

SM/13/275

October 10, 2013

To: Members of the Executive Board

From: The Secretary

Subject: **Notification of Effectiveness of the Second Distribution of the General Reserve  
Attributed to Remaining Windfall Gold Sale Profits**

Attached for the **information** of the Executive Directors is a memorandum from the Managing Director notifying Executive Directors of the effectiveness of the distribution of SDR 1.75 billion of the general reserve attributed to the remaining windfall gold sale profits.

It is intended that this paper will be published on the Fund's external website.

Questions may be referred to Mr. Powell, FIN (ext. 36932) and Mr. Steinki, LEG (ext. 38222).

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

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Department Heads





# Office Memorandum

October 10, 2013

To: Members of the Executive Board

From: The Managing Director

Subject: **Notification of Effectiveness of the Second Distribution of the General Reserve Attributed to Remaining Windfall Gold Sale Profits**

1. On September 28, 2012, the Executive Board approved a partial distribution of the Fund's general reserve equivalent to SDR 1,750 million attributed to the remaining gold sales windfall profits to all members in proportion to their quotas and the funding of the distribution with a reduction in the amount of Investment Account investment (Decision No. 15228-(12/95)), the "Distribution Decision".<sup>1</sup>
2. In accordance with paragraph 5 of the Distribution Decision, the distribution will only become effective when I have notified the Executive Board that, in my assessment, satisfactory financing assurances exist regarding the availability of at least SDR 1,575 million for new subsidy contributions to the Poverty Reduction and Growth Trust (PRGT) based on: (a) the amount that members have requested in writing be transferred as subsidy contributions to the PRGT from their share in the partial distribution; (b) the amount of other new contributions that members have provided as subsidy contributions to the PRGT in light of the Distribution Decision; and (c) the amount of other subsidy contributions that members have given written assurances that they will provide to the PRGT in light of the Distribution Decision.
3. I am pleased to notify the Executive Board that the required satisfactory financing assurances have been secured—as of today, October 10, 2013, satisfactory financing assurances have been received from 151 members regarding the availability of SDR 1,618 million (92.43 percent of the distribution) for new PRGT subsidy contributions (Appendix Table). Accordingly, the Distribution Decision is effective as of today.

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<sup>1</sup> See *Proposal to Distribute Remaining Windfall Gold Sales Profits and Strategy to Make the Poverty Reduction and Growth Trust Sustainable* (SM/12/244, 09/17/2012).

4. The distribution amounts for each member are shown in the Appendix Table, and are based on members' quotas as of today. The relevant transfers are expected to be made on October 22, 2013, which would allow time for the standard communications with members' fiscal agents on operational aspects of the distribution.<sup>2</sup> Consistent with paragraph 4 of the Distribution Decision, the proceeds from the reduction of the amount of investment in the Investment Account equivalent to SDR 1,750 million will be transferred to the General Resources Account (GRA) on the same day the distribution is made. Also, in accordance with Paragraph 1 of the Distribution Decision, the Interim Administered Account for Remaining Windfall Gold Sales Profits is now effective.

5. This distribution is a central element of the strategy to make the Poverty Reduction and Growth Trust self-sustaining, and I want to express my utmost gratitude to the many and diverse members that have expressed their support in this way. A number of members have not yet communicated to the Fund their decision regarding the transfer of their share of the distribution to the PRGT, or an equivalent new contribution, and staff will remain in close contact with those members with the goal of maximizing the PRGT's self-sustained lending capacity. Further updates will be provided to the Board in due course.

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<sup>2</sup> Similar operational modalities were followed for the first partial distribution of SDR 700 million of the general reserve attributed to windfall gold sale profits, effective on October 12, 2012 and implemented on October 23, 2012. See *Notification of Effectiveness of Partial Distribution of the General Reserve Attributed to Windfall Gold Sale Profits* (SM/12/255, 10/12/2012).

**Appendix Table. Assurances of PRGT Subsidies Related to the Distribution  
of SDR 1,750 million of the General Reserve Attributed to Remaining Windfall Gold Sale Profits 1/  
(As of October 10, 2013)**

Member	Distribution		Subsidy Pledge
	Millions of SDRs	In percent of the distribution	Millions of SDRs
1 Afghanistan, Islamic Republic of	1.19	0.07	1.19
2 Albania	0.44	0.03	0.44
3 Algeria	9.22	0.53	9.22
4 Angola	2.10	0.12	2.10
5 Antigua and Barbuda	0.10	0.01	0.10
6 Argentina	15.56	0.89	15.56
7 Armenia	0.68	0.04	0.68
8 Australia	23.79	1.36	23.79
9 Austria	15.54	0.89	15.54
10 Azerbaijan	1.18	0.07	1.18
11 Bahamas, The	0.96	0.05	0.96
12 Bahrain	0.99	0.06	-
13 Bangladesh	3.92	0.22	3.92
14 Barbados	0.50	0.03	0.50
15 Belarus	2.84	0.16	2.84
16 Belgium*	33.84	1.93	25.38
17 Belize	0.14	0.01	0.14
18 Benin	0.45	0.03	0.45
19 Bhutan	0.05	0.00	0.05
20 Bolivia	1.26	0.07	-
21 Bosnia and Herzegovina	1.24	0.07	1.24
22 Botswana*	0.65	0.04	0.58
23 Brazil	31.24	1.79	31.24
24 Brunei Darussalam	1.58	0.09	1.58
25 Bulgaria*	4.71	0.27	4.23
26 Burkina Faso	0.44	0.03	0.44
27 Burundi*	0.57	0.03	0.57
28 Cambodia	0.64	0.04	0.64
29 Cameroon	1.36	0.08	1.36
30 Canada	46.81	2.67	46.81
31 Cape Verde	0.08	0.00	-
32 Central African Republic	0.41	0.02	-
33 Chad	0.49	0.03	0.49
34 Chile	6.29	0.36	-
35 China	70.01	4.00	70.01
36 Colombia	5.69	0.33	-
37 Comoros	0.07	0.00	0.07
38 Congo, Democratic Republic of the	3.92	0.22	3.92
39 Congo, Republic of	0.62	0.04	0.62
40 Costa Rica	1.21	0.07	1.21

**Appendix Table (continued). Assurances of PRGT Subsidies Related to the Distribution of SDR 1,750 million of the General Reserve Attributed to Remaining Windfall Gold Sale Profits 1/ (As of October 10, 2013)**

Member	Distribution		Subsidy Pledge
	Millions of SDRs	In percent of the distribution	Millions of SDRs
41 Côte d'Ivoire	2.39	0.14	2.39
42 Croatia*	2.68	0.15	1.34
43 Cyprus	1.16	0.07	-
44 Czech Republic	7.37	0.42	7.37
45 Denmark	13.90	0.79	13.90
46 Djibouti	0.12	0.01	0.12
47 Dominica	0.06	0.00	0.06
48 Dominican Republic	1.61	0.09	-
49 Ecuador	2.56	0.15	-
50 Egypt	6.94	0.40	6.94
51 El Salvador	1.26	0.07	-
52 Equatorial Guinea	0.38	0.02	0.38
53 Eritrea	0.12	0.01	-
54 Estonia	0.69	0.04	0.69
55 Ethiopia	0.98	0.06	0.98
56 Fiji, Republic of	0.52	0.03	0.52
57 Finland	9.29	0.53	9.29
58 France	78.92	4.51	78.92
59 Gabon	1.13	0.06	1.13
60 Gambia, The	0.23	0.01	0.23
61 Georgia	1.10	0.06	1.10
62 Germany	107.05	6.12	107.05
63 Ghana	2.71	0.15	2.71
64 Greece	8.10	0.46	8.10
65 Grenada	0.09	0.00	-
66 Guatemala	1.54	0.09	-
67 Guinea	0.79	0.04	0.79
68 Guinea-Bissau	0.10	0.01	0.10
69 Guyana	0.67	0.04	-
70 Haiti	0.60	0.03	0.60
71 Honduras	0.95	0.05	0.95
72 Hungary	7.63	0.44	7.63
73 Iceland	0.86	0.05	0.86
74 India	42.78	2.44	42.78
75 Indonesia	15.28	0.87	15.28
76 Iran, Islamic Republic of	11.00	0.63	-
77 Iraq	8.73	0.50	-
78 Ireland	9.24	0.53	9.24
79 Israel	7.80	0.45	-
80 Italy	57.93	3.31	57.93
81 Jamaica	2.01	0.11	2.01

**Appendix Table (continued). Assurances of PRGT Subsidies Related to the Distribution of SDR 1,750 million of the General Reserve Attributed to Remaining Windfall Gold Sale Profits 1/ (As of October 10, 2013)**

Member	Distribution		Subsidy Pledge
	Millions of SDRs	In percent of the distribution	Millions of SDRs
82 Japan	114.86	6.56	114.86
83 Jordan	1.25	0.07	1.25
84 Kazakhstan	2.69	0.15	-
85 Kenya	1.99	0.11	-
86 Kiribati	0.04	0.00	-
87 Korea	24.74	1.41	24.74
88 Kosovo	0.43	0.02	0.43
89 Kuwait	10.15	0.58	10.15
90 Kyrgyz Republic	0.65	0.04	0.65
91 Lao People's Democratic Republic	0.39	0.02	0.39
92 Latvia	1.04	0.06	1.04
93 Lebanon	1.96	0.11	1.96
94 Lesotho*	0.26	0.01	0.26
95 Liberia	0.95	0.05	-
96 Libya	8.26	0.47	8.26
97 Lithuania	1.35	0.08	1.35
98 Luxembourg	3.08	0.18	3.08
99 Macedonia, former Yugoslav Republic of	0.51	0.03	0.51
100 Madagascar	0.90	0.05	-
101 Malawi*	0.51	0.03	0.51
102 Malaysia	13.04	0.74	13.04
103 Maldives*	0.07	0.00	0.07
104 Mali	0.69	0.04	0.69
105 Malta	0.75	0.04	0.75
106 Marshall Islands	0.03	0.00	-
107 Mauritania	0.47	0.03	0.47
108 Mauritius	0.75	0.04	0.75
109 Mexico	26.65	1.52	26.65
110 Micronesia, Federated States of	0.04	0.00	0.04
111 Moldova	0.91	0.05	0.91
112 Mongolia	0.38	0.02	0.38
113 Montenegro*	0.20	0.01	0.10
114 Morocco	4.32	0.25	4.32
115 Mozambique	0.83	0.05	0.83
116 Myanmar	1.90	0.11	1.90
117 Namibia	1.00	0.06	1.00
118 Nepal	0.52	0.03	0.52
119 Netherlands	37.94	2.17	37.94
120 New Zealand	6.57	0.38	6.57

**Appendix Table (continued). Assurances of PRGT Subsidies Related to the Distribution of SDR 1,750 million of the General Reserve Attributed to Remaining Windfall Gold Sale Profits 1/ (As of October 10, 2013)**

Member	Distribution		Subsidy Pledge
	Millions of SDRs	In percent of the distribution	Millions of SDRs
121 Nicaragua	0.96	0.05	0.96
122 Niger	0.48	0.03	0.48
123 Nigeria	12.88	0.74	12.88
124 Norway	13.84	0.79	13.84
125 Oman	1.74	0.10	1.74
126 Pakistan	7.60	0.43	7.60
127 Palau	0.02	0.00	-
128 Panama	1.52	0.09	1.52
129 Papua New Guinea	0.97	0.06	0.97
130 Paraguay	0.73	0.04	0.73
131 Peru	4.69	0.27	4.69
132 Philippines	7.49	0.43	-
133 Poland	12.41	0.71	12.41
134 Portugal	7.57	0.43	7.57
135 Qatar	2.22	0.13	2.22
136 Romania	7.57	0.43	7.57
137 Russian Federation	43.69	2.50	43.69
138 Rwanda	0.59	0.03	0.59
139 Samoa	0.09	0.00	0.09
140 San Marino*	0.16	0.01	0.08
141 São Tomé and Príncipe	0.05	0.00	0.05
142 Saudi Arabia	51.34	2.93	51.34
143 Senegal	1.19	0.07	1.19
144 Serbia	3.44	0.20	3.44
145 Seychelles	0.08	0.00	0.08
146 Sierra Leone	0.76	0.04	0.76
147 Singapore	10.35	0.59	10.35
148 Slovak Republic*	3.14	0.18	2.83
149 Slovenia*	2.02	0.12	1.01
150 Solomon Islands	0.08	0.00	0.08
151 Somalia	0.32	0.02	-
152 South Africa	13.73	0.78	13.73
153 South Sudan	0.90	0.05	-
154 Spain	29.57	1.69	29.57
155 Sri Lanka	3.04	0.17	3.04
156 St. Kitts and Nevis	0.07	0.00	-
157 St. Lucia	0.11	0.01	0.11
158 St. Vincent and the Grenadines	0.06	0.00	-
159 Sudan	1.25	0.07	-
160 Suriname	0.68	0.04	-

**Appendix Table (concluded). Assurances of PRGT Subsidies Related to the Distribution  
of SDR 1,750 million of the General Reserve Attributed to Remaining Windfall Gold Sale Profits 1/  
(As of October 10, 2013)**

Member	Distribution		Subsidy Pledge
	Millions of SDRs	In percent of the distribution	Millions of SDRs
161 Swaziland	0.37	0.02	-
162 Sweden	17.61	1.01	17.61
163 Switzerland	25.42	1.45	-
164 Syrian Arab Republic	2.16	0.12	-
165 Tajikistan	0.64	0.04	0.64
166 Tanzania	1.46	0.08	1.46
167 Thailand	10.59	0.60	10.59
168 Timor-Leste	0.06	0.00	0.06
169 Togo	0.54	0.03	0.54
170 Tonga	0.05	0.00	0.05
171 Trinidad and Tobago	2.47	0.14	-
172 Tunisia	2.11	0.12	2.11
173 Turkey	10.70	0.61	10.70
174 Turkmenistan	0.55	0.03	0.55
175 Tuvalu	0.01	0.00	0.01
176 Uganda	1.33	0.08	1.33
177 Ukraine	10.08	0.58	10.08
178 United Arab Emirates	5.53	0.32	5.53
179 United Kingdom	78.92	4.51	78.92
180 United States	309.57	17.69	309.57
181 Uruguay	2.25	0.13	2.25
182 Uzbekistan	2.03	0.12	-
183 Vanuatu	0.12	0.01	0.12
184 Venezuela, República Bolivariana de	19.54	1.12	-
185 Vietnam	3.39	0.19	3.39
186 Yemen, Republic of	1.79	0.10	1.79
187 Zambia	3.59	0.21	3.59
188 Zimbabwe	2.60	0.15	2.60
<b>Total</b>	<b>1,750</b>	<b>100</b>	<b>1,618</b>

*Memorandum item:*

*Subsidies pledged, as a percentage of total distribution* 92.43

1/ The amounts distributed are based on the quota for each member on the day of the notification of the effectiveness of the distribution.

\* Partial contributors. Botswana, Bulgaria, Maldives, and the Slovak Republic pledged 90 percent of their share of the distribution. Belgium pledged 75 percent of its share, while Croatia, Montenegro, San Marino, and Slovenia pledged 50 percent of their share of the distribution.