INTERNATIONAL MONETARY FUND

April 2022

2022 REVIEW OF ADEQUACY OF POVERTY REDUCTION AND GROWTH TRUST FINANCES

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its April 4, 2022 consideration of the staff report.

- The **Staff Report** prepared by IMF staff and completed on March 7, 2022 for the Executive Board's consideration on April 4, 2022.

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International Monetary Fund
Washington, D.C.

PR22/125

The IMF Concludes the 2022 Review of Adequacy of Poverty Reduction and Growth Trust Finances

FOR IMMEDIATE RELEASE

Washington, DC – April 21, 2022: On April 4, 2022, the Executive Board of the International Monetary Fund (IMF) reviewed the adequacy of the finances of the Poverty Reduction and Growth Trust (PRGT). The PRGT is the Fund's main vehicle for providing concessional loans (currently at zero interest rates) to low-income countries (LICs). This was the first review since the comprehensive reform of the PRGT in July 2021, which raised the normal access limits for concessional lending to be in line with those for non-concessional lending and eliminated hard caps on access for the poorest members.

This review comes against the backdrop of continued high demand for PRGT lending which has been shifting from the emergency support that predominated in 2020 to multiyear Fund-supported programs. PRGT loan commitments were high at SDR 6 billion in 2021, only slightly below their peak of SDR 6.5 billion in 2020. The demand for PRGT lending is anticipated to remain elevated in 2022–24, with the outlook subject to considerable uncertainty, including due to the war in Ukraine.

As part of the July 2021 reforms, the IMF's Executive Board approved a two-stage funding strategy to cover the cost of concessional lending to LICs through 2024 while also supporting the longer-term lending capacity of the PRGT. The first stage focuses on 2021–24 and aims to raise SDR 12.6 billion in PRGT loan resources and SDR 2.3 billion in contributions from member countries for subsidy resources (which enable lending at zero interest rates). Over half of the necessary loan resources – SDR 7.3 billion – have already been pledged. However, with pledges for only SDR 0.5 billion in subsidy resources received so far, efforts are ongoing to seek additional pledges and ensure the PRGT is adequately funded over the medium and long term. The second stage of the funding strategy will be implemented following a comprehensive review of concessional financing and policies in 2024/25.

In 2020–21 most of the resources required for debt relief initiatives were successfully mobilized. However, staff is working to mobilize additional grant resources to address the underfunding of the Catastrophe Containment and Relief Trust (CCRT)—which allows the IMF to provide grants for debt service relief for the poorest and most vulnerable countries—and replenish the cash buffer available to respond to future qualifying events.

Executive Board Assessment[1]

Executive Directors welcomed the first Review of the Adequacy of Poverty Reduction and Growth Trust (PRGT) Finances since the comprehensive reforms were approved in July 2021. They agreed that the PRGT had provided unprecedented and critical support to low-income countries (LICs) during 2020–21, particularly to meet pandemic-related challenges. Looking

[1] At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: http://www.IMF.org/external/np/sec/misc/qualifiers.htm.

ahead, Directors considered it essential for the PRGT to continue supporting LICs to facilitate sustainable post-pandemic recovery and to cope with adverse spillovers from the war in Ukraine.

Directors welcomed the robust shift from emergency financing in 2020 toward multi-year Fund engagement. While the immediacy of the health crisis and sudden drop in global economic activity had necessitated an urgent response, they considered that close engagement under multi-year Fund-supported arrangements is better placed to lay the foundations for sustained recovery.

Directors expressed concerns that prospects for many LICs had been further disrupted by the war in Ukraine, with spillovers through pressures on food and fuel prices threatening social stability and food security, in addition to existing challenges. They considered that these adverse developments made it more likely that demand for concessional financing would remain elevated over the near and medium terms.

In that context, Directors were reassured by the expansion of LICs' concessional borrowing space from the 2021 PRGT reforms. They underscored that PRGT arrangements could support LICs in developing appropriate policy responses to recent challenges. Directors also noted that the unprecedented increase in PRGT credit outstanding reduced the reserve account coverage ratio below its historical average and called for close monitoring. Directors welcomed staff's assurances that the Board would be quickly alerted if the reserve coverage ratio is projected to drop below 20 percent. Moreover, they highlighted that risks from elevated lending levels should be mitigated by the Fund's multilayered risk management framework, continued reliance on multi-year program engagement, and full implementation of the enhanced safeguards on debt sustainability and capacity to repay introduced in 2021.

Directors endorsed the resilient design of the two-stage funding strategy for the PRGT. While the Baseline lending scenario already allows for historically elevated lending until 2024, they welcomed that the strategy is sufficiently robust to accommodate a High Case scenario. Directors concurred that, if such a scenario arose, additional subsidy needs would be addressed in the second stage of the funding strategy, as part of the next comprehensive review of the PRGT planned for 2024/25. The further use of IMF internal resources, including gold sales, would be carefully considered at that time to ensure the long-term sustainability of the PRGT. Many Directors, therefore, saw merit in commencing early analytical work on the potential use of internal Fund resources ahead of the second funding stage, while some other Directors emphasized the importance of waiting to undertake this work during the next review. A few Directors underscored that extending the suspension of the reimbursement of administrative expenditures to the GRA for a longer period would be a low hanging fruit to strengthen PRGT finances.

Directors welcomed the generous pledges for loan and subsidy resources made by many members. They expressed concerns, however, about the significant shortfall in the pledges compared to the loan and subsidy targets for the first stage of the funding package agreed in July 2021, especially in view of upside risks to PRGT demand and the potential risks to the PRGT's self-sustained lending capacity. In this regard, Directors encouraged economically stronger members to contribute to the agreed broad burden-shared funding campaign and redouble their efforts to make pledges in a timely manner, utilizing the flexibility available in timing and modalities as needed. Directors also urged strong continued engagement by staff and management.

Directors agreed that PRGT finances were evolving broadly in line with the 2021 assessment and that more time was needed for efforts to mobilize PRGT resources to meet the agreed first stage funding targets. They considered that, while contingent measures are not warranted at the current juncture, recent developments reinforced the importance of keeping the adequacy of PRGT resources under close review. If significant resource shortfalls were to emerge, Directors noted that corrective measures could be taken if deemed appropriate. They therefore looked forward to the next annual Review of the Adequacy of PRGT Finances, while calling for interim informal updates as needed.

Directors noted that the Catastrophe Containment and Relief Trust (CCRT) remains underfunded and emphasized the need for additional grant resources to replenish its cash buffer. They looked forward to the comprehensive CCRT review planned for FY2023.

March 7, 2022

2022 REVIEW OF ADEQUACY OF POVERTY REDUCTION AND GROWTH TRUST FINANCES

EXECUTIVE SUMMARY

This paper provides the first review of the adequacy of PRGT finances since the comprehensive reform of the Poverty Reduction and Growth Trust (PRGT) in July 2021. The reforms included a 45 percent increase in the normal access limits for concessional financing to align them fully with those in the GRA, the elimination of hard caps on access for the poorest members, and the simplification of blending rules. The Board endorsed a two-stage funding strategy to cover the cost of pandemic-related lending and support the sustainability of the PRGT. The first stage, focusing on 2020–24, aims to secure an additional SDR 12.6 billion in PRGT loan resources and SDR 2.8 billion in new subsidy resources (which enable lending at zero interest rates), financed by a combination of internal resources and a broad burden-shared bilateral fundraising effort. The second stage, covering the period from 2025 onwards, will be preceded by a comprehensive review of the PRGT in 2024/25.

Annual demand for PRGT financing has continued to be high but is shifting from emergency financing to multiyear arrangements. PRGT commitments totaled SDR 6 billion in 2021, just slightly below the SDR 6.5 billion in commitments in 2020. The Baseline scenario anticipates continued elevated lending in 2022-24 of almost SDR 3 billion per year, around two-and-a-half times the historical annual average. A robust shift from emergency financing toward multiyear arrangements is underway, with emergency financing declining from almost 90 percent of PRGT commitments in 2020 to just over 10 percent in 2021.

The first stage of the funding strategy is progressing thanks to the generous responses of several PRGT contributors, but it is important to accelerate the pace of pledges, particularly for subsidy resources. SDR 0.5 billion in subsidy resources and SDR 7.3 billion in loan resources have been formally pledged so far. Although the mobilization of loans is proceeding well, supported by SDR channeling, there remains a significant shortfall in the pledges for subsidy resources. Staff are actively seeking additional pledges to make sure that the PRGT is adequately funded over the medium and longer term.

The second funding stage will follow a comprehensive Review of Concessional Financing and Policies in 2024/25. Conditional on raising the necessary subsidy resources under the first stage, the PRGT's self-sustained lending envelope of SDR 1.65 billion per year beyond 2024 remains feasible. However, this envelope and associated funding needs will be reexamined in the 2024/25 review, which will be informed by the evolution of pandemic-related lending, an updated assessment of likely post-pandemic demand, and the outturn of the first stage fundraising efforts. The need to make further use of IMF internal resources would be carefully considered at that time, especially if the Board were to favor a significantly larger PRGT lending envelope and associated endowment.

The current two-stage PRGT financing framework is resilient to shocks. The loan resources being mobilized under the first stage are anchored on a High Case scenario which was designed to "stress test" PRGT resources in a tail-event episode, and hence can accommodate significant potential additional demand for PRGT financing, whether arising from a worsening of the pandemic, geopolitical developments, or other factors. Subsidy resources are anchored on a Baseline scenario with substantial levels of PRGT lending compared to the historical average. However, even under the High Case scenario, subsidy resources would not be depleted before the second stage of the funding strategy, at which time resource needs would be reassessed in the 2024/25 PRGT Review. This framework also allows for the possibility of corrective measures that could be implemented, if needed, in the context of the annual PRGT reviews.

In 2020/21 most of the resources required for debt relief initiatives were successfully mobilized, but the CCRT underfunding remains to be addressed. Pledges for Somalia and Sudan have exceeded the estimated costs for the Fund's share of debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. However, additional grant resources are urgently needed to reduce the underfunding of the Catastrophe Containment and Relief Trust (CCRT) and replenish its cash buffer to respond to potential future qualifying events. A comprehensive review of the CCRT is planned for FY2023 to assess the appropriateness of its policies and the financing framework to ensure its sustainability.

Approved By
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Glossary

CCRT	Catastrophe Containment and Relief Trust
DIA	Deposit and Investment Account
DSA	Debt Sustainability Analysis
ECF	Extended Credit Facility
EF	Emergency Financing
EMs	Emerging market countries
ESF	Exogenous Shock Facility
GLA	General Loan Account
GRA	General Resources Account
GSA	General Subsidy Account
HIPC	Heavily Indebted Poor Countries
IMF	International Monetary Fund
LICs	Low Income Countries
MDRI	Multilateral Debt Relief Initiative
NPA	Note Purchase Agreement
NPV	Net Present Value
PCDR	Post Catastrophe Disaster Relief Trust
PRG-HIPC	Trust for Special Poverty Reduction and Growth Operations for the Heavily Indebted Poor Countries and Interim ECF Subsidy Operations
PRGT	Poverty Reduction and Growth Trust
RA	Reserve Account
RCF	Rapid Credit Facility
RFI	Rapid Financing Instrument
RST	Resilience and Sustainability Trust
SA	Subsidy Accounts
SAF	Structural Adjustment Facility
SCA-1	First Special Contingent Account
SCF	Standby Credit Facility
SDA	Special Disbursement Account
SDFI	Short-Duration Fixed-Income
SDR	Special Drawing Rights
SDRi	SDR Interest Rate
SLA	Special Loan Accounts
SRA	Subsidy Reserve Account
UCT	Upper Credit Tranche
WDI	World Development Indicators
WEO	World Economic Outlook

INTRODUCTION

1. **The COVID-19 pandemic has had disproportionate economic impacts on low-income countries (LICs), requiring an unprecedented response from the Fund**. The pandemic is inflicting significant human costs and causing severe economic dislocations in LICs. In 2020, LICs experienced the largest drop in real GDP per capita in recent decades. About 65–75 million additional people are estimated to have entered extreme poverty in 2021 compared to pre-pandemic projections. The fall in living standards is expected to be large and persistent, reversing hard-won gains in poverty reduction, and increasing income inequality. In the meantime, LICs continue to suffer from unequal distribution of COVID-19 vaccines—less than 5 percent of their total population was fully vaccinated by late 2021 compared to 58 percent in advanced economies.[1] The Fund responded to its members promptly in 2020–21 with a fivefold increase in its concessional lending to LICs from pre-pandemic average levels, and a comprehensive reform of the Poverty Reduction and Growth Trust (PRGT) in July 2021. Demand for PRGT financing support is expected to remain elevated over the shorter term as LICs strive to recover from the pandemic and face potential new challenges from the rapidly evolving geopolitical situation.

2. **This paper reviews the adequacy of PRGT resources in the context of developments since the July 2021 reforms**. It describes the lending response to the unprecedented pandemic-related demand; updates the PRGT demand scenarios and the estimates of the longer-term PRGT resource needs; reports on progress with the first stage of the PRGT funding strategy; and outlines recent developments in the various debt relief initiatives and their status.

3. **The paper is organized as follows:**

- Section II recaps the core elements of the July 2021 funding package endorsed by the Board;
- Section III summarizes recent developments in the demand for PRGT resources;
- Section IV updates the demand scenarios in the context of the pandemic and beyond;
- Section V discusses the status of pledges for loan and subsidy resources and provides an assessment of the adequacy of resources under the self-sustained PRGT financing framework and different lending scenarios, with an analysis of the robustness of the results;
- Section VI reports on PRG-HIPC Trust operations, the status of the fundraising for the Fund's contribution to debt relief for Sudan and Somalia, and the funding situation of the Catastrophe Containment and Relief Trust (CCRT); and
- Section VII concludes with issues for discussion.

[1] *World Economic Outlook: Recovery during a Pandemic—Health Concerns, Supply Disruptions, Price Pressures*.

PRGT REFORMS AND FUNDING STRATEGY

4. **In July 2021, the Fund approved a comprehensive reform of the PRGT to support LICs during the pandemic and beyond**. The Fund initially reacted to the pandemic through a series of temporary increases in access limits for its Emergency Financing facilities (EF) and in the overall access limits of the PRGT and General Resources Account (GRA).[2] To better support LICs during the crisis and the recovery, the Fund approved a comprehensive reform of the PRGT in July 2021.[3] This included a 45 percent increase in the normal annual and cumulative limits on access to concessional financing, fully aligning them with those in the GRA; elimination of hard caps on exceptional access for the poorest LICs that were previously set at 133/400 percent of quota annually/cumulatively; simplification of access norms, with a unified norm of 145 percent of quota for any three-year ECF arrangement; simplification of blending rules including to reduce the likelihood of premature/soon-reversed shifts in blend status; and enhanced safeguards for LICs requesting access above a certain threshold or facing high debt vulnerabilities. The Fund also decided to maintain interest rates on all loans provided through PRGT facilities at zero until the next review of PRGT interest rates scheduled for July 2023.

5. **To underpin these reforms, the Board endorsed a two-stage funding strategy to cover the cost of pandemic-related lending and support the PRGT's sustainability**. The first stage focuses on 2020–24 and aims to secure an additional SDR 12.6 billion in PRGT loan resources and SDR 2.8 billion in new subsidy resources, with the latter composed of SDR 0.5 billion from IMF internal resources via the suspension of PRGT administrative cost reimbursement to the GRA through FY2026, and SDR 2.3 billion via a burden-shared bilateral fundraising campaign. These first-stage targets were anchored as follows:

- The additional **loan resources** under the first stage will increase the total loan mobilization round to almost SDR 30 billion, enough to cover demand over a range of plausible scenarios through 2024, including a High Case scenario.[4]

- The additional **subsidy resources** under the first stage are needed to support concessional financing at zero interest rates along with a base self-sustained lending envelope of SDR 1.65 billion per year in the post-pandemic period, which is SDR 0.4 billion higher than the annual base lending envelope endorsed by the Board in 2012. This residual lending

[2] The temporarily higher cumulative access limit under EF facilities was further extended in December 2021 through end-June 2023, by which time staff will develop an exit strategy towards a post-pandemic emergency financing access limits policy. This extension is not expected to affect the PRGT loan and subsidy resource gaps. See *Review of Temporary Modifications to the Fund's Access Limits in Response to the COVID-19 Pandemic*.

[3] *Fund Concessional Financial Support for Low-Income Countries—Responding to The Pandemic*.

[4] The SDR 12.6 billion are on top of the SDR 16.9 billion in effective loan agreements that have been secured through a fast-track loan mobilization campaign launched in April 2020 thanks to the generous contributions of 16 donors. In July 2021, the Board also approved an increase in the PRGT cumulative borrowing limit to accommodate new loan agreements under the first stage. The High Case assumes that average (i.e., per country) access under multiyear financing arrangements during the pandemic period is about three times the pre-pandemic levels.

capacity would be sufficient to preserve PRGT access levels at pre-pandemic levels in real terms and allow for continued significant program support in the post-pandemic decade and beyond.

6. **The first stage provides donors with flexibility on the range of modalities and timing to provide bilateral subsidy contributions**. The relatively low interest rate environment (notwithstanding the projected normalization) allows for the immediate subsidy needs to be covered, although absent the contributions being sought, existing resources would be depleted by new lending. Accordingly, donors are being asked to pledge resources upfront and can disburse them over time. Individual donors can choose one or a combination of methods to deliver their pledged subsidy contributions such as through budgetary grants, donating SDRs or interest earnings, providing PRGT loans at below the SDR interest rate, and investing resources in the Trust (Annex I).

7. **The second stage of the funding strategy will be discussed in 2024/25, as part of the next full Review of Concessional Financing and Policies**. Besides the customary review of policies and possible reforms and associated funding options, this review would consider the following key elements of the second stage:

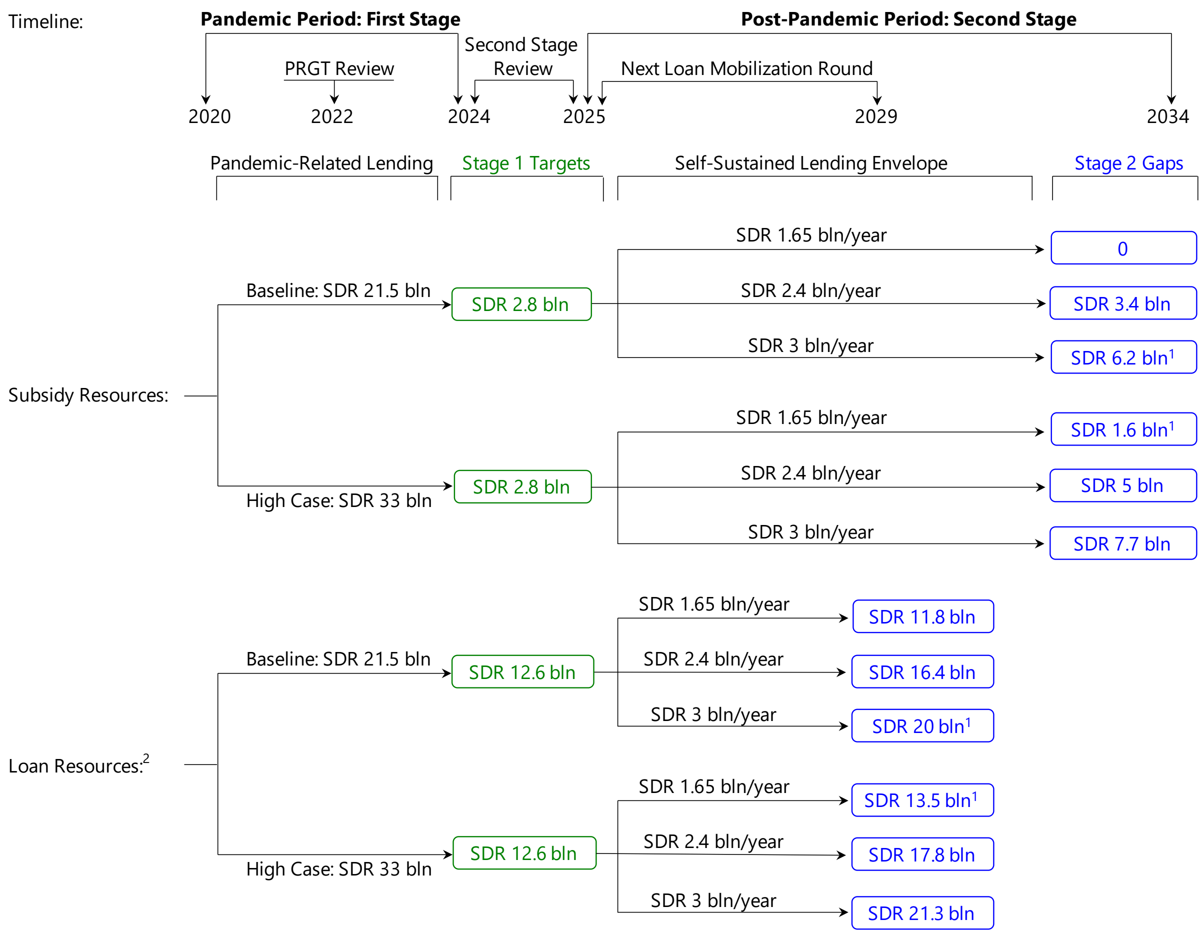
- The **appropriate longer-term lending envelope** for the PRGT. While the base lending envelope of SDR 1.65 billion would help support LICs in the post-pandemic period, the review will consider the merits of a larger self-sustained PRGT lending envelope. A larger scale for the PRGT would depend, *inter alia*, on the evolution of Fund lending to LICs during the pandemic and its aftermath, the longer-term outlook for PRGT financing needs in the context of developments in the broader financing environment for LICs, and the scope for a smooth transition of LICs as they reduce their exposure to Fund credit in the post-pandemic period.

- The additional **funding needs** at the second stage would depend on the decisions made on the scale of the PRGT's self-sustained lending envelope and any further policy reforms. As discussed in July 2021, a larger scale for the PRGT would require additional loan resources and potentially sizeable subsidy resources. For instance, scaling up the annual lending envelope to SDR 2.4–3 billion—allowing for per country PRGT access levels broadly in line with historical trends in GRA arrangements for emerging market countries—would require mobilizing SDR 3½–7¾ billion in additional subsidy resources (on top of the first stage target), depending on the evolution of concessional lending through 2024.

- The potential **use of internal Fund resources** should be carefully considered during this review, especially if the Board were to pursue a significantly larger PRGT lending envelope and associated endowment. Options could include a limited sale of IMF gold, which could be used to boost the Reserve Account and generate investment returns for subsidization, or, alternatively, a distribution of IMF reserves conditional on securing a critical threshold of commitments from members to contribute equivalent amounts for PRGT subsidies. Both options would need to be carefully assessed against their impact on the Fund's balance sheet. Broad support across the membership would be required for the use of either of these options.

Figure 1 recaps the key milestones and funding targets under each stage of the funding strategy approved in July 2021, conditional on illustrative longer-term lending envelopes.

Figure 1. PRGT Fundraising Strategy and Targets, 2020–34



Source: Based on Table 3 of *Fund Concessional Financial Support for Low-Income Countries—Responding to The Pandemic*.

[1] Not considered in Table 3 but included here for completeness.

[2] Including encashment buffer.

8. The two-stage funding strategy and the current PRGT framework are designed to be robust to shocks. The first-stage target for loan resources is based on the High Case scenario, which was designed to "stress test" PRGT resources in tail-event lending episodes. Hence, meeting this target could cover most scenarios for potential additional demand due to, for instance, a worsening of the pandemic or negative spillovers on LICs from ongoing geopolitical developments. While the first-stage target for subsidy resources is anchored on the Baseline scenario, the envisaged subsidy resources could also support High Case lending, albeit at a cost; a much higher volume of concessional lending in the shorter term would reduce the PRGT's self-sustained lending capacity, which would have to be addressed in the second stage by mobilizing additional subsidy resources. The framework also provides for the implementation of corrective measures when these are deemed necessary in annual PRGT reviews without waiting for the second stage (also see Section V).

PRGT LENDING: RESPONDING TO THE PANDEMIC

The Fund has continued to support LICs' efforts to meet pandemic-related challenges and pave the way for a sustainable post-pandemic recovery. Demand for pandemic-related lending has been strong and has recently evolved in line with staff projections. Following the initial surge in emergency financing (EF), Fund support is consistently shifting to multiyear arrangements. PRGT credit outstanding remains elevated, but risks are mitigated by the Fund's comprehensive set of safeguards.

A. Recent Developments in PRGT Lending

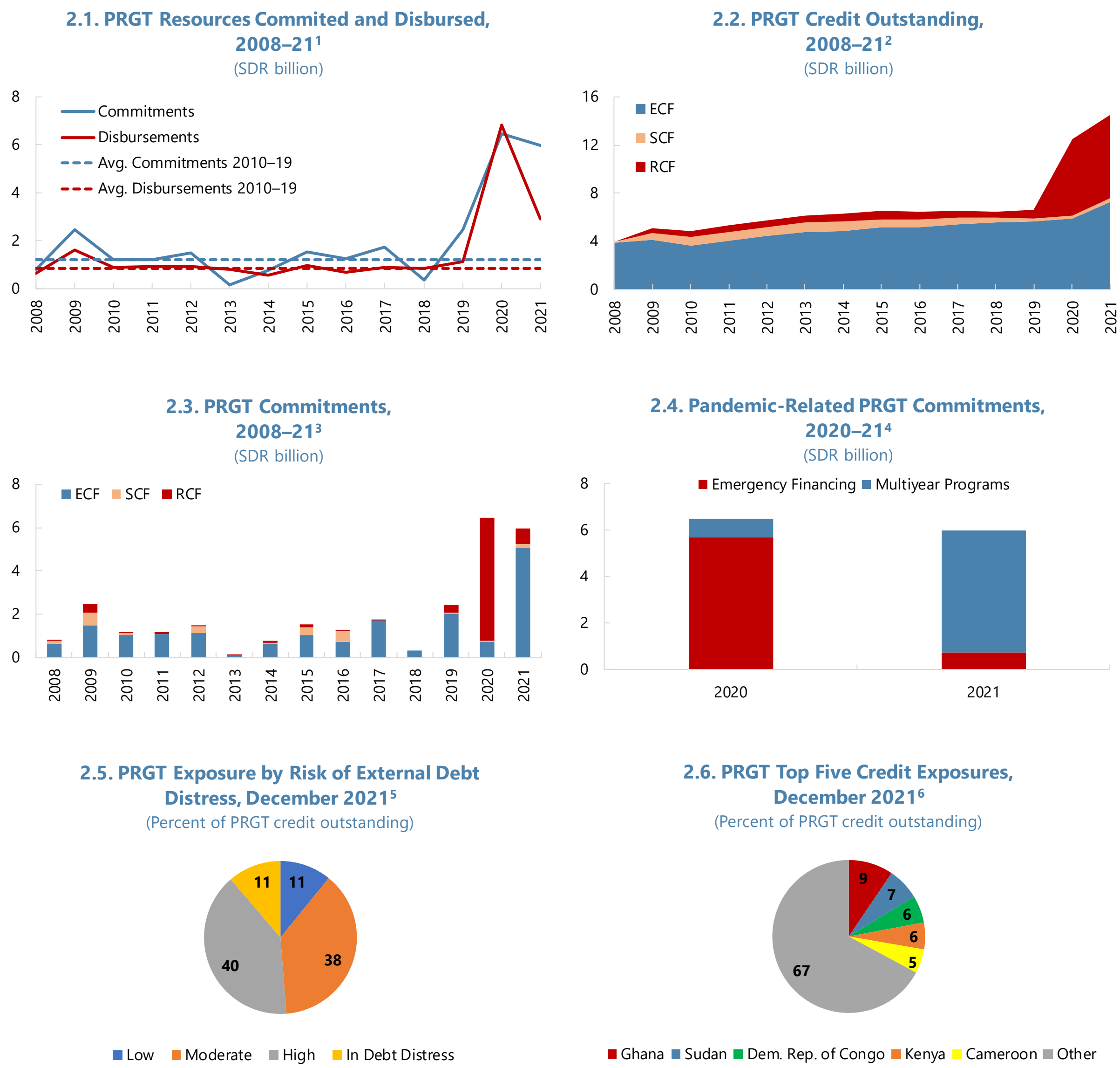
9. Before the COVID-19 pandemic, demand for the Fund's concessional financing was broadly in line with the PRGT's base lending envelope. Annual PRGT commitments averaged about SDR 1.2 billion during 2010–19, roughly in line with the 2012 Board-endorsed base lending envelope of SDR 1¼ billion (Figure 2.1). PRGT concessional lending experienced only two significant spikes during this pre-pandemic decade: in 2009 during the global financial crisis, when PRGT commitments peaked at SDR 2.5 billion, and in 2019, with PRGT commitments rising to SDR 2.4 billion, facilitated by the increase in access norms and limits by one-third adopted under the 2018-19 Review of Facilities for LICs[5] in May 2019 and reflecting the large arrangements for the Republic of Congo (200 percent of quota) and Ethiopia (400 percent of quota).[6]

10. In contrast, the pandemic led to an unprecedented surge in demand for the Fund's concessional financing, and consequent increase in PRGT credit outstanding. During 2020–21, the Fund provided SDR 12.4 billion in new PRGT lending to 54 of the 69 PRGT-eligible LICs, well above past peaks and about five times the historical annual average lending commitments. As a result, the stock of PRGT credit outstanding—which showed a slow upward trend in the pre-pandemic decade with an average of around SDR 6.5 billion—surged to SDR 14.5 billion by end-2021, mostly driven by disbursements of EF, disbursements under new arrangements, and to a smaller extent by the augmentation of existing arrangements (Figure 2.2).

[5] *2018-19 Review of Facilities for Low-Income Countries*.

[6] Note that commitments are typically more volatile than disbursements, as new multiyear arrangements are often approved in the context of shocks but disbursed gradually over several years.

Figure 2. PRGT Key Statistics, 2008–21



Source: Finance Department.

[1] Total PRGT new commitments (including augmentations) and PRGT disbursements in each calendar year.

[2] Total PRGT credit outstanding at the end of each calendar year.

[3] For 2008-09 the equivalent of ECF/SCF/RCF is considered.

[4] Pandemic-related lending since late March 2020 but including the UCT-quality arrangements for Somalia (March 2020) and Sudan (June 2021).

[5] Shares in total PRGT credit outstanding based on the risk of external debt distress.

[6] The remaining credit exposure (67 percent) cover 53 PRGT-eligible countries and one graduate.

11. **Following an initial "wave" of EF requests, there has been a pronounced shift toward multiyear financial arrangements** (Figures 2.3 and 2.4), with most of the new arrangements being implemented under the PRGT's workhorse ECF lending facility, as in the past:

- In the few months between late March and July 2020, PRGT financing support to 47 LICs amounted to SDR 5.9 billion, with over 90 percent under EF facilities. Only two upper credit tranche (UCT)-quality arrangements were approved in that period, for The Gambia and for Somalia (the latter was approved following arrears clearance and reaching the HIPC decision point).

- Since August 2020, this pattern has reversed sharply. Between August 2020 and mid-2021, the Fund approved PRGT financing requests for 18 LICs, amounting to over SDR 4 billion. Over four-fifths of these were UCT-quality arrangements, including the ECF arrangements for Sudan (SDR 1,733 million, 275 percent of quota) and Uganda (SDR 722 million, 200 percent of quota), and the ECF/EFF blend arrangement for Kenya (SDR 1,655.5 million, 305 percent of quota, of which SDR 407 million from the PRGT).[7]

- This shift to using ECFs has continued since the July 2021 reforms, reflecting the renewed focus on addressing pandemic-related financing needs and laying the foundations for post-pandemic recovery and sustained growth through longer-term arrangements. After the implementation of the reforms and up until early 2022, a further 10 LICs received PRGT financing support, of which only two under emergency financing. Arrangements approved included the ECF arrangements for Chad (SDR 392.6 million, 280 percent of quota), Republic of Congo (SDR 324 million, 200 percent of quota), Democratic Republic of Congo (SDR 1,066 million, 100 percent of quota), Nepal (SDR 282.4 million, 180 percent of quota), and Niger (SDR 197.4 million, 150 percent of quota), and the ECF/EFF arrangement for Moldova (SDR 400 million, 232 percent of quota, of which SDR 133.3 million from the PRGT).

B. Evolution of the Risk Profile

12. PRGT credit outstanding is elevated but concentration remains moderate. The relatively large volume of outstanding RCF loans, which are not subject to UCT conditionality, may pose risks to the portfolio. Furthermore, debt vulnerabilities of PRGT borrowers have increased; over half of PRGT countries accounting for about 50 percent of PRGT credit outstanding are currently classified as being at high risk of, or in, debt distress (Figure 2.5). On the other hand, PRGT credit concentration remains moderate, with one-third of credit outstanding concentrated among the top five borrowers at end-2021, compared with two-thirds in the GRA and about 40 percent on average in the pre-pandemic decade (Figure 2.6).

13. The Fund has multiple safeguards to mitigate credit risks. While credit risk is inherent to the Fund's operations, it has a comprehensive set of risk-mitigating measures under its multilayered risk management framework,[8] including the strength of *lending policies* (e.g., program design and conditionality, access limits, exceptional access safeguards, high-access procedures, debt-related

[7] The Sudan arrangement was approved following arrears clearance. Many of the LICs that requested Fund financing since August 2020 also received EF support in the first "wave".

[8] *IMF Financial Operations*, 2018, Chapter 6.

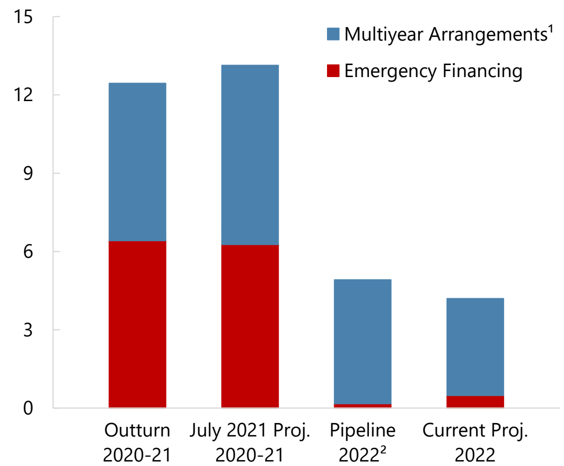
policies), *safeguards assessments*, the *policy on arrears prevention and resolution,* and *de facto preferred creditor status*. The shift towards UCT-quality arrangements would help mitigate risks to capacity to repay. The new enhanced safeguards policy first introduced in March 2021 and endorsed by the Board in July 2021 is expected to reinforce risk mitigation even as access limits were increased. Since April 2021, UCT-quality arrangements for four LICs have been approved under these new safeguards—Cameroon, Chad, Congo Republic, and Niger.

OUTLOOK FOR PRGT DEMAND

Lending demand has unfolded broadly as expected under the Baseline scenario. The outlook for demand through 2024 is expected to continue to be elevated but can be accommodated under the PRGT's current framework. However, the outlook is subject to considerable uncertainty, including from pandemic developments and current geopolitical events. The latter could increase LICs' financing needs particularly through higher food and energy prices. Updates of the longer-term demand model imply modest changes relative to the base lending envelope for the post-pandemic decade (SDR 1.65 billion per year), which remains an appropriate anchor for the associated two-stage funding strategy.

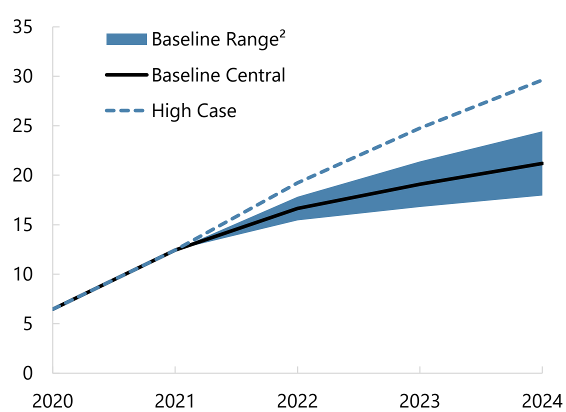
Figure 3. PRGT Commitments, 2020–24
(SDR billion)

Figure 3.1. Outturn and Pipeline, 2020–22



[1] Includes arrangement augmentations and new UCT-quality arrangements.
[2] Based on SPR surveys and FIN staff research. Includes requests and enquiries.

Figure 3.2. Projection Scenarios, 2020–24[1]



[1] Total new commitments, including emergency financing, new multiyear arrangements and augmentations. Cumulative from 2020.
[2] The blue are reflects demand uncertainty around the Baseline.

A. Shorter-Term Demand

14. PRGT lending commitments were broadly in line with staff's baseline projections for 2020–21. Lending commitments of SDR 12.4 billion in the first two years of the pandemic were about SDR 0.7 billion below the July 2021 projections under the Baseline scenario (first two bars of Figure 3.1), mostly reflecting lower-than-expected augmentation of existing arrangements and delays in the approval of some new arrangements that were in the pipeline and had therefore been included in the July 2021 projections.

15. The near-term pipeline of demand for PRGT loans remains strong and may be subject to upside risks stemming from geopolitical developments and their broader economic impacts. Ahead of the war in Ukraine, formal requests, requests under review, and enquiries from 19 LICs totaled around SDR 5 billion. The bulk of this pipeline consists of new UCT-quality arrangements, in line with the ongoing shift away from EF. This pipeline is broadly consistent with staff's current baseline projections for 2022 (last two bars of Figure 3.1), although there is the potential for additional program requests in response to any worsening of the economic outlook and some existing programs may also require augmentation.

16. The updated baseline projections for PRGT commitments for the shorter-term period (2020–24) of SDR 21.2 billion, are in line with the SDR 21.5 billion projection of July 2021, yet uncertainties are elevated (Figure 3.2, black line). This modest downward revision in projections reflects the 2020-21 outturn, a pipeline which is evolving roughly in line with staff's expectations, and staff's assessment that that the key parameters underpinning the July 2021 Baseline scenario remain appropriate (Annex II). These parameters (e.g., average access per arrangement and the share of LICs seeking Fund support) already reflected the changes in PRGT access limits and norms that were approved by the Board in July.[9] The baseline parameters imply that demand will ease to an average of SDR 2–4 billion annually in 2022–24, below that seen in the beginning of the pandemic, but still up to two-three times pre-pandemic averages. However, significant uncertainty persists around baseline prospects for PRGT financing over the coming years—captured by the blue range in Figure 3.2.[10] For example, if the rapidly evolving geopolitical situation has lasting impacts on fuel and food prices, higher financing needs may materialize in LICs. Another important risk is the possibility that some non-blenders could experience larger-than-anticipated balance of payments needs and therefore request arrangements with access well above the benchmark levels assumed under the Baseline scenario, as they are no longer constrained by hard caps.

17. Demand under the High Case scenario was revised down by about SDR 3 billion to about SDR 30 billion during 2020-24 (Figure 3.2, dashed blue line). The 10 percent downward revision largely reflects the outturn for 2021. This scenario was designed to "stress test" PRGT resources in a tail-event episode with a large portion of eligible LICs requesting PRGT financing at an average access per country about three times the pre-pandemic level. It could, for example,

[9] At a recent discussion on enhancing the Fund's financial engagement with Fragile and Conflict-Affected States there was support for more flexible timing and phasing of RCF disbursements, but, given that annual limits remain unchanged, the proposed adjustments would not be expected to affect overall demand for PRGT resources. Staff's preliminary assessment is that the impact of the proposed Resilience and Sustainability Trust (RST) would also not be large. In the first instance, much of the demand for support under the RST is likely to come from countries that are already assumed to be in Fund-supported programs under the Baseline scenario. To the extent that countries without existing balance of payments imbalances might seek UCT-quality arrangements in order to access the RST, non-financing arrangements such as the Policy Support or Coordination Instruments are available. Finally, RST disbursements are expected to be additional to support under the PRGT, so staff does not anticipate a reduction in demand from the additional financing. Assuming that the RST is adopted, any implications for the number and type of arrangements with LICs will be monitored closely and incorporated as appropriate into demand projections in the annual reviews of the adequacy of PRGT finances.

[10] To ensure consistency with the fundraising targets for the first stage of the funding strategy and the July 2021 analysis, the short-term projections continue to focus on 2020–24, even though these partly reflect actual data.

illustrate potential lending demand if geopolitical instability has substantial negative economic spillovers on PRGT-eligible countries over the shorter term. Staff assesses that the SDR 12.6 billion first-stage target for loan resources, which is anchored on the High Case remains appropriate.[11] This target continues to provide a valuable buffer against the possibility of a sharp spike in demand ahead of the next comprehensive PRGT review in 2024/25, especially given uncertainty over the evolution of the pandemic and geopolitical events. Since recent loan agreements include an extended drawdown period, any loan resources remaining undrawn during the pandemic period can be drawn upon in the post-pandemic years (see next Section).

B. Longer-Term Outlook

18. The updated longer-term demand model suggests a modestly higher outlook for PRGT lending. The demand model was updated as in past reviews to reflect economic trends and developments in PRGT financing through 2021, resulting in limited changes in the key parameters (Annex II). Given the uncertainty around the longer-term economic outlook, longer-term demand is the average of two benchmark scenarios—a "low case" and a "high case"—calibrated to reflect low and high shares of countries using PRGT facilities.[12, 13] Altogether, these updates to the demand model imply annual average lending demand of about SDR 1.75 billion for the post-pandemic decade (2025-34), slightly higher than the SDR 1.65 billion base lending envelope estimated in 2020 and endorsed by the Board in July 2021.

19. The longer-term lending envelope of SDR 1.65 billion remains an appropriate anchor for the PRGT funding strategy. As discussed in July 2021, the new subsidy resources to be raised in the first stage would cover all pandemic-related lending under the Baseline scenario and leave a residual (post-crisis) self-sustained capacity of SDR 1.65 billion per year. This base lending envelope ensures that access for the post-pandemic decade would be maintained in real terms compared to the pre-pandemic levels. It would also allow for future periodic upward revisions to access limits and norms to avoid eroding access relative to nominal GDP, while creating room for many LICs to request successor arrangements in the second half of the decade. Given the modest revision in the longer-term lending demand outlook under the Baseline, and the continued large uncertainties around the estimates, staff assesses that the Board-endorsed base lending envelope remains appropriate (also see Section V below).

[11] As mentioned in Section I, the loan target was estimated so that the additional loan resources would cover a range of demand scenarios up to the High Case. This conservative approach also reduces the frequency of fundraising rounds.

[12] The revision included updating the quotas of a few countries following their consent to and payment of previously approved quota increases (e.g., Sudan), nominal GDP growth, and blending, eligibility and graduation rules. Given the highly atypical demand in 2020–21, average access annual access per facility and average shares for the "low" and "high" cases were kept at the values estimated in the 2020 demand model.

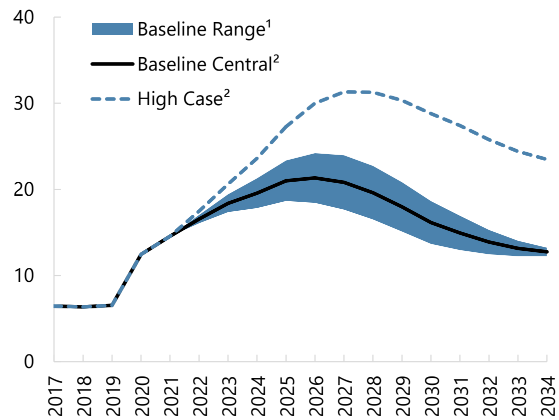
[13] This "high case" is intended to measure demand uncertainty under the Baseline scenario and should not be confused with the separate and full-fledged High Case scenario discussed in this paper.

C. Capacity to Repay Implications

20. Pandemic-related lending has resulted in elevated total and country-level PRGT credit outstanding. Under the Baseline scenario, total PRGT credit outstanding would peak at about SDR 21 billion in 2025/26 (Figure 4.1), over three times the pre-pandemic average. It would gradually decline thereafter as the share of LICs with arrangements reverts to historical levels, and some LICs transition to blending and graduation. The typical LIC non-blender would borrow about 1¼ percent of GDP annually from the PRGT in 2020–24, twice the historical level. As a result, average PRGT credit outstanding to a LIC non-blender would peak at about 5–7 percent of GDP by 2025/26 in the Baseline, depending on country characteristics (Figure 4.2). Under the High Case, total and per country PRGT credit outstanding would peak at higher levels. The elevated country-level exposure to Fund credit underscores the need to carefully monitor and scrutinize risks to capacity to repay in individual cases, including in the context of the new enhanced safeguards approved in July 2021.

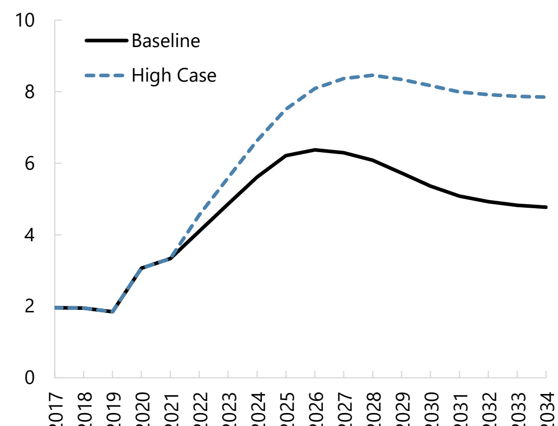
Figure 4. PRGT Credit Outstanding, 2017–34
(Units as indicated)

Figure 4.1. Total
(SDR billion)



[1] The blue area reflects demand uncertainty around the Baseline.
[2] Baseline/High Case envelope = SDR 1.65/3 billion.

Figure 4.2. Typical Non-Blender
(Percent of GDP)[1]



[1] Simulation for the typical non-blender assuming initial credit outstanding and new commitments around the cross-LIC mean.

PRGT RESOURCES AND SELF-SUSTAINED CAPACITY

Staff estimates for PRGT resource needs, self-sustaining capacity, and the reserve coverage ratio, remain broadly in line with the July 2021 projections. The mobilization of loan resources has begun well thanks to the generous pledges of several member countries, though substantial pledges are still needed to reach the target. Fundraising for subsidy resources, however, is progressing more slowly than expected—only about one-fifth of the target has been pledged so far. Potential contributors are urged to make their pledges upfront, with flexibility available to disburse these pledges over time through various options.

A. PRGT Loan Resources: Update and Mobilization

21. The recent loan mobilization round has strengthened the availability of PRGT loan resources. SDR 16.9 billion in new loan resources were raised, under the 2020 fast-track fundraising round, thanks to the prompt and generous responses of 16 PRGT lenders.[14] The associated new loan agreements include several improved features, such as unification of lenders' interest rate at the SDR interest rate (SDRi) and greater flexibility—loans can be used for all PRGT facilities, drawing limits were loosened, and the drawdown period was extended to 2029 for some legacy agreements. In addition, the lender base was broader than in previous rounds (e.g., Australia and Germany). Ten lenders opted to participate in the encashment regime of the PRGT and about two-thirds of the new committed amounts are in SDRs (Table 1.1 and Appendix I Table 1).[15] Uncommitted PRGT loan resources, net of a liquidity buffer of SDR 5 billion for possible encashment calls, amounted to SDR 14 billion at end-December 2021, benefitting from the effective new loans raised under the 2021 round.

Table 1. PRGT Loan Resources
(In SDR million, as of March 4, 2022)

Table 1.1. Effected under the 2020 Round[1]

Country	SDR Million	Modality	Media	Type of Agreement[3]	Encashment
Japan	3,600	Augmentation	SDR	NPA	Yes
Germany[2]	2,534	New agreement	EUR	Loan Agreement	No
France	2,000	New agreement	SDR	Loan Agreement	Yes
United Kingdom	2,000	Augmentation	SDR	NPA	Yes
China	1,000	New agreement	SDR	NPA	Yes
Italy	1,000	New agreement	SDR	Loan Agreement	Yes
Spain	750	Augmentation	EUR	Loan Agreement	Yes
Australia	500	New agreement	SDR	Loan Agreement	Yes
Brazil	500	Augmentation	USD	NPA	Yes
Canada	500	Augmentation	USD	Loan Agreement	No
Netherlands	500	New agreement	SDR	Loan Agreement	No
Sweden	500	New agreement	USD	Loan Agreement	Yes
Switzerland	500	New agreement	EUR	Loan Agreement	No
Norway	400	New agreement	USD	Loan Agreement	Yes
Belgium	350	New agreement	EUR	Loan Agreement	No
Denmark	300	New agreement	EUR	Loan Agreement	No
Total	**16,934**				
Target	**SDR 12.5 bln**				

Source: Finance Department.

[1] All agreements are for the benefit of the General Loan Acccount, remunerated at the SDR interest rate, with the exception of the UK loan (capped at 0.05 percent), and expire at end-2029.

[2] SDR equivalent of EUR 3 billion at the exchange rate of January 11, 2021 when the agreement became effective. The actual value of the loan will be calculated at the exchange rate at the time of drawings and net of operational expenses incurred by Germany.

[3] NPA = Note Purchase Agreement.

22. Nonetheless, additional loan resources are needed under the first stage of the July 2021 funding strategy, with just over half of the SDR 12.6 billion sought having been pledged so far (Table 1.2). These additional loan

[14] In early April 2020, the IMF's Executive Board acknowledged the need for expedited and ambitious loan fundraising efforts to support the expected surge in pandemic-related concessional lending to LICs (*Enhancing the Emergency Financing Toolkit—Responding to the COVID-19 Pandemic*). On April 14, 2020, the Board formally approved the immediate mobilization of SDR 12.5 billion in additional PRGT loan resources. The loan resources raised exceeded the Board-endorsed target by a wide margin, thanks to the prompt and generous response of PRGT lenders.

[15] Under the encashment regime, the PRGT provides participating lenders with the right to request early repayment of outstanding claims in case of balance of payments need. The Fund repays the requesting lender by drawing down resources committed to the PRGT by other participating lenders, by means of a liquidity buffer under the regime.

resources, together with those from the 2020 round, will ensure that pandemic-related demand for PRGT financing will be covered under the demand scenarios considered in July 2021 and in this paper, including the High Case. Mobilization of loan resources under the 2021 round is progressing, with SDR 7.3 billion having been generously pledged so far by 12 contributors—11 of which also contributed to the 2020 round—yet further pledges of a similar total amount are still needed to reach the fundraising target. Thanks to the prompt responses of the Italian, Japanese and Spanish authorities, three loan agreements are already effective under the ongoing round. Raising the remaining loan resources could also be facilitated by the "channeling" of SDRs.

Table 1. PRGT Loan Resources
(In SDR million, as of March 4, 2022) (concluded)

Table 1.2. Pledged under the 2021 Round

Country	Pledged [1]	Status of Loan Agreement	Media
Australia	250		
Belgium	250		
Canada	500		
China	1,000		
France	1,000		
Italy	1,000	Effective	SDR
Japan	1,000	Effective	SDR
Korea	450		
Netherlands	300		
Spain	350	Effective	SDR
Sweden	150		
United Kingdom [2]	1,000		
Total	**7,250**		
Target Amount	**12,600**		
Number of asks	22		
Total responses received	20		
Pledged	12		
Exploring	6		
Not pledging at this time	2		

[1] Some of the pledged amounts are subject to completion of domestic procedures.
[2] The loan resources pledged by the United Kingdom will be provided at a concessional rate, thus generating an implicit subsidy contribution of SDR 100 million.

B. PRGT Subsidy Resources: Update and Mobilization

23. **Balances in the PRGT Subsidy Accounts amounted to SDR 4 billion at end-2021** (Table 2). These balances exceed pre-pandemic (i.e., end-2019) levels, in large part owing to the accrual of net investment income. They are also larger than projected in July 2021 due to stronger investment returns in 2021 and the contributions of SDR 40 million already provided by several members under the ongoing fundraising round (Appendix I Table 2 shows all actual subsidy contributions through end-2021). In addition to the resources in the Subsidy Accounts, SDR 312 million is presumed to be available from the

Table 2. Balances of PRGT Accounts
(In SDR billion, as of December 31, 2021)

Account	Amount
Subsidy Accounts (SA)	**4,007**
General Subsidy Account (GSA)	2,918
ECF Subsidy Account	1,061
RCF Subsidy Account	7
SCF Subsidy Account	21
Reserve Account (RA)	**4,266**
Subsidy Reserve Account (SRA)	**9**
Deposit and Investment Account (DIA)	**0**
Memorandum Item:	
PRG-HIPC Trust	312

PRG-HIPC Trust.[16] Despite the unprecedented volume of PRGT lending in 2020–21, the associated subsidy costs so far remain relatively low due to the low level of interest rates. However, as stressed in the July 2021, with the expected normalization of interest rates, these resources would be depleted over time under the lending assumptions underpinning the Baseline scenario and absent the mobilization of additional subsidy resources.

24. About SDR 223 million in subsidy resources pledged under previous fundraising rounds are yet to be provided. Members with outstanding pledges, especially those under the first and second distribution of gold windfall profits, are urged to deliver on their pledges (see Appendix I Table 6 for more details).

Table 3. New PRGT Subsidy Resources Pledged [1]
(As of March 4, 2022)

Country	Proposed [1]	Modality	Pledged [2]		Received
			Media	SDR mln	SDR mln
Australia	36			36	
Canada	61			61	
Greece	13			13	
Italy	83			83	
Japan	169			56	
Korea	47			41	
Lithuania [3]	2	Grant	EUR	2	1
Netherlands [4]	48	Grant	EUR	23	23
Singapore	21			21	
Slovak Republic [5]	6	Grant	EUR	6	3
Sweden [6]	24	Grant	SEK	24	8
Switzerland [7]	32			39	
Thailand [8]	18	Grant	SDR	8	8
United Kingdom [9]	111			100	
Total				**513**	**43**
Total Grant				338	43
Total Implicit Subsidy				100	0
Total Investment and Deposit				0	0
Target Amount				**2,300**	
Number of asks				61	
Total responses received				33	
Pledged				14	
Exploring				10	
Not pledging at this time				9	

[1] Total proposed amount covering the 61 asks equals SDR 2.3 billion in NPV terms as of end-2020.
[2] Several of the pledged amounts are subject to completion of domestic procedures.
[3] SDR equivalent of pledged EUR 2.45 million in PRGT subsidies based on the exchange rate as of the date of this table, of which SDR 1 million was received on December 13, 2021.
[4] SDR equivalent of EUR 28.5 million towards PRGT subsidy resources, of which Euro 8.5 million was already provided in December 2020 and Euro 20 million disbursed in November 2021.
[5] SDR equivalent of pledged EUR 7 million in PRGT subsidies based on the exchange rate as of the date of this table.
[6] SDR equivalent of pledged SEK 300 million in PRGT subsidies based on the exchange rate as of the date of this table, of which SEK 100 million received in December 2021.
[7] SDR equivalent of pledged CHF 50 million in PRGT subsidies based on the exchange rate as of the date of this table.
[8] SDR 7.77 million reflects part of Thailand's share in the SCA-1 and deferred charges distribution.
[9] The loan resources pledged by the United Kingdom will be provided at a concessional rate, thus generating an implicit subsidy contribution of SDR 100 million.

25. The mobilization of new subsidy resources has received some encouraging responses, although the pace of pledges has been slower than expected. The suspension of reimbursement of the GRA for PRGT-related expenses through FY2026 will provide SDR 0.5 billion in internal resources. The Fund is also seeking SDR 2.3 billion in bilateral subsidy contributions through a broad, burden-shared fundraising campaign involving 61 economically stronger member countries based on their respective quota shares. So far SDR 0.5 billion has been pledged thanks to the generous responses of 14 contributors; these pledges are just about a fifth of the fundraising target (Table 3 and Appendix I

[16] The PRG-HIPC Trust was established in 1997 to provide assistance to LICs by making grants and/or loans to reduce external debt burdens to sustainable levels and to subsidize the interest payments. Upon liquidation, surplus funds shall be made available for self-sustained PRGT operations unless contributors request otherwise. See Section III and Section V, paragraph 2 of the PRG-HIPC Trust Instrument, as annexed to the *Decision No. 11436-97/10* as amended.

Table 3). Many potential contributors have indicated to staff that they are still undertaking the domestic procedures needed before they can make a pledge. Potential contributors are encouraged to complete the needed procedures to make upfront pledges as soon as possible. Although interest rates are expected to rise, this comes from a very low base. In this environment, PRGT subsidy resources will not be exhausted soon, so the Fund can accommodate options that allow for a gradual accumulation of subsidy contributions if the agreed PRGT funding package is backed up by sufficient upfront pledges.

26. Donors are encouraged to frontload subsidy pledges. Shortfalls in pledged subsidy resources during the first stage could increase the resources needed in the second stage, especially if the outturn for concessional lending through 2024 exceeds baseline projections and/or the longer-term PRGT lending envelope were to be scaled up significantly. Upfront pledges in the first stage would also reduce the likelihood of needing to resort to contingency measures in the near term to ensure the PRGT's self-sustainability. Such measures, if deemed necessary in future reviews, could unduly constrain the PRGT's ability to continue supporting LICs during the pandemic and recovery. The flexibility embedded in the funding strategy—in terms of time and options for bilateral contributions—is expected to further encourage donors to make upfront pledges and facilitate the disbursement of their contributions over time.

27. Donation of income earned on investments is among the options available to contributors. Specifically, under a deposit or investment agreement, a member's resources loaned to the PRGT would be invested and net investment income, minus any interest payment to the member, would be donated to the Trust. Currently there are nine such arrangements for the benefit of the PRGT, of which three are investments pooled with PRGT assets and six in BIS obligations (Appendix I Table 4).[17] Investing resources in the Trust can be also facilitated by the Deposit and Investment Account (DIA) created in 2021. This new account represents a very convenient modality to potential contributors. It has been established to allow contributions for investments in higher yielding assets while still preserving their reserve asset status. In addition, it does not entail budget costs to donors such as outright grants. With the modified investment strategy approved by the Executive Board in January 2022, this option is now fully operational and available to contributors (Annex I).[18] Investment agreements, including under the DIA, entail a remuneration rate of up to the SDRi.

C. PRGT Self-Sustained Capacity

28. The PRGT self-sustained lending capacity for the Baseline scenario remains in line with the July 2021 estimates. Taking into account updated end-2021 balances in the PRGT accounts

[17] Appendix I Tables 5 and 8 provide details on agreements for the PRG-HIPC Trust and CCRT, respectively.
[18] These investments would be pooled with PRGT's assets in the short duration fixed-income (SDFI) component, which enhances the PRGT portfolio's reserve-like qualities. The strategy for the SDFI component is aligned with the one for the Fund's own reserves in the Investment Account Fixed-Income Subaccount.

(Table 2), higher implicit subsidies from the UK loan,[19] revised interest rate assumptions (Annex III), the outturn for lending commitments, and assuming that the SDR 2.3 billion in additional subsidy resources requested from members are fully pledged as targeted (Table 3), the PRGT 's self-sustained lending capacity would reach about SDR 1.7 billion annually based on the updated capacity model and Baseline lending scenario. This revised capacity is only slightly above the SDR 1.65 billion projected in July 2021 and is also broadly in line with the revised baseline lending demand from the longer-term demand model.

29. **However, the PRGT's self-sustained lending capacity is subject to considerable uncertainty and is particularly sensitive to factors that directly impact the Trust's endowment** (Table 4). Allowing for the near-term uncertainty around the revised Baseline scenario, the PRGT's self-sustained lending capacity for the post-pandemic decade is projected in the range of SDR 1.6–1.8 billion, with the Board-endorsed lending envelope of SDR 1.65 billion at the lower end of this range. However, under the High Case demand scenario, the capacity would fall considerably below the base lending envelope. It should be noted that the estimated capacity is also sensitive to several factors that are not closely related to demand, and which also directly impact the PRGT's endowment,[20] including:

- *Investment premium*. The projections assume a 90-basis point (bps) investment return premium over the interest rates paid to PRGT lenders, in line with the investment strategy for PRGT assets. A substantially lower premium (50 bps) would reduce the annual lending capacity by almost SDR 0.3 billion relative to the updated estimate.

- *Pledged contributions*. Capacity estimates assume that the SDR 2.3 billion fundraising target

Table 4. PRGT Self-Sustained Capacity[1]
(Units as indicated)

Scenario	Estimated Capacity (SDR million)	Change Relative to Updated Estimate (%)
July 2021 Board Paper	1.65	
Updated Estimate[2]	1.71	
Sensitivity Analysis		
Demand Uncertainty in 2022–24		
High Case Scenario	1.44	-16
Baseline upper range[3]	1.61	-6
Baseline lower range[3]	1.82	+6
Investment Premium		
Lower by 40 basis points	1.44	-16
Pledged Contributions		
SDR 800 million below target	1.54	-10
GRA Reimbursement		
Higher by SDR 15 million/year	1.63	-5
SDR Interest Rate		
Higher by 50 basis points	1.66	-3

[1] Assuming SDR 2.3 billion in new contributions to subsidy resources provided by 2025.
[2] Based on end-2021 SA and RA balances incl. SDR 40 million received under the first stage.
[3] Upper/lower range is about a third above/below the Baseline Central Case.

[19] Smaller-than-projected drawings in 2021 will lead to higher usage of the UK loan when interest rates are normalizing. This new disbursement profile enhances the implicit subsidies implied by the loan terms. Note that the implicit subsidies from loans at concessional rates such as the UK loan and the investment returns under the arrangements discussed above both generate subsidy resources but through distinct mechanisms.

[20] Annex IV further discusses the PRGT's self-sustained endowment model.

for subsidy resources is fully met within the timeframe of the first stage of the funding strategy and that all previously pledged subsidy resources are also provided. An illustrative shortfall of about one-third (SDR 800 million) in these expected resources would reduce the annual lending capacity by about SDR 0.2 billion.

- *Reserve Account (RA) reimbursement*. All estimates assume no GRA reimbursement through FY2026 and reimbursements of SDR 65 million thereafter, paid from the RA every year. If reimbursements are SDR 15 million higher from FY2027, annual lending capacity would be about SDR 0.1 billion lower.

- *SDR interest rate*. The SDRi is the basis for the projected rate of return on Trust assets and the interest rate paid to PRGT lenders. Hence it impacts both the Trust's projected income and subsidy costs. Under the assumptions underpinning this analysis, the net impact of higher SDRi on capacity is negative. To illustrate, if the average SDRi exceeds the baseline path by 50 bps, which could reflect, for instance, faster-than-anticipated interest rate normalization, the annual lending capacity would decline by almost SDR 0.1 billion.

D. Reserve Account and Credit Protection

30. Balances of the PRGT RA continue to increase, but the coverage ratio has declined to well below the historical average due to the unprecedented increase in PRGT credit outstanding. As of end-December 2021, the RA balance reached SDR 4.3 billion (Table 2), SDR 0.4 billion higher than at end-2019, as net investment returns exceeded administrative expenses reimbursed to the GRA in FY2020 and reimbursement has been suspended in FY2021. The end-year balance was also somewhat higher than projected in July 2021. The reserve coverage ratio averaged about 60 percent in the immediate pre-pandemic years, well above the 40 percent long-term historical average. Prior to the pandemic, the expectation was that the coverage ratio would gradually increase in the absence of large shocks to PRGT demand or the credit portfolio.[21] However, the ratio declined sharply to 29 percent at end-2021 due to the unprecedented surge in PRGT pandemic-related lending (Figure 5.1), though still above the 20 percent benchmark often used as a reference by international lending institutions.

31. The coverage ratio is projected to remain below its historical average for the rest of this decade, but reserves would remain above the benchmark under plausible scenarios and thus be considered adequate. Channeling new subsidy resources to the Subsidy and Reserve Account (SRA) created in 2021 could help in providing adequate protection to PRGT lenders against credit risk. For instance, assuming that the funding targets are met and that part of the new subsidy resources are channeled to the SRA,[22] the reserve coverage of PRGT credit outstanding under the

[21] *2018-19 Review of Facilities for Low-Income Countries—Reform Proposals: Review of the Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries*. The 40-percent historical average is based on the period prior to the delivery of the debt relief through HIPC/MDRI.

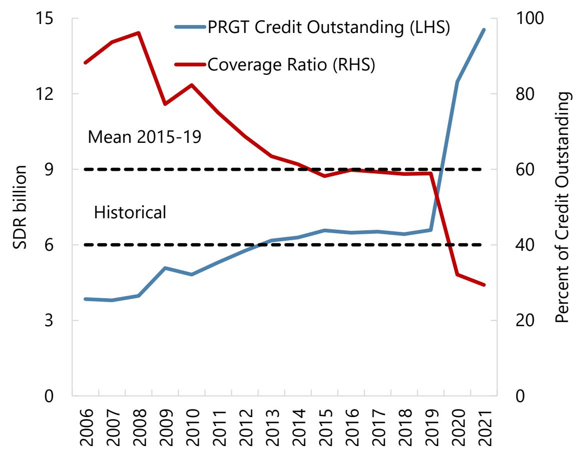
[22] This was also assumed in the July 2021 analysis. However, given the slow pace of pledged subsidy contributions so far, it is now assumed that new subsidy resources are channeled to the SRA mostly in 2023 instead of 2022.

Baseline scenario could reach an average of 25–35 percent in 2025–29, well above the 20 percent benchmark, and would exceed the historical average by the end of the projection horizon (Figure 5.2, blue range).[23] This projection is modestly higher than in July 2021, reflecting larger end-year RA balances, faster normalization of returns on investments, and slower projected growth in credit outstanding (due to the slight downward revision in concessional lending through 2024).

32. Nonetheless, reserve coverage will need close monitoring in the context of elevated PRGT demand. For example, with demand in line with the High Case scenario, credit protection would fall to around the 20 percent benchmark at its trough before gradually recovering by the early 2030s as most pandemic-related loans are expected to be repaid (Figure 5.2, dashed blue line). The Fund's multilayered risk management framework should help mitigate risks from such a temporary decline in the coverage ratio. The evolution of reserve coverage should be monitored closely however, including in the context of PRGT annual reviews, with any needed contingency measures put in place on a timely basis should credit protection fall to levels unacceptable to PRGT lenders.

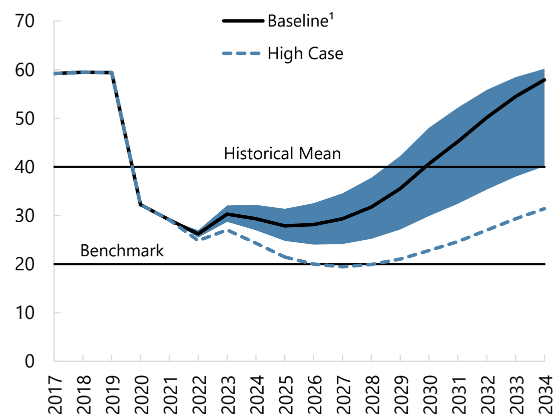
Figure 5. PRGT Reserve Coverage, 2006–34
(In SDR billion, unless indicated otherwise)

Figure 5.1. Historical Reserve Coverage, 2006–21[1]



[1] Sample period mostly reflects post HIPC/MDRI debt relief.

Figure 5.2. Projected Reserve Coverage under Illustrative Scenarios, 2017–22[1]



[1] The blue area reflects demand uncertainty around the Baseline.
Assumptions: (i) longer-term lending envelopes from 2025: SDR 1.65 bln for Baseline, and SDR 3 bln for the High Case; (ii) Suspension of PRGT reimbursement to the GRA through FY2026; and (iii) half of SDR 2.3 bln bilateral contributions is proposed for the Subsidy Reserve Account in 2023.

E. Contingency Measures

33. This review has not identified major deviations from the analysis underpinning the July 2021 strategy that would require deploying contingency measures. PRGT lending and the self-sustained capacity remain broadly in line with the July 2021 assessment. The pace of pledges for loan resources is broadly in line with expectations. However, pledges for subsidy resources falling short of the target remains a risk, and with geopolitical developments posing potential upside risks to demand, it is important for the pace of these pledges to accelerate, and Fund staff will continue

[23] This estimate is subject to uncertainty around the demand for PRGT loans and the level of subsidy resources contributions channeled to the SRA.

to strongly encourage the efforts of PRGT contributors. Staff expects this effort to lead to additional pledges for subsidy resources, making it premature to trigger contingency measures. Lastly, while PRGT credit outstanding remains elevated, risks can be mitigated by the Fund's multilayered risk management framework, while the reserve coverage ratio is projected to strengthen in the post-2024 period. In light of the above considerations, staff does not see a need to trigger any remedial action at this juncture, while recognizing that the outlook is subject to unusual levels of uncertainty resulting from the pandemic and geopolitical developments.[24] Accordingly, this assessment will be updated in the context of the next annual review of the adequacy of PRGT finances.

FINANCING OF DEBT RELIEF INITIATIVES

From the onset of COVID-19 pandemic, the Fund's poorest and most vulnerable members benefitted from substantial debt relief via the Catastrophe Containment and Relief Trust (CCRT). The support of 18 contributors and the European Union made this unprecedented effort possible. However, the CCRT is now severely underfunded, with replenishment needed to ensure it will be adequately resourced to handle future qualifying events. A CCRT review, planned for FY2023, will examine the appropriate scale of CCRT funding together with potential reforms to its access rules and financing framework. Pledged resources are sufficient to cover the Fund's estimated costs of HIPC debt relief for the last two protracted arrears cases (Somalia and Sudan), thanks to the generous support from a large share of the membership and the use of the First Special Contingent Account (SCA-1) resources and refunds of related burden-shared deferred charges adjustments.[25]

A. CCRT

34. The CCRT—the Fund's vehicle for delivering debt relief to its poorest members—has provided unprecedented support to CCRT-eligible LICs during the pandemic. The CCRT was created in 2015 to provide grants for debt relief to eligible LICs hit by catastrophic natural disasters or fast-spreading public health disasters. In March 2020, the Executive Board adopted a set of reforms to the CCRT such that the poorest and most vulnerable member countries affected by the COVID-19 pandemic would receive immediate relief on their eligible debt service to

[24] Corrective measures identified in July 2021 include (i) additional bilateral fundraising efforts, led by IMF management and supported by the Executive Board; (ii) extending the suspension of reimbursement to the GRA for PRGT administrative costs for a number of years beyond FY2026; (iii) seeking member support for a "gold pledge"; (iv) securing government guarantees from a group of advanced countries as an ultimate backstop against credit losses if reserve coverage is deemed insufficient; (v) considering a distribution of GRA reserves to facilitate contributions to the PRGT; (vi) recalibrating access limits and norms; and (vii) reviewing the PRGT interest rate framework.

[25] The SCA-1 was established in 1987 to accumulate precautionary balances to protect the IMF against possible credit losses. It was funded by contributions from IMF debtors and creditors under the burden-sharing mechanism established in 1986. Members' contributions to the financing packages for debt relief for Liberia, Somalia, and Sudan were facilitated by distribution of SCA-1 resources. Under the burden-sharing mechanism, the IMF is compensated for any unpaid charges ("deferred charges") of members in arrears, which offsets the impact of unpaid charges on IMF income and helps generate precautionary balances against possible credit default.

the IMF.[26] In April 2020, the Fund approved debt service relief for all 29 CCRT-eligible LICs (expanded to 31 in October 2021) with eligible debt service outstanding to the Fund, to be disbursed in tranches for up to two years and subject to resource availability.[27] In all, the CCRT disbursed SDR 690 million in grants to cover debt service in five tranches during the two-year period (April 14, 2020 to April 13, 2022), with the final fifth tranche of CCRT approved by the Executive Board on December 15, 2021.[28] CCRT support helped these LICs to free up scarce financial resources for vital emergency health, social, and economic support to mitigate the impact of the COVID-19 pandemic.

35. Additional donor support is needed to reduce the underfunding of the CCRT and replenish the cash buffer available to respond to potential future qualifying events. In April 2020, the IMF launched an urgent fundraising effort of SDR 1 billion to provide the resources needed to cover two years of debt service relief and address the pre-COVID underfunding of the CCRT. To date, grant pledges amounting to SDR 609 million have been secured from 18 member countries and the European Union (Appendix I Table 7). Despite this generous support, total pledges fell short of the total cost of the full two-year COVID-related debt service relief, necessitating a significant drawdown of the pre-COVID cash balance. Therefore, the fifth and final tranche was approved in conjunction with continued broad fundraising efforts to reduce the underfunding of the CCRT and replenish the cash buffer available to respond quickly to future shocks.[29] No new pledges have been received since the approval of the fifth tranche in December 2021. A comprehensive review of the CCRT Instrument is planned for FY2023 to assess the appropriateness of its policies, including access rules, and the financing framework to ensure its sustainability going forward.

B. HIPC Initiative

36. The HIPC Initiative is nearly complete. The Fund has provided SDR 2.6 billion in debt relief to 38 of the 39 eligible countries.[30] In March 2020 and June 2021, the IMF and the World Bank jointly committed to provide HIPC and additional ("beyond-HIPC") debt relief to Somalia and Sudan, respectively, the last two countries with protracted arrears to the Fund (also see Appendix I Tables 9 and 10).

37. A large share of the membership generously pledged contributions to both Somalia's and Sudan's financing packages, which relied on distributions from IMF internal resources and new cash grants:

[26] _IMF Enhances Debt Relief Trust to Enable Support for Eligible Low-Income Countries in the Wake of the COVID-19 Pandemic_.

[27] _IMF Executive Board Approves Immediate Debt Service Relief for 25 Eligible Low-Income Countries_.

[28] _IMF Executive Board Extends Debt Service Relief for 25 Eligible Low-Income Countries_.

[29] _Catastrophe Containment and Relief Trust—Fifth Tranche of Debt Service Relief in the Context of the COVID-19 Pandemic_.

[30] Somalia and Sudan have already begun receiving interim assistance and may receive full debt relief at the Completion Point (see paragraph 37). Eritrea has yet to start the HIPC qualification process.

- ***Somalia***. 121 member countries and the European Union pledged the equivalent of SDR 286.6 million to finance the IMF's contribution to debt relief, estimated at SDR 252.9 million. Of the total pledged amount, SDR 247.1 million have been received to date. Contributions were facilitated by a partial distribution of SCA-1 account resources of SDR 122 million and refunds of Somalia-related burden-shared deferred charges adjustments of about SDR 120 million as part of the financing package approved by the Executive Board in December 2019,[31] in addition to cash grant contributions from donors to fill the potential financing gap, estimated at around SDR 100 million.

- ***Sudan***. 122 member countries and the European Union pledged SDR 1,075.2 million to finance the IMF's cost of debt relief, estimated at SDR 992 million. Of the total pledged amount, SDR 720.6 million have been received so far. Contributions were facilitated by a full distribution of SCA-1 account resources of SDR 1,066 million and refunds of Sudan-related burden-shared deferred charges adjustments of about SDR 611 million as part of the financing package approved by the Executive Board in May 2021,[32] in addition to cash grant contributions from donors to fill the potential financing gap, estimated at around SDR 137 million.

38. Both countries have already received interim HIPC Initiative assistance from the IMF. Somalia has so far received interim assistance covering debt service obligations falling due between its HIPC Decision on March 25, 2020, and March 24, 2021, and additional interim assistance for the period March 25, 2021, to March 24, 2022. Sudan also received interim assistance covering the period between its Decision Point on June 29, 2021, and June 28, 2022, to cover debt service obligations on pre-arrears clearance debt falling due during that period. No further interim assistance is expected for Sudan because the country currently does not have any debt service repayments to the Fund falling due before the HIPC Completion Point.

ISSUES FOR DISCUSSION

- Do Directors agree that the two-stage funding strategy endorsed by the Board in July 2021 remains broadly appropriate?

- Do Directors agree with the need to encourage timely pledges for loan and subsidy resources, including through new investment options, while keeping flexibility on the timing and modalities for delivering subsidy contributions?

[31] *IMF Managing Director Kristalina Georgieva Welcomes Progress Toward Securing a Financing Plan for Debt Relief for Somalia*.

[32] *IMF Managing Director Kristalina Georgieva Welcomes Progress Toward Securing a Financing Plan for Debt Relief for Sudan*.

Annex I. Options for Bilateral Subsidy Contributions

Potential donors have the flexibility to provide their bilateral subsidy contributions through one or a combination of methods including budgetary grants, donation of SDRs or interest earnings, provision of PRGT loans at concessional rates, and investment of resources in the Trust.

1. **Budgetary grants**. For many donors and for the PRGT, this would be the most straightforward approach. Donors have the flexibility to disburse pledged budgetary grants upfront or in future years (e.g., in annual tranches with adjustments for present value), depending on domestic budgetary procedures. They can also generate PRGT subsidy contributions over a longer period (e.g., 10 years), based on subsidized loan or deposit/investment agreements.

2. **Donation of SDRs or interest earnings**. Outright donations of SDR holdings are possible but typically constrained by domestic institutional frameworks (e.g., central banks' legal mandates).[1] When donations of SDRs require budgetary appropriations donors may prefer providing a budgetary grant in their country's own or other currency. Some donors may also contribute part of the interest earned on their SDR holdings (or from their interest earnings on GRA lending), which can deliver subsidy resources over time.

3. **Provision of PRGT loans at below the SDR interest rate (SDRi)**. These can be in currencies or from members' SDR holdings and include a cap on the interest rate paid to lenders at a level below the projected SDRi. This level would generate savings to the Trust on its subsidization expenses and be a source of implicit subsidy grant contributions—these would be low in the current interest rate environment but could generate significant savings as rates normalize.

4. **Investment options for contributors**. Resources (currencies or from SDR holdings) from members can also be allocated to investments which, aside from investments in BIS obligations, must be SDR denominated. All or part of the net returns from such investments would be retained in the Trust to be used as subsidy resources. The following investment options are currently available to members, including two new options following the recent review of PRGT's investment strategy:

- *Investments pooled with PRGT assets under the PRGT's long-term investment strategy*. Investments under this option would share the same risk and return profile as the PRGT assets. While facing higher volatility and the risk of negative returns over a shorter horizon, the investments would have a reasonably high probability of achieving a return objective of 90 basis points above the SDRi over a long-term horizon of at least 10 years (Annex I Table 1).[2] Investments under this option will continue to be liquid with the possibility of encashment if needed. The investment strategy has a large allocation to high quality fixed-income instruments through its short-duration fixed-income (SDFI) component to maintain reserve-like properties to

[1] Donation from SDR holdings also entails recurring costs for donors (SDR charges on their SDR allocation) and potential permanent costs should the Fund ever decide to cancel SDRs.

[2] Potential loss of principal could occur over shorter horizons, particularly if investments are withdrawn before the minimum investment horizon of 10 years.

provide security to the PRGT loan providers and ensure liquidity in the event of unexpected needs.[3]

- *Investments pooled with PRGT assets in SDFI component consisting of high-quality investment grade fixed-income instruments* (Annex I Table 1). The strategy for the SDFI component aims at generating a reasonable income above the SDRi (around 50 basis points on average) while minimizing the extent and frequency of negative returns and underperformance over an investment horizon of 3–4 years.[4] The recently established Deposit and Investment Account (DIA) is envisioned to centralize contributor investments under the SDFI investment option, i.e., all contributors' investments in the DIA will be invested in the SDFI component of the investment strategy. Based on the contributors' preference, income earned on the investments will benefit the General Subsidy Account (GSA) and/or the Subsidy Reserve Account (SRA).[5]

- *Investment in short-dated BIS obligations*. In case the risk related to the investment options above are not acceptable, contributors may elect to invest their resources in BIS obligations, managed separately from the PRGT assets. These obligations consist primarily of deposits with a maximum maturity of 12 months, and they can be denominated in currencies as well as SDRs. The lower risk associated with BIS investments will come at the cost of lower returns, which are unlikely to achieve a meaningful margin over the SDRi.[6]

Annex I. Table 1. Pooled Investment Strategy Options for PRGT Contributors[1]

	PRGT strategy	Short duration fixed-income component
Investment horizon	Long term (> 10 years)	Three to four years
Return target	90 bp above SDRi	Around 50 bp above SDRi
Eligible assets	Moderately diversified • Liquid and short duration fixed income instruments (60%) • Corporate bonds (15%) • Emerging market government bonds (5%) • Global equities (20%)	Investment grade fixed-income instruments • Liquid and short duration fixed income instruments only

[1] Based on refinements to the PRGT strategy approved by the Board in January 2022.

[3] The strategy allocates the remainder of invested assets in corporate bonds, emerging market bonds, and equities components to improve longer-term returns.

[4] The strategy is aligned with that of the Fund's own reserves in the Investment Account Fixed-Income Subaccount. It has a proven track record, generating a consistent return in excess of the SDRi of around 45 bps per annum over the last five years. The strategy also helps minimize the risk of permanent impairment of capital in the event of an unexpected withdrawal (e.g., encashment).

[5] See paragraph 63 of *Fund Concessional Financial Support for Low-Income Countries—Responding to The Pandemic*.

[6] To illustrate, rolling 3-month BIS deposits have generated only 5 basis points above the SDRi over the past 5 years.

Annex II. Updated Demand Model Projections

The PRGT lending scenarios presented in this paper draw on staff's analysis of shorter-term demand and the outlook for the post-crisis decade. As in July 2021, the scenarios comprise (i) an in-depth country-by-country analysis of the potential demand ranges for the period of 2022–24; and (ii) longer-term demand for the post-crisis decade (2025-2034) using a demand model with parameters re-calibrated using information up to end-2021. The revised projections under the Baseline scenario remain broadly consistent with those in the July 2021 analysis.

A. Shorter-Term Projections (2022–24)

1. **The revised scenarios reflect the reforms approved by the Board in 2021**: PRGT normal annual/cumulative access limits of 145/435 percent of quota; unified access norm per arrangement; no hard caps on access for the poorest LICs; and extension through end-June 2023 of the temporarily higher cumulative access limits under the RCF/RFI.

2. **Country-by-country demand under multiyear arrangements is calibrated to reflect the pandemic-related high financing needs facing LICs**. These projections consider existing credit outstanding (as of end-2021), previous disbursements for each country, and the applicable norms for blenders which are assumed to continue blending PRGT and GRA financing at 1:2 ratio. Average access per country under the Baseline and High Case is about twice and three times the pre-pandemic levels, respectively. This access is also differentiated across LICs to reflect country-specific debt vulnerabilities, blend status, and existing Fund credit outstanding. The projections also accommodate augmentation of existing arrangements as well as successor arrangements. As in July 2021, per-country access is also a function of both quota and GDP (subject to lower and upper limits) to mitigate the impact of the wide dispersion of quota/GDP ratios across LICs and to better proxy for their potential balance of payments needs.

3. **Total (i.e., quota-weighted) demand for PRGT financing is a function of the expected share of LICs seeking Fund concessional support**. Staff assumes that of the eligible LICs that could potentially request Fund financing during 2022–24, about half do so under the Baseline scenario and over two thirds do so under the High Case scenario (on a quota-weighted basis). The baseline share is somewhat below the pre-pandemic peaks and the levels observed in 2020–21. Therefore, total demand for PRGT lending is assumed to gradually decline in the outer pandemic years from the initial peak but would remain high compared to history at about two–three times the historical average. The share under the High Case would be consistent with consistently strong demand for PRGT lending, such as if the pandemic or geopolitical events worsen considerably and lead to a sharp increase in LICs' financing needs going forward.

4. **In terms of financing modalities, the bulk of the new lending commitments in 2022–24 is assumed to take place under UCT-quality arrangements and remain roughly consistent with the July 2021 assessment**. The scenarios assume that the ongoing shift to multiyear financing arrangements would continue. Therefore, about 90 percent of the new lending commitments

assumed for the outer pandemic years are provided under UCT-quality arrangements. The residual demand for emergency financing would mostly reflect the financing needs associated with exogenous shocks and natural disasters, as well as public health/vaccine-related needs. Under the Baseline scenario, PRGT lending commitments for 2020–24 would reach SDR 21 billion, just slightly below the July 2021 projections. Demand for 2022–24 (almost SDR 9 billion) would remain elevated, at two-and-a-half times the annual historical average.

B. Longer-Term Projections (2025–34)

5. The key parameters of the traditional demand model have been revised to reflect the available data up to end-2021 but remain broadly unchanged since the 2020 revision:

- *GDP and access growth, blending and graduation*. Projected nominal GDP growth and access growth were revised to reflect the latest available data from the WEO, WDI, and other sources. The assumptions on blending reflect the new blending criteria approved in July 2021, which in turn reflect the latest available data on past market access and on real GNI per capita and short-term debt vulnerabilities.
- *Average access per facility and probabilities for facility usage*. Staff's assessment in this review is that it remains appropriate not to reflect the unusually high levels of lending in 2020–21. Therefore, these two sets of parameters remained unchanged from the 2020 update.
- *Accounting for uncertainty under the Baseline scenario*. To capture uncertainty about prospective demand in the longer term, the Baseline scenario lies between a "low case" and a "high case", each reflecting the underlying parameters appropriately calibrated as mentioned above, and matching patterns of subdued and elevated demand during the sample period.

6. The final longer-term projections combine information from the traditional demand model and historical patterns of PRGT and GRA lending to LICs. In line with the July 2021 analysis and the approach underpinning the shorter-term projections above, staff did not rely only on the traditional demand model to prepare the longer-term lending scenarios. Staff also used historical information on PRGT lending to LICs and GRA lending to emerging market countries to inform the per-country access levels for the Baseline and High Case scenarios, respectively.

7. The revised longer-term lending projection under the Baseline scenario is somewhat higher that that estimated in 2020 but remain in the same order of magnitude. The above revisions implied an annual lending amount of about SDR 1.75 billion for the post-pandemic decade, just slightly higher than the SDR 1.65 billion base lending envelope estimated in 2020. Therefore, without prejudging the appropriate longer-term target for PRGT lending capacity (to be discussed in the 2024/25 comprehensive PRGT review), staff assesses that the base lending envelope estimated in 2020 should continue anchoring the fundraising targets under the first stage of the funding strategy.

Annex III. Updated Capacity Model Projections

The capacity ("supply") model has been updated to reflect data through end-2021, and the near-term outlook for returns and interest rates. Staff's updated estimates for the PRGT's self-sustained lending capacity and resource needs, including to reflect the revised lending scenarios, remain broadly in line with those presented in the July 2021 assessment.

A. Overview

1. **The capacity model is the analytical tool used by staff to estimate the PRGT's self-sustained lending capacity and resource needs**. Based on the lending scenarios and assumptions on interest rates and returns, this model translates projected PRGT commitments into projected disbursements and credit outstanding, calculates subsidization costs and the evolution of investment returns on PRGT assets; and produces an estimate of the PRGT's self-sustained lending capacity at different points in time based on available subsidy and Reserve Account resources.

2. **The PRGT's self-sustained lending capacity is the average annual lending level that the Trust can finance in perpetuity**. More specifically, this steady state lending capacity is derived in the capacity model as the level of lending (in nominal SDR terms) such that the available subsidy resources cover all future subsidy needs without depleting the endowment resources in nominal terms. Available subsidy resources depend on, *inter alia*, initial balances of the PRGT Subsidy Accounts and Reserve Account, investment returns on these balances, outflows for reimbursing the GRA for the PRGT's administrative expenses, and the extent to which pledges by donors from previous and/or ongoing fundraising efforts are realized or expected to materialize. In turn, subsidy needs depend on the evolution of PRGT credit outstanding and the average subsidy element of PRGT loans. The latter is determined by the spread between the interest rates paid to PRGT lenders and the concessional interest rates (currently at zero) received from PRGT borrowers under the different PRGT facilities.

B. Data Update and Implications

3. **The capacity model has been updated to reflect historical trends and data through end-2021 and the outlook for interest rates and returns that are relevant for the PRGT lending operations**. The current update included incorporating into the model the relevant historical data through end-2021 (e.g., PRGT stocks and flows, historical interest rates); information on projected interest rates, expected rates of returns and projected demand for 2022-24.[1] Expected interest rates for the medium term reflect recent WEO Global Assumptions and imply a somewhat faster normalization than assumed in the July 2021 projections.

4. **Based on the updated capacity model, the PRGT's self-sustained lending capacity starting from 2025 is now estimated at SDR 1.7 billion.** The estimates assume that all previously

[1] These reflect the new investment policies endorsed by the Board in early 2022.

pledged and requested subsidy resources are received from contributors (about SDR 2.43 billion) and that PRG-HIPC Trust balances will be eventually transferred to the PRGT (about SDR 250 million). The somewhat higher lending capacity than previously estimated reflects higher balances of the Subsidy and Reserve Accounts (due to returns in 2021 above SDRi+90 bps), lower-than-expected drawings from the UK loan, revised interest rates, the lower outturn in lending commitments in 2021, and the downward revision to projected pandemic-related lending during 2022-24.

Annex IV. The Self-Sustained PRGT

The PRGT is financed through an endowment-based model designed to provide concessional financial support to LICs on a self-sustained basis. Existing loan resources and those sought under the first stage of the funding strategy would be sufficient to cover all demand scenarios including the High Case. Under the second stage, another round of PRGT loan mobilization would follow in 2024/25 to cover lending in the second half of the decade. Existing and additional subsidy resources that are currently being mobilized would together cover all concessional lending under the Baseline scenario through 2024 while leaving a residual (post-crisis) self-sustained capacity of SDR 1.65 billion per year from 2025, sufficient to preserve access levels in real terms in the post-pandemic decade and beyond.

1. **The PRGT is the Fund's main vehicle for providing concessional financial support to eligible LICs through three concessional facilities**. Since the comprehensive overhaul of the architecture for LIC facilities that became effective in January 2010,[1] the Fund has relied on three concessional facilities:

- the *Extended Credit Facility* (ECF), which provides medium-term support to LICs with protracted balance of payments problems, with repayments spread over 5½ to 10 years;
- the *Standby Credit Facility* (SCF), which provides financing to LICs with short-term balance of payments needs with repayments spread over 4 to 8 years; and
- the *Rapid Credit Facility* (RCF), which provides rapid low-access financing with limited conditionality for countries facing urgent balance of payments needs when an upper credit tranche (UCT)-quality arrangement is either not feasible or not necessary, with repayments spread over 5½ to 10 years.

Countries' eligibility to use concessional financial resources from the PRGT is determined by a rules-based system, based on biennial reviews.[2] Eligible countries with comparatively higher per capita income levels are generally presumed to use a blend of PRGT and GRA financing. A rules-based interest rate mechanism determines the interest rates associated with PRGT lending, which are currently zero for all three facilities.

2. **PRGT lending is supported by an endowment-based financing model that relies on loan and subsidy resources for its lending operations**. The PRGT is separate from the Fund's GRA and is funded from member contributions in the form of grants and loans, as well as the Fund's own resources.[3] PRGT concessional resources are only available to eligible LICs and its lending operations are financed with loan resources borrowed by the PRGT from bilateral contributors, which are on-lent by the PRGT on a passthrough basis to LICs at concessional terms. Loan resources are generally

[1] See *A New Architecture of Facilities for Low-Income Countries*, June 2009.

[2] The 2020 eligibility review (*Eligibility to Use the Fund's Facilities for Concessional Financing, 2020*) proposed the graduation of Guyana and assessed that the existing eligibility framework remained appropriate.

[3] The PRGT is established as a trust, with the IMF acting as a trustee. Trust assets are separate from GRA resources.

provided to the PRGT at an interest rate that offsets interest costs to the lender,[4] through periodic loan mobilization campaigns depending on expected resource needs and secured through the PRGT's Reserve Account.[5] The subsidy costs needed to enable LICs to borrow from the PRGT on concessional terms are covered by an endowment-based financing model. At end-2021, PRGT resources exceeded SDR 8 billion, including balances in the PRGT's Subsidy Accounts and Reserve Account (Table 2).[6] Under the self-sustained model, the available resources in the PRGT Subsidy Accounts would be gradually drawn down to a zero balance, while balances in the Reserve Account would be allowed to grow so the returns on its assets could be used to subsidize concessional lending in perpetuity without depleting the account.

3. **The PRGT financing framework consists of several accounts that facilitate the allocation of loan and subsidy resources and the PRGT flow of funds, including** (Annex IV Figure 1):

- *Loan Accounts*. These are used to channel the loan resources borrowed from individual member countries and institutions (PRGT loan contributors). They can receive loan resources to be on-lent under all PRGT facilities (general purpose) or earmarked for specific PRGT facilities.

- *Subsidy Accounts*. These hold the balances needed for PRGT subsidization, comprised of grant resources provided by bilateral contributors and the IMF, as well as returns on investments.[7] These accounts include the *General Subsidy Account* (GSA)—which receives and provides subsidies for existing and new loans under all PRGT facilities, and *Special Subsidy Accounts*—which accommodate donor's preferences for earmarking their subsidy contributions for specific facilities.

- *Reserve Account (RA)*. This contains Fund contributions in the form of Special Disbursement Account (SDA) resources derived from gold sales, which provides security to PRGT lenders while also generating investment income that can be used to fund the self-sustained PRGT. RA resources can be called upon to meet the PRGT's obligations to its creditors in the case of delayed payments by PRGT borrowers.

[4] Loan contributors have the option to provide loan resources at below market rates, for instance as in the recent loan agreement with the United Kingdom.

[5] To meet the unprecedented demand surge due to the pandemic, the 2020–21 loan mobilization round secured SDR 16.9 billion in new resources from 16 bilateral lenders. These loans included improved features relative to previous rounds—e.g., expanded use of SDRs, broader lender base, de-earmarking to allow use for all PRGT facilities, unification of lenders' interest rate at the SDR rate, eased drawing limits, and extended drawdown period.

[6] In July 2021, the financial structure of the PRGT was expanded to include two additional accounts (SRA and DIA) to complement existing accounts and facilitate contributions (see paragraph 3 below).

[7] Bilateral contributions are from distributions of the windfall gold sale profits, or typically provided through either grants or investments placed by contributors with the PRGT at zero or below market interest rates (the returns—or net differential returns—earned on the investment by the PRGT represents the subsidy contribution to the PRGT) (See Appendix I Table 2). Subsidy accounts also contain SDA resources contributed by the Fund.

- *Subsidy Reserve Account (SRA)*. This account complements the existing Subsidy Accounts and has the dual purpose of holding and investing PRGT subsidy resources and providing an additional backstop to the RA to help manage credit risk.

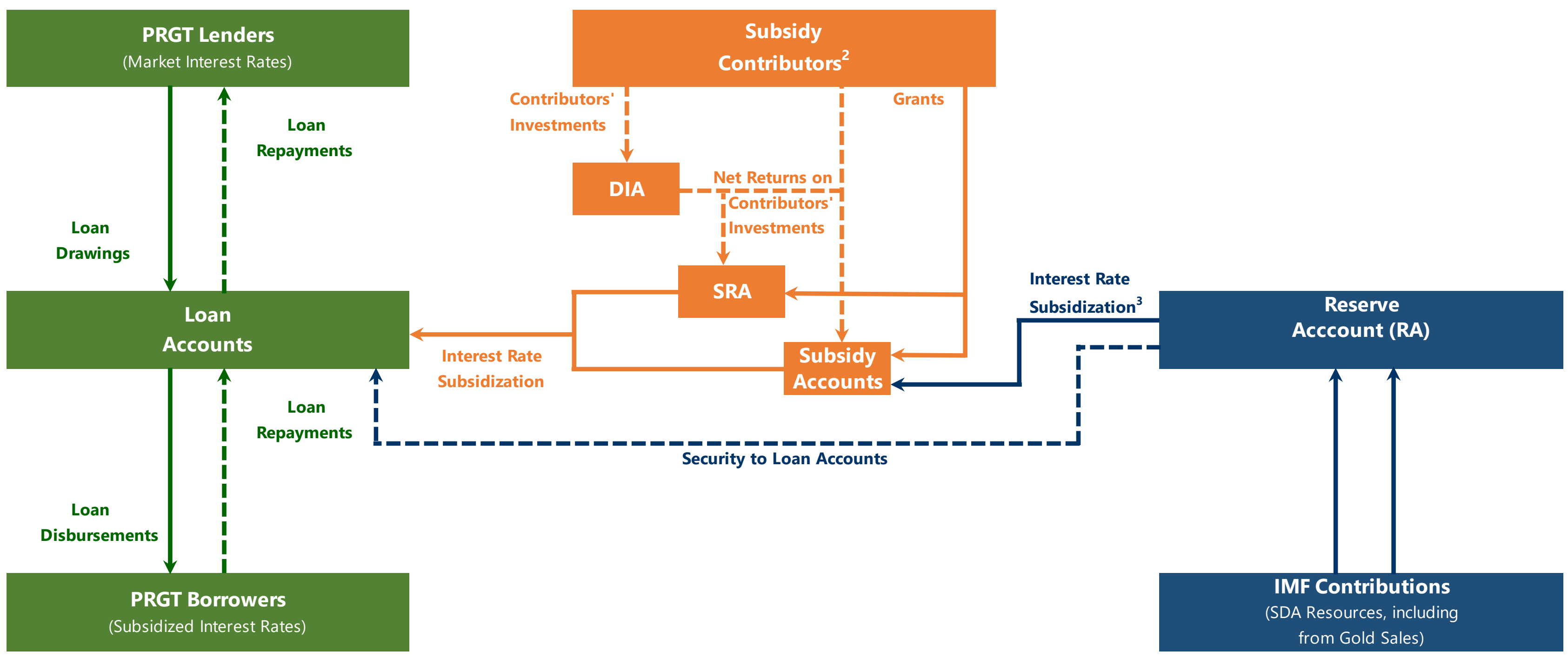
- *Deposit and Investment Account (DIA)*. This is expected to become the main vehicle for PRGT contributors to channel their SDRs for long-term borrowing by the PRGT to generate excess investment returns above SDRi. These returns can be transferred to the PRGT's GSA or to the SRA with the additional benefit of supplementing the Trust's reserves. Contributors would be able to encash their claims on the DIA if they experience a balance of payments need (similar to investments in PRGT's Subsidy Accounts and BIS instruments).

4. **A three-pillar strategy was adopted in September 2012 to make the PRGT self-sustaining without the need for periodic subsidy resource mobilization**. The three-pillar strategy consists of (i) a base envelope for annual PRGT lending capacity, initially set at SDR 1¼ billion and augmented in 2021 to SDR 1.65 billion, which is expected to cover concessional lending needs during normal times; (ii) contingent measures that can be invoked when average financing needs exceed the base envelope by a substantial margin for an extended period, including additional bilateral fundraising, suspending reimbursement of the GRA for PRGT administrative expenses for a limited period (which has been activated for FY2021-26), and modifying access, blending, interest rate, and eligibility policies to reduce the need for subsidy resources;[8] and (iii) a principle of self-sustainability under which future modifications to LIC facilities would be expected to ensure that demand for IMF concessional lending can be reasonably met with the available subsidy resources. The self-sustained PRGT framework therefore allows course correction if demand is unusually high over an extended period or subsidy resources do not accumulate as envisaged but is based on the expectation that policy modifications would not require fundraising initiatives *ex ante*.

5. **The adequacy of PRGT finances under the self-sustained financing model is assessed annually**. As illustrated by the analysis in this paper, the assessment includes, inter alia, (i) shorter-term demand projections for different scenarios; (ii) medium- to longer-term demand projections based on a demand model reflecting information on specific policy assumptions (e.g., access, blending, graduation) and historical patterns (Annex II); (iii) an assessment of available PRGT loan resources under different near- to medium-term demand scenarios; and (iv) an analysis of the PRGT's self-sustained lending capacity based on a capacity ("supply") model (Annex III), available subsidy resources, and demand projections. Staff relies on these elements to assess the adequacy of the overall framework, the affordability of policy adjustments, and the potential need for contingency measures and loan/subsidy resources fundraising.

[8] Paragraph 32 of this paper includes further discussion on contingency measures.

Annex IV. Figure 1. PRGT Financial Structure and Flow of Funds[1]



Source: Finance Department.

[1] The PRGT comprises of four Loan Accounts (ECF/SCF/RCF/General), four Subsidy Accounts (ECF/SCF/RCF/General), the Reserve Account, the Subsidy Reserve Account (SRA), and the Deposit and Investment Account (DIA).

[2] Contributors can elect to receive interest on their investments, so there could be flows from Subsidy Accounts back to contributors.

[3] Subsidization of concessional interest rates occur when balances of Subsidy Accounts are exhausted.

Note: PRGT = Poverty Reduction and Growth Trust; SDA = Special Disbursement Account.

Appendix I. PRGT and Debt Relief Trusts—Statistical Update

Appendix I. Table 1. PRGT Borrowing Agreements
(In millions of SDRs; as of end-January 2022)

	Effective date of agreement	Expiration date for drawings	Currency of drawings	Beneficiary account	Encashment regime	Commitment amount	Status
Australia							
Government of Australia	26-Oct-2020	31-Dec-2029	SDR	GLA	Yes	500.0	Active
Belgium							
National Bank of Belgium [1]	02-Jul-1999	31-Dec-2018	USD	PRGF		350.0	Repaid
National Bank of Belgium	12-Nov-2012	31-Dec-2024	EUR	ECF		350.0	Active
National Bank of Belgium [2]	30-Aug-2017	31-Dec-2029	EUR	GLA		350.0	Active
National Bank of Belgium	29-Jul-2020	31-Dec-2029	EUR	GLA		350.0	Active
Brazil							
Banco Central do Brazil	01-Jun-2017	31-Dec-2029	USD	GLA	Yes	500.0	Active
Banco Central do Brazil [3]	27-Aug-2020	31-Dec-2029	USD	GLA	Yes	500.0	Active
Canada							
Government of Canada	22-Feb-1989	31-Dec-1997	USD	PRGF		300.0	Repaid
Government of Canada	09-May-1995	31-Dec-2005	USD	PRGF		400.0	Repaid
Government of Canada	05-Mar-2010	31-Dec-2024	USD	GLA		500.0	Active
Government of Canada	10-Jan-2017	31-Dec-2029	USD	GLA		500.0	Active
Government of Canada [3]	13-May-2021	31-Dec-2029	USD	GLA		500.0	Active
China							
Government of China [1, 4]	05-Jul-1994	31-Dec-2014	SDR	PRGF	Yes	200.0	Repaid
People's Bank of China	03-Sep-2010	31-Dec-2024	SDR	ECF	Yes	800.0	Active
People's Bank of China	21-Apr-2017	31-Dec-2029	RMB	GLA	Yes	800.0	Active
People's Bank of China	18-Mar-2021	31-Dec-2029	SDR	GLA	Yes	1,000.0	Active
Denmark							
National Bank of Denmark	03-May-2000	31-Dec-2003	USD	PRGF		100.0	Repaid
National Bank of Denmark	28-Jan-2010	31-Dec-2024	EUR	GLA		200.0	Active
National Bank of Denmark [3]	17-Nov-2016	31-Dec-2024	EUR	GLA		300.0	Active
National Bank of Denmark	11-Feb-2021	31-Dec-2029	EUR	GLA		300.0	Active
Egypt							
Central Bank of Egypt [1, 4]	13-Jun-1994	31-Dec-2018	SDR	PRGF		155.6	Repaid
France							
Agence Française de Développement [5, 6]	05-Apr-1988	31-Dec-1997	Basket	PRGF		800.0	Repaid
Agence Française de Développement [5, 6]	03-Jan-1995	31-Dec-2005	Basket	PRGF		750.0	Repaid
Agence Française de Développement [1]	17-Dec-1999	31-Dec-2018	Basket	PRGF		1,350.0	Repaid
Agence Française de Développement [6]	20-Aug-2009	31-Dec-2014	Basket	PRGF		670.0	Active
Bank of France	03-Sep-2010	31-Dec-2018	SDR	ECF	Yes	1,328.0	Active
Bank of France [7]	18-May-2020	31-Dec-2029	SDR	GLA	Yes	2,000.0	Active
Bank of France	18-May-2020	31-Dec-2029	SDR	GLA	Yes	2,000.0	Active
Germany							
Kreditanstalt für Wiederaufbau	31-Mar-1989	31-Dec-1997	Basket	PRGF		700.0	Repaid
Kreditanstalt für Wiederaufbau	17-May-1995	31-Dec-2005	Basket	PRGF		700.0	Repaid
Kreditanstalt für Wiederaufbau [1]	19-Jun-2000	31-Dec-2014	Basket	PRGF		1,350.0	Repaid
Government of Germany [8/]	11-Jan-2021	31-Dec-2024	EUR	GLA		2,435.6	Active
Italy							
Bank of Italy [4, 9]	04-Oct-1990	31-Dec-1997	SDR	PRGF		370.0	Repaid
Bank of Italy [4, 9]	29-May-1998	31-Dec-2005	SDR	PRGF		210.0	Repaid
Bank of Italy [1, 4]	01-Mar-2000	31-Dec-2018	SDR	ECF		800.0	Repaid
Bank of Italy	18-Apr-2011	31-Dec-2024	SDR	ECF	Yes	800.0	Active
Bank of Italy [10]	17-Jul-2017	31-Dec-2029	SDR	GLA	Yes	400.0	Active
Bank of Italy	26-Jan-2021	31-Dec-2029	SDR	GLA	Yes	1,000.0	Active
Japan							
Japan Bank for International Cooperation [11]	12-Apr-1988	31-Dec-1997	Basket	PRGF		2,200.0	Repaid
Japan Bank for International Cooperation [1, 11]	05-Oct-1994	31-Dec-2018	Basket	PRGF		2,934.8	Repaid
Government of Japan	03-Sep-2010	31-Dec-2029	SDR/MIX	GLA	Yes	1,800.0	Active
Government of Japan [3]	20-Apr-2017	31-Dec-2029	SDR/USD	GLA	Yes	1,800.0	Active
Government of Japan [12]	15-May-2020	31-Dec-2029	SDR/USD	GLA	Yes	3,600.0	Active
Government of Japan [3]	12-Jan-2022	31-Dec-2029	SDR/USD	GLA	Yes	1,000.0	Active
Korea							
Bank of Korea	20-Apr-1989	31-Dec-1997	USD	PRGF		65.0	Repaid
Bank of Korea	20-Jun-1994	31-Dec-2005	USD	PRGF		27.7	Repaid
Bank of Korea	07-Jan-2011	31-Dec-2029	SDR	GLA	Yes	500.0	Active
Bank of Korea [3]	20-Dec-2016	31-Dec-2029	SDR	GLA	Yes	500.0	Active

Appendix I. Table 1. PRGT Borrowing Agreements

(In millions of SDRs; as of end-January 2022) (concluded)

	Effective date of agreement	Expiration date for drawings	Currency of drawings	Beneficiary account	Encashment regime	Commitment amount	Status
Netherlands							
Bank of the Netherlands [1]	29-Sep-1999	31-Dec-2018	USD	PRGF		450.0	Repaid
Bank of the Netherlands	27-Jul-2010	31-Dec-2024	EUR	GLA		500.0	Active
Bank of the Netherlands [3]	20-Dec-2016	31-Dec-2029	EUR	GLA		500.0	Active
Bank of the Netherlands	24-Jul-2020	31-Dec-2029	SDR	GLA		500.0	Active
Norway							
Bank of Norway	14-Apr-1988	31-Dec-1997	USD	PRGF		90.0	Repaid
Bank of Norway	16-Jun-1994	31-Dec-2005	USD	PRGF		60.0	Repaid
Government of Norway	25-Jun-2010	31-Dec-2024	USD	RCF/SCF		300.0	Active
Government of Norway	17-Nov-2016	31-Dec-2029	USD	RCF/SCF		300.0	Active
Government of Norway	01-Jul-2020	31-Dec-2029	USD	GLA	Yes	400.0	Active
OPEC Fund for International Development [13]	20-Dec-1994	31-Dec-2005	USD	PRGF		37.0	Repaid
Saudi Arabia							
Saudi Arabian Monetary Agency	13-May-2011	31-Dec-2029	SDR	GLA	Yes	500.0	Active
Spain							
Bank of Spain [14]	20-Jun-1988	30-Jun-1993	USD	PRGF		216.4	Repaid
Government of Spain [6]	08-Feb-1995	31-Dec-2005	USD	PRGF		67.0	Repaid
Bank of Spain [1, 4]	14-Feb-2000	31-Dec-2018	SDR	ECF		425.0	Repaid
Bank of Spain	17-Dec-2009	31-Dec-2024	SDR	GLA	Yes	405.0	Active
Bank of Spain	22-Feb-2017	31-Dec-2029	EUR	GLA	Yes	450.0	Active
Bank of Spain [3]	01-Jul-2020	31-Dec-2029	EUR	GLA	Yes	750.0	Active
Sweden							
Sweden	17-Nov-2016	31-Dec-2024	USD	GLA	Yes	500.0	Active
Sweden	24-Jul-2020	31-Dec-2029	USD	GLA	Yes	500.0	Active
Switzerland							
Swiss Confederation [15]	23-Dec-1988	31-Dec-1997	USD	PRGF		200.0	Repaid
Swiss National Bank [1]	22-Jun-1995	31-Dec-2018	USD	PRGF		401.7	Repaid
Swiss National Bank	21-Apr-2011	31-Dec-2024	EUR	GLA		500.0	Active
Swiss National Bank	30-Aug-2017	31-Dec-2024	EUR	GLA		500.0	Active
Swiss National Bank	01-Jan-2021	31-Dec-2029	EUR	GLA		500.0	Active
United Kingdom							
Government of the United Kingdom [16]	03-Sep-2010	31-Dec-2024	SDR	GLA	Yes	15.6	Active
Government of the United Kingdom [17]	30-Nov-2015	31-Dec-2024	SDR	ECF	Yes	1,312.5	Active
Government of the United Kingdom [17, 18]	23-Jan-2017	31-Dec-2029	SDR	GLA	Yes	2,000.0	Active
Government of the United Kingdom [3, 17]	12-May-2020	31-Dec-2029	SDR	GLA	Yes	2,000.0	Active
Subtotal						**55,426.8**	
Associated Agreement - Saudi Fund for Development (SFD) [19]	28-Feb-1989	--	USD	PRGF		49.5	Repaid
Total Loan and Associated Loan Agreements						**55,476.3**	

[1] Including additional loan commitments for interim PRGF operations.

[2] The original agreement for SDR 350 million benefiting ECF became effective on August 30, 2017. The agreement was repurposed for the benefit of GLA on July 29, 2020.

[3] Augmentation of existing agreement.

[4] Drawings in SDRs but remunerated at six-month derived SDR rate (similar to currency agreements at the time).

[5] Before April 17, 1998, known as Caisse Française de Développement.

[6] The agreement carries a concessional rate of 0.5% on all or part of the commitment.

[7] The original agreement for SDR 2 billion and benefitting ECF became effective on February 1, 2018. In the context of Covid-19 pandemic the agreement was repurposed to benefit GLA on May 18, 2020.

[8] The original agreement for Euro 3 billion for drawings and repayments denominated in SDRs at the exchange rate at the time of drawing.

[9] In late 1999, the Bank of Italy replaced the Ufficio Italiano dei Cambi as lender to the PRGF Trust.

[10] The original agreement for SDR 400 million and benefiting ECF became effective on July 17, 2017. The agreement was repurposed for the benefit of GLA on September 11, 2020.

[11] 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.

[12] In the context of Covid-19 pandemic agreed further augmentation of the 2010 agreement by additional SDR 3.6 billion with the first tranche of SDR 1.8 billion becoming effective on May 18, 2020 and the second one on Janaury 12, 2022.

[13] The amount committed was the SDR equivalent of US$50 million.

[14] The original amount committed was SDR 220 million; however, only SDR 216.4 million was drawn and disbursed by the expiration date for drawings.

[15] The entire commitment of SDR 200 million was drawn in January 1989 and remunerated at zero rate; this amount was fully disbursed to borrowers by March 1994.

[16] The agreement has been terminated and the remaining commitment repurposed in November 2015 for the benefit of ECF.

[17] The agreement carries concessional rate of 0.05%.

[18] The original agreement for SDR 2 billion and benefiting ECF became effective on January 23, 2017. In the context of Covid-19 pandemic this agreement was repurposed for the benefit of GLA on May 12, 2020.

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

Appendix I. Table 2. Subsidy Contributions to the PRGT and Debt Relief Trusts

(In millions of SDRs; as of end-December 2021)

	PRGT Subsidy Contributions				
	Total contributions [1]	of which from gold profit distribution [2]	MDRI-II [3]	PRG-HIPC Trust contributions [4]	CCR Trust contributions [5]
Afghanistan	1.4	1.2	-	-	-
Albania	0.5	0.4	-	0.0	-
Algeria	17.7	12.9	-	4.8	-
Andorra	-	-	-	-	-
Angola	2.4	2.1	-	0.0	-
Antigua and Barbuda	0.1	0.1	-	-	-
Argentina	50.1	21.8	11.5	18.1	0.4
Armenia	1.1	0.9	-	0.0	-
Australia	72.6	32.8	3.7	23.7	0.1
Austria	93.8	21.7	-	16.8	-
Bahamas, The	1.1	1.0	-	-	-
Bahrain	-	-	-	-	-
Bangladesh	6.9	5.5	0.2	1.4	0.0
Barbados	0.6	0.5	-	0.3	-
Belarus	4.3	4.0	-	-	-
Belgium	107.3	35.6	39.5	39.4	1.4
Belize	0.2	0.2	-	0.3	-
Benin	0.7	0.6	-	-	-
Bhutan	0.1	0.1	-	-	-
Bolivia	-	-	-	-	-
Bosnia	2.0	1.7	-	-	-
Botswana	2.0	0.8	0.6	2.7	0.0
Brazil	-	-	-	11.8	-
Brunei	2.6	2.2	-	0.4	-
Bulgaria	6.9	5.9	-	1.3	1.9
Burkina Faso	0.7	0.6	-	-	-
Burundi	0.9	0.8	-	0.0	-
Cambodia	1.0	0.9	-	0.1	-
Cameroon	2.2	1.9	-	0.4	-
Canada	289.6	65.5	84.8	51.9	3.0
Cape Verde	0.0	0.0	-	-	-
Central African Rep.	0.2	0.2	-	0.1	-
Chad	0.8	0.7	-	-	-
Chile	2.3	-	1.3	2.4	0.0
China	138.2	98.0	4.2	26.3	5.7
Colombia	-	-	-	0.4	-
Comoros	0.1	0.1	-	-	-
Congo, Dem.Rep.of	6.4	5.5	-	2.9	-
Congo, Rep.of	0.7	0.6	-	-	-
Costa Rica	-	-	-	-	-
Cote d'Ivoire	3.9	3.3	-	1.3	-
Croatia	2.2	1.9	-	0.9	-
Cyprus	1.9	1.6	-	0.8	-
Czech Republic	23.7	10.3	-	4.4	-
Denmark	67.8	19.4	23.6	18.9	0.8
Djibouti	0.2	0.2	-	-	-
Dominica	0.1	0.1	-	0.0	-
Dominican Republic	-	-	-	-	-
Egypt	18.8	9.7	4.3	1.7	0.2
Estonia	1.1	1.0	-	0.5	-
Eswatini	-	-	-	0.0	-
Ethiopia	1.6	1.4	-	-	-
Fiji	0.8	0.7	-	0.1	0.0
Finland	41.4	13.0	15.1	8.7	0.6
France	392.3	110.5	116.4	146.8	37.4
Gabon	1.8	1.6	-	1.0	-
Gambia, The	0.4	0.3	-	0.0	-
Georgia	1.8	1.5	-	-	-
Germany	316.3	149.9	66.1	145.0	90.4
Ghana	1.3	1.1	-	1.3	-
Greece	36.3	11.3	13.3	5.3	8.2
Grenada	-	-	-	-	-
Guinea	1.3	1.1	-	0.1	-
Guinea-Bissau	0.2	0.1	-	-	-

Appendix I. Table 2. Subsidy Contributions to the PRGT and Debt Relief Trusts

(In millions of SDRs; as of end-December 2021) (continued)

	PRGT Subsidy Contributions				
	Total contributions [1]	of which from gold profit distribution [2]	MDRI-II [3]	PRG-HIPC Trust contributions [4]	CCR Trust contributions [5]
Haiti	1.0	0.8	-	-	-
Honduras	1.5	1.3	-	-	-
Hungary	-	-	-	9.7	-
Iceland	4.2	1.2	1.5	0.8	0.1
India	81.2	59.9	-	22.7	-
Indonesia	4.7	0.6	2.1	10.3	0.1
Iran, Islamic Republic of	18.7	15.4	0.6	1.2	-
Iraq	4.1	3.5	-	-	-
Ireland	20.4	13.0	2.4	6.3	0.1
Israel	-	-	-	2.2	-
Italy	258.8	81.1	84.4	72.3	3.0
Jamaica	3.3	2.8	-	3.7	-
Japan	699.8	148.6	253.4	164.6	123.1
Jordan	2.0	1.8	-	-	-
Kazakhstan	-	-	-	0.7	-
Kenya	3.2	2.8	-	0.6	-
Korea	90.9	34.7	21.0	18.2	0.7
Kosovo	0.5	0.4	-	-	-
Kuwait	19.6	14.2	-	5.1	-
Kyrgyz Republic	1.1	0.9	-	-	-
Lao P.D.R.	0.6	0.5	-	0.0	-
Latvia	1.7	1.5	-	1.0	-
Lebanon	-	-	-	-	-
Lesotho	0.3	0.3	-	0.0	-
Liberia	0.4	0.4	-	1.5	-
Libya	-	-	-	6.5	-
Lithuania	3.2	1.9	-	0.7	-
Luxembourg	18.2	4.3	-	2.0	1.7
Macedonia, FYR	0.8	0.7	-	0.1	-
Madagascar	-	-	-	0.2	-
Malawi	0.8	0.7	-	0.2	-
Malaysia	40.7	18.3	11.2	10.3	0.4
Maldives	0.1	0.1	-	-	-
Mali	1.1	1.0	-	-	-
Malta	2.3	1.0	0.5	1.1	0.6
Mauritania	0.8	0.7	-	0.1	-
Mauritius	1.2	1.0	-	0.2	-
Mexico	42.9	37.3	-	49.3	4.7
Micronesia	0.0	0.0	-	0.0	-
Moldova	1.5	1.3	-	-	-
Mongolia	0.6	0.5	-	0.0	-
Montenegro	0.2	0.1	-	-	-
Morocco	13.8	6.1	3.2	2.7	0.1
Mozambique	1.4	1.2	-	-	-
Myanmar	3.1	2.7	-	-	-
Namibia	1.6	1.4	-	0.0	-
Nepal	0.9	0.7	-	0.1	-
Netherlands	227.1	53.1	-	78.1	20.8
New Zealand	10.7	9.2	-	2.8	-
Nicaragua	1.5	1.3	-	0.0	-
Niger	0.8	0.7	-	-	-
Nigeria	20.9	18.0	-	7.0	-
Norway	74.1	19.4	15.7	20.5	15.1
Oman	5.8	2.4	-	0.5	-
Pakistan	14.6	10.6	0.3	6.8	0.0
Panama	2.5	2.1	-	-	-
Papua New Guinea	0.4	0.4	-	0.3	-
Paraguay	1.2	1.0	-	0.0	-
Peru	0.5	-	-	1.2	-
Philippines	5.7	3.0	-	6.6	0.7
Poland	-	-	-	12.6	-
Portugal	14.7	10.6	1.4	7.6	1.5

Appendix I. Table 2. Subsidy Contributions to the PRGT and Debt Relief Trusts
(In millions of SDRs; as of end-December 2021) (concluded)

	PRGT Subsidy Contributions				
	Total contributions [1]	of which from gold profit distribution [2]	MDRI-II [3]	PRG-HIPC Trust contributions [4]	CCR Trust contributions [5]
Qatar	1.8	0.9	-	0.4	-
Romania	8.7	7.6	-	1.2	-
Russia	114.5	61.2	-	37.8	-
Rwanda	1.0	0.8	-	-	-
Samoa	0.1	0.1	-	0.0	-
San Marino	0.2	0.1	-	0.0	-
Sao Tome	0.1	0.1	-	-	-
Saudi Arabia	119.1	71.9	5.5	34.4	0.2
Senegal	1.9	1.7	-	0.0	-
Serbia, Republic of	5.6	4.8	-	-	-
Seychelles	0.1	0.1	-	-	-
Sierra Leone	1.2	1.1	-	-	-
Singapore	27.7	14.5	6.5	10.9	12.6
Slovakia	4.6	4.0	-	4.9	-
Slovenia	1.6	1.4	-	0.8	-
Solomon Islands	0.1	0.1	-	-	-
South Africa	22.0	19.3	-	24.4	-
Spain	79.4	41.4	3.1	28.7	20.8
Sri Lanka	4.9	4.3	-	1.7	-
St. Lucia	0.1	0.1	-	0.0	-
St. Vincent and the Grenadines	-	-	-	0.1	-
Sweden	154.3	24.6	65.0	19.8	4.8
Switzerland	122.1	37.2	38.5	44.6	20.9
Tajikistan	1.0	0.9	-	-	-
Tanzania	2.4	2.0	-	-	-
Thailand	32.4	14.8	4.4	13.2	0.3
Timor-Leste	0.1	0.1	-	-	-
Togo	0.9	0.8	-	0.1	-
Tonga	0.1	0.1	-	0.0	0.0
Trinidad and Tobago	1.4	1.0	-	1.3	-
Tunisia	4.0	2.9	0.4	0.9	0.0
Turkey	29.6	15.0	-	-	0.8
Turkmenistan	0.9	0.8	-	-	-
Tuvalu	0.0	0.0	-	-	-
Uganda	2.1	1.9	-	-	-
Ukraine	16.4	14.1	-	1.8	-
United Arab Emirates	9.0	7.7	-	2.4	-
United Kingdom	543.3	111.0	155.4	87.4	171.8
United States	604.4	433.4	58.3	349.7	2.1
Uruguay	4.9	3.2	0.5	2.9	0.0
Uzbekistan	-	-	-	-	-
Vanuatu	0.1	0.1	-	-	-
Venezuela	-	-	-	-	-
Vietnam	5.5	4.7	-	0.6	0.0
Yemen	2.1	1.8	-	0.3	-
Zambia	5.8	5.0	-	2.4	-
Zimbabwe	4.2	3.6	-	-	-
Memorandum item					
SDA Disbursements	1,423.9	n/a	n/a	1,269.5	117.1
EU Commission	n/a	n/a	n/a	n/a	152.0
Total	6,832.3	2,188.0	1,120.0	3,023.3	826.2

[1] Actual contributions (i.e. grants, investment returns and implicit contributions) made to the PRGT and its predecessors under all fundraising efforts since 1987, including income earned on outstanding balances of the Trust and net of member contributions transferred to the MDRI-II Trust in January 2006 (reported separately as contributions to the MDRI-II).

[2] Member shares in both distributions already provided to the Trust, including interest earned on the balances of the Interim Administered Account, if applicable (on cash basis). For Indonesia, income earned on augmented principal of BIS deposit starting from April 2019.

[3] One-time transfer in January 2006 of members' earlier contributions to the PRGF-ESF Trust Subsidy Account. Upon termination of the MDRI-II Trust on August 1, 2015, all but one contributors agreed to transfer their remaining balances to the CCRT Trust (SDR 38.86 million in total).

[4] Total contributions to all PRG-HIPC Trust Subaccounts, including from distribution of the SCA-2 account, contributions in lieu of distributions related to debt relief to Liberia, Somalia, and Sudan, transfers from Liberia Administered Account at completion point of Liberia debt relief in March 2011, and interest earned on outstanding balances. Note that contributions to Somalia and Sudan debt relief currently held in the respective Administered Accounts are not included.

[5] Includes resources received from contributors to the MDRI-II Trust (SDR 38.86 million in total) upon its termination in August 2015, new grant contributions, income earned on the Trust's balances and on contributors' deposits.

Appendix I. Table 3. PRGT— Fundraising Targets for New Subsidy Resources
(In SDR million unless otherwise noted)

Country	Quota shares		Proposed new contributions based on SDR 2.3 billion target and quota share[2]
	Share in total member quota	Share in the group[1]	
FTP members	**83.0%**	**94.4%**	**2,172**
G-7	**43.5%**	**49.5%**	**1,138**
Canada	2.3%	2.6%	61
France	4.2%	4.8%	111
Germany	5.6%	6.4%	146
Italy	3.2%	3.6%	83
Japan	6.5%	7.4%	169
United Kingdom	4.2%	4.8%	111
United States	17.4%	19.8%	456
Other advanced	**18.2%**	**20.7%**	**476**
Australia	1.4%	1.6%	36
Austria	0.8%	0.9%	22
Belgium	1.3%	1.5%	35
Czech Republic	0.5%	0.5%	12
Denmark	0.7%	0.8%	19
Estonia, Republic of	0.1%	0.1%	1
Finland	0.5%	0.6%	13
Israel	0.4%	0.5%	11
Korea	1.8%	2.1%	47
Lithuania, Republic of	0.1%	0.1%	2
Luxembourg	0.3%	0.3%	7
Malta	0.0%	0.0%	1
Netherlands	1.8%	2.1%	48
New Zealand	0.3%	0.3%	7
Norway	0.8%	0.9%	21
Saudi Arabia	2.1%	2.4%	55
Singapore	0.8%	0.9%	21
Slovak Republic	0.2%	0.2%	6
Slovenia, Republic of	0.1%	0.1%	3
Spain	2.0%	2.3%	52
Sweden	0.9%	1.1%	24
Switzerland	1.2%	1.4%	32

Appendix I. Table 3. PRGT— Fundraising Targets for New Subsidy Resources

(In SDR million unless otherwise noted) (concluded)

Country	Quota shares		Proposed new contributions based on SDR 2.3 billion target and quota share[2]
	Share in total member quota	Share in the group[1]	
Other FTP members	**21.3%**	**24.3%**	**558**
Algeria	0.4%	0.5%	11
Botswana	0.0%	0.0%	1
Brazil	2.3%	2.6%	61
Brunei Darussalam	0.1%	0.1%	2
Chile	0.4%	0.4%	10
China	6.4%	7.3%	168
India	2.8%	3.1%	72
Kuwait	0.4%	0.5%	11
Malaysia	0.8%	0.9%	20
Mauritius	0.0%	0.0%	1
Mexico	1.9%	2.1%	49
Oman	0.1%	0.1%	3
Peru	0.3%	0.3%	7
Philippines	0.4%	0.5%	11
Poland, Republic of	0.9%	1.0%	23
Qatar	0.2%	0.2%	4
Russian Federation	2.7%	3.1%	71
Thailand	0.7%	0.8%	18
Trinidad and Tobago	0.1%	0.1%	3
United Arab Emirates	0.5%	0.6%	13
Uruguay	0.1%	0.1%	2
Non-FTP members	**4.9%**	**5.6%**	**128**
Advanced economies	**1.8%**	**2.1%**	**47**
Cyprus	0.1%	0.1%	2
Greece	0.5%	0.6%	13
Ireland	0.7%	0.8%	19
Latvia, Republic of	0.1%	0.1%	2
Portugal	0.4%	0.5%	11
Other non-FTP members[3]	**3.1%**	**3.5%**	**81**
Bulgaria	0.2%	0.2%	5
Croatia, Republic of	0.2%	0.2%	4
Hungary	0.4%	0.5%	11
Indonesia	1.0%	1.1%	26
Romania	0.4%	0.4%	10
Turkey	1.0%	1.1%	26
Total	**87.9%**	**100.0%**	**2,300**

[1] Calculated as a percent of the total quota of the 61 countries listed.

[2] All contributions are voluntary. Indicative contributions are calculated based on quota shares of 61 economically stronger member countries, including those participating in the Financial Transaction Plan (FTP) and G-20 and European Union members that have not used Fund resources for BoP needs over the last 3 years. SDR 2.3 bln was calculated in NPV terms as of 2020.

[3] Includes G-20 and European Union members that have not used Fund resources for BoP needs.

Appendix I. Table 4. PRGT—Deposit and Investment Agreements [1]

(In millions of currency units; as of end-January 2022)

	Effective date of agreement	Vehicle [2]	Deposit/Investment Amount Agreed	Deposit/Investment Amount Outstanding	Interest Rate (percent)	Maturity (years/date)
Austria						
Austrian National Bank	Jun. 8, 1988	Admin. Account	60.0	-	0.5	5½–10
Austrian National Bank	Apr. 19, 1994	Admin. Account	50.0	-	0.5	5½–10
Belgium						
National Bank of Belgium	Jun. 30, 1989	Admin. Account	100.0	-	0.5	10
National Bank of Belgium	Apr. 21, 1994	Admin. Account	80.0	-	0.5	10
Botswana						
Bank of Botswana [4, 5]	Jun. 30, 1994	Admin. Account	6.9	-	2.0	10
Bank of Botswana [6, 7]	Aug. 22, 2012	Deposit in BIS Obligations	1.5	1.5	0.1	8/30/2022 [3]
Chile						
Banco Central de Chile	Aug. 24, 1994	Admin. Account	15.0	-	0.5	5
China						
People's Bank of China [6, 8]	Aug. 23, 2011	Pooled with other Trust Assets	100.0	100.0	0.1	6¼ plus [3, 8]
Greece						
Bank of Greece	Nov. 30, 1988	Admin. Account	35.0	-	0.5	5½–10 [3]
Bank of Greece	Apr. 22, 1994	Admin. Account	35.0	-	0.5	5½–10
Indonesia						
Bank Indonesia [9]	Jun. 23, 1994	Admin. Account	25.0	-	-	10 [3]
Bank Indonesia [10]	Jun. 30, 2014	Deposit in BIS Obligations	25.0	-	Variable [7]	1/3 [3]
Bank Indonesia [11]	Oct. 27, 2014	Deposit in BIS Obligations	25.0	-	Variable [8]	4/9/2019 [3]
Bank Indonesia [11]	Apr. 9, 2019	Deposit in BIS Obligations	35.9	35.9	Variable [8]	12/31/2023
Iran, Islamic Republic of						
Central Bank of Iran	May 24, 1994	Admin. Account	5.0	-	0.5	10
Malaysia						
Bank Negara Malaysia	May 17, 1988	Subsidy Account Investments	40.0	-	0.5	10 [3]
Bank Negara Malaysia [5]	Jun. 30, 1994	Subsidy Account Investments	40.0	-	2.0	10
Bank Negara Malaysia	Jan. 1, 2019	Deposit in BIS Obligations	7.4	7.4	-	1/12/2029
Malta						
Central Bank of Malta	Dec. 13, 1989	Subsidy Account Investments	1.4	-	0.5	13
Central Bank of Malta	May 27, 1994	Subsidy Account Investments	1.4	-	0.5	13
Morocco						
Bank Al.-Maghrib [12]	Mar. 22, 2012	Pooled with other Trust Assets	7.8	7.8	--	9/22/2022 [3]
Pakistan						
State Bank of Pakistan [13]	Apr. 21, 1994	Subsidy Account Investments	10.0	-	0.5	16
Peru						
Banco Central de Reserva del Peru [6, 14]	Jan. 29, 2010	Deposit in BIS Obligations	6.1	6.1	0.1	1/29/2024 [3]
Portugal						
Banco do Portugal	May 5, 1994	Admin. Account	13.1	-	0.5	6–10
Saudi Arabia						
The Saudi Fund for Development [15]	Apr. 11, 2006	Deposit in BIS Obligations	115.9	115.9	0.5 or less	3/31/2022
Kingdom of Saudi Arabia [16]	Jan 1. 2019	Deposit in BIS Obligations	16.7	-	-	12/31/2021
Singapore						
Monetary Authority of Singapore	Nov. 4, 1988	Subsidy Account Investments	40.0	-	2.0	10 [3]
Monetary Authority of Singapore [5]	May 20, 1994	Subsidy Account Investments	40.0	-	2.0	10
Spain						
Government of Spain [17]	Feb. 8, 1995	Subsidy Account Investments	60.3	-	0.5	10
Thailand						
Bank of Thailand	Jun. 14, 1988	Subsidy Account Investments	20.0	-	2.0	10 [18]
Bank of Thailand	Apr. 22, 1994	Subsidy Account Investments	40.0	-	2.0	10 [18]

Appendix I. Table 4. PRGT—Deposit and Investment Agreements [1]

(In millions of currency units; as of end-January 2022) (concluded)

	Effective date of agreement	Vehicle [2]	Deposit/Investment Amount Agreed	Deposit/Investment Amount Outstanding	Interest Rate (percent)	Maturity (years)
Trinidad and Tobago						
Government of Trinidad and Tobago	Dec. 7, 2006	Subsidy Account Investments	3.0	-	1.0	10
Tunisia						
Banque Centrale de Tunisie [19]	May 4, 1994	Subsidy Account Investments	3.6	-	0.5	10
Banque Centrale de Tunisie	26-May-21	Deposit in BIS Obligations	2.4	2.4		3/20/2031 [3]
Uruguay						
Banco Central del Uruguay [20]	Jul. 7, 1994	Subsidy Account Investments	7.2	-	--	10
Banco Central del Uruguay [6]	Mar. 11, 2010	Pooled with other Trust Assets	2.0	2.0	--	6/30/2031 [3]
Total			1,077.5	279.0		

Source: Finance Department

[1] Agreements to provide subsidy contributions to the PRGT in the form of income earned on the deposit/investment in the Trust, net of interest paid to the contributor on the principal of the deposit/investment, if any. These do not include subsidies provided to the Trust as direct grants.

[2] Starting from July 2017 contributors have an option to invest in Trust assets ("pooled investment") or separately in BIS obligations. Prior to this change all investments were part of other invested assets unless they were held separately in a dedicated Administered Account.

[3] Extended or repurposed from other initiative upon maturity.

[4] Equivalent of US$10 million (at the exchange rate of June 29, 1994).

[5] The Fund made early repayments to Botswana, Malaysia, and Singapore on March 1, 2004.

[6] No interest is paid if net investment earnings are lower than 0.1 percent per annum. After several short term extensions the initial maturity of 10 years was extended to end-June 2031 or until the pledged contribution is generated from investment.

[7] In August 2017, the agreement was temporary extended to August 30, 2022, and then in April 2018 renewed until August 30, 2023. The deposit is invested with the BIS obligations, separately from the Trust's assets.

[8] In November 2017, the agreement was extended until pledged contribution of SDR 17.5 million in 2008 NPV terms is generated from the investment.

[9] Interest rate paid was equivalent to return obtained on the investment (net of costs) less 2 percent per annum. If net return was less than 2 percent per annum, the deposit bore zero interest. The investment was extended in 2004 for another 10 years to benefit the HIPC Trust and then, upon maturity, repurposes for the PRGT.

[10] This was a temporary deposit agreement, which matured on October 27, 2014, when a new deposit agreement was finalized. The PRGT General Subsidy Account had benefited from the investment income of up to 2 percent while any excess of the 2 percent investment income had to be for the benefit of Bank Indonesia.

[11] The deposit became effective on October 27, 2014 (replacing June 2014 temporary agreement) with maturity of December 31, 2018 which was temporarily extended to June 30, 2019. On April 9, 2019 the extended agreement was replaced by a new one, with augmented principal, to benefit the PRGT in lieu of Indonesia's pledge to contribute its shares in both gold profits distributions to the PRGT. The investment income of up to 2 percent shall be transferred for the benefit of the PRGT General Subsidy Account and any excess above the 2 percent shall benefit Bank Indonesia. The principal of the deposit is invested separately from other Trust's assets in BIS obligations.

[12] In March 2017, Morocco extended its investment agreement by additional six months and then by additional five years to September 22, 2022.

[13] Several deposits totalling SDR 10 million, which were all repaid in March 2010, sixteen years after the effective date of the first deposit.

[14] In January 2017, Peru extended its investment agreement by additional seven years, until January 29, 2024.

[15] The principal includes (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 from the PRG-HIPC Trust upon their maturities in 2011–14. Based on a revised agreement, starting from July 2018 the investment is placed in BIS obligations and earns 0.5 percent or BIS rate, whichever is lower. The maturity date of the agreement was extended from end-2021 to end-March 2022.

[16] Based on a revised agreement (see above), the investment is placed in BIS obligations and earns zero rate. Upon maturity on 12/31/2021 the principal was transferred as grant to the PRGT in line with the 2012 pledge and corresponding agreement.

[17] The investment was made from repayments of each of the first nine (out of ten) semi-annual drawings of SDR 67 million loan from the Government of Spain (the Instituto de Crédito Oficial) to the PRGT. The agreement expired in November 2012.

[18] Deposit encashed/repaid before maturity in January 1998 due to BOP problems.

[19] Equivalent of US$5 million (at the exchange rate of May 11, 1994).

[20] Interest rate paid was equivalent to return obtained on the investment (net of costs) less 2.6 percent per annum. No interest paid if net return was 2.6 percent per annum or less.

Appendix I. Table 5. PRG-HIPC Trust—Bilateral Deposit/Investment Agreements

(In SDR; as of end-January 2022)

Contributor	Type of agreement	Effective date of agreement	Amount	Amount outstanding	Interest rate (per annum)	Term/date of maturity [1]
Algeria	Pooled Investment	3/27/2001	7,600,000	7,600,000	0%	12/31/2025 [2]
Argentina	Deposit Agreement	5/4/2001	15,628,059	-	0%	5/4/2020
Botswana	Investment Agreement	4/25/1997	14,607,060	-	2%	4/30/2002 [3]
Botswana	Investment Agreement	8/9/2002	15,065,760	-	1%, variable [4]	5 years
Botswana	Investment Agreement	5/9/2008	6,142,590	-	1%, variable [4]	5 years
Brunei Darussalam	Pooled Investment	10/24/2001	52,351	52,351	0%	1/12/2028 [5]
Chile	Deposit Agreement	10/1/1999	15,000,000	-	0.5%	5 years
Colombia	Deposit Agreement	9/21/2001	1,181,774	-	0%	12/31/2018
Croatia	Deposit Agreement	4/9/2001	519,161	-	0%	12/31/2018
Croatia	Deposit in BIS Obligations	1/1/2019	519,161	519,161	0%	12/31/2023
Czech Republic	Deposit Agreement	2/22/2000	5,664,038	-	0%	2/24/2020
Czech Republic	Deposit in BIS Obligations	2/24/2020	5,664,038	5,664,038	0%	2/22/2030
Egypt	Deposit Agreement	6/16/2000	1,723,680	-	0%	6/30/2019 [6]
Egypt	Deposit in BIS Obligations	6/30/2019	1,723,680	1,723,680	0%	1/12/2029 [6]
Fiji	Deposit Agreement	8/28/2003	194,021	-	0%	12/31/2018 [3]
Finland	Deposit Agreement	2/22/2001	5,811,869	-	0%	12/31/2018 [3]
Germany	Deposit in BIS [7/]	1/31/2000	220,656,300 [7]	-	0%	10 years
Ghana	Deposit Agreement	5/10/2000	982,328	-	0.5%	10 years
Greece	Deposit Agreement	2/22/2001	5,440,000	-	0%	10 years
Hungary	Deposit Agreement	12/8/2000	9,237,105	-	0%	6/9/2020 [8]
India	Deposit Agreement	3/31/2000	31,370,304	-	0%	12/31/2018
Indonesia	Deposit Agreement	7/18/2000	4,850,030	-	0%	4/9/2019 [9]
Indonesia	Deposit in BIS Obligations	4/9/2019	10,296,317	10,296,317	0%	12/31/2023 [9]
Indonesia	The Instrument for the Administered Account Indonesia	6/30/2004	25,000,000	-	Variable [10]	June, 2014 [3]
Iran, Islamic Republic of	Investment Agreement	5/30/1997	5,000,000 [11]	-	0.5%	10 years
Kuwait	Pooled Investment	7/25/2000	4,196,595	4,196,595	0%	1/12/2024 [5]
Libya	Deposit Agreement	10/8/2002	9,950,370	-	0%	12/31/2019
Malaysia	Investment Agreement	6/26/1998	20,000,000	-	0.5%, variable [12]	10 years
Malaysia	Deposit Agreement	5/29/2001	7,368,106	-	0%	12/31/2018 [3]
Morocco	Pooled Investment	6/22/2000	2,186,968	2,186,968	0%	12/25/2025 [13]
Oman	Pooled Investment	7/5/2001	1,057,041	1,057,041	0%	1/12/2024 [5]

Appendix I. Table 5. PRG-HIPC Trust—Bilateral Deposit/Investment Agreements
(In SDR; as of end-January 2022) (concluded)

Contributor	Type of agreement	Effective date of agreement	Amount	Amount outstanding	Interest rate (per annum)	Term/date of maturity [1]
Pakistan	Deposit Agreement	6/22/2000	4,659,307	-	0%	6/22/2020 [14]
Pakistan	Deposit in BIS Obligations	6/22/2020	4,659,307	4,659,307	0%	6/21/2030 [14]
Paraguay	Deposit Agreement	12/18/2001	310,097	-	1%	5 years
Peru	Deposit Agreement	1/28/2000	6,143,881	-	1.5%	10 years [3]
Poland	Deposit Agreement	6/12/2000	7,073,780	-	0%	6/12/2020 [15]
Poland	Deposit in BIS Obligations	6/12/2020	7,073,780	7,073,780	0%	6/12/2030 [15]
Qatar	Deposit Agreement	5/25/2000	749,713	-	0%	12/31/2021 [16]
Saudi Arabia	Memorandum of Understanding	3/16/2001	27,850,000 [17]	-	0.5%	10 years [3]
Saudi Arabia	Memorandum of Understanding	3/16/2001	49,820,000	-	0.5%	10 years [3]
Saudi Arabia	Memorandum of Understanding	3/16/2001	16,709,643	-	0%	12/31/2018 [3]
Singapore	Investment Agreement	11/20/1998	40,000,000	-	0.5%, variable [18]	10 years
Singapore	Deposit Agreements	4/24/2001	4,045,647	-	0%	12/31/2018
Sri Lanka	Pooled Investment	4/24/2000	788,783	788,783	0%	1/12/2024 [5]
St. Lucia	Deposit Agreement	8/23/2000	100,000	-	0.5%	10 years
Sweden	Deposit Agreement	11/1/2001	18,600,000	-	0%	12/31/2018
Thailand	Investment Agreement	3/14/2001	6,128,354	-	0%	12/31/2018 [3]
Tonga	Deposit Agreement	8/28/2003	25,898	-	0%	12/31/2018 [3]
Tunisia	Deposit Agreement	3/20/2001	2,361,605	-	0.5%	3/20/2021
United Arab Emirates	Pooled Investment	7/24/2001	5,141,462	5,141,462	0%	1/12/2024 [5]
Uruguay	Deposit Agreement	3/13/2002	7,940,000	-	Variable [19]	10 years
Vietnam	Deposit Agreement	5/24/2000	522,962	-	0%	12/31/2018 [3]

Source: Finance Department.

[1] Some agreements specified the maturity date and others a term (e.g., a "10 years" term indicates that the deposit is due in 10 years from the effective date of the agreement).

[2] Original maturity of March 27, 2021 was extended via SWIFT to December 31, 2025.

[3] Repurposed upon maturity for the benefit of another concessional initiative (PRGT or CCRT).

[4] Original interest rate was 2% per annum; in August 2004, the rate was amended to 1% per annum, but could have been reverted to 2% per annum if the return on investment reached 3% per annum.

[5] Original deposit agreement maturing on December 31, 2018 was extended as a pooled investment.

[6] Original deposit agreement maturing on December 31, 2018 was temporarily extended to June 30, 2019 and then converted to deposit in BIS obligations.

[7] The agreed amount was Euro 300 million and the deposit was denominated in Euro over its lifetime; it was invested as EUR fixed-term deposit directly with the BIS.

[8] Original deposit agreement maturing on December 9, 2018 was temporarily extended to December 9, 2019 and then to June 9, 2020 when it was repaid.

[9] Original deposit agreement maturing on December 31, 2018 was temporarily extended to June 30, 2019. It was replaced by a new agreement on April 9, 2019 extending the deposit to end-2023 and augmenting its principal by one quarter of Indonesia's shares in both gold profits distributions.

[10] 2% per annum of the net investment earnings (or any lesser amount if the returns on investments was below 2%) was to be transferred to the PRGF-HIPC Trust and the remainder to the depositor. Upon maturity of the deposit in June 2014, the Indonesian authorities agreed to put the SDR 25 million principal in a temporary deposit, pending an agreement to reinvest it in October 2014 for the benefit the PRGT.

[11] Five annual instalments of 10 year maturity, each equivalent to SDR 1 million.

[12] Two instalments (received in June 1998 and August 1999) with maturity date of 10 years each. Original interest rate of 2% per annum was amended in June 2004 to 0.5% per annum, with an option to be reverted to 2% per annum if the return on investment reached 2% per annum.

[13] Original maturity of June 22, 2020 was extended to December 25, 2025 as pooled investment.

[14] Original maturity of June 22, 2020 was extended to June 21, 2030 as BIS deposit.

[15] Original deposit agreement maturing on June 12, 2020 was converted to deposit in BIS obligations maturing June 12, 2030.

[16] Original deposit agreement maturing on December 31, 2018 was extended several times by additional 6 months before being repaid on 12/31/2021.

[17] The investment consisted of 14 instalments, each of 10 year maturity, with the first one received on March 27, 2001 and the last one on September 27, 2004. The instalments originated from repayments of the outstanding amounts of associated loans made by the SFD to PRGF borrowers and the date of each instalment corresponded to the date of repayment of the loans. Upon maturity, each subsequent instalment has been reinvested to benefit the PRGT.

[18] Four annual instalments of SDR 10 millions each (received in November 1998, August 1999, August 2000, and August 2001, respectively) and 10 year maturity. Original interest rate of 2% per annum was amended in August 2004 to 0.5% per annum, with an option to revert to 2% per annum if the return on investment reached 2% per annum.

[19] Interest rate obtained by the Trust minus 2.6% per annum; if the interest rate was 2.6% per annum or less, no interest was paid to the depositor.

Appendix I. Table 6. Pending Subsidy Contributions to PRG and PRG-HIPC Trusts [1]

(In millions of SDR; as of end-December 2021)

Country	Contribution pledged	Of which: Amount received	Of which: Amount pending
Under the HIPC Initiative fundraising round ("as needed" estimate)			
Bahrain	0.90	-	0.90
Dominican Republic	0.50	-	0.50
Gabon	2.50	0.60	1.90
Grenada	0.10	-	0.10
Lebanon	0.40	-	0.40
Maldives	0.01	-	0.01
Trinidad & Tobago	1.62	-	1.62
Vanuatu	0.10	-	0.10
Venezuela	20.35	-	20.35
Subtotal	**26.48**	**0.60**	**25.88**
Under the debt relief to Liberia (in 2008 NPV terms)			
Brazil	16.90	-	16.90
Burkina Faso	0.06	-	0.06
Chad	0.05	-	0.05
Guinea-Bissau	0.01	-	0.01
Mali	0.19	-	0.19
Rwanda	0.07	-	0.07
Samoa	0.01	-	0.01
Sierra Leone	0.38	-	0.38
Subtotal	**17.67**	**0.00**	**17.67**
Under the ESF fundraising round (in 2005 NPV terms)			
France	20.00	7.56	12.44 [2]
Saudi Arabia	40.00	9.56	30.44 [3, 4]
Oman	3.00	2.20	0.80
Trinidad and Tobago	0.80	0.17	0.63 [5, 4]
Subtotal	**63.80**	**19.49**	**44.31**
Under the 2009 fundraising round (in end 2008 NPV terms)			
Botswana	0.20	0.06	0.14 [6, 4]
China	17.50	17.04	0.46 [7, 4]
Peru	1.20	0.53	0.67 [8, 4]
South Africa	3.40	-	3.40
Trinidad and Tobago	0.60	-	0.60
Uruguay	0.60	0.41	0.19 [9, 4]
Subtotal	**23.50**	**18.04**	**5.46**

Appendix I. Table 6. Pending Subsidy Contributions to PRG and PRG-HIPC Trusts [1]

(In millions of SDR; as of end-December 2021) (concluded)

Country	Contribution pledged	Of which: Amount received	Of which: Amount pending
Under the 2012 distribution of the general reserve associated with gold windfall profits (of SDR 0.7 billion)			
Brazil	12.50	-	12.50
Costa Rica	0.48	-	0.48
Grenada	0.03	-	0.03
Hungary	3.05	-	3.05
Indonesia	6.11	0.56	5.56 [10, 4]
Lebanon	0.78	-	0.78
Libya	3.30	-	3.30
Peru	1.88	-	1.88
Poland	4.96	-	4.96
Uzbekistan	0.81	-	0.81
Subtotal	**33.91**	**0.56**	**33.36**
Under the 2013 distribution of the general reserve associated with gold windfall profits (of SDR 1.75 billion)			
Azerbaijan	1.18	-	1.18
Bahrain	0.99	-	0.99
Brazil	31.24	-	31.24
Colombia	5.57	-	5.57
Costa Rica	1.21	-	1.21
Equatorial Guinea	0.38	-	0.38
Ghana	2.71	-	2.71
Hungary	7.63	-	7.63
Indonesia	15.28	-	15.28 [10, 4]
Lebanon	1.96	-	1.96
Libya	8.26	-	8.26
Papua New Guinea	0.97	-	0.97
Peru	4.69	-	4.69
Poland	12.41	-	12.41
Qatar	2.22	-	2.22
Subtotal	**96.71**	**-**	**96.71**
Total	**262.08**	**38.69**	**223.39**

[1] Covers pledges made before July 2021 fundraising round for SDR 2.3 billion in new subsidy resources.

[2] Contribution to be generated from concessional loan (remunerated at below market rate) agreed with Agence Française de Développement in 2009.

[3] Contribution to be generated from an investment agreed with the Saudi Fund for Development in 2006, modified in June 2018 and maturing on March 31, 2022.

[4] The amount of contribution generated from investment is reported on cash basis and will be adjusted for respective NPV terms at maturity.

[5] Contribution generated from a ten year deposit, repaid upon maturity in September 2017, estimated as SDR 0.17 million in 2005 NPV terms.

[6] Contribution to be generated from a deposit in BIS obligations maturing on August 30, 2022. The amount if investment income generated so far is reported on cash basis.

[7] Contribution from an investment in PRGT assets maturing upon generating the pledged amount of contribution.

[8] Contribution to be generated from a deposit in BIS obligations maturing on January 29, 2024.

[9] Contribution from an investments in PRGT assets maturing on June 30, 2031 or when the pledged amount of contribution is generated.

[10] Indonesia invested in BIS deposits SDR 25 million plus half of its shares in both gold sale profits distributions with income of up to 2 percent annually to be transferred to the PRGT in lieu of Indonesia's pledge to contribute its shares in both distributions to the PRGT. The agreement became effective in April 2019 and matures on December 31, 2023.

Appendix I. Table 7. Pledges and Contributions of Bilateral Subsidy Resources for the CCRT

(In millions of SDR; as of end-January 2022)

Contributors	2015 Fundraising Round			2020 Fundraising Round			Total contributions received	Principal of Deposit Invested [1]
	MDRI-II Transfer	Grants: Pledged	Grants: Received	Grants: Pledged		Grants: Received		
	In SDR million	In US$ million	In SDR million	In SDR million	In millions of original currency (if appl.)	In SDR million	In SDR million	In SDR million
Argentina	0.40	-	-	-	-	-	0.40	-
Australia	0.13	-	-	-	-	-	0.13	-
Austria [2]	-	-	-	-	-	-	-	-
Bangladesh	0.01	-	-	-	-	-	0.01	-
Belgium	1.37	-	-	-	-	-	1.37	-
Botswana	0.02	-	-	-	-	-	0.02	-
Bulgaria	-			1.90	-	1.90	1.90	
Canada	2.94	-	-	-	-	-	2.94	-
Chile	0.05	-	-	-	-	-	0.05	-
China	0.15	-	-	5.58	-	5.58	5.73	-
Denmark	0.82	-	-	-	-	-	0.82	-
Egypt	0.15	-	-	-	-	-	0.15	-
Fiji	-	-	-	-	-	-	-	0.19
Finland	0.53	-	-	-	-	-	0.53	5.81
France	4.04	-	-	33.29	€ 40	33.29	37.33	-
Germany	2.29	30.00	21.49	66.20	€ 80	66.20	89.99	-
Greece	0.46	-	-	7.70	$11	7.70	8.17	-
Iceland	0.05	-	-	-	-	-	0.05	-
Indonesia [3]	0.07	-	-	-	-	-	0.07	48.10
Ireland	0.08	-	-	-	-	-	0.08	-
Italy	2.93	-	-	-	-	-	2.93	-
Japan	8.80	7.30	5.34	108.63	$150	108.63	122.77	-
Korea	0.73	-	-	-	-	-	0.73	-
Luxembourg	-	-	-	1.66	€ 2	1.66	1.66	
Malaysia	0.39	-	-	-	-	-	0.39	-
Malta	0.02	-	-	0.57	$0.8	0.57	0.59	-
Mexico	-	11.00	1.74	2.93	$4	2.93	4.67	-
Morocco	0.11	-	-	-	-	-	0.11	-
Netherlands	-	-	-	20.80	€ 25	20.80	20.80	
Norway	0.54	-	-	14.52	NOK 180	14.52	15.06	-
Pakistan	0.01	-	-	-	-	-	0.01	-
Philippines	-	-	-	2.84	$4	0.70	0.70	
Portugal	0.05	2.00	1.45	-	-	-	1.50	-
Saudi Arabia	0.19	-	-	-	-	-	0.19	-
Singapore	0.22	-	-	12.36	$17.6	12.36	12.59	-
Spain	0.11	-	-	20.70	€ 25	20.70	20.81	-
Sweden	2.26	-	-	2.45	SEK 30	2.45	4.70	-
Switzerland	1.34	-	-	19.48	CHF 25	19.48	20.82	-
Thailand	0.15	-	-	-	-	-	0.15	6.13
Tonga	-	-	-	-	-	-	-	0.03
Tunisia	0.01	-	-	-	-	-	0.01	-
Turkey	-	1.00	0.74	-	-	-	0.74	-
United Kingdom	5.40	42.00	29.92	135.78	£150	135.78	171.09	-
United States	2.02	-	-	-	-	-	2.02	-
Uruguay	0.02	-	-	-	-	-	0.02	-
Vietnam	-	-	-	-	-	-	-	0.52
European Union	**-**	**-**	**-**	**152.0**	€ 183	**152.0**	**152.0**	
Total	**38.86**	**93.30**	**60.68**	**609.36**		**607.22**	**706.77**	**60.79**
Target		**150**		**1,000**				

[1] Former HIPC deposits repurposed upon maturity in December 2018 and invested in BIS obligations for 5 to 15 years to generate income for the benefit of the CCRT.

[2] CCR pledge was rescinded pending a budget allocation of grant resources.

[3] Indonesia decided to invest in BIS deposits one quarter of its shares in both distributions of gold sales profits for the benefit of the CCRT. The related agreement (SDR 5.45 million) became effective on April 9, 2019, which was further amended on November 29, 2021 in support of the 2020 fundraising round by an additional SDR 42.66 million from its share in the SCA-1/deferred charges distribution related to Sudan's clearance of arrears.

Appendix I. Table 8. CCRT—Bilateral Deposit/Investment Agreements

(In SDRs; as of end-January 2022)

Contributor	Type of agreement	Effective date of agreement	Amount [1]	Amount outstanding	Interest rate (per annum)	Term/date of maturity
Fiji	Deposit in BIS Obligations	1/11/2019	194,021	194,021	0%	1/12/1934
Finland	Deposit in BIS Obligations	12/26/2018	5,811,869	5,811,869	0%	1/12/2024
Indonesia	Deposit in BIS Obligations	4/9/2019	48,104,283 [2]	48,104,283	0%	12/31/2023
Thailand	Investment Agreement	12/28/2018	6,128,354	6,128,354	0%	12/31/2028
Tonga	Deposit in BIS Obligations	5/9/2008	25,898	25,898	0%	1/12/2024
Vietnam	Deposit in BIS Obligations	12/20/2018	522,962	522,962	0%	12/31/2023

Source: Finance Department.

[1] Repurposed upon maturity for the benefit of the CCRT from a repayment of an earlier deposit with the PRG-HIPC Trust.

[2] As amended and restated on 11/29/2021 when the Bank Indonesia increased the total deposit amount by SDR 42,657,996 from the original amount of SDR 5,446,287 in support of the 2020 fundraising for CCRT resources.

Appendix I. Table 9. Bilateral Contributions to Somalia and Sudan Debt Relief

(In millions of SDRs; as of February 4, 2022)

Country Name	Debt Relief to Somalia [1]			Debt Relief to Sudan [1]		
	Country Classification [2]	Pledged Contribution [3,4]	Received Contribution [5]	Country Classification [2]	Pledged Contribution [3,4]	Received Contribution [5]
Albania	Non-FTP	0.0	0.0	Non-FTP	0.2	0.2
Algeria	FTP	-	-	FTP	-	-
Angola	Non-FTP	0.1	0.1	Non-FTP	0.1	0.1
Antigua and Barbuda	Non-FTP	0.0	0.0	Non-FTP	0.0	-
Argentina	Non-FTP	-	-	Non-FTP	-	-
Armenia, Republic of	Non-FTP	0.1	-	Non-FTP	-	-
Australia	FTP	1.3	1.3	FTP	8.8	8.8
Austria	FTP	-	-	FTP	10.8	-
Azerbaijan	Non-FTP	0.2	0.2	Non-FTP	1.1	1.1
Bahamas, The	Non-FTP	0.0	0.0	Non-FTP	0.1	0.1
Bahrain, Kingdom of	Non-FTP	-	-	Non-FTP	1.4	1.4
Bangladesh	Non-FTP	0.7	0.7	Non-FTP	5.3	5.3
Barbados	Non-FTP	-	-	Non-FTP	0.3	0.3
Belarus, Republic of	Non-FTP	-	-	Non-FTP	-	-
Belgium	FTP	2.4	2.4	FTP	TBC	-
Belize	Non-FTP	0.0	0.0	Non-FTP	-	-
Benin	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Bhutan	Non-FTP	-	-	Non-FTP	-	-
Bolivia	Non-FTP	-	-	Non-FTP	-	-
Bosnia and Herzegovina	Non-FTP	-	-	Non-FTP	-	-
Botswana	FTP	0.1	0.1	FTP	0.5	0.5
Brazil	FTP	5.6	-	FTP	17.5	-
Brunei Darussalam	FTP	0.0	0.0	FTP	0.3	0.3
Bulgaria	Non-FTP	1.5	1.5	Non-FTP	-	-
Burkina Faso	Non-FTP	0.0	0.0	Non-FTP	0.1	-
Burundi	Non-FTP	0.0	0.0	Non-FTP	0.1	0.1
Cabo Verde	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Cambodia	Non-FTP	-	-	Non-FTP	-	-
Cameroon	Non-FTP	-	-	Non-FTP	-	-
Canada	FTP	8.5	2.7	FTP	23.6	18.1
Central African Republic	Non-FTP	0.0	0.0	Non-FTP	0.2	-
Chad	Non-FTP	0.0	0.0	Non-FTP	0.1	0.1
Chile	FTP	-	-	FTP	-	-
China	FTP	8.0	8.0	FTP	28.1	28.1
Colombia	FTP	-	-	Non-FTP	-	-
Comoros	Non-FTP	-	-	Non-FTP	-	-
Congo, Democratic Republic of	Non-FTP	0.8	0.8	Non-FTP	1.0	-
Congo, Republic of	Non-FTP	0.0	0.0	Non-FTP	0.3	-
Costa Rica	Non-FTP	-	-	Non-FTP	TBC	-
Côte d'Ivoire	Non-FTP	0.6	0.6	Non-FTP	4.3	4.3
Croatia, Republic of	Non-FTP	0.3	0.3	Non-FTP	1.0	1.0
Cyprus	Non-FTP	0.1	0.1	Non-FTP	0.6	0.6
Czech Republic	FTP	0.7	0.7	FTP	TBC	-
Denmark	FTP	4.2	4.2	FTP	8.5	8.5
Djibouti	Non-FTP	0.0	-	Non-FTP	0.0	-
Dominica	Non-FTP	0.0	0.0	Non-FTP	0.1	0.1
Dominican Republic	Non-FTP	-	-	Non-FTP	-	-
Ecuador	Non-FTP	0.4	-	Non-FTP	-	-
Egypt	Non-FTP	0.7	0.7	Non-FTP	3.3	3.3
El Salvador	Non-FTP	-	-	Non-FTP	-	-
Equatorial Guinea	Non-FTP	0.0	0.0	Non-FTP	-	-
Estonia, Republic of	FTP	0.1	0.1	FTP	TBC	-
Eswatini, The Kingdom of	Non-FTP	-	-	Non-FTP	0.1	-
Ethiopia	Non-FTP	0.0	0.0	Non-FTP	0.4	0.4
Fiji	Non-FTP	-	-	Non-FTP	-	-
Finland	FTP	3.4	3.4	FTP	6.4	6.4
France	FTP	12.7	12.7	FTP	54.4	46.2
Gabon	Non-FTP	-	-	Non-FTP	-	-
Gambia, The	Non-FTP	0.0	0.0	Non-FTP	0.1	0.1
Georgia	Non-FTP	0.1	0.1	Non-FTP	0.5	0.5
Germany	FTP	24.7	24.7	FTP	73.4	-
Ghana	Non-FTP	0.4	0.4	Non-FTP	-	-
Greece	Non-FTP	1.6	1.6	Non-FTP	5.0	5.0
Grenada	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Guatemala	Non-FTP	-	-	Non-FTP	-	-
Guinea	Non-FTP	0.0	0.0	Non-FTP	0.2	0.2
Guinea-Bissau	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Guyana	Non-FTP	-	-	Non-FTP	-	-

Appendix I. Table 9. Bilateral Contributions to Somalia and Sudan Debt Relief
(In millions of SDRs; as of February 4, 2022) (continued)

Country Name	Debt Relief to Somalia [1] Country Classification [2]	Debt Relief to Somalia [1] Pledged Contribution [3,4]	Debt Relief to Somalia [1] Received Contribution [5]	Debt Relief to Sudan [1] Country Classification [2]	Debt Relief to Sudan [1] Pledged Contribution [3,4]	Debt Relief to Sudan [1] Received Contribution [5]
Haiti	Non-FTP	0.1	0.1	Non-FTP	0.5	0.5
Honduras	Non-FTP	-	-	Non-FTP	TBC	-
Hungary	Non-FTP	2.2	2.2	Non-FTP	TBC	-
Iceland	Non-FTP	0.1	0.1	Non-FTP	0.3	0.3
India	FTP	3.5	3.5	FTP	13.5	13.5
Indonesia	Non-FTP	2.4	2.4	Non-FTP	9.7	9.7
Iran, Islamic Republic of	Non-FTP	0.0	0.0	Non-FTP	-	-
Iraq	Non-FTP	-	-	Non-FTP	-	-
Ireland	Non-FTP	1.2	1.2	Non-FTP	5.7	5.7
Israel	FTP	-	-	FTP	-	-
Italy	FTP	13.1	8.2	FTP	45.3	40.5
Jamaica	Non-FTP	0.2	0.2	Non-FTP	5.0	5.0
Japan	FTP	15.5	15.5	FTP	92.1	92.1
Jordan	Non-FTP	-	-	Non-FTP	-	-
Kazakhstan, Republic of	Non-FTP	0.3	0.3	Non-FTP	2.2	2.2
Kenya	Non-FTP	-	-	Non-FTP	-	-
Kiribati	Non-FTP	-	-	Non-FTP	-	-
Korea	FTP	4.4	4.4	FTP	31.6	-
Kosovo	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Kuwait	FTP	-	-	FTP	6.1	6.1
Kyrgyz Republic	Non-FTP	-	-	Non-FTP	-	-
Lao People's Democratic Republic	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Latvia, Republic of	Non-FTP	0.1	0.1	Non-FTP	0.8	0.8
Lebanon	Non-FTP	-	-	Non-FTP	-	-
Lesotho	Non-FTP	-	-	Non-FTP	-	-
Liberia	Non-FTP	0.7	0.7	Non-FTP	4.7	4.7
Libya	Non-FTP	-	-	Non-FTP	-	-
Lithuania, Republic of	FTP	0.2	0.2	FTP	TBC	-
Luxembourg	FTP	0.1	0.1	FTP	0.8	0.8
Madagascar	Non-FTP	-	-	Non-FTP	-	-
Malawi	Non-FTP	-	-	Non-FTP	0.6	0.6
Malaysia	FTP	1.2	1.2	FTP	8.0	8.0
Maldives	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Mali	Non-FTP	0.1	0.1	Non-FTP	0.4	-
Malta	FTP	0.2	0.2	FTP	0.9	0.9
Mauritania	Non-FTP	-	-	Non-FTP	0.4	0.4
Mauritius	FTP	0.0	0.0	FTP	0.4	0.4
Mexico	FTP	4.5	-	FTP	-	-
Micronesia	Non-FTP	-	n.a.	Non-FTP	-	-
Moldova, Republic of	Non-FTP	-	-	Non-FTP	-	-
Mongolia	Non-FTP	0.0	0.0	Non-FTP	-	-
Montenegro, Republic of	Non-FTP	-	-	Non-FTP	TBC	-
Morocco	Non-FTP	0.7	0.7	Non-FTP	5.3	5.3
Mozambique	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Myanmar	Non-FTP	-	-	Non-FTP	-	-
Namibia	Non-FTP	-	-	Non-FTP	0.0	0.0
Nauru	Non-FTP	-	-	Non-FTP	0.0	0.0
Nepal	Non-FTP	-	-	Non-FTP	0.3	0.3
Netherlands	FTP	3.4	3.4	FTP	24.1	-
New Zealand	FTP	0.3	0.3	FTP	2.2	2.2
Nicaragua	Non-FTP	0.0	0.0	Non-FTP	0.1	0.1
Niger	Non-FTP	0.1	0.1	Non-FTP	0.5	0.5
Nigeria	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
North Macedonia, Republic of	Non-FTP	0.1	0.1	Non-FTP	0.1	0.1
Norway	FTP	2.1	2.1	FTP	13.7	-
Oman	FTP	0.2	0.2	FTP	-	-
Pakistan	Non-FTP	2.4	2.4	Non-FTP	14.8	14.8
Panama	Non-FTP	0.2	0.2	Non-FTP	0.8	0.8
Papua New Guinea	Non-FTP	-	-	Non-FTP	-	-
Paraguay	Non-FTP	-	-	Non-FTP	-	-
Peru	FTP	-	-	FTP	-	-
Philippines	FTP	2.9	2.9	FTP	21.7	-
Poland, Republic of	FTP	1.2	1.2	FTP	-	-
Portugal	Non-FTP	1.6	1.6	Non-FTP	7.9	-

Appendix I. Table 9. Bilateral Contributions to Somalia and Sudan Debt Relief
(In millions of SDRs; as of February 4, 2022) (concluded)

Country Name	Debt Relief to Somalia [1] Country Classification [2]	Debt Relief to Somalia [1] Pledged Contribution [3,4]	Debt Relief to Somalia [1] Received Contribution [5]	Debt Relief to Sudan [1] Country Classification [2]	Debt Relief to Sudan [1] Pledged Contribution [3,4]	Debt Relief to Sudan [1] Received Contribution [5]
Qatar	FTP	18.5	18.5	FTP	-	-
Romania	Non-FTP	-	-	Non-FTP	-	-
Russian Federation	FTP	10.4	-	FTP	-	-
Rwanda	Non-FTP	0.0	0.0	Non-FTP	0.2	0.2
Samoa	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
San Marino, Republic of	Non-FTP	-	-	Non-FTP	0.0	0.0
Sao Tome & Principe	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Saudi Arabia	FTP	3.6	3.6	FTP	38.7	24.5
Senegal	Non-FTP	0.1	0.1	Non-FTP	1.0	1.0
Serbia, Republic of	Non-FTP	0.7	0.7	Non-FTP	4.4	4.4
Seychelles	Non-FTP	-	-	Non-FTP	-	-
Sierra Leone	Non-FTP	-	-	Non-FTP	0.9	-
Singapore	FTP	0.7	0.7	FTP	4.5	-
Slovak Republic	FTP	0.5	0.5	FTP	3.7	-
Slovenia, Republic of	FTP	0.2	-	FTP	TBC	-
Solomon Islands	Non-FTP	-	-	Non-FTP	0.0	0.0
Somalia	Non-FTP	0.4	0.4	Non-FTP	-	-
South Africa	FTP	0.5	0.5	Non-FTP	4.2	4.2
South Sudan	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Spain	FTP	3.5	3.5	FTP	16.3	11.3
Sri Lanka	Non-FTP	0.7	0.7	Non-FTP	-	-
St. Kitts and Nevis	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
St. Lucia	Non-FTP	-	-	Non-FTP	-	-
St. Vincent and the Grenadines	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Sudan	Non-FTP	-	-	Non-FTP	12.6	12.6
Suriname	Non-FTP	0.0	0.0	Non-FTP	0.0	0.0
Sweden	FTP	3.2	3.2	FTP	3.5	3.5
Switzerland	FTP	7.7	-	FTP	19.2	13.4
Tajikistan, Republic of	Non-FTP	-	-	Non-FTP	-	-
Tanzania	Non-FTP	0.1	0.1	Non-FTP	-	-
Thailand	FTP	2.0	2.0	FTP	6.7	6.7
Timor-Leste, The Democratic Republic of	Non-FTP	-	-	Non-FTP	-	-
Togo	Non-FTP	0.0	0.0	Non-FTP	0.3	-
Tonga	Non-FTP	-	-	Non-FTP	-	-
Trinidad and Tobago	FTP	0.2	0.2	FTP	1.0	1.0
Tunisia	Non-FTP	0.7	0.7	Non-FTP	-	-
Turkey	Non-FTP	2.4	2.4	Non-FTP	3.6	-
Turkmenistan, Republic of	Non-FTP	-	-	Non-FTP	-	-
Tuvalu	Non-FTP	-	-	Non-FTP	-	-
Uganda	Non-FTP	0.1	0.1	Non-FTP	0.6	0.6
Ukraine	Non-FTP	3.2	3.2	Non-FTP	4.2	4.2
United Arab Emirates	FTP	-	-	FTP	4.9	4.9
United Kingdom	FTP	41.3	41.3	FTP	34.8	34.8
United States	FTP	32.2	32.2	FTP	315.1	229.8
Uruguay	FTP	-	-	FTP	-	-
Uzbekistan, Republic of	Non-FTP	0.1	0.1	Non-FTP	0.9	0.9
Vanuatu	Non-FTP	-	-	Non-FTP	-	-
Venezuela	Non-FTP	-	-	Non-FTP	-	-
Vietnam	Non-FTP	0.2	0.2	Non-FTP	0.2	0.2
Yemen, Republic of	Non-FTP	-	-	Non-FTP	-	-
Zambia	Non-FTP	1.2	1.2	Non-FTP	3.0	3.0
Zimbabwe	Non-FTP	0.3	0.3	Non-FTP	2.2	2.2
Memorandum item:						
European Commission		7.2	7.2		9.8	-
Total		**286.6**	**247.1**		**1,075.2**	**720.6**

Source: Finance Department.

[1] Values of 0.0 represent amounts of less than SDR 50,000.

[2] Contributor country participation in the Fund's Financial Transactions Plan (FTP) at the time of the fundraising round.

[3] Including additional grant contributions.

[4] As of February 4, 2022, using same day exchange rates where applicable.

[5] Including interest earned in the Interim Administered Accounts.

Appendix I. Table 10. Implementation of the HIPC Initiative and Debt Relief under MDRI

(In millions of SDR; as of end-January 2022)

		Assistance under HIPC				Assistance under MDRI		
		Decision point	Completion point	Amount committed	Amount disbursed [1]	Delivery date	MDRI-I	MDRI-II
HIPC completion point countries (36)				**2,421**	**2,595**		**1,220**	**1,088**
1	Afghanistan [2,3]	Jul-07	Jan-10	-	-	...	-	-
2	Benin	Jul-00	Mar-03	18.4	20.1	Jan-06	-	34.1
3	Bolivia	Feb-00	Jun-01	62.4 [4]	65.5 [4]	Jan-06	-	154.8
4	Burkina Faso	Jul-00	Apr-02	44.0 [4]	46.0 [4]	Jan-06	57.1	-
5	Burundi	Aug-05	Jan-09	19.3	22.4	Feb-09	9.0	-
6	Cameroon	Oct-00	Apr-06	28.6	33.7	Apr-06	-	149.2
7	Central African Republic	Sep-07	Jun-09	17.2	18.1	Jul-09	1.9	-
8	Chad [6]	May-01	Apr-15	14.3	17.0	...	-	-
9	Comoros [2]	Jul-10	Dec-12	2.9	3.0	...	-	-
10	Congo, Dem. Rep. of	Jul-03	Jul-10	280.3	330.7	Jul-10	-	-
11	Congo, Rep. of	Mar-06	Jan-10	5.4	6.3	Jan-10	-	4.8
12	Côte d'Ivoire [5,6]	Apr-09	Jun-12	42.6 [4]	26.4 [5]	...	-	-
13	Ethiopia	Nov-01	Apr-04	45.1	46.7	Jan-06	79.6	-
14	Gambia, The	Dec-00	Dec-07	1.8	2.3	Dec-07	7.4	-
15	Ghana	Feb-02	Jul-04	90.1	94.3	Jan-06	220.0	-
16	Guinea [6]	Dec-00	Sep-12	27.8	35.3	...	-	-
17	Guinea-Bissau	Dec-00	Dec-10	9.2	9.4	Dec-10	-	-
18	Guyana	Nov-00	Dec-03	56.6 [4]	59.6 [4]	Jan-06	-	31.6
19	Haiti [2]	Nov-06	Jun-09	2.1	2.3	...	-	-
20	Honduras	Jun-00	Apr-05	22.7	26.4	Jan-06	-	98.2
21	Liberia [7]	Mar-08	Jun-10	440.9	451.9	Jun-10	116.2	-
22	Madagascar	Dec-00	Oct-04	14.7	16.4	Jan-06	128.5	-
23	Malawi	Dec-00	Jun-10	33.4	37.2	Sep-06	14.5	-
24	Mali	Sep-00	Mar-03	45.5 [4]	49.3 [4]	Jan-06	62.4	-
25	Mauritania	Feb-00	Jun-02	34.8	38.4	Jun-06	-	30.2
26	Mozambique	Apr-00	Sep-01	106.9 [4]	108.0 [4]	Jan-06	83.0	-
27	Nicaragua	Dec-00	Jan-04	63.5	71.2	Jan-06	-	91.8
28	Niger	Dec-00	Apr-04	31.2	34.0	Jan-06	59.8	-
29	Rwanda	Dec-00	Apr-05	46.8	50.6	Jan-06	20.2	-
30	São Tomé and Príncipe	Dec-00	Mar-07	0.8	0.9	Mar-07	1.0	-
31	Senegal	Jun-00	Apr-04	33.8	38.4	Jan-06	-	94.8
32	Sierra Leone	Mar-02	Dec-06	100.0	106.6	Dec-06	76.8	-
33	Tanzania	Apr-00	Nov-01	89.0	96.4	Jan-06	207.0	-
34	Togo [2]	Nov-08	Dec-10	0.2	0.2	...	-	-
35	Uganda	Feb-00	May-00	119.6 [4]	121.7 [4]	Jan-06	75.8	-
36	Zambia	Dec-00	Apr-05	468.8	508.3	Jan-06	-	398.5
HIPC decision point countries (2)				**859.5**	**2.3**		**-**	**-**
37	Somalia	Mar-20	Floating	135.7	1.8	...	-	-
38	Sudan	Jun-21	Floating	723.8	0.5	...	...	...
Pre-decision point countries (1)								
39	Eritrea	...	...	...	...	...	...	...
MDRI non-HIPC countries (2) [8]							**126.1**	**-**
	Cambodia	...	...	...	...	Jan-06	56.8	-
	Tajikistan, Rep. of	...	...	...	...	Jan-06	69.3	-
Total				**3,280**	**2,597**		**1,347**	**1,088**

Source: Finance Department.

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

[2] Afghanistan, Comoros, Haiti, and Togo did not have MDRI-eligible credit and did not receive MDRI debt relief.

[3] At the time of its decision point, Afghanistan did not have any outstanding HIPC eligible debt.

[4] Includes commitment under the original HIPC Initiative. Bolivia, Burkina Faso, Guyana, Mali, Mozambique, and Uganda benefited from both the Original and Enhanced HIPC Initiatives.

[5] Côte d'Ivoire reached its decision point under the original HIPC Initiative in 1998, but did not reach its completion point under the original HIPC Initiative. Debt relief of SDR 17 million, committed to Côte d'Ivoire under the original HIPC Initiative, was therefore not delivered.

[6] Chad, Côte d'Ivoire and Guinea had fully repaid MDRI-eligible debt by completion point date.

[7] Liberia debt relief ("MDRI-like", beyond-HIPC) was delivered at end-June 2010 and financed from the Liberia Administered Account (LAA); eligible credit outstanding corresponded to the amount of arrears clearance to the IMF in March 2008.

[8] Non-HIPCs but qualified for MDRI debt relief with a per capita income below the US$380 threshold.