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BACKGROUND PAPER

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IMF Efforts to Increase the Resources Available to Support Member Countries

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ABBREVIATIONS

EMDCs	Emerging market and developing countries
ESF	Exogenous Shocks Facility
FCC	Forward Commitment Capacity
FCL	Flexible Credit Line
G20	A grouping composed of major advanced economies and systemically important emerging market and developing countries
GAB	General Arrangements to Borrow
GDP	Gross domestic product
GRA	General Resources Account
HAPA	High Access Precautionary Arrangements
IMFC	International Monetary and Financial Committee
LIC	low-income country
NAB	New Arrangements to Borrow
PRGF	Poverty Reduction and Growth Facility
PRGT	Poverty Reduction and Growth Trust
SDR	Special Drawing Right

EXECUTIVE SUMMARY

In the autumn of 2008 when the international community faced a rapidly unfolding financial crisis, the IMF's resources were at a historic low relative to the size of the global economy and financial flows—after a prolonged period of limited demand for financial support. With member countries' needs for financing escalating, attention quickly turned to enhancing available resources. With the leadership of the G20, the IMF in April 2009 launched a multi-pronged strategy to enhance resources available to member countries. As a result, the IMF:

- Quadrupled its credit capacity to some $1 trillion by May 2014—relying first on bilateral borrowing agreements and then on an enlarged and more flexible New Arrangements to Borrow (NAB) and a subsequent round of bilateral borrowing in 2012.
- Undertook new SDR allocations of $283 billion, with the equivalent of nearly $100 billion going to emerging market and developing countries, and contributing to a significant increase in reserves, particularly in low-income countries.
- Raised additional resources to support low-income countries, allowing a near doubling of concessional lending through the Poverty Reduction and Growth Trust (PRGT) and enabling the IMF to put in place a self-sustaining framework for the PRGT with an average annual capacity of SDR 1.25 billion.

The multi-pronged strategy also called for an acceleration of the 14th General Review of Quotas, with the intent of achieving an increase in quota resources. Although a doubling of quotas and associated governance reforms were agreed in December 2010, this agreement has not yet taken effect because it has not been ratified by the United States.

Nonetheless, the resource mobilization strategy was successful in substantially enhancing the resources available to member countries. The IMF met all requests for financial assistance during 2009–12, although without much time to spare in mid-2009, and put in place a new NAB that is both quantitatively and qualitatively much more useful than before, notwithstanding the toughened super-majority requirements.

The failure of the regular quota review process to maintain the financial size of the Fund relative to key indicators in the prior decade left the IMF seriously underfunded on the eve of a global crisis. To avoid the need to quickly raise resources in the face of a future crisis, quotas, along with standing borrowing arrangements to deal with tail risks, need to keep pace with the growth of the underlying factors that may give sudden rise to the need for Fund financial assistance.

Further, while the resource mobilization strategy enabled the IMF to respond to member needs, the outcome left the IMF reliant on borrowed resources for a prolonged period, as the quota increase has not yet taken effect. This circumstance compounds concerns about the governance of the IMF, with implications for its credibility and effectiveness going forward.

I. INTRODUCTION[1]

1. In the autumn of 2008 when the international community faced a rapidly unfolding financial crisis, the IMF's capacity to respond to country financing needs was at a historic low relative to potential needs. As part of its efforts to respond to the crisis, the IMF began in late 2008 and early 2009 to consider the adequacy of its resources and the options for supplementing them. Over the ensuing period, the IMF adopted a multi-track strategy of borrowing from member countries and seeking an increase in its quota resources in order to dramatically expand its credit capacity. In addition, the IMF decided to issue new SDRs[2] to boost global liquidity and also mobilized resources to double its concessional lending to low-income countries (LICs).

2. As part of the IEO evaluation of the IMF response to the global financial and economic crisis, this paper reviews the IMF's efforts on resource mobilization. Section II provides background about the IMF's resource position leading up to the crisis. Section III summarizes the strategy pursued by the IMF to boost resources. Sections IV–VII examine the IMF approach in more detail, considering the modalities and terms for the resources raised and the impact on the IMF's financial capacity. Section VIII discusses the SDR allocation, and Section IX addresses the increase in resources for concessional lending. Section X considers issues related to the governance of IMF resources and financial risks. Section XI puts forward lessons that might be drawn from the institution's experience in mobilizing resources to respond to recent crises.

II. THE FUND RESOURCE POSITION IN 2008 BEFORE THE LEHMAN BROTHERS COLLAPSE (SEPTEMBER 2008)

3. By 2008, two five-year general reviews of the adequacy of Fund quotas, prescribed by the Articles of Agreement, had led to decisions not to change quotas since the last increase in 1998 at the time of the Asian financial crisis. These decisions allowed the financial size of the Fund (total quotas) to fall to record lows relative to world GDP, capital flows, trade and similar metrics (Figure 1).[3] Also as a result, Executive Board voting shares were not gradually

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[1] The authors thank Alisa Abrams, Roxana Pedraglio, Jerome Prieur, and Mari Lantin (IEO) for excellent research assistance.

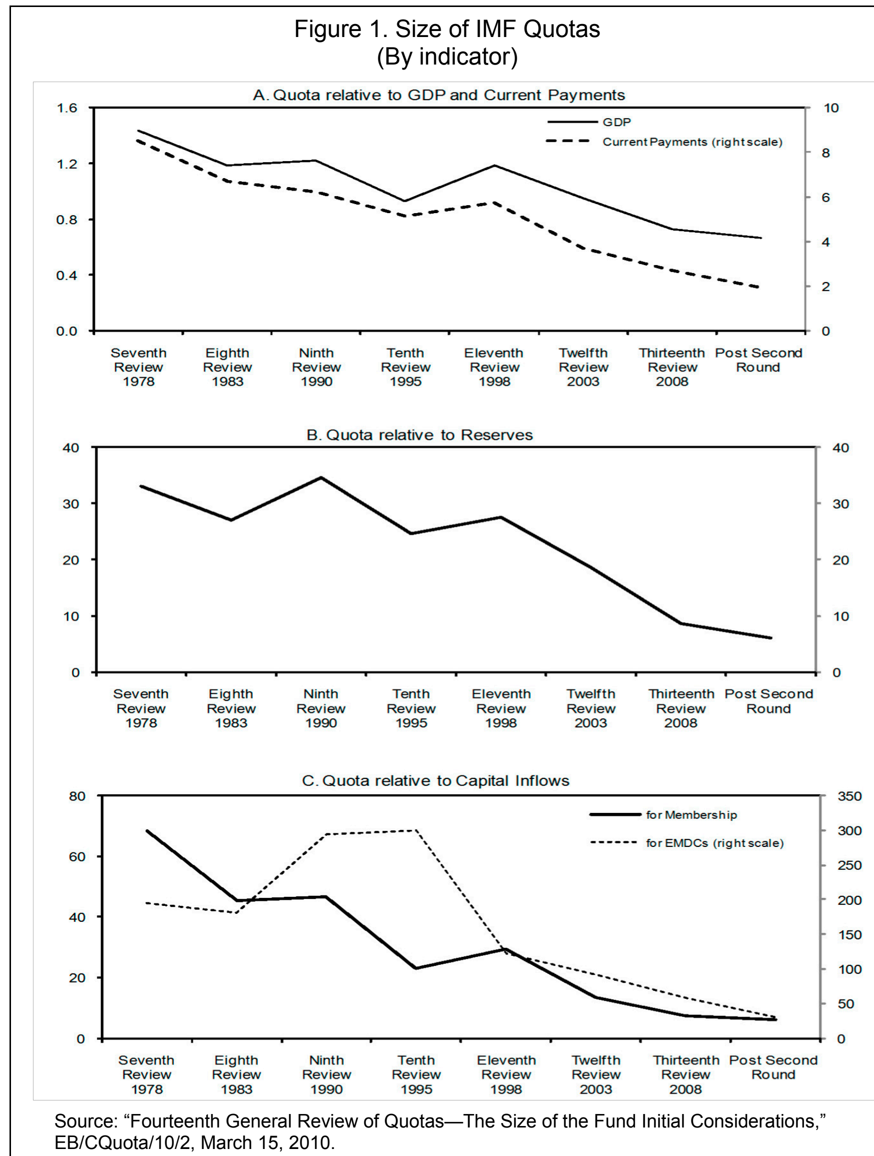
[2] A Special Drawing Right (SDR) is an international reserve asset, created by the IMF in 1969 to supplement its member countries' reserves. Its value is based on a basket of four key international currencies, and SDRs can be exchanged for freely usable currencies.

[3] Members allowed this to occur, at least in part, because there was very little demand for IMF resources. In June 2008, Fund credit outstanding in the General Resources Account (GRA) in the amount of SDR 8.7 billion was at a several decades' low point relative to total quotas, and the Fund's Forward Commitment Capacity (FCC) was at its highest-ever absolute level of SDR 127 billion. FCC is the amount readily available for new non-concessional lending. It is calculated by the IMF from its usable resources (including unused amounts under borrowing agreements with member countries and amounts available under the NAB) plus projected loan

(continued…)

adapted during the preceding decade to the changing relative weights of members' economies, as is also the purpose of the general quota reviews. The size of the New Arrangements to Borrow (NAB), the IMF's standing multilateral borrowing arrangement with a group of member countries to supplement quota resources in case of need to forestall or cope with an impairment of the international monetary system, at SDR 34 billion, had not changed in a decade since its last revision after the Asian financial crisis.[4]

Figure 1. Size of IMF Quotas
(By indicator)



Source: "Fourteenth General Review of Quotas—The Size of the Fund Initial Considerations," EB/CQuota/10/2, March 15, 2010.

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repayments over the next year, less the resources that have already been committed under existing lending programs, less a prudential balance.

[4] The NAB is a set of credit arrangements between the IMF and select member countries and institutions established in 1997 to supplement its quota resources for lending purposes. These arrangements require activation. The General Arrangements to Borrow (GAB), established in 1962, provide a secondary source of resources if a proposal for the establishment of an activation period under the NAB is not accepted.

4. In April 2008, the IMF Board of Governors agreed to increase quota and voting shares of certain emerging market and low-income members (a.k.a. quota and voice reform), including through ad hoc quota increases for 54 member countries. These changes raised total quotas (inclusive of similar ad hoc increases in 2006) by 11.5 percent to SDR 238.4 billion shortly after becoming effective in March 2011. Also agreed was a revised quota formula.

5. Concessional lending to LICs in 2000–08 proceeded at an average annual pace of about SDR 0.7 billion (IMF, 2012a).

6. A special one-time allocation of SDRs, proposed in the 4th Amendment to the Articles of Agreement in 1997 to allow new members to participate equitably in SDR allocations (mainly new members comprised of Eastern Europe and Former Soviet Union countries), had not come into effect because required legislative approvals were not secured in a sufficient majority of member countries.

7. A new income model, agreed in May 2008, was being put in place to reduce the Fund's reliance on income from lending for the financing of its administrative budget, and a reduction in the number of IMF staff and in the size of the administrative budget was in train.

8. Speaking very broadly, until 2008 a generalized complacency about risks in financial markets and for borrowing countries had settled upon most private market participants and government officials. Few officials were prepared for a crisis, and few countries in the hypothetical event of a crisis affecting them were planning to look to the Fund for assistance. Many emerging market member countries were self-insuring through large international reserve accumulations and were expecting to find financing elsewhere if needed.

III. THE FUND'S STRATEGY FOR MOBILIZING RESOURCES

9. As noted, when the worst financial crisis of the post-war era hit in 2008, Fund quota and NAB resources were at their lowest-ever relative level. Two general quota reviews had yielded no increases in quotas over the previous decade; the ad hoc increase (of 9.6 percent) agreed in early 2008 was not substantial in overall size and in any case had not yet taken effect. The NAB had atrophied to the point of offering limited help, since any use of its funds in case of a need to forestall or cope with an impairment of the international monetary system could be exhausted by the resource need, in the event, of one large emerging market country alone. In short, the established mechanism for equipping the IMF at all times with adequate financial resources had failed.

10. As the crisis unfolded, the IMF was working to adapt its lending framework and the tools and terms for IMF support, an undertaking which had begun before the crisis and was quickly adapted to changing circumstances.[5] The advent of the crisis also triggered new

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[5] These changes are discussed in Reichmann and de Resende (2014).

attention to the IMF's financial position and the adequacy of its resources and options for supplementing them.

11. Perspectives on IMF finances shifted rapidly as the crisis took hold. In a periodic assessment of the IMF's liquidity position on October 8, 2008, IMF staff took note of uncertainties in the global economy and underscored the need to monitor the situation. Nonetheless, the conclusion of the paper was that the IMF's liquidity position was "satisfactory" with its capacity to make new lending commitments, the FCC, at an all-time high and the institution "well-placed to meet the near-term external financing needs of its members (IMF, 2008a)." The October 2008 IMFC Communiqué indicated the IMF's readiness to respond quickly to members' financing needs and the ongoing work to adapt lending instruments to better meet these needs. As members' requests for IMF financial assistance accelerated in late 2008, priorities quickly expanded to include ensuring that IMF resources were adequate, with Executive Directors raising this concern in discussions of a new liquidity instrument on October 29. G20 Leaders elevated the issue in their November 15, 2008, Summit statement, emphasizing their commitment to ensuring that the IMF and multilateral development banks would have sufficient resources to assist members in overcoming the crisis.

12. Given the unprecedented nature of the systemic crisis and the major uncertainties it created, IMF staff and member country authorities found it very hard to assess Fund resource needs with assurance or finality at any point in time. At the same time, all parties recognized that vigilance and quick adaptation in response to unfolding events were required. Staff prepared assessments of Fund resource needs in the GRA on three major occasions for Executive Board discussion and decision, in January 2009, March 2010, and January 2012. Staff assessments of the size of Fund resource needs shifted over time, as did the acceptance by all members of the need for much higher resources.

Initial staff assessment of financing needs

13. IMF staff undertook an analysis of the adequacy of resources in a January 2009 staff paper (IMF, 2009a). The paper noted the sharp relative decline in the size of Fund quotas and the recent spikes in emerging market debt spreads, presented scenario analyses of potential financing needs of central and eastern European members, and discussed the potential for higher demand for Fund financial support stemming from the new short-term liquidity facility and other possible high-access facilities currently under discussion. The focus was on possible needs of emerging market members, but the paper noted that "the scenario analysis above does not take into account potential demand by advanced economies beyond Iceland. While such a development appears unlikely, the unprecedented nature of the current crisis suggests that it may be imprudent to rule it out."

14. The staff underlined the substantial downside risks to its central assessment and the need for the Fund's overall liquidity to be large enough to inspire confidence in the

institution's capacity to fulfill its mandate. "The costs associated with a possible shortfall or excess of Fund resources are asymmetric, with much higher cost associated with an inadequate resource base (or perception thereof) in terms of the impact of disorderly adjustment on members and the system if the Fund were unable to fulfill its responsibilities. Given the unprecedented uncertainty associated with the current crisis, maintaining a cushion of resources substantially above projected lending needs remains critical" (IMF, 2009a).

15. The staff paper argued for a doubling of the Fund's pre-crisis lending capacity of $250 billion (SDR 167 billion, including the NAB) through immediate bilateral borrowing. Staff noted the need to increase quotas substantially but did not regard this as a practical short-term response to the crisis. Staff did not call for advancing the 14th General Review of Quotas from 2013 to an earlier date because of this uncertainty about the needed size, the fact that the ad hoc increases were still pending, and the need for further work relating to the quota formula. Staff mentioned the option of a large SDR allocation but highlighted that it would require consensus on a long-term global need to supplement reserve assets and that it would need to be very large to have an impact for those facing liquidity constraints. The paper noted that the adequacy of concessional resources would be taken up separately in an upcoming review of the IMF's lending role and facilities in LICs.

Emergence of a strategy

16. The Executive Board came to a partial consensus on the way forward in a discussion on February 5, 2009 (IMF, 2009b). Directors agreed on the need for a near-term doubling of lending capacity, at least on a temporary basis. They also agreed to move forward with official borrowing and to begin discussions with existing participants on the possible scope for enlargement and expansion of the NAB, and for simplification of the criteria and procedures for activation. The Board was split on advancing the date of the 14th General Review of Quotas, as well as on the possibility of a general allocation of SDRs (IMF, 2009b).

17. During this time, in the face of intensification of the crisis, a sub-group of members in the G20 was working to develop a comprehensive set of actions for mobilizing resources in the IMF. The resulting strategy put to use modalities discussed in the January 2009 staff paper but went beyond what the consensus had been in the Executive Board. G20 Leaders issued a statement on April 2, 2009, announcing this strategy, including a January 2011 deadline for completion of the 14th General Review of Quotas, a target to enlarge the NAB by $500 billion (from SDR 34 billion to as much as SDR 370 billion), support for a new $250 billion SDR allocation, and a proposal to expand IMF concessional resources available for lending to low-income member countries. This framework was then adopted by the IMFC at its meeting later in April (IMF, 2009d).

18. The proposed approach to increasing IMF general lending resources relied on a multi-track approach. The first step was to borrow temporarily from certain members immediately in order to have larger resources in hand. This borrowing would then be rolled into a larger

and more flexible NAB, with a wider group of members. Concurrently, the IMF would accelerate consideration of an increase in quota resources to make sure that the IMF finances were on a sustainable footing, consistent with global needs. The borrowing was critical as a means to backstop quotas ("second line of defense") because of the time needed to reach agreement on a quota increase and because the date of effectiveness of a quota increase depends on legislative approvals in many member countries.

IV. The Supply of Resources to the GRA: Borrowing

19. This section discusses in more detail the IMF's mobilization of resources through temporary bilateral borrowing from member countries, in two phases, and through a more lasting enhancement of the long-standing NAB.

20. In order to meet immediate needs for lending resources, this process began before the resource mobilization strategy took full form in April 2009: in January, Japan committed $100 billion, which took effect in February, and the Board endorsed the temporary reliance on borrowing from member countries during its February discussion. The approach was then guided by the strategy laid out by the IMFC in April 2009, which called for: immediate bilateral borrowing of up to $250 billion from member countries; and incorporation of this temporary borrowing into an expanded multilateral credit line under the NAB from SDR 34 billion to up to SDR 370 billion, as well as increased flexibility in its activation and other procedures.[6] The IMFC also agreed to "consider market borrowing if necessary" as part of this strategy (IMF, 2009d). An additional phase of bilateral borrowing took place in 2012 to further expand the Fund's potential to support member countries.

Temporary bilateral borrowing: the 2009–10 round

21. Historically, the Fund has borrowed from official sources on several occasions in the past, in connection with the Oil Facilities in 1974–75, with the Supplementary Financing Facility in 1979–81, and the Enlarged Access Policy of 1981–86. Borrowing peaked in the mid-1980s at 30 percent of quota. Guidelines were first adopted in 1982; they have been revised over time, most recently in 2012. The key tenet of the guidelines is that quotas are and should remain the basic source of the Fund's financing. However, on a temporary basis, borrowing by the Fund can provide an important supplement to its resources.

22. The IMF looked first to bilateral borrowing both because of the potential to move quickly on agreements with individual countries and because of the increased flexibility this modality offered (IMF, 2009b). Twenty-two official lenders entered into borrowing agreements with the IMF that became effective in the period February 2009 to April 2010 for

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[6] Subsequently, in October 2009, the IMFC announced that the renewed and expanded NAB would be reviewed in light of the outcome of the 14th General Review of Quotas.

a total of SDR 176.7 billion (Table 1).[7] The early commitment by Japan of a $100 billion loan was critical to launching this effort and realizing the $250 billion target;[8] a $50 billion loan from China was the second largest contribution by a single member country.

Table 1. 2009–10 Bilateral Borrowing Agreements

Creditor	Amount billions	Date of Effectiveness	Revolving Line of Credit
Euro-Europe			
Austria (ON)[1]	EUR 2.2	October 9, 2010	Yes
Belgium (NBB)	EUR 4.7	February 12, 2010	Yes
Denmark (Nationalbank)	EUR 1.9	November 4, 2009	Yes
Finland (BF)[1]	EUR 1.3	April 26, 2010	Yes
France	EUR 11.1	December 2, 2009	Yes
Germany (Bundesbank)	EUR 15.0	September 22, 2009	Yes
Ireland[2]	EUR 1.3	---	Yes
Italy (Banca d'Italia)	EUR 8.1	March 11, 2011	Yes
Malta (CBM)	EUR 0.1	February 12, 2010	No
Netherlands (DNB)	EUR 5.3	October 5, 2009	Yes
Portugal (Banco de Portugal)	EUR 1.1	November 30, 2009	Yes
Slovak Republic	EUR 0.4	February 12, 2010	No
Slovenia (BO)	EUR 0.3	October 12, 2010	No
Spain	EUR 4.1	April 26, 2010	Yes
Non-Euro Europe			
Czech Republic (CNB)	EUR 1.0	March 31, 2010	No
Norway (Norges Bank)	SDR 3.0	July 14, 2009	Yes
Sweden (Riksbank)	EUR 2.5	April 9, 2010	Yes
Switzerland (SNB)[2]	SDR 6.3	---	No
UK	SDR 9.9	September 1, 2009	No
Japan	US$ 100.0	February 13, 2009	No
Canada	US$ 10.0	July 6, 2009	No
BRICS			
Brazil[1]	US$ 10.0	January 22, 2010	No
China (PBC)	SDR 32.0	September 2, 2009	No
India (RBI)	US$ 10.0	March 8, 2010	No
Total (in SDR billions)[3]	**183.3**		

Source: "Borrowing by the Fund—Proposed Modalities," SM/12/126; June 4, 2012.
[1] The agreement was terminated after the first NAB activation.
[2] The bilateral agreements with Ireland and Switzerland did not become effective.
[3] Exchange rates as of date of effectiveness. For SNB and Ireland, the exchange rate is as of the date the agreements were approved by the IMF Executive Board.

[7] The agreements with individual members took two forms: 13 were revolving credit lines, and 9 were note purchase agreements. The revolving credit lines had a term of availability of two years that could be extended by the Fund with lenders' consent up to four or five years. The note purchase agreements provided for an issuance of IMF paper to individual members, with a maximum maturity of five years, with three-month interim maturities that were extendable by the IMF for additional three-month periods.

[8] As noted previously, Japan announced its willingness to supplement the IMF's resources at the IMFC meeting in October 2008 (IMF, 2008b). Japan specified the $100 billion amount in the run-up to the November 2009 G20 Summit (Nishikawa, 2008).

23. Lenders were paid the SDR interest rate, drawings were denominated in SDRs, and the up to 10-year maturity for repayment of drawings made by the Fund broadly matched the maturity of Fund loans to members that were funded with these drawings. Thus, the Fund had no interest rate, exchange rate, or maturity mismatch risk on these borrowings, but retained the credit risk for its lending to members financed with these borrowings.

24. Lenders are able to count these loans as part of their external reserve assets because they are entitled to early repayment in order to use these resources should they face a balance of payments need.[9] The Executive Board also provided guidance concerning the mix in which Fund lending to members would be financed by quota and by borrowed resources (IMF, 2009f).[10]

The new and expanded NAB

25. Discussions to expand and enhance the NAB began in April 2009 with a meeting of existing participants and other countries who might consider participating, with the goals of increasing the total resources available; broadening participation; and increasing the flexibility of the mechanism. As negotiations proceeded, considerable effort was expended in achieving the right balance between making the NAB a more effective tool for crisis management and safeguarding participants' interests.

26. Prior and new participants reached an agreement in November 2009 to expand the size of the NAB to up to $600 billion (IMF, 2009i). This resulted in a more than tenfold increase, from SDR 34 billion to SDR 367 billion (IMF, 2010a). The prior 26 participants were joined by 13 new participants, notably including Brazil, China, India, Mexico, and Russia, among others.[11] It was also agreed that the size of the NAB would be reconsidered in light of the outcome of the 14th General Review of Quotas. IMF staff laid out the detailed provisions of the reforms in a March 2010 Board paper (IMF, 2010a).

27. The new agreement on the NAB retained its fundamental backstop character, with activation only when supplementary resources to quotas are needed in order to forestall or

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[9] In order not to curtail the availability of loans and because of the large size of some loans, an encashment (i.e., early repayment) limit of SDR 15 billion per borrowing agreement was applied, while the Fund would maintain a prudential balance of 20 percent of its liquid resources relative to amounts available under these borrowing agreements, as was the case for available quota resources.

[10] When the new NAB was activated on April 1, 2011, most bilateral creditors that were NAB participants agreed to keep their bilateral agreements in place to finance commitments that the IMF had already made before the NAB was activated, so long as the total amount drawn under bilateral agreements and the NAB did not exceed the amount of the NAB credit arrangement (IMF, 2011a).

[11] There are currently 38 active participants in the NAB. The National Bank of Poland joined the NAB in November 2011; Ireland and Greece were among the new participants in 2009 but have as yet not adhered to the new NAB.

cope with an impairment of the international monetary system. However, its functioning was enhanced by a series of reforms that:

- Expanded the range of allowed uses, so that when activated, the NAB can be used for the financing of all GRA transactions by all members, unlike the old NAB, which required an activation decision for each country program;
- Replaced the old loan-by-loan activation procedure by activation for set periods of up to six months, during which NAB resources may be used by the Fund, but with the super- majority for activation increased from 80 percent to 85 percent of total credit arrangements of NAB participants;
- Provided for a strengthened built-in liquidity buffer for possible early repayments to a NAB participant with a balance of payments need ("encashment"), thereby economizing on quota resources and allowing NAB claims to continue to be treated as external reserve assets of participants; and
- Created more flexibility in increasing the size of the NAB and admitting new participants.[12]

28. On this basis, the Executive Board approved the expansion and enhancement of the NAB in April 2010 (IMF, 2010d). However, the reforms required ratification by all existing participants and adherence by a minimum threshold of new participants, and the new NAB thus did not become effective until March 11, 2011, when all necessary consents from participants had been received. The first activation of the new NAB occurred on April 1, 2011 for a six-month period, and further six-month activations have continued without interruption to date. The size of the new NAB on first activation amounted to SDR 366 billion (Table 2). The NAB also allowed bilateral lenders from the 2009–10 borrowing round the option to fold their claims under these lending agreements into the NAB.[13]

29. As discussed below, some creditors desired, in the context of the 14th General Review of Quotas, to "roll back" credit arrangements in the NAB once the quota increase became effective. The Board approved such rollbacks as part of the quota review.[14] Nonetheless, even after this rollback, the amount available through the NAB once the pending quota increase were to take effect would remain five times larger than in 2008, i.e., SDR 182 billion, as compared to SDR 34 billion in 2008.

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[12] A subsequent decision in November 2011 also extended the maximum maturity of NAB claims from 5 years to 10 years.

[13] Effective April 1, 2013, the Board approved termination of any further drawings under the 2009–10 bilateral borrowing agreements.

[14] Board of Governors' Resolution No. 66-2 provided for the rollback, and the subsequent Board of Governors' Resolution No. 67-1 in December 2011 formalized the agreement for the rollback to take effect for each participant on the same day that the quota increase for that participant becomes effective.

Table 2. Enhanced NAB: Participants and Amounts of Credit Arrangements
(In millions of SDRs)[1]

Current Participants	Current (2012)	After Rollback[2]
Australia	4,370.41	2,220.45
Austria	3,579.24	1,818.49
Banco Central de Chile	1,360.00	690.97
Banco de Portugal	1,542.13	783.50
Bangko Sentral ng Pilipinas	340.00	340.00
Bank of Israel	500.00	340.00
Belgium	7,861.85	3,994.33
Brazil	8,740.82	4,440.91
Canada	7,624.43	3,873.71
China	31,217.22	15,860.38
Cyprus	340.00	340.00
Danmarks Nationalbank	3,207.78	1,629.76
Deutsche Bundesbank	25,370.81	12,890.02
Finland	2,231.76	1,133.88
France	18,657.38	9,479.16
Hong Kong Monetary Authority	340.00	340.00
India	8,740.82	4,440.91
Italy	13,578.03	6,898.52
Japan	65,953.20	33,508.50
Korea	6,583.44	3,344.82
Kuwait	341.29	341.29
Luxembourg	970.59	493.12
Malaysia	340.00	340.00
Mexico	4,994.76	2,537.66
National Bank of Poland	2,530.00	1,285.40
Netherlands	9,043.72	4,594.80
New Zealand	624.34	340.00
Norway	3,870.94	1,966.69
Russian Federation	8,740.82	4,440.91
Saudi Arabia	11,126.03	5,652.74
Singapore	1,276.52	648.55
South Africa	340.00	340.00
Spain	6,702.18	3,405.14
Sveriges Riksbank	4,439.74	2,255.68
Swiss National Bank	10,905.42	5,540.66
Thailand	340.00	340.00
United Kingdom	18,657.38	9,479.16
United States	69,074.27	28,202.47

Source: “The Rollback of Credit Arrangements in the New Arrangements to Borrow (NAB),” SM/11/331; December 15, 2011.
[1] Credit arrangements are subject to a minimum of SDR 340 million.
[2] If requested by a participant, the Fund may confirm the new credit arrangement to the participant effective the morning of the business day of the scheduled payment of the quota increase under the Fourteenth General Review of Quotas, on the condition that the quota payment of the relevant member is received later that day. The rollback would be reversed if the quota payment is not received.

30. The old GAB, now usable by the Fund only under very restricted circumstances, remains in effect in the amount of SDR 17 billion, with an additional SDR 1.5 billion available from Saudi Arabia (IMF, 2010a).

The 2012 round of bilateral borrowing

31. Staff reassessed financing needs as the situation progressed and in January 2012 advocated the need for substantial further bilateral borrowing by the Fund, based on an analysis of developments and prospects in certain larger countries of the Euro area.

32. This round of borrowing followed a call by the IMFC and G20 Finance Ministers and Central Bank Governors in a joint statement on April 20, 2012: "We remain committed to take necessary actions to secure global financial stability. We welcome the euro area members' decisions in March to strengthen European firewalls as part of the broader reform efforts and the availability of central bank swap lines. At our Joint Meeting of the IMFC and G20 Finance Ministers and Central Bank Governors today, we have reached agreement to enhance IMF resources for crisis prevention and resolution. This is the result of a broad international effort that includes a significant number of countries. There are firm commitments to increase resources made available to the IMF by over $430 billion in addition to the quota increase under the 2010 reform. These resources will be available for the whole membership of the IMF, and not earmarked for any particular region" (IMF, 2012c).

33. The available borrowing (Table 3) is unprecedented in scale and took the ratio of potential borrowed resources to quota over 200 percent. As of April 2014, agreements with 30 countries with commitments totaling $424 billion have become effective (IMF, 2014b). The amounts agreed are not reflected in the IMF's liquidity (FCC) because they are not activated, but they are reflected in the overall credit capacity measure discussed in Section VI below. The modalities are similar to the earlier bilateral and NAB borrowings; the 2012 borrowing was initially available for two years and was extended for one year by a Board decision on September 8, 2014, with an additional one-year extension possible (IMF, 2014d).

34. A key novelty is that drawings by the Fund on the 2012 agreements would be possible upon simple notification by Fund Management to the Executive Board that Fund liquidity, as measured by the FCC assuming full NAB activation, is at or below SDR 100 billion. Thus, 2012 borrowings serve as a "second line of defense" after quota and NAB resources. There is also an expectation that after any increase in quotas under the 15th General Review were to go into effect, reliance on bilateral borrowing would be reduced or eliminated, depending on the size of the quota increase.[15]

[15] The deadline for completion of the 15th General Review of Quotas was originally set for January 2014. Since the quota increase agreed in the 14th General Review had not come into effect prior to this deadline, Governors extended the deadline to January 2015.

Table 3. 2012 Bilateral Borrowing Pledges

Member country	Pledge/currency (billions)[1]	Pledge in US$ billions
Algeria	US$5 billion	5
Australia	US$7	7
Austria	EUR 6.13	8.1
Belgium	EUR 9.99	13.2
Brazil*	US$10	10
Brunei Darussalam	US$0.3 billion	0.3
China*	US$43	43
Colombia*	US$1.5	1.5
Czech Republic[2]	EUR 1.5	2
Denmark	EUR 5.3	7
Finland	EUR 3.76	5
France	EUR 31.4	41.4
Germany	EUR 41.5	54.7
India*	US$10	10
Italy	EUR 23.48	31
Japan	US$60	60
Korea	US$15	15
Luxembourg	EUR 2.06	2.7
Malaysia*	US$1	1
Malta	EUR 0.26	0.3
Mexico*	US$10	10
Netherlands	EUR 13.61	18
New Zealand*	US$1	1
Norway	SDR 6.0	9.3
Philippines*	US$1	1
Poland	EUR 6.27	8.3
Russia*	US$10	10
Saudi Arabia	US$15	15
Singapore	US$4	4
Slovak Republic	EUR 1.56	2.1
Slovenia	EUR 0.91	1.2
South Africa*	US$2	2
Spain	EUR 14.86	19.6
Sweden	At least US$10.0	10
Switzerland	US$10	10
Thailand*	US$1	1
Turkey*	US$5	5
United Kingdom	US$15	15
TOTAL		US$455.9
Memorandum items		
Euro Area	EUR 150	197.9
Non-Euro Area EU		42.2
Non-EU members		215.8

Source: "IMF Managing Director Christine Lagarde Welcomes Additional Pledges to Increase IMF Resources, Bringing Total Commitments to US$456 Billion," IMF Press Release No. 12/231, June (Washington) and "IMF Managing Director Christine Lagarde Welcomes Pledges from Algeria and Brunei Darussalam to Boost Fund Resources," IMF Press Release No. 12/388, October (Washington).

[1] Based on EU Finance Ministers statement on IMF resources on December 19, 2011 and IMF Press Release No. 12/147, using exchange rates as of April 20, 2012.

[2] Conditional, see http://www.cnb.cz/en/public/media_service/press_releases_cnb/2012/20120126_pujcka_mmf.html.

*Countries that pledged at the G20 Summit in Los Cabos.

Borrowing from private markets

35. The potential for the IMF to borrow from private markets to supplement its resources was among the options considered in January–February 2009. Staff noted that borrowing from private markets was permitted by the Articles of Agreement, that it had been considered on several occasions in the past, and that it was not a practical option for meeting the institution's immediate resource needs (IMF, 2009a). The April 2009 IMFC Communiqué preserved this as a possibility to be considered if necessary. However, Fund borrowing from official sources proved to be very substantial in 2009–12, and this option was not pursued.

V. THE SUPPLY OF RESOURCES TO THE GRA: QUOTAS

36. The first formal steps to launch the 14th General Review of Quotas took place on September 10, 2009, with a Board discussion of a staff paper seeking Board guidance on some of the parameters of the review. During the discussion, Directors expressed initial views on the potential size of a quota increase as well as the distribution of quota shares, with some emphasizing that the 2008 ad hoc increase and associated governance reforms must take effect before the 14th review could be completed. Following this discussion, on September 18, the Board charged the Committee of the Whole with officially beginning deliberations on the quota review.[16]

37. An agreement within the G20 in September 2010 helped lay the basis for discussions. In their Pittsburgh Statement, G20 Leaders indicated their commitment to achieving at least a 5 percent shift in quota shares from over-represented to under-represented member countries using the existing quota formula, to benefit dynamic emerging market and developing countries; they also committed to preserve the voting shares of the poorest member countries. In March 2010, two IMF staff papers laid out the initial considerations for the quota review. The first paper discussed criteria for realignment of quota shares among member countries (IMF, 2010b); the second examined the size of the Fund (IMF, 2010c).

38. Staff noted that existing quota resources would have been exhausted by end-2009 in the absence of the 2009 bilateral borrowing, given lending commitments, including under the new lending tools, the Flexible Credit Line (FCL) and High Access Precautionary Arrangements (HAPA) (see Table 4). Staff reviewed the arguments for increasing resources, including that in order to stabilize expectations among market participants, potential rather than actual financing needs of members experiencing stresses would have to be covered.

[16] At the time that the IMF began to tackle the accelerated 14th General Review of Quotas, the ad hoc quota increase agreed in April 2008 was still pending, as member countries sought parliamentary approval; it did not take effect until March 2011. In addition, discussions to enhance the NAB had begun but had not yet been completed.

Table 4. New IMF Programs (GRA Commitments), September 2008–March 7, 2014 1/
(In millions of SDRs)

Date of Approval 2/	Member	Type of Arrangement	Total Amount
9/15/08	Georgia	Stand-By	477
11/5/08	Ukraine	Stand-By	11,000
11/6/08	Hungary	Stand-By	10,538
11/14/08	Seychelles	Stand-By	18
11/18/08	Lebanon	Emergency Assistance	25
11/19/08	Iceland	Stand-By	1,400
11/24/08	Pakistan	Stand-By	5,169
12/17/08	Comoros	Emergency Assistance	1
12/23/08	Latvia	Stand-By	1,522
1/12/09	Belarus	Stand-By	1,618
1/16/09 3/	El Salvador	Stand-By	514
1/16/09 3/	Serbia, Republic of	Stand-By	351
2/20/09	Belize	Emergency Assistance	5
3/6/09	Armenia	Stand-By	368
4/1/09	Mongolia	Stand-By	153
4/10/09 3/	Costa Rica	Stand-By	492
4/17/09 3/	Mexico	Flexible Credit Line	31,528
4/22/09 3/	Guatemala	Stand-By	631
5/4/09	Romania	Stand-By	11,443
5/6/0 3/	Poland	Flexible Credit Line	13,690
5/11/09 3/	Colombia	Flexible Credit Line	6,966
5/15/09 4/	Serbia, Republic of	Stand-By Augmentation	2,268
5/19/09	St. Kitts	Emergency Assistance	2
6/22/09 4/	Armenia	Stand-By Augmentation	166
6/23/09	Guinea-Bissau	Emergency Assistance	2
6/30/09 4/	Belarus	Stand-By Augmentation	651
7/8/09	Bosnia	Stand-By	1,015
7/24/09	Sri Lanka	Stand-By	1,654
8/6/09 4/	Georgia	Stand-By Augmentation	270
8/7/09 4/	Pakistan	Stand-By Augmentation	2,067
11/9/09	Dominican Republic	Stand-By	1,095
11/23/09	Angola	Stand-By	859
12/4/09	Maldives	Stand-By	49
12/23/09	Seychelles	Extended Arrangement	20
1/29/10	Moldova	Extended Arrangement	185
2/4/10	Jamaica	Stand-By	821
2/24/10	Iraq	Stand-By	2,377
3/17/10 3/	El Salvador	Stand-By	514
3/25/10 3/	Mexico	Flexible Credit Line	31,528
5/7/10 3/	Colombia	Flexible Credit Line	2,322
5/9/10	Greece	Stand-By	26,433
6/7/10	Antigua and Barbuda	Stand-By	81
6/28/10	Armenia	Extended Arrangement	133
7/2/10 3/	Poland	Flexible Credit Line	13,690
7/21/10	Kosovo	Stand-By	93
7/28/10	Ukraine	Stand-By	10,000
9/15/10	Pakistan	Emergency Assistance	297
10/1/10 3/	Honduras	Stand-By	65
12/16/10	Ireland	Extended Fund Facility	19,466
1/10/11 3/	Mexico	Flexible Credit Line	47,292
1/14/11	St. Lucia	Emergency Assistance	2
1/19/11 3/	Macedonia	Precautionary Credit Line	413
1/21/11 3/	Poland	Flexible Credit Line	19,166
3/25/11 3/	Romania	Stand-By	3,091
5/6/11 3/	Colombia	Flexible Credit Line	3,870
5/20/11	Portugal	Extended Fund Facility	23,742
7/27/11	St. Kitts and Nevis	Stand-By	53
9/29/11 3/	Serbia, Republic of	Stand-By	935
3/15/12	Greece	Extended Fund Facility	23,785
4/11/12	Georgia	Stand-By	125
4/27/12	Kosovo	Stand-By	91
8/3/12 3/	Morocco	Precautionary and Liquid Line	4,117
8/3/12	Jordan	Stand-By	1,364
9/26/12	Bosnia and Herzegovina	Stand-By	338
11/30/12 3/	Mexico	Flexible Credit Line	47,292
12/17/12	Seychelles	EFF Augmentation	7
1/18/13 3/	Poland	Flexible Credit Line	22,000
6/7/13	Tunisia	Stand-By	1,146
5/15/13	Cyprus	Extended Fund Facility	891
5/1/13	Jamaica	Extended Fund Facility	615
9/4/13	Pakistan	Extended Fund Facility	4,393
6/24/13 3/	Colombia	Flexible Credit Line	3,870
9/27/13 3/	Romania	Stand-By	1,751
2/28/14	Albania	Extended Fund Facility	295
3/7/14	Armenia	Extended Fund Facility	82
Total			**426,755**

Source: The Fund's Liquidity Position—Review and Outlook, April 7, 2014.
[1] Also includes disbursements under Emergency Assistance.
[2] Date of disbursement for Emergency Assistance.
[3] Precautionary at time of approval.
[4] Amount of the augmentation.

39. Staff assessed that potential future demand for Fund resources could be significantly higher than previously thought because:

- The potential for economies with large financial sectors and cross-border exposures to face substantial external financing needs and consider using Fund resources had been demonstrated;
- The crisis had shown that consideration should be given to the needs of advanced countries, in addition to those of emerging market and LICs;
- The crisis had highlighted the need for large liquidity buffers in dealing with fast and hard-hitting capital market shocks;
- The number of members that might seek Fund resources had been broadened with the recent reforms to the FCL and HAPA, with more focused conditionality contributing to reducing the stigma of Fund arrangements; and
- The timely availability of resources from other official sources, including key central banks, to those members in need could not be taken for granted.

40. Staff argued for a quota increase to meet members' needs in most circumstances. Staff also maintained that an expanded NAB should be available permanently as a backstop to deal with "tail risks" threatening impairment of the international monetary system; staff thus argued for *not* reducing the size of the NAB when quotas were raised under this review. Staff also recalled the asymmetric costs associated with a possible excess or shortfall of Fund resources, and that the design of Fund-supported programs and the Fund's governance structure served to avoid superfluous lending and contain potential moral hazard associated with a major expansion in Fund resources.

41. Staff presented a number of traditional indicators and alternative financing need scenarios that indicated a need to raise quotas by between the wide ranges of 67 percent and 315 percent. While the traditional indicator measurements were straightforward (e.g., ratios of quotas to GDP) and easily supported a doubling of quotas, the scenario analyses generally produced higher numbers. Acknowledging the inevitably judgmental nature of the matter, and in the context of the staff's clear advocacy that the expanded NAB not be reduced after the effectiveness of the 14th General Review of Quotas increase, staff called for a doubling of quotas.

42. The Executive Board expressed preliminary views, with many Directors supporting a doubling or more of quotas, others considering a doubling excessive, and still others not prepared to express a view at the time. Directors recognized that the size and composition of Fund resources could not be assessed in isolation. Parallel progress would be needed on quota distribution, on the Fund's future financing role, and on broader governance reforms in order to arrive at a package of reforms that could command necessary broad support (IMF, 2010c).

43. A series of discussions followed, based on alternative approaches prepared by IMF staff and Management. The IMFC provided guidance at the October 2010 Annual Meeting. The G20 forged consensus at the November 11–12 Leaders Summit, with key components including a doubling of quotas, more than a 6 percent shift in shares from over- to under-represented countries, preservation of the voting shares of the poorest, a near-term review of the quota formula by January 2013, and greater representation at the Executive Board for emerging market and developing countries through two fewer advanced European chairs. This compromise also included the option for creditors to roll back NAB commitments once the quota increase took effect.[17]

44. The 14th General Review of Quotas was concluded by a Board of Governors' decision on December 15, 2010, to double total quotas to SDR 476.8 billion (Table 5), with a more than 6 percent shift in quota shares that would put 4 emerging market member countries among the 10 largest shareholders in the IMF, while preserving voting shares for the poorest member countries (IMF, 2010e). This decision provided for the quota increase to take effect once: (i) members with no less than 70 percent of the total quotas on November 5, 2010, consent to the increases in their quotas; (ii) the Sixth Amendment on Voice and Participation, agreed in the context of the 2008 ad hoc quota increase, enters into force; and (iii) three-fifths of the members representing 85 percent of the total voting power have accepted a proposed amendment on Executive Board reform. Members agreed to make best efforts to complete these conditions by the time of the Annual Meetings in October 2012. The first two conditions have been met: as of June 5, 2014, 159 members representing 78.88 percent of quotas on November 5, 2010 had consented to their quota increases; the Sixth Amendment entered into force in March 3, 2011. However, the third is pending: as of July 2014, 145 members having 76.97 percent of total voting power had accepted the amendment on Executive Board reform, but the United States has not acted, thereby blocking the quota increase from taking effect.

VI. GRA Resources in 2009–12

45. The results of the successive borrowings by the IMF in 2009–12 on its credit capacity are reflected in Figure 2 and Table 6. Credit capacity is the total potential lending (or financial firepower) of the IMF; it measures the maximum of current and future lending commitments the IMF could undertake from quota and borrowed resources if all conditions were met to utilize these resources in full.[18] Credit capacity doubled between March 2009 and March 2011 as a result of bilateral borrowing and rose another SDR 130 billion by June 2011 after the new NAB was activated, staying at a new level of SDR 450 billion until September 2012, after

[17] Staff had not anticipated this rollback in early 2010 when it supported a doubling of quotas, but the rollback was a key provision sought by participating countries.

[18] See Table 6, Footnote 1. The FCC, on the other hand, is a measure of liquidity, or the amount available for new commitments.

which it rose further when part of the 2012 borrowing became effective. In all, fundraising through borrowing more than tripled the Fund's credit capacity in the four years to end-2012 to SDR 570 billion. It has risen further thereafter as more of the 2012 borrowing agreements became effective, achieving a quadrupling of credit capacity since 2008. As of June 2014, credit capacity stood at SDR 674 billion (equivalent to some $1 trillion).

Table 5. Fourteenth General Review of Quotas—Quota and Voting Shares
Quota and Voting Shares Before and After Implementation of Reforms Agreed in 2008 and 2010
(In percentage shares of total IMF quota)

	Quota Shares				Voting Shares			
	Pre-Singapore (i)	As of March 2, 2011 (ii)	Post-2008 Reform (iii) (vi) (v)	Post-2010 Reform (iv) (v)	Pre-Singapore (i)	As of March 2, 2011 (ii)	Post-2008 Reform (iii) (vi) (v)	Post-2010 Reform (iv) (v)
Advanced economies	61.6	60.5	60.4	57.6	60.6	59.5	57.9	55.2
Major advanced economies (G7)	46.0	45.2	45.3	43.4	45.1	44.3	43.0	41.2
United States	17.4	17.1	17.7	17.4	17.0	16.7	16.7	16.5
Other	28.6	28.1	27.6	26.0	28.1	27.6	26.3	24.7
Other advanced economies	15.6	15.3	15.1	14.3	15.4	15.2	14.9	14.0
Emerging Market and Developing Countries	38.4	39.5	39.6	42.4	39.4	40.5	42.1	44.8
Developing countries	30.9	32.1	32.4	35.1	31.7	32.9	34.5	37.1
Africa	5.5	5.4	5.0	4.4	6.0	5.9	6.2	5.7
Asia (vii)	10.3	11.5	12.6	16.0	10.4	11.6	12.8	16.1
Middle East, Malta & Turkey	7.6	7.6	7.2	6.7	7.6	7.6	7.3	6.8
Western Hemisphere	7.5	7.6	7.7	7.9	7.7	7.8	8.2	8.4
Transition economies	7.6	7.4	7.1	7.2	7.7	7.6	7.6	7.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Memorandum items:								
EU 27	32.9	32.4	31.9	30.2	32.5	32.0	30.9	29.4
Low-Income Countries (viii)	4.7	4.6	4.3	4.0	5.4	5.3	6.2	5.9
Shifts from 2008								
Underrepresented countries (shift in p.p.)				6.2				5.8
Underrepresented EDMCs (shift in p.p.)				5.7				5.4
Dynamic EMDCs (shift in p.p.) (ix)				6.0				5.7
EMDCs (shift in p.p.)				2.8				2.6

Source: http://www.imf.org/external/np/sec/pr/2011/pdfs/quota_tbl.pdf.

Notes:

(i) Shares prior to first round of ad hoc quota increases for China, Korea, Mexico, and Turkey which were agreed during the Annual Meetings in Singapore in September 2006.

(ii) Shares prior to the entry in effect of the Voice and Participation amendment. Includes Kosovo and Tuvalu which became members on June 29, 2009 and June 24, 2010, respectively. For comparison with Pre-Singapore, Post-2008 Reform and Post-2010 Reform columns, 11th Review proposed quotas are used for two countries that have not yet consented to, and paid for, their quota increases.

(iii) Projected shares which reflect ad hoc quota increases for 54 members agreed as part of the 2008 quota and voice reform.

(iv) Projected shares which reflect quota increases agreed at the conclusion of the 14th General Review of Quotas.

(v) Includes South Sudan which became a member on April 18th, 2012 with an initial quota of SDR 123 million, which will increase to SDR 246.0 million once the 14th General Review of Quotas becomes effective.

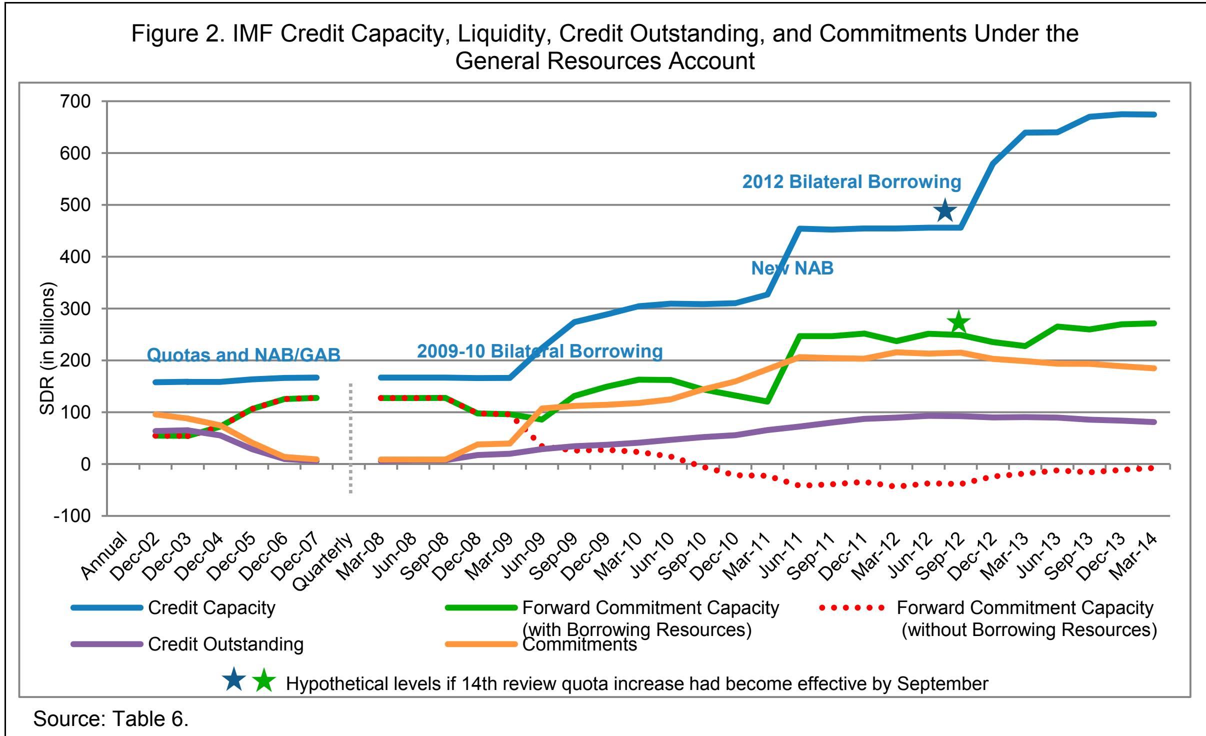
(vi) Basic votes are calculated as a fixed percentage (5.502 percent) of total votes (provided there are no fractional votes) as per the Voice and Participation amendment.

(vii) Including Korea and Singapore.

(viii) Eligibility is limited to Poverty Reduction & Growth Trust (PRGT) eligible countries with annual per capita income below the prevailing operational International Development Association (IDA) cut-off in 2008 (US$1,135) or below twice IDA's cut-off for countries meeting the definition of a small country under the PRGT eligibility criteria. Zimbabwe is included.

(ix) Includes all under-represented Emerging Market & Developing Countries (EMDCs) plus other dynamic EMDCs defined as those whose PPP GDP share divided by post second round quota share is greater than 1 and who are not over-represented by more than 25 percent.

Figure 2. IMF Credit Capacity, Liquidity, Credit Outstanding, and Commitments Under the General Resources Account



Source: Table 6.

46. These impressive successes in increasing available resources appeared to cover potential needs by members for Fund financing at all times during 2009–12. There appears to be no evidence that Fund financial support for specific members was curtailed in order to economize on available resources. However, ramping up resources in 2009 appears to have succeeded just in time, given the surge in lending commitments from mid-2009 (Figure 2 and Table 6); without bilateral borrowing from member countries, the Fund's remaining liquidity to finance new commitments (as measured by the FCC) would have sunk to dangerously low levels as soon as September 2009. The situation appears to have been close-run because any delay in quickly concluding bilateral borrowing agreements of sufficient size, or a misjudgment on the overall size of borrowing, would have left the IMF unable to respond to members' needs.

47. Covering potential needs is critical for stabilizing expectations in financial markets when members' debt sustainability has aroused doubt in markets. Such a situation arose in the Euro area in the second half of 2011 and first half of 2012, and motivated the 2012 round of large bilateral borrowing by the Fund. However, the question of the sufficiency of GRA resources for the purpose of covering potential financing needs of larger Euro area countries in 2012–13 is beyond the scope of this evaluation.

Table 6. IMF Credit Capacity, Liquidity, Credit Outstanding, and Commitments Under the GRA 2000–14
(In billions of SDRs)

At end-Period	Credit Capacity[1]	FCC (with Borrowing Resources)[2]	FCC (without Borrowing Resources)	Credit Outstanding	Commitments
Annual					
December 2000	148.2	71.9	71.9	43.0	63.9
December 2001	150.9	61.0	61.0	53.5	79.2
December 2002	157.6	54.7	54.7	63.6	95.5
December 2003	158.5	54.2	54.2	65.0	87.8
December 2004	158.5	71.9	71.9	55.4	74.8
December 2005	163.6	106.4	106.4	28.4	41.1
December 2006	166.3	125.4	125.4	9.8	13.7
Quarterly					
March 2007	166.3	125.9	125.9	7.9	11.8
June 2007	166.7	126.7	126.7	7.6	10.9
September 2007	166.7	127.2	127.2	6.9	10.1
December 2007	166.7	127.7	127.7	6.0	9.2
March 2008	166.7	127.4	127.4	5.8	8.8
June 2008	166.7	127.4	127.4	7.8	8.7
September 2008	166.7	127.6	127.6	7.6	8.7
December 2008	165.9	97.6	97.6	17.5	37.9
March 2009	166.1	96.1	96.1	19.9	39.5
June 2009	224.1	86.0	34.5	28.7	107.4
September 2009	273.7	131.4	26.0	34.5	112.3
December 2009	288.5	149.3	27.7	37.2	114.3
March 2010	304.5	162.9	23.3	41.1	117.7
June 2010	309.5	162.0	14.2	46.7	124.9
September 2010	308.6	144.1	-5.6	52.0	144.0
December 2010	310.5	132.1	-21.4	55.6	159.4
March 2011	327.0	120.4	-22.9	65.5	182.9
June 2011	454.3	246.7	-41.9	72.3	206.4
September 2011	452.5	246.7	-39.1	80.1	204.4
December 2011	454.5	251.7	-34.4	87.3	203.3
March 2012	454.5	237.1	-43.8	89.6	215.7
June 2012	456.0	251.4	-37.3	93.0	213.1
September 2012	456.0	248.9	-38.3	92.4	215.0
December 2012	579.5	235.4	-24.1	90.0	202.8
March 2013	639.6	227.6	-18.5	90.5	198.8
June 2013	640.1	265.3	-12.3	89.6	193.8
September 2013	669.9	259.7	-15.8	85.8	193.5
December 20 13	674.8	269.7	-11.4	83.9	188.6
March 2014	674.3	271.6	-7.5	81.1	184.7

Source: Finance Department.

[1] Credit capacity is approximated by the quotas of members in the FTP (i.e. members supplying resources to the IMF) plus resources made available under effective bilateral loan and note purchase agreements plus resources that could be made available by activating the NAB and GAB, excluding a prudential balance based on these combined resources.

[2] Forward Commitment Capacity (FCC). For definition, see IMF Financial Activities, latest update at http://www.imf.org/external/np/tre/activity/2013/032813.htm.

48. A number of issues arose with the implementation of the IMF's resource mobilization strategy:

- The composition of resources available to the Fund shifted dramatically, with only 30 percent of credit capacity as of December 2013 supplied by quota resources.
- This unprecedented situation will only be partially reversed when the 14th General Review of Quotas increase becomes effective at an as yet unknown date.
- The NAB rollback will limit the overall impact of the resource mobilization efforts. To illustrate the substitution of current NAB resources for the pending increase in total quotas, if—hypothetically—the 14th General Review of Quotas increases and the associated NAB rollback had been effective as of September 2012, credit capacity and Fund liquidity (FCC) would have been only marginally higher, as indicated by the asterisk in Figure 2.
- At the time the strategy was agreed, borrowing was envisioned as a temporary bridge to a permanent increase in quotas. Bilateral borrowing was relied upon first, given the time needed to reach agreement on an expanded and modernized NAB. But this step took longer than some anticipated—a full year for the agreement to be approved by the IMF Board and an additional year for the NAB to take effect.

49. Authorities interviewed for this evaluation pointed to strong leadership by major member countries in mobilizing resources. They praised the IMF overall for its effective work, although views differed on the extent to which the increase in IMF resources had an effect in helping calm markets. There was some frustration with IMF Management's handling of previous quota reviews in 2003 and 2008 and the decisions not to undertake increases despite a strong case even before the crisis started in 2008.

50. Authorities interviewed universally and strongly criticized the current impasse on the quota increase. Some questioned whether the reliance on borrowing reduced pressure for approving the quota increase. Many authorities underscored the importance of the IMF remaining a quota-based institution and raised concerns about IMF governance in the context of the ongoing reliance on borrowing. A few worried about the NAB rollovers, given that the bridge to a quota increase with more representative governance appeared elusive.

VII. The Allocation of Special Drawing Rights

51. The possibility of a general increase in SDRs was mentioned by IMF staff in the January 2009 paper on IMF resources but did not find widespread support in the Board (IMF, 2009b). Following the G20 Leaders initiative in London, the IMFC in April 2009 called for rapid approval by members of a general allocation of SDRs equivalent to $250 billion, along with the pending special allocation, to become effective before the 2009 Annual Meetings. The impetus provided by the G20 at the highest levels was important in gaining broad support.

52. IMF staff put forward a paper in June 2009 laying out a strong case for a prompt allocation equivalent to $250 billion: “Given the current depressed global economic conditions and grim medium-term outlook, the allocation would be timely—smoothing the need for adjustment and allowing scope for expansionary policies in the face of deflation risk, by providing significant unconditional financial resources to liquidity constrained countries. Over the longer run, additional reserve needs are projected to be very large compared to their pre-crisis levels, and the proposed SDR allocation—while covering only a fraction of those needs—would help meet them in ways that are more conducive to systemic stability than some of the alternatives. Overall, therefore, the proposed allocation would help meet long-term global need for reserve assets and also generally further the Fund’s purposes, while ‘avoiding economic stagnation and deflation as well as excess demand and inflation in the world,’ consistent with the criteria laid down in the Articles of Agreement” (IMF, 2009e).

53. Staff noted that the allocation would achieve a significant boost in the reserves of countries with the greatest needs. An amount equivalent to about $100 billion would go to emerging market and developing countries (EMDCs), including LICs. Of this, about $37 billion would go to EMDCs excluding China, fuel exporters, and LICs, or an equivalent average increase of 7.25 percent in reserves. LICs, excluding fuel exporters, would receive an amount equivalent to about $15 billion, an equivalent average increase of 19 percent in reserves.

54. In discussing the proposal, Executive Directors considered the implications of the allocation as well as technical issues related to its execution. They broadly supported a prompt, one-step, general allocation equivalent to US$250 billion as a collaborative response to the crisis and to help address the long-term global need to supplement reserve assets. They took the view that a one-step allocation would meet the immediate need for liquidity, and thereby allow scope for sustainable countercyclical policies where appropriate. At the same time, they stressed that the SDR allocation should not weaken the pursuit of prudent macroeconomic policies, and should not substitute for a Fund-supported program or postpone needed policy adjustments. The proposal was approved without dissent by the Board of Governors on August 7, 2009 (IMF, 2009h).

55. The new general and pending special SDR allocations were executed in quick succession. On August 28, 2009, each member country was allocated SDRs equivalent to 74.1 percent of its existing quota, for a total amount equivalent to $250 billion (SDR 161 billion). On September 9, 2009, the long-pending special SDR allocation was made for a total amount of SDR 21.5 billion, following entry into force of the 4th Amendment; this allocation primarily benefited 41 members that had joined the Fund since the last allocation in 1971–81, mostly countries in Eastern Europe and the successor states of the Former Soviet Union. The total amount of the 2009 allocations and the total cumulative allocations to date for each member country are shown in Annex 1.

56. The SDR 182.6 billion, including both the general and special allocations, was the first since 1981 and resulted in a ten-fold increase in total SDR holdings world-wide. The allocation amounted to about half of the amounts disbursed to member countries under IMF programs in 2009–10. Across all member countries, the allocation contributed to a significant increase in reserve coverage. The allocation was particularly sizable for LICs, where the new SDR amounted to almost 2 percent of GDP on average and reserves increased by nearly one month of imports (IMF, 2011b).

57. Countries had the discretion to retain the SDRs or to exchange them, without conditions, for other currencies through exchanges with other member countries to be facilitated by the IMF.[19] The extent to which the new SDRs were put to use varied across countries.[20] Countries are generally considered to be "using" SDRs if they draw down their holdings relative to the amount they are allocated. This happens when countries exchange the SDRs for usable currencies, or when countries deploy the SDRs in transactions with the IMF, i.e., to pay interest or make principal payments on IMF arrangements. Annex 1 indicates how much individual countries reduced their SDR holdings as a share of the new allocation, both in the initial year after the new allocation and through end-March 2014. Twenty-four countries drew down their holdings of SDRs by more than 20 percent of the 2009 allocation in the first year it was available; an additional 20 countries had drawn down more than 20 percent of the new SDRs by end-March 2014. Examples of countries that used the new SDRs to ease liquidity constraints, as discussed in Article IV staff reports in 2010 and 2011, include Bosnia, Eritrea, Macedonia, and Ukraine. Also, as pointed out in the *Review of Conditionality*, many countries retained the new SDRs in reserves, increasing their buffer against future shocks (IMF, 2012d).[21] For instance, IMF Article IV staff reports in 2009–10 noted that the new SDR allocation had provided or was expected to provide a significant boost to reserves in countries including Barbados, Ghana, and Liberia; in the Czech Republic, a slight increase in reserves was attributed in part to the SDR allocation.

58. Overall, the SDR allocations in 2009 appear to have been successful in demonstrating the capacity for a cooperative monetary response, helping contribute to a boost in confidence, and providing a low-cost buffer to low-income and emerging market member countries, with

[19] So long as a country's holdings of SDRs remain in balance with the amount it has been allocated, the country owes no net interest on its SDR position. If a country exchanges some or all of its SDRs for another currency, its holdings will fall below the amount it has been allocated, and it will owe net interest to the IMF, at the SDR interest rate.

[20] The IMF issued a guidance note on implementation of the SDR allocation (see *Guidance Note for Fund Staff on the Treatment and Use of SDR Allocations*, August 28, 2009). An earlier informal note was prepared following the April 2009 IMFC statement laying out implications for program design.

[21] This analysis compared the expected path of reserve accumulation before the SDR allocation with the outcome after the allocation was implemented. Before the allocation, 39 percent of member countries were expected to experience a substantial increase in reserves; the result after the allocation was that 60 percent of members recorded an increase in reserves.

reserve coverage increasing significantly across all member countries as noted above. In a subsequent review in June 2011 of the need for a general allocation or cancellation of SDRs, IMF staff found a global liquidity case could be made, but the Managing Director did not recommend a new allocation (IMF, 2011b).[22]

VIII. The Doubling of Concessional Lending Capacity

59. At their April 2009 meeting, G20 Leaders expressed concern that low-income country economies would be hit hard by the recession in advanced countries and by declines in commodity prices. Leaders proposed a doubling of the IMF's concessional lending capacity and called for a total of $6 billion in concessional lending by the IMF over the next two to three years. The April 2009 IMFC Communiqué adopted the goal of doubling concessional lending capacity for the period 2009–14, while ensuring debt sustainability. The IMFC also called for the IMF to explore the scope for further reducing interest rates for this lending and to quickly complete the reform of lending facilities for LICs that was already underway.[23]

60. In July 2009, the IMF announced a comprehensive reform of its facilities for LICs, to help overcome the impact of the global crisis. Three new standing facilities (to replace existing ones) were created under the umbrella of a new Poverty Reduction and Growth Trust (PRGT), namely the Extended Credit Facility, the Stand-By Credit Facility, and the Rapid Credit Facility, all with lower interest rate charges than in the past (IMF, 2009g). Also announced as part of this package was temporary interest rate relief on loans under these facilities, to zero percent through end-2011.[24] Further, in September 2012 the Executive Board approved a strategy to make the PRGT self-sustaining, with an average annual lending capacity of about SDR 1.25 billion, provisions to activate contingency resources when average financing needs exceed this envelope substantially for an extended period, and an expectation that future modifications would preserve self-sustainability (IMF, 2012e).

61. The IMF achieved a sharp increase in concessional lending capacity through 2014 by raising additional loan resources of SDR 9.8 billion for the PRGT and, crucially, additional resources to subsidize the interest rate down to concessional levels. The additional subsidy resources obtained since 2009 exceeded the SDR 1.5 billion target and were composed mainly of new bilateral contributions from donor countries and gold sales resources

[22] The IMF is required periodically (normally every five years) to make a decision about the need for a general allocations or cancellation of SDRs.

[23] Just before the IMFC meeting, the Executive Board had doubled access limits for Poverty Reduction and Growth Facility (PRGF) loans and Exogenous Shock Facility (ESF) loans, (IMF, 2009c).

[24] This relief has since been extended through end-2014 (see Press Release No. 12/505).

(IMF, 2014c).[25] The sales proceeds were distributed to members who, in turn, pledged to return them to the Fund for use as PRGT subsidy resources.

62. The resources raised allowed the Fund to nearly double its average concessional lending per year from SDR 0.9 billion in 1998–2007, to an average of SDR 1.6 billion annually in 2009–12, with large commitments of SDR 2.5 billion in 2009. Commitments under the PRGT were only SDR 0.15 billion in 2013 but were expected to rebound in 2014 (IMF, 2014c). The average annual self-sustained commitment capacity of the PRGT going forward was estimated at SDR 1.3 billion in April 2014.

IX. Implications of the Strategy Pursued: Governance Concerns and Financial Risks

63. In the years leading up the crisis, consensus did not exist among IMF member countries for a general quota increase or for an enlargement of the NAB. In addition to the declining demand for IMF lending, some members with large quota shares did not concur with the need for, or desirability of, a permanent increase in IMF resources, taking the view that if the Fund lacked resources, borrowing could be arranged quickly—which indeed has happened. However, the protracted reliance on borrowing raises important issues for governance of the institution and limited technical risks.

Governance

64. To preserve the IMF's character as a quota-based institution and its ability to carry out its mandate, its finances need to rest primarily on quotas, with standing borrowing arrangements from members available to address tail risks. This is critical to the IMF's character as a universal cooperative that makes decisions through weighted voting, on which its credibility and policy leverage depend. Quota resources provide a secure financing base that can be called upon in case of need by decisions of the Executive Board, whereas resources from borrowing are provided at the discretion of a subset of creditor members.

65. As a general matter, members agree and reinforced this view repeatedly during the discussion of the resource mobilization strategy, as well as in the amended guidelines for borrowing agreed in 2009 and 2012. The current situation where a large NAB and bilateral borrowings substitute for a more adequate quota base (until quotas double and the NAB is partially rolled back) is unique in the history of the Fund.

66. Temporary reliance on borrowing was unavoidable in the heat of the crisis in early 2009, and the NAB played an important role in supplementing quota resources in the face of

[25] The IMF decided in 2008 to sell some of its gold holdings in order to help generate income. The resulting sales were executed at a higher market price than had been anticipated, yielding windfall profits, which members decided to dedicate to interest subsidies.

a major threat to the system. However, reliance on borrowing shifts operational control over resource availability to a subset of creditors. For example, since a super-majority of 85 percent of credit arrangements in the NAB is needed to achieve activation, a minority of 16 percent can block activation. While it is unlikely that creditors would block activation in the face of an evident financial crisis, perceptions about future risks could differ. Clearly, relying on borrowing in the place of a quota increase, particularly one that includes adjustments in quota shares, impedes the balance in decision making between availability of resources and their use. It also undercuts the governance role of quotas in adapting shares over time to the shifting economic weights of member economies.

67. The decisions not to increase quotas at the 2003 and 2008 quota reviews left the IMF seriously underfunded on the eve of a global crisis. Re-examination of the quota review process could help the IMF and its members avoid the need to raise resources in a rush in the face of a future crisis. An assessment of the size of the IMF in the future should recognize the overwhelming evidence that the timing and virulence of financial crises affecting members are not predictable with any confidence. What is known, however, is that potential demands on Fund resources in times of crisis have grown in size over time in parallel with variables such as world GDP, trade, payments, and capital flows. This argues for quotas to increase in a more predictable way, so that the IMF can be better prepared with readily available quota resources in the future. The IMF could approach each five-yearly review with the presumption that total quotas should at least keep pace with key variables of global economic and financial activity. Higher increases could be justified as appropriate, for instance in the case of important shifts in the volatility of trade or financial flows or a shift in IMF policy toward providing larger resources to members for liquidity insurance.

Financial risks

68. The key financial risk of the current resource mobilization strategy is the reliance on the ongoing availability of borrowed resources. As discussed above, temporary bilateral borrowing was arranged just in time to meet members' financing needs in 2009. The availability of resources by means of bilateral borrowing is never assured, since it depends on decisions by member countries at the time resources are needed. The NAB provides a standing, established framework for borrowing when needed to supplement quota resources. The NAB must be renewed every five years, and it needs to be activated every six months. While activation requires an 85 percent super-majority, this has been achieved each time the Managing Director has made a request, including every six months since April 1, 2011.

69. There are limited technical risks associated with massive borrowing by the Fund. There are no interest rate or exchange rate risks because IMF borrowing is denominated in SDRs, and interest is incurred at the SDR interest rate. Other risks are mitigated: the risk of sudden encashment of loans is allayed by liquidity buffers; and the risk of maturity mismatch between the loan term and the term of Fund lending to countries is addressed by lengthening the term of loans in the enhanced NAB.

70. However, it is well recognized that large and concentrated lending, often subject to correlated shocks, poses unprecedented credit risks for the Fund. These risks are mitigated through the Fund's lending policies, including conditionality, and its *de facto* preferred creditor status. In addition, the IMF introduced a framework in 2006 to assess and manage financial as well as strategic, core mission, and operational risks. Following the report by an expert panel convened in 2010 and follow-up discussions by an internal staff working group, the IMF introduced a more formalized risk management structure in June 2014, with a risk management unit reporting to the First Deputy Managing Director.

71. Despite the traditional mechanisms to mitigate credit risks, and the enhanced framework to monitor and manage financial and other risks, there remain risks of arrears on principal and interest on IMF credit to member countries. As such, the IMF has long-standing procedures for addressing such arrears. Interest payment arrears are dealt with by a burden sharing mechanism under which creditor and debtor members make up delinquent (or "deferred") interest payments to keep the Fund's income stream whole. However, this system is incapable of functioning when delinquent interest payments are large and when the SDR interest rate is low. Such could potentially be the case now.

72. In this situation, adequate reserves (precautionary balances) are especially important to temporarily absorb delinquent interest payments, and also for the mostly theoretical eventuality of absorbing principal losses should a country in arrears ever cease to be a member of the Fund. In the absence of adequate reserve accumulation policies, the IMF's external auditors would presumably raise concerns. Accordingly, the Executive Board in April 2012 boosted the target for precautionary balances to SDR 20 billion, from its prior target level of SDR 15 billion (IMF, 2012b). The SDR 20 billion indicative target was retained following a review in February 2014 (IMF, 2014a). Actual reserves increased from about SDR 7 billion at end-April 2009 to SDR 11.5 billion at end-April 2013. Given high outstanding credit subject to higher charges, precautionary balances were expected to reach the SDR 20 billion target in 2017.

X. Preliminary Conclusions and Main Lessons

73. Starting from a dangerously weak resource position in 2008, the overall result of the Fund's resource mobilization effort in 2009–12 was a clear success for members, and for Fund Management and staff. There appears to be no evidence that available Fund resources constrained the needed financial support for members, either through precautionary lending commitments under new facilities (e.g., FCL), or through actual GRA disbursements. This positive overall assessment remains despite the justified concerns over the heavy reliance on borrowing for the GRA over this period, and the serious governance implications thereof. In addition, while the new NAB took longer than expected to negotiate and take effect, the result is not only quantitatively, but especially qualitatively, much more useful than before, notwithstanding the toughened super-majority requirements. Nonetheless, the fact that the

quota increase and the associated IMF governance reforms have not taken effect represents a challenge for the Fund going forward.

74. The resource mobilization strategy looked beyond the immediate needs of countries at the center of the crisis and took actions to support the broader membership. The SDR allocations provided a helpful boost to reserves in some countries and arguably contributed to a confidence boost in the international cooperative response to the crisis in April 2009. Further, the mobilization of additional concessional resources enabled a near-doubling of annual concessional lending by the IMF on average in 2009–12 and helped advance efforts to establish a self-sustaining-framework for the financing of IMF concessional lending, with the potential for lending going forward at an annual rate about 50 percent higher than the average in 1988–2007—a significant step for low-income member countries.

75. There are important lessons.

- In order to respond to the global financial and economic crisis, the IMF required a substantially larger resource base than was in place in 2008. As the crisis unfolded, it became clear that to help stabilize expectations, the IMF needed sufficient resources to meet potential, rather than just actual, needs of members for financing. While credit capacity was quadrupled in 2009–14, resources became available just in time in 2009 to meet members' financing needs, rather than being in place in advance when they might have helped maintain confidence.
- In the decade prior to the global crisis, the regular quota review process failed to maintain the financial size of the Fund relative to global economic and financial activity, as well as to adjust country quota shares to the shifting relative sizes of member country economies. The doubling of quotas agreed in 2010, in the midst of the crisis response, was modest given the rapid increases in international financial flows since the last quota increase in 1998 and the consequent rise in vulnerabilities. Unless quotas are increased going forward to keep pace with the growth of the underlying factors that may give sudden rise to the need for Fund financial assistance, the IMF and its members risk repeating this experience.
- Borrowing from members to meet immediate and near-term needs reflected the practical imperative of increasing IMF resources in a rush. However, the availability of temporary bilateral borrowing is not guaranteed, as it depends on members' agreeing to provide additional resources in a timely manner, often in the midst of a crisis. Further, the prolonged reliance on the NAB in the absence of the agreed quota increase has compounded fundamental concerns about the governance of the IMF, with implications for the institution's credibility going forward.

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ANNEX 1. 2009 SDR ALLOCATIONS AND SUBSEQUENT HOLDINGS

Members	Amount of new SDRs allocated, including General and Special Allocations	Cumulative SDR Allocations to Date	Decline or Increase in Holdings of SDRs between Sept. 30, 2009, and Sept. 30, 2010, as a share of new allocation[1]	Decline or Increase in Holdings of SDRs between Sept. 30, 2009, and Sept. 30, 2014, as a share of new allocation	Holdings as a Share of Allocations, 3/31/2014
	(In SDR millions)		(In percent)		
Afghanistan, Islamic Republic of	128.6	155.3	0	-13	72
Albania	46.5	46.5	-7	43	153
Algeria	1,069.5	1,198.2	0	0	90
Angola	273.0	273.0	-2	-14	87
Antigua and Barbuda	12.5	12.5	-1	-100	0
Argentina	1,701.7	2,020.0	0	2	102
Armenia, Republic of	88.0	88.0	-69	-100	0
Australia	2,612.6	3,083.2	10	4	96
Austria	1,557.3	1,736.3	0	-6	96
Azerbaijan	153.6	153.6	0	0	101
Bahamas, The	114.2	124.4	0	-67	31
Bahrain, Kingdom of	118.2	124.4	0	2	104
Bangladesh	463.3	510.4	-7	33	121
Barbados	56.3	64.4	0	0	88
Belarus, Republic of	368.6	368.6	0	1	101
Belgium	3,838.1	4,323.3	5	-2	96
Belize	17.9	17.9	0	-1	112
Benin	49.8	59.2	0	0	84
Bhutan	6.0	6.0	0	0	107
Bolivia	137.4	164.1	0	1	102
Bosnia and Herzegovina	140.4	160.9	-11	-10	1
Botswana	53.1	57.4	0	-13	149
Brazil	2,528.4	2,887.1	0	-12	90
Brunei Darussalam	203.5	203.5	0	0	106
Bulgaria	610.9	610.9	-1	-1	100
Burkina Faso	48.2	57.6	0	0	84
Burundi	60.2	73.8	11	26	112
Cambodia	68.5	83.9	0	0	81
Cameroon	152.8	177.3	-90	-92	9
Canada	5,208.8	5,988.1	0	-4	94
Cape Verde	8.5	9.2	-16	-82	17
Central African Republic	44.0	53.4	-94	-94	5
Chad	44.2	53.6	-94	-100	0
Chile	695.0	816.9	8	2	91
China	6,752.9	6,989.7	3	-8	104
Colombia	624.1	738.3	-1	-4	99
Comoros	7.8	8.5	20	100	170
Congo, Democratic Republic of	424.5	510.9	-16	-16	69
Congo, Republic of	70.0	79.7	0	0	88
Costa Rica	132.8	156.5	0	0	85
Cote d'Ivoire	273.1	310.9	0	0	88
Croatia, Republic of	303.1	347.3	0	1	88
Cyprus	113.4	132.8	6	-2	85
Czech Republic	780.2	780.2	0	-6	96
Denmark	1,352.6	1,531.5	1	-6	93
Djibouti	14.0	15.2	-18	-45	52

Dominica	7.2	7.8	-10	-90	10
Dominican Republic	177.2	208.8	-36	-100	1
Ecuador	255.4	288.4	0	0	6
Egypt	762.5	898.5	-2	-1	91
El Salvador	138.8	163.8	0	1	101
Equatorial Guinea	25.5	31.3	0	-19	68
Eritrea	15.2	15.2	-76	-76	24
Estonia, Republic of	62.0	62.0	0	0	100
Ethiopia	116.8	127.9	34	68	76
Fiji	60.1	67.1	0	-27	76
Finland	1,046.8	1,189.5	0	-7	95
France	9,054.3	10,134.2	0	-5	91
Gabon	132.6	146.7	0	0	91
Gambia, The	24.6	29.8	0	-9	76
Georgia	144.0	144.0	0	1	100
Germany	10,848.4	12,059.2	0	-6	95
Ghana	290.9	353.9	0	-19	67
Greece	678.8	782.4	-13	-21	71
Grenada	10.2	11.2	0	-11	86
Guatemala	173.2	200.9	0	1	87
Guinea	84.9	102.5	-9	35	112
Guinea-Bissau	12.4	13.6	0	0	91
Guyana	72.6	87.1	-2	-3	1
Haiti	64.8	78.5	0	-1	88
Honduras	104.8	123.8	0	-13	74
Hungary	991.1	991.1	-20	-99	1
Iceland	95.8	112.2	-18	-99	2
India	3,297.1	3,978.3	0	-12	73
Indonesia	1,741.5	1,980.4	0	0	89
Iran, Islamic Republic of	1,182.0	1,426.1	6	7	109
Iraq	1,066.0	1,134.5	0	-24	80
Ireland	688.2	775.4	0	-15	84
Israel	777.0	883.4	9	12	100
Italy	5,873.7	6,576.1	1	2	93
Jamaica	221.0	261.6	-2	-14	73
Japan	11,393.3	12,285.0	1	-2	106
Jordan	145.2	162.1	0	-7	84
Kazakhstan, Republic of	343.7	343.7	0	1	101
Kenya	222.7	259.6	-8	-96	6
Kiribati	5.3	5.3	0	1	101
Korea	2,331.5	2,404.4	-4	-5	94
Kosovo	55.4	55.4	0	-4	96
Kuwait	1,288.8	1,315.6	0	0	110
Kyrgyz Republic	84.7	84.7	7	22	148
Lao People's Democratic Republic	41.3	50.7	0	0	101
Latvia, Republic of	120.8	120.8	0	0	100
Lebanon	188.9	193.3	0	-9	99
Lesotho	29.1	32.9	10	52	142
Liberia	103.0	124.0	8	48	140
Libya	1,013.9	1,072.7	0	2	151
Lithuania, Republic of	137.2	137.2	0	0	100
Luxembourg	229.7	246.6	0	0	99
Macedonia, former Yugoslav Republic of	57.2	65.6	-100	-96	5
Madagascar	97.8	117.1	-1	-21	66
Malawi	55.4	66.4	-98	-92	6
Malaysia	1,207.1	1,346.1	0	-6	96

Maldives	7.4	7.7	-1	-14	88
Mali	73.5	89.4	0	0	82
Malta	84.1	95.4	0	-8	94
Marshall Islands	3.3	3.3	0	1	101
Mauritania	51.9	61.7	-100	-98	2
Mauritius	81.1	96.8	0	0	103
Mexico	2,561.2	2,851.2	-2	-6	94
Micronesia, Federated States of	4.8	4.8	0	1	130
Moldova, Republic of	117.7	117.7	-3	-1	2
Mongolia	48.8	48.8	-3	-12	88
Montenegro, Republic of	25.8	25.8	0	1	102
Morocco	475.7	561.4	-1	16	101
Mozambique	108.8	108.8	0	-5	95
Myanmar	202.3	245.8	-99	-99	0
Namibia	130.4	130.4	0	-96	4
Nepal	60.0	68.1	-4	-39	60
Netherlands	4,306.3	4,836.6	0	-8	94
New Zealand	712.4	853.8	18	12	95
Nicaragua	105.1	124.5	0	-14	73
Niger	53.5	62.9	0	0	86
Nigeria	1,518.2	1,675.4	10	10	100
Norway	1,395.3	1,563.1	-5	-13	95
Oman	172.6	178.8	0	-6	98
Pakistan	818.6	988.6	-9	-44	55
Palau	3.0	3.0	0	1	101
Panama	170.7	197.0	0	0	87
Papua New Guinea	116.2	125.5	-91	-92	7
Paraguay	81.5	95.2	0	0	116
Peru	518.6	609.9	0	1	87
Philippines	721.4	838.0	0	16	101
Poland, Republic of	1,304.6	1,304.6	-3	-27	76
Portugal	753.2	806.5	0	-5	98
Qatar	238.6	251.4	0	1	108
Romania	908.8	984.8	-20	-99	3
Russian Federation	5,671.8	5,671.8	0	0	100
Rwanda	63.1	76.8	0	-4	105
Samoa	9.9	11.1	0	0	114
San Marino, Republic of	15.5	15.5	0	-8	100
Sao Tome & Principe	6.5	7.1	-42	-99	1
Saudi Arabia	6,487.0	6,682.5	0	-11	94
Senegal	130.3	154.8	0	0	84
Serbia, Republic of	388.4	445.0	-100	-61	34
Seychelles	7.9	8.3	-2	-23	73
Sierra Leone	82.1	99.5	0	-17	107
Singapore	727.7	744.2	2	-15	117
Slovak Republic	340.5	340.5	0	2	103
Slovenia, Republic of	190.5	215.9	0	7	98
Solomon Islands	9.3	9.9	0	2	95
Somalia[2]	32.8	46.5	0	-1	39
South Africa	1,565.1	1,785.4	0	0	100
South Sudan	0.0	105.4		-27	73
Spain	2,528.8	2,827.6	13	5	96
Sri Lanka	324.6	395.5	-5	-4	1
St. Kitts and Nevis	8.5	8.5	0	-23	78
St. Lucia	13.8	14.6	1	0	106
St. Vincent and the Grenadines	7.6	7.9	-90	-90	10
Sudan[2]	125.8	178.0	0	0	70

Suriname	80.3	88.1	0	1	92
Swaziland	41.9	48.3	0	10	101
Sweden	2,002.4	2,249.0	0	-10	93
Switzerland	3,288.0	3,288.0	-2	-10	95
Syrian Arab Republic	242.6	279.2	0	1	101
Tajikistan, Republic of	82.1	82.1	-15	-15	85
Tanzania	159.1	190.5	-1	-5	80
Thailand	885.6	970.3	0	0	100
Timor-Leste, The Democratic Republic of	7.7	7.7	0	0	100
Togo	59.4	70.3	0	0	84
Tonga	6.6	6.6	0	0	108
Trinidad and Tobago	274.9	321.1	0	0	86
Tunisia	238.5	272.8	0	-9	81
Turkey	959.0	1,071.3	0	0	90
Turkmenistan, Republic of	69.8	69.8	0	0	100
Tuvalu	0.0	1.7		-25	75
Uganda	143.7	173.1	0	-3	80
Ukraine	1,309.4	1,309.4	-100	-100	1
United Arab Emirates	529.7	568.4	0	0	95
United Kingdom	8,221.1	10,134.2	5	11	95
United States	30,416.2	35,315.7	1	-2	101
Uruguay	243.3	293.3	0	0	84
Uzbekistan, Republic of	262.8	262.8	0	1	101
Vanuatu	16.3	16.3	-98	-99	9
Venezuela	2,226.4	2,543.3	0	1	89
Vietnam	267.1	314.8	0	0	85
Yemen, Republic of	203.5	232.3	-9	-31	62
Zambia	400.8	469.1	0	-7	81
Zimbabwe[2]	262.0	272.2	-37	-65	34
Total	**182,550.3**	**204,090.7**			

Source: IMF data available at www.imf.org/external/np/fin/tad/extsdrl.aspx.
[1]Several countries drew down their SDR holdings substantially after the allocation but before 9/30/09.
[2] Excludes amount held in escrow.