

INTERNATIONAL MONETARY FUND

**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 Strategy, Policy, and Review Departments)

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EXECUTIVE SUMMARY

Commitments under new PRGT-supported programs are expected to increase in 2012 in part reflecting the weaker global economic outlook. PRGT commitments in 2011 amounted to SDR 1.2 billion, unchanged from their 2010 level. Staff projections suggest demand could rise to about SDR 2 billion in 2012. If all elements of the 2009 financing package are secured, the PRGT will have an annual average lending capacity of SDR 2.2 billion over 2012–14, or SDR 1.6 billion through 2015.

Additional pledges of SDR 1 billion in loan resources are still required to secure the targeted loan resources approved under the 2009 financing package. Fourteen members have so far pledged SDR 9.8 billion in new loan resources for the PRGT compared with the target of SDR 10.8 billion. New borrowing agreements totaling SDR 9.5 billion have been signed with thirteen lenders.

Progress has been made in securing new pledges of bilateral subsidy resources. As of end-February 2012, a total of twenty-five members have committed SDR 203 million in additional bilateral subsidies to the PRGT. This is broadly in line with the lower end of the target range of SDR 0.2–0.4 billion (in end-2008 NPV terms) envisaged under the 2009 financing package. Additional bilateral pledges are still being sought.

The Executive Board approved the partial distribution of the Fund's general reserve to the membership of SDR 700 million attributed to part of the windfall profits from recent gold sales as part of a strategy to raise SDR 0.5–0.6 billion in subsidy resources (in end-2008 NPV terms). The distribution will be effected once satisfactory assurances have been received from the membership that new PRGT subsidy contributions equivalent to at least 90 percent of the amount distributed, i.e., SDR 630 million, would be made. Securing these assurances from the membership in a timely manner is critical to completing the 2009 financing package. As of April 30, sixty-nine members, representing 48.67 percent of the proposed distribution have confirmed they would contribute their shares of the distribution or equivalent amounts.

Available resources in the HIPC/MDRI accounts are projected to be sufficient to finance debt relief for the remaining eligible countries (excluding Somalia and Sudan). Substantial additional resources will be needed when Somalia and Sudan are ready to embark on the HIPC Initiative. The approach developed for Liberia, including financing modalities, could provide a useful framework for these countries at that time.

The PRGT is projected to have a self-sustained lending capacity of about SDR 0.7–0.8 billion annually after 2014. However, based on staff's longer-term projections, additional subsidy resources will be required to support the expected demand for concessional financing.

I. INTRODUCTION¹

1. **This paper reviews the status of financing for the Fund’s concessional lending and debt relief for low-income countries (LICs).**² It is based on the latest available data and projections, and takes into account the pledges made thus far in response to the Managing Directors’ fund-raising requests of August 2009 and February 2012.
2. **The paper is organized as follows.** Section II describes progress in the implementation of the July 2009 reform of the Fund’s concessional lending instruments and the associated financing framework. Section III reviews PRGT operations and discusses developments in the PRGT Reserve Account. Section IV provides updates on the subsidization of emergency assistance, while Section V presents the developments on the financing of debt relief under the HIPC, MDRI, and the Post-Catastrophe Debt Relief (PCDR) Trust.

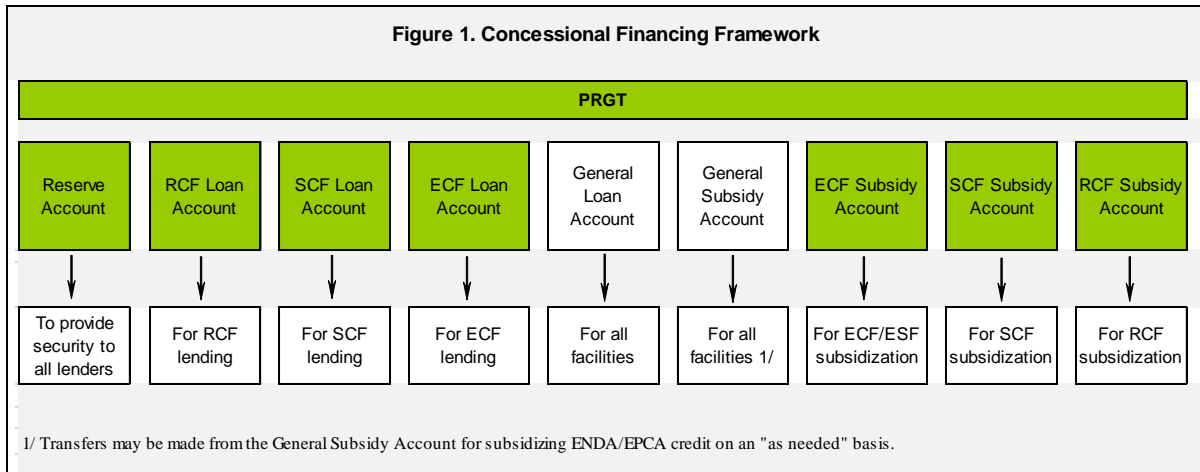
II. LIC FACILITIES AND FINANCING FRAMEWORK

3. **Since the effectiveness of the LIC reforms in January 2010, lending commitments to LICs have been approved under all three PRGT facilities**—the Extended Credit Facility (ECF), the Standby Credit Facility (SCF), and the Rapid Credit Facility (RCF).³ Loan and subsidy resources have been made available for all the loan and subsidy accounts of the PRGT (Figure 1). Total commitments under the ECF from January 2010 to end-December 2011, including augmentations under existing programs, amounted to SDR 2.2 billion, while commitments under the SCF and RCF amounted to SDR 0.1 billion each. In view of the closure of the Exogenous Shocks Facility (ESF) Subsidy Account in May 2010 after resources in that account were depleted, resources in the ECF Subsidy Account are available to meet the subsidy requirements of existing ESF loans.

¹ This paper was prepared by a team led by Robert Powell, and comprising Patrick Njoroge, Lodewyk Erasmus, Ivetta Hakobyan, Sandra Marcelino, Maria Mendez, and Izabela Rutkowska.

² The decisions adopting both the PRG-HIPC Trust 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, and effective on January 5, 2006). Starting in 2002, staff has updated the Board regularly on the mobilization of resources for the subsidization of emergency assistance.

³ See [IMF Reforms Financial Facilities for Low-Income Countries](#). The Framework became effective on January 7, 2010.



4. **The first review of the PRGT interest rate structure, provided for under the 2009 reforms, was completed in December 2011 (Box 1).**⁴ In view of the severe downside risks to the global economy, the Executive Board endorsed a one-year extension of the temporary interest waiver on PRGT loans through end-December 2012 (and January 2013 for subsidized EPCA and ENDA credits). The additional cost of extending the temporary interest waiver was estimated to be modest since application of the interest rate mechanism would anyway have resulted in a zero interest rate on ECF and RCF loans. The December 2011 decision provides that interest rates will revert to those indicated by the interest rate mechanism starting in 2013, thus allowing the differentiated interest rate structure to operate.⁵ The next review of PRGT interest rate structure would be completed by December 31, 2013.

5. **In February 2012, the Executive Board reviewed the framework that was established in 2010 for PRGT eligibility and the list of PRGT-eligible countries.**⁶ Based on the application of the framework, no countries were added to, or graduated from, the list of PRGT-eligible countries. The population threshold used to define small states under the framework was raised, however, from 1 million to 1.5 million, aligning it with the definition adopted by the World Bank. A more comprehensive review of PRGT-eligibility will take place by early-2013.

⁴ See [Poverty Reduction and Growth Trust—Review of Interest Rate Structure](#) (11/23/11).

⁵ The applicable interest rate for 2013 would be: zero percent for all ECF and RCF loans, and 0.25 percent for SCF loans. Outstanding ESF loans and subsidized ENDA/EPCA credits would carry an interest rate of 0.25 percent after the interest waiver expires.

⁶ See [Eligibility to Use the Fund's Facilities for Concessional Financing](#) (1/13/12), and [The IMF Reviews Eligibility for Using Concessional Financing Resources](#).

6. **The LIC financing package, approved in July 2009 as part of the LIC reforms, remains appropriate.**⁷ The package aims to increase the Fund's concessional lending capacity to SDR 11.3 billion for the period 2009–14, and requires the mobilization of new loan resources of SDR 10.8 billion to meet projected demand (including a liquidity buffer of SDR 1.8 billion to enable a voluntary encashment regime). The package also includes mobilization of new subsidy resources of SDR 1.5 billion (end-2008 NPV terms). Most of the additional subsidies are financed from the Fund's internal resources—including transfers from the PRGT Reserve Account, delaying until FY 2013 the resumption of reimbursement of the GRA for PRGT administrative costs, and use of resources linked to gold sales. However, new bilateral subsidy contributions of SDR 200–400 million (end-2008 NPV terms) are also important to complete the financing package. The Managing Director approached a wide spectrum of the membership in 2009 to mobilize the required loan and subsidy resources, and staff continues to follow up on these requests.

Box 1. PRGT Interest Rate Mechanism

The PRGT interest rate mechanism was established in 2009 to balance several competing objectives,¹ including: (i) making the financing term structure more concessional; (ii) preserving the Fund's scarce concessional resources; (iii) tailoring financing terms to the needs and capacity of LICs; and (iv) limiting fluctuations in concessionality and subsidy costs. The framework involves setting interest rates for outstanding balances under each of the PRGT facilities, and explicitly links the PRGT interest rate structure to world interest rates. The framework requires a review every two years to take account of developments in world interest rates.

Under the framework, the applicable interest rates on outstanding loan balances under the ECF, SCF and RCF would depend on prevailing SDR interest rates, with a modest differentiation in the interest rate between facilities to account for the expectation that SCF users will on average have somewhat higher capacity to service debt (Table 1).

Table 1. Interest Rate Mechanism for the Fund's Concessional Facilities¹

	Interest rate for concessional facility (In percent)		
	ECF	RCF	SCF
SDR rate < 2	0.00	0.00	0.25
2 ≤ SDR rate ≤ 5	0.25	0.25	0.50
SDR rate > 5	0.50	0.50	0.75

¹ The average SDR rate is based on the most recently observed 12-month period.

¹ See Section II, paragraph 4(b) of the PRGT Instrument as amended by [Decision No. 14354-\(09/79\)](#), adopted July 23, 2009 and effective January 7, 2010.

⁷ Additional background information and details of the financing package were provided in [Financing the Fund's Concessional Lending to Low-Income Countries](#).

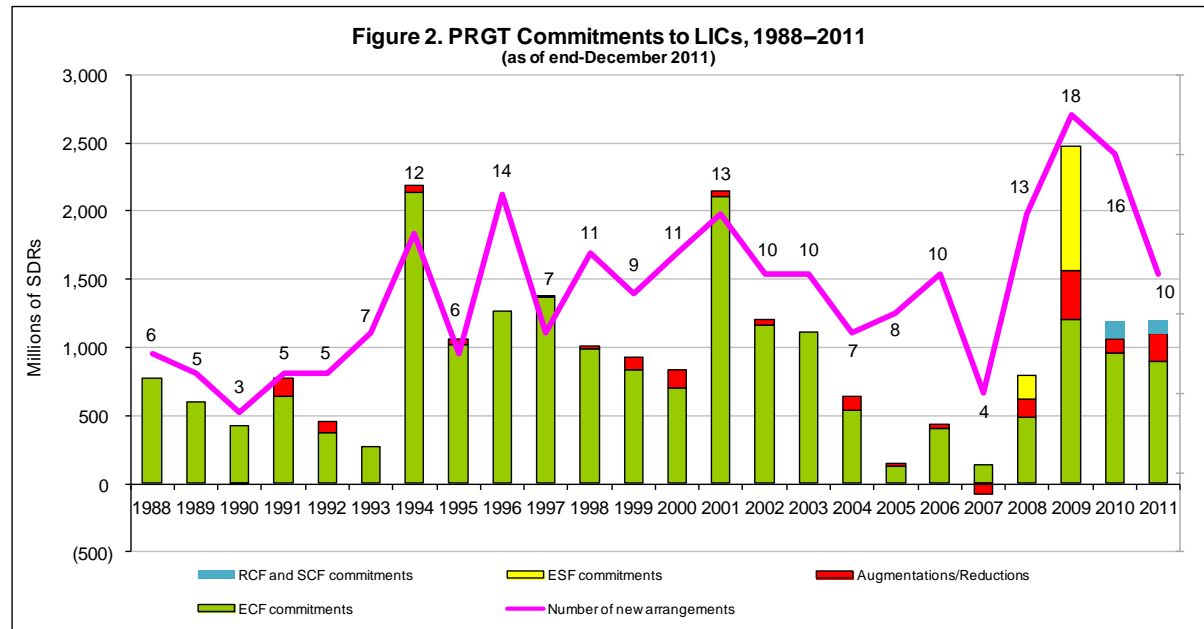
III. FINANCING OF PRGT OPERATIONS

A. Projected Financing Needs

7. **In 2011, commitments under new PRGT arrangements amounted to SDR 1.2 billion, the same level as in 2010.** This is broadly in line with projections at the time the new LIC financing package was approved. The new PRGT commitments in 2011 (Table 1 and Figure 2) comprised of: (i) five new ECF arrangements amounting to SDR 897.5 million; (ii) four augmentations of existing ECF arrangements in the amount of SDR 201.7 million; (iii) one new SCF arrangement amounting to SDR 5.2 million; and (iv) four new disbursements under the RCF in the amount of SDR 88.5 million.

Table 1. New PRGT Commitments to LICs in 2011
(In millions of SDRs, as of end-December 2011)

Country	Board approval	Amount	Country	Board approval	Amount
New ECF arrangements			RCF disbursements		
897.5			88.5		
Kenya	Jan-11	325.7	St. Lucia	Jan-11	3.8
Kyrgyz Republic	Jun-11	66.6	St. Vincent and Grenadines	Mar-11	2.1
Cote d'Ivoire	Nov-11	390.2	Cote d'Ivoire	Jul-11	81.3
Afghanistan	Nov-11	85.0	St. Vincent and Grenadines	Aug-11	1.2
Mali	Dec-11	30.0			
ECF augmentations			SCF arrangements		
201.7			5.2		
Mali	Jun-11	25.0	Solomon Islands	Dec-11	5.2
Burundi	Jul-11	5.0			
Liberia	Jun-11	8.9			
Kenya	Dec-11	162.8			
Total					1,193



8. **Weak global economic prospects and significant downside risks to the outlook could lead to higher demand for concessional loans than has been observed over the last two years.** Information provided by area departments indicates that demand for PRGT loans in 2012 could pick up to around SDR 2 billion. However, this projection is subject to uncertainty related to the global economic outlook and the timing of potential requests from some members with larger quotas.

9. **The PRGT has sufficient capacity to accommodate a higher level of demand during 2012–14.** Provided that the 2009 LIC financing package, which aimed to increase the Fund’s concessional lending capacity to SDR 11.3 billion during 2009–14, is completed, the PRGT would have a lending capacity of about SDR 2.2 billion annually during 2012–14 (Table 2, middle panel).⁸ In this higher-demand scenario, the self-sustained operations of the PRGT could commence in 2015 with the capacity to subsidize annual commitments of about SDR 0.7 billion. However, in a lower-demand scenario where demand in the medium term is assumed to be about SDR 1.6 billion annually, available resources at end-2014 could support an annual commitment of about SDR 0.8 billion (Table 2, lower panel).

Table 2. Scenarios of Medium Term Concessional Lending to LICs

Commitments	Actual annual average 2000–08 ¹	Actual			Projections			Total ² (2009–14)	Sustainable lending capacity beyond 2014
		2009	2010	2011	2012	2013	2014		
<i>Projections at the time of the 2009 LIC reforms</i>									
In billions of SDR	0.7	2.7	2.7	1.5	1.5	1.5	1.5	11.3	0.70
In billions of US\$ ³	1.0	4.0	4.0	2.3	2.3	2.3	2.3	17.0	
<i>High Demand Scenario</i>									
In billions of SDR	0.7	2.5	1.2	1.2	2.2	2.2	2.2	11.3	0.72
In billions of US\$ ³	1.0	3.7	1.8	1.8	3.2	3.2	3.2	17.0	
<i>Lower Demand Scenario</i>									
In billions of SDR	0.7	2.5	1.2	1.2	1.6	1.6	1.6	9.7	0.80
In billions of US\$ ³	1.0	3.7	1.8	1.8	2.4	2.4	2.4	14.6	

Source: Finance Department.

¹ Excluding the relatively high level of lending committed to Pakistan in the aftermath of 9/11, and to Liberia in 2008 following arrears clearance.

² May not add up due to rounding.

³ Assuming exchange rate of US\$1.5 per SDR.

B. Loan Resources

10. **Further progress is required to secure the loan resources approved in the context of the 2009 LIC financing package.** No new pledges have been made since the last update. Fourteen members have so far pledged SDR 9.8 billion in new loan resources for the PRGT compared with the target of SDR 10.8 billion and new borrowing agreements

⁸ These projections do not take into account the three protracted arrears cases (Somalia, Sudan, and Zimbabwe). Zimbabwe has protracted arrears to the PRGT, and was removed from the list of PRGT-eligible countries. See [IMF Declares Zimbabwe Ineligible To Use IMF Resources](#) (9/25/01).

amounting to SDR 9.5 billion have been signed with thirteen lenders (Table 3). Two-thirds of the secured resources (SDR 6.2 billion) have been made available to the General Loan Account (GLA), about 31 percent to the ECF Loan Account (SDR 2.9 billion), and the remainder (SDR 0.3 billion) to the SCF and RCF Loan Accounts.

11. New PRGT borrowing agreements have made use of the elements of the new framework for mobilizing bilateral loan resources, including providing loan resources to the PRGT in SDRs.⁹ No new borrowing agreements have been concluded since the last update. Loan resources have been provided through both traditional Loan Agreements and Note Purchase Agreements (NPAs), and seven members have included in their borrowing agreements participation in the encashment regime of the PRGT.¹⁰ Five of the borrowing agreements also have shorter initial maturities than in the case of traditional loan agreements.¹¹ Eight of the new borrowing agreements provide loan resources to the PRGT in SDRs, and all these contributors have in place voluntary SDR trading arrangements.¹² Since June 2011, drawings amounting to SDR 489.7 million have been made under the new SDR borrowing agreements, and sales of SDRs related to these drawings amounted to SDR 423.9 million. These sales were conducted through the voluntary SDR trading arrangements.

⁹ See [Decision No. 14593-\(10/41\)](#), adopted April 21, 2010.

¹⁰ Participants of the encashment regime are: China, France, Italy, Japan, Korea, Saudi Arabia, and the United Kingdom.

¹¹ In all these cases, the Fund, at its sole discretion, can extend the maturities for additional periods up to the maturity dates for the corresponding loan disbursements under the facility of the PRGT.

¹² New borrowing agreements that will provide resources in SDRs are with the following creditors: the Bank of Spain, Banque de France, the People's Bank of China, the Bank of Korea, the Government of Japan, the Government of the United Kingdom, the Bank of Italy, and the Saudi Arabian Monetary Agency.

Table 3. New Commitments of Loan Resources to the PRGT 1/
(In millions of SDRs; as of end-February, 2012)

	Amount	Effective Date	Media	Type	Account	Encashment	Shorter Maturity
Effective	9,461						
Canada	500	3/5/2010	USD	Loan	GLA	No	No
China	800	9/3/2010	SDR	NPA	ECF	Yes	Yes
Denmark	200	1/28/2010	USD	Loan	GLA	No	No
France	1,328	9/3/2010	SDR	Loan	ECF	Yes	Yes
Italy	800	4/18/2011	SDR	Loan	ECF	Yes	No
Japan	1,800	9/3/2010	SDR	NPA	GLA	Yes	Yes
Korea	500	1/7/2011	SDR	Loan	GLA	Yes	No
Netherlands	500	7/27/2010	EUR	Loan	GLA	No	No
Norway	300	6/25/2010	USD	Loan	SCF, RCF	No	No
Saudi Arabia	500	5/13/2011	SDR	Loan	GLA	Yes	Yes
Spain	405	12/17/2009	SDR	Loan	GLA	No	No
Switzerland	500	4/21/2011	EUR	Loan	GLA	No	No
U.K.	1,328	9/3/2010	SDR	NPA	GLA	Yes	Yes
Pledged	350						
Belgium	350						
Total	9,811						

1/ Germany (KfW) made a pledge of SDR 1.53 billion. As mutually acceptable lending terms could not be agreed, it is excluded from the total.

12. **Uncommitted PRGT loan resources, including the recently secured resources, amounted to SDR 7.3 billion at end-February 2012.** Specifically, available resources of the GLA and the Special Loan Accounts (SLA) for the ECF, SCF and RCF amounted to SDR 6.2 billion, SDR 1.0 billion, SDR 0.07 billion, and SDR 0.04 billion respectively.¹³

13. **Additional pledges of loan resources of about SDR 1 billion are still needed to reach the target in the 2009 financing package (Table 4).** The 2009 LIC financing package targeted new loan contributions of SDR 10.8 billion to support the projected concessional lending of SDR 11.3 billion through 2014–15, including a liquidity buffer of SDR 1.8 billion to enable the voluntary encashment regime. It is important that existing pledges of loan resources be finalized and new pledges made to complete the loan package.

¹³ The PRGT Instrument provides that resources of the SLAs will be drawn first for disbursements under the respective facilities, and the resources in the GLA will be used for a facility only when resources in the relevant SLA are exhausted. In addition, staff will manage disbursements under borrowing agreements of contributors participating in the encashment regime in a manner that preserves a sufficient liquidity buffer for the encashment regime to be operational.

Table 4. PRGT Loan Resources Mobilization
(In billions of SDRs; as of end-February 2012)

Target for loan resource mobilization	10.8
of which: initial target	9.0
liquidity buffer needed	1.8
Loan Resources Secured 1/	9.5
Additional resources required	1.3
<i>Memorandum items:</i>	
Loan resources pledged but not yet available	0.4

1/ Secured through Loan Agreements with Canada, Denmark, France, Italy, Korea, the Netherlands, Norway, Saudi Arabia, Spain, and Switzerland and through Note Purchase Agreements with China, Japan, and the United Kingdom.

C. Subsidy Resources

14. **Available subsidy resources at end-December 2011 amounted to SDR 1.4 billion, excluding contributions received or committed in the context of the current fund-raising effort.**¹⁴ This amount includes all contributions pledged during the 2005 ESF fund-raising exercise, including SDR 55.2 million that are expected to be received (Table 5). However, it excludes SDR 25.9 million pledged during earlier fund-raising that donors have not yet provided (Table 6). Given that about SDR 1 billion is estimated to be needed to subsidize existing PRGT commitments, about SDR 0.4 billion of these resources are currently available to subsidize new lending.

¹⁴ This amount also excludes the internal resources approved as part of the financing package of July 2009 under which it was agreed that : (i) the equivalent of SDR 0.62 billion (end-2008 NPV terms) may be transferred from the Reserve Account to the General Subsidy Account for the subsidization of the Fund's lending under the PRGT; (ii) no reimbursement shall be made for the financial years 2010–12 to the General Resources Account from the Reserve Account of the PRGT for the cost of administering the PRGT. The estimated cost of administering the PRGT shall be transferred following the end of each such financial year from the PRGT Reserve Account (through the Special Disbursement Account) to the General Subsidy Account of the PRGT; and (iii) the use of SDR 0.5-0.6 billion (end-2008 NPV terms) linked to gold sales. See [IMF Reforms Financial Facilities for Low-Income Countries](#).

Table 5. ESF Subsidy Contributions
(In millions of currency units; end-December 2011)

	Form of contribution	Contribution pledged		Contribution received
		(Amount)	(SDR equivalent)	(SDR equivalent)
Canada	Grant	CAN\$ 25.0	14.3	15.0
France	Concessional loan	SDR 20.0 1/	20.0 1/	1.0
Iceland	Grant	ISK 10.2	0.1	0.1
Japan	Grant	SDR 20.0	20.0	20.0
Norway	Grant	SDR 24.7	24.7	22.1
Oman	Grant	SDR 3.0	3.0	2.2
Russian Federation	Grant	SDR 30.0	30.0	30.0
Saudi Arabia	Investment agreement	SDR 40.0 2/	40.0 2/	7.1
Spain	Grant	SDR 5.3	5.3	5.3
Trinidad and Tobago	Deposit agreement	SDR 0.8 2/	0.8 2/	0.3
United Kingdom	Grant	£ 50.0	53.1	53.1
Total			211.3	156.1

1/ To be generated from the concessional loan as an implicit subsidy.

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

Table 6. PRG-HIPC Trust – Pending Contributions
(In millions of SDRs "as needed"; end-February 2012)

Venezuela	20.4	Lebanon	0.4
Gabon 1/	1.9	Grenada	0.1
Trinidad & Tobago	1.6	Vanuatu	0.1
Bahrain	0.9	Maldives	0.01
Dominican Republic	0.5		
		Total	25.9

1/ Remaining balances.

15. **The 2009 LIC financing package remains adequate to ensure the availability of resources to subsidize projected new lending of up to SDR 11.3 billion through 2014–15.** As was envisaged, this package aims to secure additional subsidy resources of at least SDR 1.5 billion (end-2008 NPV terms) to enable the PRGT to provide new lending to LICs of SDR 11.3 billion from 2009 to at least 2014. Subsidy resources would remain adequate to support PRGT lending through 2014 with a higher lending capacity of about SDR 2.2 billion per year for 2012–14, or through 2015 if medium-term demand was in the order of SDR 1.6 billion per year.

16. **Progress has been made in securing bilateral subsidy resources under the 2009 LIC financing package for the PRGT.** Since the last update paper, two additional members (Japan and the United Kingdom) have made pledges totaling SDR 48.6 million. As of end-March 2012, a total of twenty-five members have committed SDR 203 million in additional subsidies (Table 7). This is broadly in line with the lower end of the target range of

SDR 0.2–0.4 billion (in end-2008 NPV terms) envisaged under the 2009 financing reform package for such contributions. Contributors include traditional as well as non-traditional donors, several of whom are emerging market countries. The staff continues to explore possible bilateral contributions with other donors, and these contributions remain important as part of the multilateral effort to strengthen the Fund’s concessional lending capacity.

Table 7. New Subsidy Commitments to the PRGT
(In millions of currency units; as of end-March, 2012)

		Contributions pledged	
		Amount	SDR equivalent
1	Algeria	SDR 2.3	2.3
2	Argentina	SDR 3.9	3.9
3	Australia	A\$30.0	17.6
4	Austria	SDR 3.9	3.9
5	Botswana	SDR 0.2	0.2 1/
6	Canada	CAN\$40 and SDR 2.8	28.0
7	China	SDR 17.5	17.5 1/
8	Denmark	DKK 30.0	3.6
9	Italy	SDR 22.1	22.1
10	Japan	SDR 28.8	28.8
11	Korea	SDR 8.8	8.8
12	Kuwait	US\$3.9	2.6
13	Malta	SDR 0.2	0.2
14	Morocco	SDR 1.1	1.1 1/
15	Netherlands	SDR 9.5	9.5
16	Peru	SDR 1.2	1.2 1/
17	Philippines	SDR 1.9	1.9
18	Qatar	SDR 0.6	0.6
19	South Africa	SDR 3.4	3.4
20	Spain	SDR 9.0	9.0
21	Sweden	SEK 50.0	4.8 2/
22	Switzerland	CHF 16.0	11.2 2/
23	Trinidad and Tobago	SDR 0.6	0.6
24	United Kingdom	SDR 19.8	19.8
25	Uruguay	SDR 0.6	0.6 1/
Total			203.1

1/ Reflecting net investment income (in end-2008 NPV terms) to be generated from investment agreements.

2/ Calculated using the exchange rates as of March 30, 2012.

17. In February 2012, the Executive Board approved the partial distribution of the general reserve equivalent to SDR 700 million attributed to part of the windfall profits from the recent gold sales, and assurance from the membership regarding new PRGT

subsidy contributions are now needed.¹⁵ The distribution, part of the 2009 LIC financing package aimed at securing adequate resources for the PRGT, will be made to all members in proportion to their quotas on the date of the distribution, and will be effected only when the Managing Director has provided notification to the Executive Board that, in her assessment, satisfactory assurances exist regarding the availability of at least SDR 630 million for a new subsidy contribution to the PRGT. As at April 30, 69 members representing 48.67 percent of the proposed distribution have confirmed they would contribute their shares of the distribution, or equivalent amounts, to the PRGT (Table 8). It is important that assurances from the membership be secured in a timely manner to complete the financing package.

Table 8. PRGT Subsidy Pledges Based on the Partial Distribution¹
(As of April 30, 2012)²

Armenia	Grenada	Nepal
Belarus	Guinea	New Zealand
Botswana	Guinea-Bissau	Nigeria
Burkina Faso	Haiti	Pakistan
Cambodia	Honduras	Poland
Cameroon	Hungary	Portugal
Canada	Italy	San Marino
Chad	Kenya	São Tomé and Príncipe
China	Korea	Senegal
Comoros	Kyrgyz Republic	Serbia, Republic of
Congo, Democratic Republic of the	Lao People's Democratic Republic	Seychelles
Côte d' Ivoire	Lebanon	Sierra Leone
Denmark	Lithuania	South Africa
Djibouti	Luxembourg	Sri Lanka
Dominica	Macedonia, Former Yugoslav Republic	Sweden
Egypt	Maldives	Tajikistan
Estonia	Malta	Togo
Ethiopia	Mauritania	Trinidad and Tobago
Fiji, Republic of	Mauritius	Tunisia
Finland	Moldova	United Kingdom
France	Morocco	United States
Gabon	Mozambique	Uzbekistan
Greece	Myanmar	Zambia

¹ Pledges based on the partial distribution of the general reserve attributed to part of the windfall profits from the recent gold sales. Pledges may be subject to domestic processes to enable members to make PRGT subsidy contributions.

² Responses were requested by April 30, 2012.

D. PRGT Reserve Account

18. **The PRGT Reserve Account will continue to provide adequate security to PRGT lenders and note purchasers.** The Account has been financed by reflows of Trust Fund and Structural Adjustment Facility repayments, as well as investment returns on balances held in the Account. The PRGT can tap these resources temporarily to meet its obligations in the

¹⁵ See [Partial Distribution of the General Reserve Attributed to Windfall Gold Sale Profits](#) (2/1/12).

event of a delayed payment by a borrower to any loan account of the Trust. The balance in the Reserve Account amounted to SDR 4.0 billion at end-2011, representing a substantial multiple of the projected PRGT repayments falling due over the next twelve months and about 78 percent of total PRGT obligations (Appendix Table 4).¹⁶ It is expected that the Reserve Account will continue to provide a loan coverage ratio of about 40 percent in the medium term, in line with the historical average.

19. **It is envisaged that the resources in the Reserve Account could support subsidization of PRGT lending beyond 2014 on a “self-sustained” basis.** Available subsidy resources as well as subsidy resources being raised in the context of the 2009 financing package would be sufficient to support concessional lending through 2014. In the absence of additional funding, staff projections suggest that the Reserve Account could subsidize about SDR 0.7–0.8 billion in nominal terms, starting from 2015. These projections incorporate revised estimates of the annual cost of reimbursement of the GRA by the PRGT, which reflect the adoption of a new comprehensive costing methodology for PRGT administrative expenses (see Annex 1). The effect on subsidization capacity of higher annual reimbursement costs of SDR 64 million, compared with the earlier estimate of SDR 50 million, is largely offset by lower estimated subsidy costs in the period through 2014 stemming from the prolonged period of the low SDR interest rates. These projections, however, are subject to significant uncertainties, including: PRGT demand in the medium term; the rate of return on investment of the Reserve Account balance; the interest rate paid to lenders to the Trust; and the timing of repayment of overdue Trust Fund, SAF, and PRGT obligations by the protracted arrears cases.

20. **Staff projections indicate that longer term demand for the Fund’s concessional lending could be SDR 1.1–1.9 billion annually up to 2034.**¹⁷ Based on these projections, additional subsidy resources would need to be mobilized to ensure that the PRGT has sufficient capacity to meet the expected demand. The framework for concessional lending on a self-sustained basis would therefore have to be revisited at an appropriate time to ensure that the lending capacity remains in line with projected demand.¹⁸

¹⁶ This balance includes resources expected to be transferred to the PRGT General Subsidy Account as noted earlier.

¹⁷ Details of these projections are provided in [Demand Projections for the Fund’s Concessional Resources](#) (3/16/11).

¹⁸ In its discussions of the use of the windfall gold sales profits, the Executive Board considered one option that could place the Fund’s concessional lending capacity on a more sustainable footing over the longer run. See [Use of Windfall Gold Sale Profits—Further Considerations](#) (8/4/11) and [IMF Executive Board Considers Use of Windfall Gold Sale Profits](#).

IV. SUBSIDIZATION OF EMERGENCY ASSISTANCE

21. **The EPCA/ENDA Administered Subsidy Account is being maintained on an interim basis for the subsidization of EPCA/ENDA credits outstanding on January 7, 2010.** Once these outstanding credits are fully repaid (expected by April 2013), the EPCA/ENDA Administered Subsidy Account will be terminated. Contributors will be encouraged at that time to transfer any balances in the account to the PRGT General Subsidy Account (GSA), or one of the special subsidy accounts of the PRGT (Appendix Table 5).

22. **Available resources in the EPCA/ENDA Administered Subsidy Account are estimated to be sufficient to subsidize the remaining EPCA/ENDA credits.** At end-2011, two PRGT-eligible members had outstanding ENDA credits (Bangladesh and Dominica) amounting to SDR 101.3 million. There were no PRGT-eligible members with outstanding EPCA credits. At end-2011, available subsidy resources amounted to SDR 10.2 million. It is estimated that these resources are likely to be sufficient to subsidize the outstanding credits, including for the additional interest relief through January 2013. In the event that subsidy resources in the EPCA/ENDA subsidy account were depleted, the PRGT Instrument would allow for the subsidization of outstanding credits from the PRGT GSA.

V. FINANCING OF DEBT RELIEF

23. **At end-2011, the Fund had provided a total of SDR 5.2 billion of debt relief to eligible countries.** This includes HIPC debt relief of SDR 2.5 billion to 36 countries, MDRI debt relief of SDR 2.3 billion to 30 countries, “beyond-HIPC” debt relief to Liberia, and PCDR debt relief to Haiti (Appendix Tables 6 and 7). No new countries reached the HIPC completion point since the last update, and the total number of completion point countries is 32. There remain 4 decision point countries which at end-December 2011 received HIPC interim assistance of about SDR 34 million from the Fund. No debt relief has been provided through the PCDR Trust since the last update, and the balance in the PCDR Trust was SDR 0.1 billion at end-December 2011.

A. Remaining HIPCs

24. **In November 2011, the Executive Board reviewed the status of implementation of the HIPC Initiative and MDRI, and further restricted the list of HIPC eligible countries.**¹⁹ An end-2010 indebtedness criterion was added for eligibility for assistance under the HIPC Initiative, effectively ring-fencing further the list of eligible or potentially eligible countries. The expanded criteria had the effect of eliminating from eligibility three countries whose external debt was assessed as well below the initiative’s thresholds—Bhutan and Lao

¹⁹ See [IMF Executive Board Discusses the Heavily Indebted Poor Countries \(HIPC\) Initiative and Multilateral Debt Relief Initiative \(MDRI\)—Status of Implementation and Proposals for the Future of the HIPC Initiative](#).

P.D.R., both of which had indicated they do not wish to avail themselves of HIPC assistance, and the Kyrgyz Republic.

25. **The Fund's cost of debt relief for the remaining HIPCs (excluding the protracted arrears cases) is estimated at SDR 0.04 billion (end-2011 NPV terms), which is in line with previous estimates (Table 9).**²⁰ This estimate excludes the arrears cases and is based on assumptions regarding the timing of HIPC completion point and the future path of interest rates, all of which are subject to uncertainty. Moreover, the estimate does not take into account potential needs for topping-up assistance.

Table 9. Financing of Debt Relief to
the Remaining HIPCs
(In billions of SDRs; end-December 2011 NPV terms)

Resources available in	0.05
HIPC sub-account 1/	-
MDRI-I Trust	0.01
MDRI-II Trust	0.04
Financing needed from	0.04
HIPC and PRG-HIPC sub-accounts 1/	0.04
MDRI-I Trust	-
MDRI-II Trust	-
Remaining balance	0.05
HIPC sub-account	-
MDRI-I Trust	0.01
MDRI-II Trust	0.04
<i>Memorandum items:</i>	
Resources in the PCDR Trust	0.10

1/ Since the HIPC sub-account is depleted, resources of SDR 0.04 billion are expected to be drawn from the PRG-HIPC sub-account to meet the estimated cost of the remaining HIPCs.

26. **Available resources in the PRG-HIPC and MDRI Trusts are estimated to be sufficient to cover debt relief for the remaining eligible countries (excluding the protracted arrears cases).** Since the HIPC sub-account of the PRG-HIPC Trust is depleted, resources of about SDR 0.04 billion from the PRG-HIPC sub-account are expected to be

²⁰ Cost estimates at end-2011 include Chad, Comoros, Côte d'Ivoire, Guinea and Eritrea, but exclude Somalia and Sudan. Nepal, which was confirmed as HIPC-eligible at the November 2011 ring-fencing exercise but has decided not to avail itself of debt relief under the HIPC Initiative, is excluded from this cost estimate. This estimate does not include Zimbabwe, which is currently not HIPC-eligible, but could become eligible for HIPC debt relief if it is judged to meet the relevant criteria.

used to cover the projected HIPC needs. The two MDRI Trusts are expected to have surpluses totaling about SDR 0.05 billion (Table 9).

B. Pending Contributions to Liberia's Debt Relief

27. **Following Liberia's HIPC completion point, there remain a number of countries that have yet to finalize their pledged contributions to the Fund's debt relief for Liberia.** Since the last update, no further contributions have been received from the remaining countries who had pledged contributions. Pledged contributions totaling SDR 17.7 million (March 2008 NPV terms) from eight members have yet to be received (Table 10). It is important that these contributions be disbursed as soon as possible to replenish the PRG-HIPC Trust.

Table 10. Pending Disbursements to Finance Debt Relief to Liberia as of end-February 2012
(In millions of SDRs; in March 14, 2008 NPV terms)

Brazil	16.9	Mali	0.19
Burkina Faso	0.06	Rwanda	0.07
Chad	0.05	Samoa	0.01
Guinea-Bissau	0.01	Sierra Leone	0.38
Total			17.7

28. **The SCA-1/Deferred Charges Administered Account holds a balance from one member.** The Executive Board approved a decision to delay the termination date of the account to March 13, 2014, to allow completion of the procedures that would allow the disbursement of the pledged contribution (SDR 16.9 million in March 14, 2008 NPV terms) for financing Liberia's debt relief.²¹ It is expected that this amount would by that time be transferred to the PRG-HIPC Trust, which financed the shortfall in members' contributions relative to their commitments for the financing of Liberia's debt relief.

C. Protracted Arrears Cases

29. **Providing debt relief to Somalia and Sudan would require substantial additional resources.** At end-February 2012, the total amount of overdue financial obligations of these two countries to the IMF amounted to SDR 1.2 billion.²² As the cost to the Fund for providing debt relief to these countries was not included in the original costing estimates for

²¹ This account, which became effective on March 14, 2008, was an interim vehicle to temporarily hold the refunds of the distribution of a portion of the SCA-1 balances and the deferred charges adjustment in the context of the Fund's debt relief for Liberia, pending instructions from members as to the disposition of the resources.

²² Following the secession of South Sudan from Sudan on July 9, 2011, all the overdue obligations to the Fund remain a liability of Sudan, which is the continuing state.

the HIPC Initiative,²³ additional financing would need to be secured when these members are ready to clear their arrears and embark on the HIPC Initiative and possible “beyond-HIPC” debt relief.²⁴ The approach developed for Liberia’s debt relief, including the financing modalities, could provide a useful framework for Somalia and Sudan at the appropriate time.

30. Additional resources could potentially be required to provide debt relief to Zimbabwe, if it is assessed to be eligible. Zimbabwe is currently neither PRGT-eligible, nor is it included in the list of “ring-fenced” countries that could benefit from the HIPC Initiative. However, if Zimbabwe’s PRGT-eligibility is restored following clearance of its arrears to the PRGT (SDR 87.5 million at end-February 2012), an assessment of Zimbabwe’s eligibility for the HIPC Initiative would need to be made based on the relevant criteria, including whether the NPV of its external debt at end-2004 and end-2010 exceeded the HIPC thresholds. Additional resources may be needed to cover any such HIPC and “beyond-HIPC” debt relief for Zimbabwe.

²³ In the context of the MDRI in 2005, the G-8 committed that donors would provide the resources required for full debt relief at the completion point for the three protracted arrears cases (Liberia, Somalia and Sudan).

²⁴ Neither Somalia, nor Sudan, is eligible for debt relief under the MDRI, as there would be no MDRI-eligible debt following the clearance of their arrears. It is possible however, that they could be considered for “beyond-HIPC” debt relief, as was done in the case of Liberia.

Appendix Table 1. Summary of Bilateral Commitments to the PRGF-ESF and PRG-HIPC Trusts
(In millions of SDRs; as of December 31, 2011)

	PRGF-ESF Trust 1/			PRG-HIPC Trust		
	Subsidy contributions "as needed" 2/			Loan commitments	Subsidies and HIPC grant contributions "as needed" 2/	Of which: Pending "as needed" 2/
	For subsidization	For MDRI debt relief	Total			
TOTAL	2,185.3	1,120.0	3,305.3	25,841.2	1,562.3	25.9
Major industrial countries	1,414.7	818.8	2,233.5	19,290.8	880.5	--
Canada	144.3	84.8	229.1	1,200.0 3/	48.8	--
France	229.9	116.4	346.3	4,898.0 3/4/	82.2	--
Germany	113.2	66.1	179.4	2,750.0	127.2	--
Italy	127.1	84.4	211.5	2,180.0 3/	63.6	--
Japan	434.1	253.4	687.5	6,934.8 3/	144.0	--
United Kingdom	266.2	155.4	421.6	1,328.0 3/	82.2	--
United States	99.8	58.3	158.1	--	332.6	--
Other advanced countries	644.6	250.4	894.9	4,857.8	299.7	--
Australia	12.4	3.7	16.1	--	24.8	--
Austria	61.0	--	61.0	--	14.3	--
Belgium	66.1	39.5	105.6	350.0	35.3	--
Denmark	40.4	23.6	64.0	300.0 3/	18.5	--
Finland	25.9	15.1	41.1	--	8.0	--
Greece	22.8	13.3	36.1	--	6.3	--
Iceland	2.6	1.5	4.2	--	0.9	--
Ireland	5.3	2.4	7.7	--	5.9	--
Israel	--	--	--	--	1.8	--
Korea	39.4	21.0	60.4	592.7 3/	15.9	--
Luxembourg	12.9	--	12.9	--	0.7	--
Netherlands	128.5	--	128.5	950.0 3/	45.4	--
New Zealand	--	--	--	--	1.7	--
Norway	26.8	15.7	42.4	450.0 3/	18.5	--
Portugal	2.6	1.4	4.0	--	6.6	--
San Marino	--	--	--	--	0.0*	--
Singapore	11.1	6.5	17.6	--	16.5	--
Spain	12.7	3.1	15.9	1,113.4 3/	23.3	--
Sweden	109.0	65.0	174.0	--	18.3	--
Switzerland	65.0	38.5	103.5	1,101.7 3/	37.0	--
Fuel exporting countries	10.2	6.1	16.3	500.0	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	500.0 3/	53.5	--
United Arab Emirates	--	--	--	--	3.8	--
Venezuela	--	--	--	--	20.4	20.4

Appendix Table 1 (continued). Summary of Bilateral Commitments to the PRGF-ESF and PRG-HIPC Trusts
(In millions of SDRs; as of December 31, 2011)

	PRGF-ESF Trust 1/			PRG-HIPC Trust		
	Subsidy contributions "as needed" 2/			Loan commitments	Subsidies and HIPC grant contributions "as needed" 2/	Of which: Pending "as needed" 2/
	For subsidization	For MDRI debt relief	Total			
Other developing countries	104.1	44.8	148.9	1,155.6	224.7	2.7
Argentina	19.8	11.5	31.3	--	16.2	--
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	9.7	4.2	13.9	1,000.0 3/	19.7	--
Colombia	--	--	--	--	0.9	--
Cyprus	--	--	--	--	0.8	--
Dominican Republic	--	--	--	--	0.5	0.5
Egypt	7.4	4.3	11.8	155.6	1.3	--
Fiji	--	--	--	--	0.1	--
Ghana	--	--	--	--	0.5	--
Grenada	--	--	--	--	0.1	0.1
India	11.7	--	11.7	--	22.9	--
Indonesia	3.7	2.1	5.8	--	8.2	--
Jamaica	--	--	--	--	2.7	--
Lebanon	--	--	--	--	0.4	0.4
Malaysia	19.1	11.2	30.3	--	12.7	--
Maldives	--	--	--	--	0.01	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	8.6	--	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	11.7	--	11.7	--	--	--
Uruguay	0.8	0.5	1.3	--	2.2	--
Vanuatu	--	--	--	--	0.1	0.1
Vietnam	--	--	--	--	0.4	--

Appendix Table 1 (concluded). Summary of Bilateral Commitments to the PRGF-ESF and PRG-HIPC Trusts
(In millions of SDRs; as of December 31, 2011)

	PRGF-ESF Trust 1/			PRG-HIPC Trust		
	Subsidy contributions "as needed" 2/			Loan commitments	Subsidies and HIPC grant contributions "as needed" 2/	Of which: Pending "as needed" 2/
	For subsidization	For MDRI debt relief	Total			
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/ These are contributions originally pledged for the PRGF-ESF Trust which are now available for the PRGT. Excludes the G-8 commitment of SDR 100 million in end-2005 NPV terms, new ESF subsidy contributions, and any subsidy contribution made in the context of the LIC reform of 2009.

2/ 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.

3/ Including new borrowing agreement in support of 2009 reform of LIC facilities.

4/ Including a borrowing agreement in support of the establishment of the ESF.

Appendix Table 2. PRGT—Borrowing Agreements
(In millions of SDRs; as of end-December, 2011)

	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, 2018	350.0	350.0	100.0	163.0	119.8
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	143.3	48.5
Government of Canada 2/	Mar. 5, 2010	Dec. 31, 2018	500.0	28.5	5.7	--	28.5
China							
Government of China 1/	Jul. 05, 1994	Dec. 31, 2014	200.0	200.0	100.0	71.3	48.2
People's Bank of China 3/	Sep. 3, 2010	Dec. 31, 2018	800.0	126.6	15.8	--	126.6
Denmark							
National Bank of Denmark	Mar. 3, 2000	Dec. 31, 2003	100.0	100.0	100.0	100.0	-
National Bank of Denmark 2/	Jan. 28, 2010	Dec. 31, 2018	200.0	3.1	1.6	--	3.1
Egypt							
Central Bank of Egypt 1/	Jun. 13, 1994	Dec. 31, 2018	155.6	155.6	100.0	21.9	55.6
France							
Agence Française de Développement 4/	Apr. 05, 1988	Dec. 31, 1997	800.0	800.0	100.0	--	-
Agence Française de Développement 4/	Jan. 03, 1995	Dec. 31, 2005	750.0	750.0	100.0	--	24.7
Agence Française de Développement 1/ 4/	Dec. 17, 1999	Dec. 31, 2018	1,350.0	1,350.0	100.0	485.2	864.8
Agence Française de Développement 4/ 5/	Aug. 20, 2009	Dec. 31, 2014	670.0	431.8	64.4	--	431.8
Bank of France 3/	Sep. 3, 2010	Dec. 31, 2018	1,328.0	194.2	--	--	194.2
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	2.0
Kreditanstalt für Wiederaufbau 1/	Jun. 19, 2000	Dec. 31, 2014	1,350.0	1,350.0	100.0	591.0	646.5
Italy							
Bank of Italy 6/	Oct. 04, 1990	Dec. 31, 1997	370.0	370.0	100.0	11.7	-
Bank of Italy 6/	May. 29, 1998	Dec. 31, 2005	210.0	210.0	100.0	170.9	-
Bank of Italy 1/	Mar. 1, 2000	Dec. 31, 2018	800.0	800.0	100.0	164.8	393.1
Bank of Italy	Apr. 18, 2011	Dec. 31, 2018	800.0	120.6	15.1	--	120.6
Japan							
Japan Bank for International Cooperation 7/	Apr. 12, 1988	Dec. 31, 1997	2,200.0	2,200.0	100.0	--	-
Japan Bank for International Cooperation 1/ 7/	Oct. 05, 1994	Dec. 31, 2018	2,934.8	2,934.8	100.0	--	1,015.6
Government of Japan 2/	Sep. 3, 2010	Dec. 31, 2018	1,800.0	-	-	--	-
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	-
Bank of Korea	Jan. 7, 2011	Dec. 31, 2018	500.0	-	--	--	-
Netherlands							
Bank of the Netherlands 1/	Sep. 29, 1999	Dec. 31, 2018	450.0	450.0	100.0	55.2	307.1
Bank of the Netherlands 2/	Jul. 27, 2010	Dec. 31, 2018	500.0	-	--	--	-
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	-
Government of Norway 8/	Jun. 25, 2010	Dec. 31, 2018	300.0	120.0	40.0	--	120.0
OPEC Fund for International Development 9/	Dec. 20, 1994	Dec. 31, 2005	37.0	37.0	100.0	25.7	-
Saudi Arabia							
Saudi Arabian Monetary Agency	May 13, 2011	Dec. 31, 2018	500.0	-	-	--	-
Spain							
Bank of Spain 10/	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	--	3.7
Bank of Spain 1/	Feb. 14, 2000	Dec. 31, 2018	425.0	425.0	100.0	61.7	330.3
Bank of Spain 2/	Dec. 17, 2009	Dec. 31, 2018	405.0	-	-	--	-
Switzerland							
Swiss Confederation 11/	Dec. 23, 1988	Dec. 31, 1997	200.0	200.0	100.0	--	-
Swiss National Bank 1/	Jun. 22, 1995	Dec. 31, 2018	401.7	401.7	100.0	73.2	208.4
Swiss National Bank	Apr. 21, 2011	Dec. 31, 2018	500.0	-	-	--	-
United Kingdom							
Government of the United Kingdom 2/	Sep. 3, 2010	Dec. 31, 2018	1,328.0	-	-	--	-
Subtotal			25,841.2	16,735.1	64.8	2,543.0	5,093.2
Associated Agreement - Saudi Fund for Development (SFD)	Feb. 27, 1989	-- 12/	49.5	49.5	100.0	--	--
Total Loan and Associated Loan Agreements 13/			25,890.7	16,784.6	64.8	2,543.0	5,093.2

1/ Including additional loan commitments for interim PRGF operations.

2/ Committed to the General Loan Account of the PRGT.

3/ Committed to the ECF Loan Account of the PRGT.

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

5/ The loan commitment, which became effective on August 20, 2009, was made in the context of establishment of the ESF.

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

7/ 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.

8/ Committed to the SCF Loan Account and RCF Loan Account of the PRGT in equal proportion.

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

10/ 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.

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

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

13/ 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.

Appendix Table 3. PRGT—Subsidy Agreements 1/
(In millions of SDRs; as of end-December 2011)

	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
China							
People's Bank of China	Aug. 23, 2011	General Subsidy	100.0	100.0	100.0	0.1	6¼
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	ECF Subsidy Account	10.0	10.0	--	0.5	16
Peru							
Banco Central de Reserva del Peru 7/	Jan. 29, 2010	General Subsidy Account	6.1	6.1	6.1	0.1	7
Portugal							
Banco do Portugal	May 5, 1994	Admin. Account	13.1	13.1	--	0.5	6–10
Saudi Arabia							
The Saudi Fund for Development and the Kingdom of Saudi Arabia 8/	April 11, 2006	General Subsidy Account	132.6	97.7	97.7	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 9/	Feb. 8, 1995	General Subsidy Account	60.3	58.5	14.7	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	ECF Subsidy Account	3.0	3.0	3.0	1.0	10
Tunisia							
Banque Centrale de Tunisie 10/	May 4, 1994	Subsidy Account	3.6	3.6	--	0.5	10
Uruguay							
Banco Central del Uruguay 11/	Jul. 7, 1994	Subsidy Account	7.2	7.2	--	--	10
Banco Central del Uruguay	Mar. 11, 2010	General Subsidy Account	2.0	2.0	2.0	--	10
Total			972.5	935.8	223.5		

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

2/ As a result of renaming of the PRG Trust and its subsidy accounts in January 2010, the name of subsidy account shown represents the current name of the account for deposits/investments that have not yet expired, and the old name of the account for deposits/investments that have been repaid.

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 was 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 was less than 2.0 per annum, the deposit bore zero interest. The investment was extended in 2004 for another 10 years to benefit HIPC Trust.

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

7/ Interest rate paid is 0.1 percent per annum until a subsidy contribution of SDR 1.2 million (end-2008 NPV) is reached. No interest will be paid if net investment earnings are lower than 0.1 percent per annum.

8/ 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 PRG-HIPC Trust upon their maturities in 2011, 2011-14, and 2018, respectively.

9/ The investment coincides with the repayment of each of the first nine (out of ten) semiannual instalments of a drawing of the PRGT loan of SDR 67 million from the Government of Spain (the Instituto de Crédito Oficial).

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

11/ 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.

Appendix Table 4. PRGT Reserve Account Coverage
(In millions of SDRs; end-period)

	Reserve Account balance (A)	Outstanding PRGT credit (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
2008	3,818	3,895	98.0
2009	3,926	4,965	79.1
2010	3,967	5,068	78.3
2011	3,981	5,092	78.2
<i>Memorandum item:</i>			
PRGT repayments: January 2012 - December 2012			438

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

Appendix Table 5. Subsidy Contributions for Emergency Assistance
(In millions; as of end-December 2011)

Contributor	Date of pledge	Contribution pledged	SDR equivalent 1/	Contribution received
Sub-Account 1: EPCA subsidization only				
Belgium	Mar. 2002	SDR 0.63	0.63	0.63
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. 2002	£ 2.5	2.9	2.9
Sub Total			9.7	9.7
Sub-Account 2: ENDA subsidization only				
Australia	Jun. 2005	Aus\$ 2.0	1.1	1.1
Austria 2/	Apr. 2005	SDR 1.3	0.6	0.6
Canada	Feb. 2005	Can\$ 5.0	2.9	2.9
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	1.5
Ireland	Nov. 2006	Euro 0.5	0.4	0.4
Japan	Apr. 2005	US\$ 2.5	1.7	1.7
Russia	Feb. 2005	US\$ 1.5	1.0	1.0
Saudi Arabia	Apr. 2005	US\$ 4.0	2.6	1.3
Switzerland	Feb. 2005	US\$ 2.0	1.4	1.4
Sub Total			16.0	14.7
Sub-Account 3: Subsidization of EPCA and ENDA				
France	Jan. 2005	Euro 1.5	1.2	1.2
Korea	Jul. 2009	KRW 1,000	0.5	0.5
Luxembourg 4/	Feb. 2005	Euro 1.25	1.1	1.1
Luxembourg	Nov. 2008	Euro 0.5	0.5	0.5
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
Sub Total			15.1	15.1
Total			40.8	39.5
<i>Memorandum item:</i>				
		Pledges made since beginning of 2005	29.6	28.3

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-December 2011.

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/ Existing contribution, previously earmarked for ENDA.

5/ Existing contribution, previously earmarked for EPCA.

Appendix Table 6. Implementation of the HIPC Initiative
(In millions of SDRs; end-December 2011)

	Decision point	Completion point	Amount committed	Amount disbursed 1/	
Completion point countries (32)			2,333	2,513	
1	Afghanistan 2/	Jul-07	Jan-10	-	-
2	Benin	Jul-00	Mar-03	18	20
3	Bolivia	Feb-00	Jun-01	62 3/	65
4	Burkina Faso	Jul-00	Apr-02	44 3/	46
5	Burundi	Aug-05	Jan-09	19	22
6	Cameroon	Oct-00	Apr-06	29	34
7	Central African Republic	Sep-07	Jun-09	17	18
8	Congo, Dem. Rep. of	Jul-03	Jul-10	280	331
9	Congo, Rep. of	Mar-06	Jan-10	5	6
10	Ethiopia	Nov-01	Apr-04	45	47
11	Gambia, The	Dec-00	Dec-07	2	2
12	Ghana	Feb-02	Jul-04	90	94
13	Guinea-Bissau	Dec-00	Dec-10	9	9
14	Guyana	Nov-00	Dec-03	57 3/	60
15	Haiti	Nov-06	Jun-09	2	2
16	Honduras	Jun-00	Apr-05	23	26
17	Liberia	Mar-08	Jun-10	441	452
18	Madagascar	Dec-00	Oct-04	14.7	16
19	Malawi	Dec-00	Aug-06	33	37
20	Mali	Sep-00	Mar-03	46 3/	49
21	Mauritania	Feb-00	Jun-02	35	38
22	Mozambique	Apr-00	Sep-01	107 3/	108
23	Nicaragua	Dec-00	Jan-04	64	71
24	Niger	Dec-00	Apr-04	31	34
25	Rwanda	Dec-00	Apr-05	47	51
26	São Tomé and Príncipe	Dec-00	Mar-07	1	1
27	Senegal	Jun-00	Apr-04	34	38
28	Sierra Leone	Mar-02	Dec-06	100	107
29	Tanzania	Apr-00	Nov-01	89	96
30	Togo	Nov-08	Dec-10	0.2	0.2
31	Uganda	Feb-00	May-00	120 3/	122
32	Zambia	Dec-00	Apr-05	469	508
Decision point countries (4)			67	34	
33	Chad	May-01	Floating	14	9
34	Comoros	Jul-10	Floating	3	-
35	Cote d'Ivoire	Apr-09	Floating	25 4/	15
36	Guinea	Dec-00	Floating	24	10
Pre-decision point countries (1) 5/					
37	Eritrea	...	...	...	...
Protracted arrears cases (2)					
38	Somalia	...	...	...	...
39	Sudan	...	...	...	...
Total			2,416 6/	2,547	

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

2/ At the time of its decision point, Afghanistan did not have any outstanding eligible debt.

3/ Includes commitment under the original HIPC Initiative.

4/ Amount committed to Côte d'Ivoire under the enhanced HIPC Initiative only.

5/ The Kyrgyz Republic became ineligible for debt relief under the HIPC Initiative in November 2011 based on newly introduced end-2010 indebtedness criterion.

6/ Also includes SDR 17 million committed to Côte d'Ivoire under the original HIPC Initiative.

Appendix Table 7. Debt Relief Following Implementation of the MDRI
(In millions of SDRs; end-December 2011)

	Delivery date	Fund credit from disbursements prior to end-2004 1/	Financed by HIPC umbrella sub-accounts 2/	Remaining MDRI-eligible credit (C=A-B=D+E)	Financed by	
					MDRI-I Trust (D)	MDRI-II Trust (E)
		(A)	(B)	(C=A-B=D+E)	(D)	(E)
HIPC countries (29) 3/		3,406	1,097	2,308	1,220	1,088
1 Benin	Jan-06	36	2	34	-	34
2 Bolivia	Jan-06	161	6	155	-	155
3 Burkina Faso	Jan-06	62	5	57	57	-
4 Burundi	Feb-09	26	17	9	9	-
5 Cameroon	Apr-06	173	24	149	-	149
6 Central African Rep.	Jul-09	4	2	2	2	-
7 Congo, Dem. Rep. of	Jul-10	248	248	0	-	-
8 Congo, Rep. of	Jan-10	7.9	3	4.8	-	4.8
9 Ethiopia	Jan-06	112	32	80	80	-
10 Gambia	Dec-07	9	2	7	7	-
11 Ghana	Jan-06	265	45	220	220	-
12 Guinea-Bissau	Dec-10	0.5	0.5	0	-	-
13 Guyana	Jan-06	45	13	32	-	32
14 Honduras	Jan-06	107	9	98	-	98
15 Liberia	Jun-10	543 4/	427	116	116 4/	-
16 Madagascar	Jan-06	137	9	128	128	-
17 Malawi	Sep-06	38	23	15	15	-
18 Mali	Jan-06	75	13	62	62	-
19 Mauritania	Jun-06	33	3	30	-	30
20 Mozambique	Jan-06	107	24	83	83	-
21 Nicaragua	Jan-06	140	49	92	-	92
22 Niger	Jan-06	78	18	60	60	-
23 Rwanda	Jan-06	53	33	20	20	-
24 São Tomé and Príncipe	Mar-07	1	0.4	1	1	-
25 Senegal	Jan-06	100	6	95	-	95
26 Sierra Leone	Dec-06	117	41	77	77	-
27 Tanzania	Jan-06	234	27	207	207	-
28 Uganda	Jan-06	88	12	76	76	-
29 Zambia	Jan-06	403	4	398	-	398
Non-HIPC countries (2) 5/		126	-	126	126	-
30 Cambodia	Jan-06	57	-	57	57	-
31 Tajikistan, Rep. of	Jan-06	69	-	69	69	-
Total		3,532	1,097	2,434	1,347	1,088

1/ Amount outstanding at the completion point (net of repayments between January 1, 2005 to the completion point date).

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

3/ Afghanistan, Haiti, and Togo did not have MDRI-eligible credit and did not receive MDRI debt relief.

4/ Liberia received "MDRI-like" (beyond-HIPC) debt relief at end-June 2010, which was financed from the Liberia Administered Account. Its eligible credit outstanding corresponds to the amount of arrears clearance to the IMF in March 2008.

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

Annex 1. Expenses of Conducting the Business of the PRGT²⁵

This annex provides background information on changes to the methodology used to derive estimates of the costs of administering the PRGT. For the fiscal years 2010–2012 reimbursement of the GRA by the PRGT for these costs has been suspended as part of the PRGT financing package agreed July 2009.

31. **Cost estimates are needed in areas where reimbursement to the IMF’s General Resources Account (GRA) is mandated.** In endorsing the IMF’s new income model, in April 2008 the Executive Board decided to resume the long-standing practice of reimbursement of the GRA for the expenses of conducting the business of the Poverty Reduction and Growth Trust (PRGT), to become effective in the financial year in which the Fund adopted a decision authorizing the gold sales.²⁶ The GRA is also reimbursed annually for the expenses of administering resources in the Multilateral Debt Relief Initiative-I (MDRI-I) Trust and the Post-Catastrophe Debt Relief (PCDR) Trust.²⁷ In addition, at the end of each financial year, the Fund recovers the expenses of conducting the business of the SDR Department from each country participant.

32. **Credit intermediation costs are also taken into account in setting the basic rate of charge levied by the Fund on GRA lending.** Under the new rule for setting the margin for the basic rate of charge, that become effective in FY 2013, the margin should be set so as to (i) cover the estimated intermediation expense of the Fund taking into account income from service charges, and (ii) contribute to the buildup of reserves.²⁸ Intermediation expenses comprise direct and indirect costs related to the GRA lending facilities.²⁹

33. **The LIC financing package that was approved in July 2009 also had an important link to the cost estimates of operating the PRGT.** As part of the 2009 LIC financing package, the Board decided that, for a period of three years starting in FY 2010, an amount equivalent to the expenses of operating the PRGT would be transferred from the

²⁵ This annex was prepared jointly with the Office of Budget and Planning (OBP).

²⁶ The Board decision also notes expressly that the PRGT’s capacity for concessional lending would be kept under close review, and that the Fund should temporarily suspend reimbursement if the resources in the PRGT are likely to be insufficient to support anticipated demand for PRGT lending and the Fund is unable to obtain additional subsidy resources. See [Decision No. 14093-\(08/32\)](#), adopted April 7, 2008.

²⁷ Other than expenses already attributed to other accounts or trusts administered by the Fund or to the GRA.

²⁸ See [A New Rule for Setting the Margin for the Basic Rate of Charge](#) (11/22/11).

²⁹ These so-called Generally Available Facilities (GAF) currently include Stand-By Arrangement (SBA), Extended Fund Facility (EFF or “Extended Arrangement”), Flexible Credit Line (FCL), Precautionary and Liquidity Line (PLL), and Rapid Financing Instrument (RFI), which replaced the previous emergency assistance policy.

PRGT Reserve Account to the new General Subsidy Account instead of the GRA. Based on the projections at that time, delaying PRGT reimbursement to the GRA and the transfer of an equivalent amount to the PRGT's General Subsidy Account was expected to generate subsidy resources of about SDR 0.15–0.2 billion.

34. **The PRGT expense estimates have been brought in line with the methodology for estimating GRA costs.** As with the GRA intermediation estimates, the estimated PRGT costs capture direct departmental expenses (e.g., labor and travel) and indirect support and governance expenses.³⁰ In FY 2011, OBP rolled out a new time reporting system, which provided the labor component of the above cost estimates; the estimates benefited also from the new Analytical Costing and Estimation System (ACES), which became operational during FY 2012. In addition to the expenses arising from country work related to the use of the PRGT lending above-mentioned facilities, the PRGT expense estimates include costs associated with PRGT-related policy work and Ex-Post Assessments of longer-term program engagement when the member's latest arrangement was supported by PRGT resources.

35. **Estimated PRGT expenses increased markedly from FY 2011 to FY 2012, mainly reflecting the adoption of a new comprehensive costing methodology** (Annex Table 1). About three-quarters of this increase reflect indirect labor and travel expenses, not previously included in estimated PRGT expenses (though they had been included in past estimates of the GRA credit intermediation). The remaining one-quarter of the increase is mainly due to an increase in direct labor costs, reflecting the combined effect of more time reported to PRGT work by all area departments and a few functional departments. This increase has taken place despite a slight decline in the number of active PRGT arrangements, partly reflecting an increase in PRGT-related policy work.

³⁰ In FY 2012, a total of 16 departments reported direct labor related to PRGT, with the following four departments accounting for three-quarters of the total: African Department (AFR), Strategy, Policy, and Review Department (SPR), Finance Department (FIN), and Middle East and Central Asia Department (MCD).

Annex Table 1. Estimated PRGT Expenses, FY 08–14 1/
(In millions of U.S. dollars, unless otherwise indicated)

	FY 08	FY09	FY10	FY 11	FY 12	FY 13 Projection 3/	FY 14
Total	67	62	60	71	99	99	100
Personnel	40	37	36	46	51	50	51
Business travel	6	5	5	6	5	6	6
Other admin. expenditures 2/	10	10	10	12	6	6	6
Support 2/	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	27	27	27
Governance	7	6	6	3	5	5	5
Capital project expenses	4	4	3	4	5	5	5
<i>Memorandum items:</i>							
Number of active arrangements (eop)	25	28	30	31	28	<i>na</i>	<i>na</i>
Number of active arrangements (avg)	27	27	29	31	30	<i>na</i>	<i>na</i>
Total cost in millions of SDRs	43	40	38	46	63	64	64

Source: OBP staff estimates.

- 1/ A new ACES-based costing methodology was adopted for FY 12 and this reduces comparability with previous periods.
- 2/ FY 12 estimate for "other administrative expenses" include only direct expenses, while other indirect administrative expenses are captured under "support". In earlier periods, a portion of other indirect expenses now captured under "support" in FY 12 was captured under "overhead" which has been relabeled "other administrative expenses". The sum of "other administrative expenses" and "support" increased markedly from FY 11 to FY 12 as pre-FY 12 estimates did not capture any indirect labor costs (excluding governance) or certain other indirect costs such as travel expenses associated with support.
- 3/ FY 13 projection was derived using departmental estimates on PRGT-related work time and travel costs, and assuming that other cost component would remain a consistent share of personnel and travel costs. FY 14 projection is based on the FY 13 projection adjusted by the Fund's projected Global External Deflator.