 million. In the meantime, the PRGF arrangements with Bangladesh and Honduras expired without full disbursements of the committed amounts. The undrawn balances for both cases totaled SDR 114 million. In addition, on April 11, 2007, the Executive Board approved a request from the Kenyan authorities to reduce the amount of access under the current PRGF arrangement by SDR 75 million. To date, no country has requested assistance under the ESF.

4. **Based on current projections, available loan resources would likely be sufficient to cover demand for new PRGF-ESF arrangements over the next two to three years** (Table 1). Country-specific projections—excluding the three protracted arrears cases (Liberia, Somalia, and Sudan)²—suggest that demand for PRGF loans through end-2007 could range from SDR 0.2 billion to SDR 0.6 billion, depending on progress toward a new PRGF-supported program by a large quota country. Total demand for new PRGF commitments in 2008 remains uncertain, but could amount to close to SDR 1 billion,

² Zimbabwe has protracted arrears to the PRGF-ESF Trust but is not discussed in this paper because it is currently not PRGF-eligible, as it was removed from the list of PRGF-eligible countries by Executive Board Decision No. 12582-(01/99), adopted September 24, 2001.

assuming that possible requests for PRGF arrangements by several large quota countries will materialize. In addition, in view of recent turmoil in global financial markets and its implications for global liquidity and growth, additional requests for financial assistance from the Fund could be forthcoming.

Table 1. Loan Resources of the PRGF-ESF Trust
(In billions of SDRs; as of end-June 2007)

Available loan resources	2.7
Total loan resources	15.8
Commitments to borrowers	13.0
Of which: disbursed	12.7
Projected demand for PRGF loans 1/	1.6
Remainder of 2007	0.6
2008	0.9
Remaining loan resources	1.1
Potential demand 2/	1.0
Liberia	0.2
Somalia	0.2
Sudan	0.6
<i>Memorandum item:</i>	
New loan resources 3/	0.7

1/ Do not include potential augmentations under existing PRGF arrangements.

2/ Assuming PRGF access equivalent to the exceptional limit of 185 percent of quota under the 11th General Review.

3/ Pledged by France in the context of the ESF.

5. **Available loan resources would be exhausted more rapidly, however, should the three countries with protracted arrears to the Fund settle their arrears and request new PRGF arrangements.** Under the current PRGF exceptional access limit of 185 percent of quota, PRGF loan resources of about SDR 1 billion would be needed for these cases. While the timing of arrears clearance by the three countries remains difficult to predict, it is important the Fund be in a position to meet the needs of these countries when they are ready to settle their arrears and request new PRGF arrangements.

PRGF Subsidy Resources

6. **Available subsidy resources are estimated to amount to SDR 1.2 billion as of end-June 2007** (Table 2). These resources include subsidies currently held in the PRGF-ESF and PRGF-HIPC Trusts, projected additional inflows to both Trusts, and the G-8 additional subsidy contribution of SDR 100 million committed to the PRGF-ESF Trust to maintain the Fund's concessional lending capacity in the context of the MDRI. While resources in the PRGF-ESF Subsidy Account are available to subsidize both PRGF and ESF loans, for analytical and presentational purposes, the discussion in this section does not

include ESF-related subsidy contributions to this account, which are discussed separately below.

Table 2. PRGF Subsidy Requirements and Availability
(In billions of SDRs; as of end-June 2007)

Subsidy requirements	1.3
Available resources 1/	1.2
PRGF-ESF Trust	1.0
PRGF-HIPC Trust 2/	0.1
Projected additional inflows 3/	0.1
Projected balance/(shortfall)	(0.1)

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

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

3/ In end-June 2007 NPV terms; mainly reflects interest income on bilateral deposit agreements with the PRGF-HIPC Trust.

7. **Staff's current projections indicate that subsidy resources of about SDR 1.3 billion would be needed to fully subsidize available PRGF loan resources.** This would imply a shortfall in subsidy resources of about SDR 0.1 billion in end-June 2007 NPV terms, broadly unchanged from the last update. This estimate does not take into account the pledged contributions to the PRGF-HIPC Trust in the 1999–2000 fund-raising exercise that have not yet been received, amounting to SDR 32 million (Table 3). It is important that these contributions be received as soon as possible to help ensure that PRGF-HIPC operations are fully funded.

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

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

1/ 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.

2/ Remaining balances.

ESF Subsidy Contributions

8. Since the establishment of the ESF in 2005, pledged subsidy contributions by ten countries have amounted to SDR 224 million in cash terms, unchanged from the last update (Table 4).³ This remains less than half of the target for subsidy resources initially sought by the Fund.⁴ While no country has yet requested assistance under the ESF, demand for ESF loans could materialize quickly if the global conditions turn less benign. To this end, it is important that additional subsidy contributions be forthcoming to fulfill the initial target and allow the Fund to provide such assistance to eligible countries in a timely manner.

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

	Date of pledge	Form of contribution	Contribution pledged		
			(Amount)	(SDR equivalent) 1/	(NPV equivalent) 2/
Canada	11/28/05	Grant	CAN\$ 25.0	14.3	14.6
France	12/16/05	Concessional Loan	US\$ 30.0	19.8	16.3 3/
Japan	11/28/05	Grant	SDR 20.0	20.0	18.0
Norway	2/22/06	Grant	SDR 24.7	24.7	22.5
Oman	3/19/06	Grant	SDR 3.0	3.0	2.9
Russian Federation	1/30/06	Grant	SDR 30.0	30.0	26.9
Saudi Arabia	3/7/06	Investment Agreement	SDR 40.0 4/	40.0 4/	40.0
Spain	4/24/06	Grant	SDR 5.3	5.3	5.1
Trinidad and Tobago	8/25/06	Deposit Agreement	SDR 0.8 4/	0.8 4/	0.8
United Kingdom	11/23/05	Grant	£ 50.0	66.1	59.5
Total				224.0	206.6

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

2/ In end-2005 NPV terms.

3/ Tentative estimate; subject to finalization of commitment.

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

PRGF-ESF Trust Reserve Account

9. 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 (SAF) and Trust Fund repayments and investment returns on the balance held in the Account. The balances in the Reserve

³ These contributions have been, or will be, placed in the PRGF-ESF Subsidy Account to subsidize both PRGF and ESF loans, with the exception of the contributions from Canada and Norway, which have been placed in the ESF Subsidy Account to subsidize exclusively ESF lending.

⁴ 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* (SM/05/365, 10/4/05).

Account amounted to SDR 3.4 billion as of end-June 2007, representing a substantial multiple of projected PRGF repayments falling due in the coming 12 months (Table 5).⁵

Table 5. PRGF-ESF Trust—Reserve Account Coverage 1/
(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 2/	92.8
End-June 2007	3,440	3,714	92.6
<i>Memorandum item:</i>			
Projected PRGF repayments in July 2007- June 2008			381

1/ Excludes associated loans of SDR 49.5 million from the Saudi Fund for Development (SFD), the risk of which is borne by the SFD, overdue Trust Fund obligations (SDR 119 million), and overdue SAF obligations (SDR 10 million).

2/ The sharp drop from 2005 reflects early repayments arising from the delivery of HIPC and MDRI debt relief which reduced total PRGF credit outstanding by about 40 percent.

10. The Executive Board earlier considered the modalities of the Fund's concessional operations involving the use of the Reserve Account of the PRGF-ESF

⁵ As of end-June 2007, Zimbabwe's arrears to the PRGF-ESF Trust had necessitated repayments of SDR 76 million from the Reserve Account to PRGF-ESF Trust lenders. The Reserve Account will be replenished when Zimbabwe settles its arrears to the PRGF-ESF Trust. In addition, the resources received in repayment of remaining overdue obligations to the SAF and Trust Fund will also be transferred to the Reserve Account once these arrears are settled.

Trust over the medium term.⁶ Most Directors were of the view that staff's proposed approach of maintaining the current framework for future PRGF financing would seem appropriate and should be pursued. Under this approach, it is envisaged that, beyond the interim PRGF period, resources needed for financing loan principal would continue to be provided by bilateral creditors as under the current PRGF-ESF Trust, while subsidy resources would be made available from the Reserve Account.⁷ Staff's estimates suggest that available Reserve Account resources could subsidize annual lending of about SDR 0.7 billion in perpetuity, starting in 2009,⁸ on the assumption that the Fund will not seek reimbursement of the GRA for the cost of administering the PRGF-ESF Trust.⁹ The resumption of such reimbursement will reduce the Reserve Account's capacity to subsidize concessional lending. For instance, a reimbursement of SDR 50 million per annum (similar to levels of expenses observed in recent years) would lower the Reserve Account's annual subsidized lending capacity from SDR 0.7 billion to about SDR 0.5 billion in perpetuity.

11. In the discussion of developing a new income model for the Fund, the Board considered whether to resume reimbursement of the GRA for the administrative expenses of the PRGF-ESF Trust.¹⁰ Most Directors supported the resumption of such reimbursement, but also considered it crucial that alternative sources of funding be found in the event that the capacity of the PRGF-ESF Trust for subsidized lending proves insufficient following the resumption of reimbursement. These Directors also endorsed further analysis of broadening the investment mandate of the PRGF-ESF Trust as a means to cushion the impact on lending capacity from resuming reimbursement. A number of Directors were not in favor of resuming reimbursement, noting—among other factors—the

⁶ See *Review of Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries* (SM/06/119, 3/22/06), and *The G-8 Debt Cancellation Proposal and its Implications for the Fund—Further Considerations* (SM/05/353, 9/19/05, paragraph 53; and BUFF/05/188, 11/16/05).

⁷ The PRGF-ESF Trust Instrument would have to be amended to allow for the use of resources in the Reserve Account to subsidize PRGF-ESF lending.

⁸ These projections are based on the assumption that SDR interest rates will rise gradually from the present levels to 5.0 percent per annum by 2011 and beyond. At this lending level, the reserve coverage ratio would remain well above the historical average of 40 percent.

⁹ The Executive Board decided not to seek reimbursement for the cost of administering the PRGF-ESF Trust to the GRA for FY1998–2004, and has subsequently renewed this decision on an annual basis. As there are currently no resources in the SDA, the resources to be transferred from the SDA for reimbursement of administrative expenses to the GRA would be obtained by transferring the needed amount from the PRGF-ESF Trust Reserve Account (see Decision No. 8760 (87/176), adopted 12/18/87).

¹⁰ See *Developing a New Income Model for the Fund* (SM/07/235, 7/2/07) and *The Chairman's Summing Up: Developing a New Income Model for the Fund* (BUFF/07/115, 8/3/07).

public good function of PRGF-related lending, the uncertainty of donor support, and the importance of maintaining the crucial role of the Fund in low-income countries.

III. FINANCING OF HIPC AND MDRI DEBT RELIEF

12. **The Fund has so far committed HIPC Initiative debt relief to 31 countries that have reached decision point, amounting to SDR 1.9 billion** (Table 6). Of these countries, 22 have reached completion point and received HIPC debt relief of SDR 1.7 billion. In addition, seven of the nine countries that have reached decision point (but not yet completion point) have benefited from HIPC interim assistance totaling SDR 18 million. Since the last update, Afghanistan has reached decision point, and no additional country has reached completion point.¹¹

13. **The cost to the Fund of providing MDRI debt relief is estimated at about SDR 2.6 billion, broadly in line with the previous estimates.**¹² These estimates exclude the newly identified ring-fenced HIPCs¹³ and the three protracted arrears cases. Under this 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 HIPC Initiative assistance. The estimated cost would be covered by the resources in the MDRI-I and II Trusts of SDR 1.5 billion and SDR 1.12 billion, respectively. The Fund has so far delivered MDRI debt relief to 24 countries in an amount of SDR 2.3 billion (Table 7).¹⁴ Since the last update, no additional country has qualified for or received MDRI debt relief.

¹¹ See *Initiative for Heavily Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiative (MDRI)—Status of Implementation* (SM/07/310, 8/30/07).

¹² At the time of the establishment of the MDRI, 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.

¹³ These countries are Eritrea, Haiti, Kyrgyz Republic, and Nepal that were identified during the HIPC Initiative end-2004 ring-fencing exercise, and Afghanistan, that was added to the list of ring-fenced countries in April 2007.

¹⁴ Includes 22 countries that have reached HIPC completion point and two non-HIPCs, Cambodia and Tajikistan, with per capita income of US\$380 or less.

Table 6. Implementation of the HIPC Initiative
(In millions of SDRs)

	Decision point	Completion point	Amount committed	Amount disbursed 1/
Completion point countries (22)			1,557	1,668
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 Ghana	Feb. 2002	Jul. 2004	90	94
7 Guyana	Nov. 2000	Dec. 2003	57 2/	60
8 Honduras	Jun. 2000	Apr. 2005	23	26
9 Madagascar	Dec. 2000	Oct. 2004	15	16
10 Malawi	Dec. 2000	Aug. 2006	33	37
11 Mali	Sep. 2000	Mar. 2003	46 2/	49
12 Mauritania	Feb. 2000	Jun. 2002	35	38
13 Mozambique	Apr. 2000	Sep. 2001	107 2/	108
14 Nicaragua	Dec. 2000	Jan. 2004	64	71
15 Niger	Dec. 2000	Apr. 2004	31	34
16 Rwanda	Dec. 2000	Apr. 2005	47	51
17 São Tomé and Príncipe	Dec. 2000	Mar. 2007	1	-- 3/
18 Senegal	Jun. 2000	Apr. 2004	34	38
19 Sierra Leone	Mar. 2002	Dec. 2006	100	107
20 Tanzania	Apr. 2000	Nov. 2001	89	96
21 Uganda	Feb. 2000	May. 2000	120 2/	122
22 Zambia	Dec. 2000	Apr. 2005	469	508
Decision point countries (9)			305	18
23 Afghanistan	Jul. 2007	Floating	--	--
24 Burundi	Aug. 2005	Floating	19	0
25 Chad	May. 2001	Floating	14	9
26 Congo, Dem. Rep. of	Jul. 2003	Floating	228	3
27 Congo, Rep. of	Mar. 2006	Floating	6	--
28 Gambia, The	Dec. 2000	Floating	2	0
29 Guinea	Dec. 2000	Floating	24	5
30 Guinea-Bissau	Dec. 2000	Floating	9	1
31 Haiti	Nov. 2006	Floating	2	0
Pre-decision point countries (7)				
32 Central African Republic	...	...	...	...
33 Comoros	...	...	...	...
34 Côte d'Ivoire 4/	...	...	...	...
35 Eritrea	...	...	...	...
36 Kyrgyz Republic	...	...	...	...
37 Nepal	...	...	...	...
38 Togo	...	...	...	...
Protracted arrears cases (3)				
39 Liberia	...	...	...	...
40 Somalia	...	...	...	...
41 Sudan	...	...	...	...
Total			1,878 5/	1,687

1/ Includes interest on amounts committed under the enhanced HIPC Initiative.

2/ Includes commitment under the original HIPC Initiative.

3/ The committed topping-up assistance will be disbursed upon receipt of satisfactory financing assurances.

4/ Côte d'Ivoire reached the decision point under the original HIPC Initiative in March 1998, but did not reach the completion point, nor has it reached the decision point under the enhanced HIPC Initiative.

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

Table 7. Debt Relief Following Implementation of the MDRI
(In millions of SDRs)

		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)
HIPC countries (22)			2,566	397	2,169	1,086	1,083
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	Ghana	Jan. 2006	265	45	220	220	-
7	Guyana	Jan. 2006	45	13	32	-	32
8	Honduras	Jan. 2006	107	9	98	-	98
9	Madagascar	Jan. 2006	137	9	128	128	-
10	Malawi	Sep. 2006	38	23	15	15	-
11	Mali	Jan. 2006	75	13	62	62	-
12	Mauritania	Jun. 2006	33	3	30	-	30
13	Mozambique	Jan. 2006	107	24	83	83	-
14	Nicaragua	Jan. 2006	140	49	92	-	92
15	Niger	Jan. 2006	78	18	60	60	-
16	Rwanda	Jan. 2006	53	33	20	20	-
17	São Tomé and Príncipe	Mar. 2007	1	-	1	1	-
18	Senegal	Jan. 2006	100	6	95	-	95
19	Sierra Leone	Dec. 2006	117	41	77	77	-
20	Tanzania	Jan. 2006	234	27	207	207	-
21	Uganda	Jan. 2006	88	12	76	76	-
22	Zambia	Jan. 2006	403	4	398	-	398
Non-HIPC countries (2) 2/			126	-	126	126	-
23	Cambodia	Jan. 2006	57	-	57	57	-
24	Tajikistan, Rep. of	Jan. 2006	69	-	69	69	-
Total			2,692	397	2,295	1,212	1,083

1/ Balances outstanding 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.

Decision and Pre-Decision Point HIPCs¹⁵

14. The cost of providing HIPC-MDRI debt relief to the 16 decision and pre-decision point HIPCs is estimated at SDR 0.7 billion. Of this amount, the cost for the

¹⁵ Decision point HIPCs refer to those that have already reached HIPC Initiative decision point but not yet completion point (Afghanistan, Burundi, Chad, the Democratic Republic of the Congo, Republic of Congo, the Gambia, Guinea, Guinea-Bissau, and Haiti). Pre-decision point cases refer to those that have not yet reached decision point (Eritrea, the Central African Republic, Comoros, Côte d'Ivoire, Kyrgyz Republic, Nepal, and Togo).

nine countries that have already reached the HIPC Initiative decision point would amount to SDR 0.6 billion, while the cost for the seven cases that have not yet reached decision point would be about SDR 0.1 billion. For presentational and analytical purposes, these costs do not include those associated with the three protracted arrears cases, which are discussed in a separate section below.

15. Among the above countries, the cost of HIPC-MDRI debt relief to the five ring-fenced HIPCs would amount to SDR 12 million, as compared to SDR 80 million estimated in the last update. The reduction in the estimated cost reflects two developments. First, the Kyrgyz Republic is now 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. Second, the estimated cost of debt relief for Nepal was reduced, reflecting changes in the outlook for this country.

16. Available resources appear sufficient to finance debt relief to the above HIPCs (Table 8).¹⁶ However, it should be noted that the cost of providing debt relief to the newly identified ring-fenced HIPCs was not included in the original HIPC-MDRI financing framework. While resources in the HIPC and MDRI Trusts are available to qualifying members on a “first-come, first-served” basis and are likely sufficient to cover the financing needs of these cases, additional financing would need to be mobilized should the estimated cost for these countries turn out to be larger.¹⁷

Protracted Arrears Cases

17. Providing debt relief to the three protracted arrears cases—Liberia, Somalia, and Sudan—would require substantial additional resources. As of end-June 2007, the total arrears of these countries to the Fund amounted to SDR 1.8 billion. As the costs for providing debt relief to these countries were not included in the financing framework of the HIPC Initiative and the MDRI, additional financing will need to be identified and secured.

¹⁶ The estimated cost of HIPC assistance does not include potential needs for topping-up assistance. To date, approved topping up assistance to Burkina Faso, Ethiopia, Malawi, Niger, Rwanda, and São Tomé and Príncipe amounted to SDR 63 million.

¹⁷ In this context, the G-8 committed in the lead up to the MDRI at the 2005 Summit in Gleneagles to cover, on a fair burden-sharing basis, the cost of debt relief for countries that may become eligible for the HIPC Initiative under the extended sunset clause. The G-8 also committed that donors would provide the extra resources necessary for full debt relief at completion point for the protracted arrears cases.

Table 8. Financing of Debt Relief to the Remaining HIPC^{1/}
(In billions of SDRs; end-June 2007 NPV terms)

Resources available in	0.81
HIPC sub-account 2/	0.47
MDRI-I Trust	0.30
MDRI-II Trust	0.04
Financing needed from	0.73
HIPC sub-account	0.41
MDRI-I Trust	0.30
MDRI-II Trust	0.02
Remaining balance	0.08
HIPC sub-account	0.06
MDRI-I Trust 3/	0.01
MDRI-II Trust	0.02

1/ Excluding Liberia, Somalia, and Sudan.

2/ Including resources in the HIPC Umbrella account.

3/ The actual cost of the MDRI relief to Cambodia and Tajikistan was higher than projected by SDR 18 million, as the debt relief was provided on January 6, 2006, instead of at end-2006 as assumed in SM/05/353.

18. **In light of Liberia's strengthened cooperation with the Fund, Fund management has proposed a financing package to mobilize the needed resources for financing debt relief to Liberia.**¹⁸ It is important that sufficient resources be forthcoming to secure the package so as to allow the Fund to proceed with arrears clearance and debt relief for Liberia expeditiously.

IV. SUBSIDIZATION OF EMERGENCY ASSISTANCE

19. **The Executive Board, in January 2005, decided to extend the subsidization of emergency post-conflict assistance (EPCA) to emergency assistance for natural disasters (ENDA) for PRGF-eligible member countries, subject to resource availability.** It was estimated that subsidy resources of about SDR 45–65 million would need to be mobilized for 2005–09. Since then, firm pledges of about SDR 30 million have been committed by 17 countries, with the remaining SDR 15–35 million yet to be mobilized.

20. **Subsidy resources for both ENDA and EPCA are estimated to amount to about SDR 27.5 million** (Table 9), including the balances available in the three sub-accounts and

¹⁸ See *Liberia—Financial Modalities for Arrears Clearance and Debt Relief and Related Decision* (EBS/07/100, 8/28/07).

forthcoming disbursements of existing pledges. Of this amount, SDR 6.5 million is available for subsidization of EPCA only, SDR 8 million for subsidization of ENDA only, and about SDR 12.9 million for subsidization of both types of assistance.

Table 9. Subsidization of Emergency Assistance
for the Existing Cases
(In millions of SDRs; end-June 2007 NPV terms)

Resources available in	27.5
EPCA account	6.5
ENDA account 1/	8.0
EPCA/ENDA joint account	12.9
Financing needed for	18.8
EPCA	7.8
ENDA	11.0
Remaining balance	8.6

1/ Including forthcoming disbursements of SDR 7.6 million.

21. **Total resources needed for subsidization of outstanding emergency assistance are estimated at SDR 19 million in end-June 2007 NPV terms** (Table 10). Currently available subsidy resources are, therefore, likely sufficient to cover the estimated needs of the existing cases. Subsidy resources available for new requests would amount to SDR 8.6 million, adequate to support subsidization of new ENDA/EPCA credit of about SDR 45 million.

Table 10. ENDA/EPCA Credit Outstanding and Subsidy Needs 1/
(In millions of SDRs)

	Credit outstanding (as of end-August 2007)	Estimated subsidy needs (in NPV terms)
ENDA	111.1	11.0
Grenada	3.7	0.3
Maldives	4.1	0.4
Sri Lanka	103.4	10.3
EPCA	40.7	7.8
Côte D'Ivoire	40.7	7.8
Total	151.8	18.8

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

22. **Looking ahead, new requests for EPCA are anticipated in the coming months, including a possible second purchase by Côte d'Ivoire, which will require mobilization of additional subsidy resources.** Based on the current interest rate assumptions, the projected subsidy needs of the forthcoming requests will likely exceed the available

resources. As subsidy resources, if not sufficient, are available to PRGF-eligible countries on a pro-rata basis,¹⁹ in the absence of additional resources, there is no assurance that current and prospective users of emergency assistance will receive full subsidization of their entire ENDA and/or EPCA purchases. In this context, the original target for subsidy contributions of SDR 45–65 million set in early 2005 remains appropriate. It is, therefore, a matter of urgency to mobilize the remaining amount of SDR 15–35 million to enable the Fund to meet new requests for subsidization of emergency assistance in a timely manner.

V. PROPOSED DECISION

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

The Executive Board notes the report entitled “Update on the Financing of the Fund’s Concessional Assistance and Debt Relief to Low-Income Member Countries” (SM/07/324), and decides that (i) the semi-annual reviews of the financing of the MDRI-I and MDRI-II Trusts, contemplated in paragraphs 1 and 2, respectively, of Decision No.13588-(05/99) MDRI, adopted November 23, 2005, effective January 5, 2006, and (ii) the semi-annual review of the financing of the Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations, contemplated in paragraph 2 of Decision No. 11436-(97/10) adopted February 4, 1997, as amended, are completed.

¹⁹ See *Subsidization of the Fund’s Emergency Assistance for Natural Disasters to PRGF-Eligible Members* (EBS/05/4, 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).

Table 11. Subsidy Contributions for Emergency Assistance
(In millions; as of end-June 2007)

Contributor	Date of pledge	Contribution pledge	SDR equivalent 1/	Contribution received
Sub-Account 1: EPCA subsidization only				
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
Sub Total			9.7	9.7
Sub-Account 2: ENDA subsidization only				
Australia	Jun. 2005	Aus\$ 2.0	1.3	0.9
Austria 2/	Apr. 2005	SDR 1.3	1.3	0.2
Canada	Feb. 2005	Can\$ 5.0	3.0	1.7
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	--
Ireland	Nov. 2006	Euro 0.5	0.5	0.2
Japan	Apr. 2005	US\$ 2.5	1.7	1.7
Luxembourg	Feb. 2005	Euro 1.25	1.1	0.6
Russia	Feb. 2005	US\$ 1.5	1.0	0.4
Saudi Arabia	Apr. 2005	US\$ 4.0	2.6	--
Switzerland	Feb. 2005	US\$ 2.0	1.4	1.4
Sub Total			18.2	9.9
Sub-Account 3: Subsidization of EPCA and ENDA				
France	Jan. 2005	Euro 1.5	1.2	1.2
Netherlands 4/	Mar. 2002	US\$ 2.0	1.5	1.5
Netherlands	Mar. 2005	US\$ 2.0	1.4	1.4
Norway	Feb. 2005	NKr 10.0	1.1	1.1
Sweden	Feb. 2005	US\$ 10.0	6.6	6.6
United Kingdom	Feb. 2005	£ 1.0	1.2	1.2
Sub Total			13.0	13.0
Total			40.9	32.6
<i>Memorandum item:</i>				
Pledges made since beginning of 2005			29.7	21.3

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 2007.

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

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

4/ Initial contribution, previously earmarked for EPCA.

Table 12. Summary of Bilateral Contributions to the PRGF-ESF and PRGF-HIPC Trusts
(In millions of SDRs; as of end-June 2007)

	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			
TOTAL	2,068.9	1,120.0	3,188.9	15,759.7	1,561.6	32.2
Major industrial countries	1,299.0	818.8	2,117.8	12,864.8	880.5	--
Canada	126.6	84.8	211.5	700.0	48.8	--
France	251.5	116.4	367.9	2,900.0	82.2	--
Germany	112.5	66.1	178.6	2,750.0	127.2	--
Italy	49.4	84.4	133.741	1,380.0	63.6	--
Japan	395.5	253.4	648.9	5,134.8	144.0	--
United Kingdom	264.4	155.4	419.8	--	82.2	--
United States	99.1	58.3	157.4	--	332.6	--
Other advanced countries	644.6	250.4	895.0	2,452.8	299.7	--
Australia	12.0	3.7	15.7	--	24.8	--
Austria	59.5	--	59.5	--	14.3	--
Belgium	66.1	39.5	105.6	350.0	35.3	--
Denmark	40.1	23.6	63.7	100.0	18.5	--
Finland	25.7	15.1	40.9	--	8.0	--
Greece	22.7	13.3	36.0	--	6.3	--
Iceland	2.6	1.5	4.1	--	0.9	--
Ireland	5.3	2.4	7.6	--	5.9	--
Israel	--	--	--	--	1.8	--
Korea	38.9	21.0	59.9	92.7	15.9	--
Luxembourg	12.8	--	12.8	--	0.7	--
Netherlands	128.5	--	128.5	450.0	45.4	--
New Zealand	--	--	--	--	1.7	--
Norway	26.6	15.7	42.3	150.0	18.5	--
Portugal	2.6	1.4	4.0	--	6.6	--
San Marino	--	--	--	--	0.0	--
Singapore	11.0	6.5	17.5	--	16.5	--
Spain	15.9	3.1	19.1	708.4	23.3	--
Sweden	109.0	65.0	174.0	--	18.3	--
Switzerland	65.2	38.5	103.6	601.7	37.0	--
Fuel exporting countries	10.2	6.1	16.3	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	1.0	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 2007)

	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			
Other developing countries	103.3	44.8	148.1	355.6	224.1	9.1
Argentina	19.6	11.5	31.0	--	16.2	6.4
Bangladesh	0.6	0.2	0.8	--	1.7	--
Barbados	--	--	--	--	0.4	--
Belize	--	--	--	--	0.3	--
Botswana	1.0	0.6	1.6	--	5.7	--
Brazil	--	--	--	--	15.0	--
Cambodia	--	--	--	--	0.0	--
Chile	2.2	1.3	3.5	--	4.4	--
China	9.5	4.2	13.8	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	11.9	--	11.9	--	22.9	--
Indonesia	3.6	2.1	5.8	--	8.2	--
Jamaica	--	--	--	--	2.7	--
Lebanon	--	--	--	--	0.4	0.4
Malaysia	19.0	11.2	30.2	--	12.7	--
Maldives	--	--	--	--	0.0	0.0
Malta	0.9	0.5	1.3	--	1.1	--
Mauritius	--	--	--	--	0.1	--
Mexico	--	--	--	--	54.5	--
Micronesia, F. S.	--	--	--	--	0.0	--
Morocco	5.4	3.2	8.5	--	1.6	--
Pakistan	2.1	0.3	2.5	--	3.4	--
Paraguay	--	--	--	--	0.1	--
Peru	--	--	--	--	2.5	--
Philippines	--	--	--	--	6.7	--
Samoa	--	--	--	--	0.0	--
South Africa	--	--	--	--	28.6	--
Sri Lanka	--	--	--	--	0.6	--
St. Lucia	--	--	--	--	0.1	--
St. Vincent and the Grenadines	--	--	--	--	0.1	--
Swaziland	--	--	--	--	0.0	--
Thailand	7.4	4.4	11.9	--	4.5	--
Tonga	--	--	--	--	0.0	--
Trinidad and Tobago	--	--	--	--	1.6	1.6
Tunisia	0.6	0.3	0.9	--	1.5	--
Turkey	11.3	--	11.3	--	--	--
Uruguay	0.8	0.5	1.3	--	2.2	--
Vanuatu	--	--	--	--	0.1	0.1
Vietnam	--	--	--	--	0.4	--

Table 12 (concluded). Summary of Bilateral Contributions to the PRGF-ESF and PRGF-HIPC Trusts
(In millions of SDRs; as of end-June 2007)

	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			
Countries in transition	11.8	--	11.8	--	42.9	--
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 2007)

	Effective date of agreement	Vehicle 2/	Deposit/Investment Amount			Interest Rate (percent)	Maturity (years)
			Agreed	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	--	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	--	0.5	10
Botswana							
Bank of Botswana 3/ 4/	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	--	0.5	5½–10
Indonesia							
Bank Indonesia 5/	Jun. 23, 1994	Admin. Account	25.0	25.0	--	--	10
Iran, Islamic Republic of							
Central Bank of Iran	May 24, 1994	Admin. Account	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 4/	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	PRGF-ESF Subsidy Account	1.4	1.4	--	0.5	13
Pakistan							
State Bank of Pakistan 6/	Apr. 21, 1994	PRGF-ESF Subsidy Account	10.0	9.3	9.3	0.5	16
Portugal							
Banco do Portugal	May 5, 1994	Admin. Account	13.1	13.1	1.3	0.5	6–10
Saudi Arabia							
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
Singapore							
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
Spain							
Government of Spain 8/	Feb. 8, 1995	PRGF-ESF Subsidy Account	60.3	31.9	31.9	0.5	10
Thailand							
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
Trinidad and Tobago							
Government of Trinidad and Tobago	Dec. 7, 2006	PRGF-ESF Subsidy Account	3.0	--	--	1.0	10
Tunisia							
Banque Centrale de Tunisie 9/	May 4, 1994	Subsidy Account	3.6	3.6	--	0.5	10
Uruguay							
Banco Central del Uruguay 10/	Jul. 7, 1994	Subsidy Account	7.2	7.2	--	--	10
Total			864.4	738.0	80.8		

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 2007)

	Effective date of agreement	Expiration date for drawings	Loan commitments	Amount Disbursed		Early repayment related to the MDRI	Amount outstanding
				Amount	In percent of commitment		
Belgium							
National Bank of Belgium 1/	Jul. 2, 1999	Dec. 31, 2014	350.0	244.7	69.9	163.0	63.4
Canada							
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	207.2
China							
Government of China 1/	Jul. 05, 1994	Dec. 31, 2014	200.0	176.3	88.1	37.7	90.8
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, 2014	155.6	100.0	64.3	21.9	28.1
France							
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	--	390.8
Agence Française de Développement 1/ 2/	Dec. 17, 1999	Dec. 31, 2014	1,350.0	557.0	41.3	376.1	180.9
Germany							
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	196.3
Kreditanstalt für Wiederaufbau 1/	Jun. 19, 2000	Dec. 31, 2009	1,350.0	377.3	27.9	180.6	196.6
Italy							
Bank of Italy 3/	Oct. 04, 1990	Dec. 31, 1997	370.0	370.0	100.0	11.7	--
Bank of Italy 3/	May. 29, 1998	Dec. 31, 2005	210.0	210.0	100.0	170.9	--
Bank of Italy 1/	Mar. 1, 2000	Dec. 31, 2014	800.0	497.9	62.2	63.5	434.5
Japan							
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	2,682.8	91.4	--	2,046.5
Korea							
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	--
Netherlands							
Bank of the Netherlands 1/	Sep. 29, 1999	Dec. 31, 2014	450.0	214.5	47.7	55.2	159.3
Norway							
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	--
OPEC Fund for International Development 5/	Dec. 20, 1994	Dec. 31, 2005	37.0	37.0	100.0	25.7	--
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	--	35.1
Bank of Spain 1/	Feb. 14, 2000	Dec. 31, 2014	425.0	154.9	36.5	41.4	113.5
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, 2014	401.7	236.8	58.9	44.7	114.8
Subtotal			15,710.2	12,535.2	79.8	1,806.7	4,257.9
Associated Agreement - Saudi Fund for Development (SFD)	Feb. 27, 1989	-- 8/	49.5	49.5	100.0	--	--
Total Loan and Associated Loan Agreements 9/			15,759.7	12,584.7	79.9	1,806.7	4,257.9

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. Information on Pending Bilateral Contributions to the PRGF-HIPC Trust 1/
(Status as of end-June 2007)

Country	Status
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 6 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 1.1 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.
Trinidad and Tobago	Contribution of income on an interest-free deposit of its Post-SCA-2 balance of SDR 2.7 million.
Vanuatu	Grant contribution of its Post-SCA-2 balance of SDR 0.05 million.
República Bolivariana de Venezuela	Considered to contribute based on its quota-based share. Contribution could be financed through use of its Post-SCA-2 balance of SDR 33.2 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.