



## BLOG POST

# A Quick Rundown on Where We Stand with SDRs

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SEPTEMBER 19, 2022

**A**s the UN General Assembly meets in New York and as we get ready to head into the annual meetings of the IMF and World Bank in a few weeks, I thought it would be a good idea to give a brief recap on where we stand with Special Drawing Rights (SDRs). (If you want to know more about SDRs—from the basics to the nitty gritty details—see our work on [this mini-website](#).)

Let's start with the bottom line: **No vulnerable country has received a single recycled SDR, yet—almost a year after the pledge of the G20 to recycle \$100 billion.**

And now the details, with links to even more details:

## The allocation

- \$650 billion dollars' worth of SDRs were issued by the IMF on August 23, 2021. Each country received an allocation proportional to its IMF quota.



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## to be use for recycling

- Two channels for SDR recycling have been confirmed, both through the IMF: the Poverty Reduction and Growth Facility (PRGT) and the Resilience and Sustainability Trust (RST).
- **Across the two facilities, the IMF is aiming to absorb about SDR 50 billion (US\$ 65 billion) of recycled SDRs**, but only a small portion has been formally committed.
  - **For the PRGT**, since August 2021, donors have indicated their intention of recycling **SDR 9.4 billion** (about \$12 billion). About half of these pledges have been committed through loan agreements between the donors and the IMF (see [here](#)). The IMF is seeking at least **another SDR 3.2 billion** (about US\$4 billion) more in recycled SDRs for the PRGT.
  - **For the RST**, the [IMF has announced pledges of SDR 29 billion](#) of recycling. Spain was the first country to [sign an agreement to provide funds to the RST](#), [reportedly amounting to about \\$1.9 billion](#). A list of [other possible donors has](#)



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## What are the hold ups?

- **For the PRGT:** The IMF has yet to sign commitment agreements with 8 donors who have indicated pledges to the PRGT and continues its loan resource fundraising.
- **For the RST:** The Trust has been approved but lending has not yet begun. Only one commitment agreement has been signed between the IMF and donors. The composition of the SDR 37 billion of pledges is unclear. Four countries have publicly announced a desire to borrow under the RST: Argentina, [Barbados](#), Costa Rica, and Bangladesh. Once the Trust has been activated, disbursements would likely take place at the time of the next review of each countries existing program.
- **For recycling to MDBs:** The G20 insists that any recycling plan must preserve [the reserve asset characteristic of recycled SDRs](#), ensuring that they remain very low risk and encashable on call. Discussions continue among MDBs, the IMF, and the donors as to how this can be accomplished. Many donors are awaiting the outcome of these discussions to decide how to allocate the SDRs they have promised to recycle.



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institutional positions.

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