NTERNATIONAL MONETARY FUND

The Fund's Liquidity Position—Review and Outlook

Prepared by the Finance Department

(In consultation with other departments)

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I. INTRODUCTION[1]

1. **This paper reviews the Fund's liquidity position.**[2] The review covers the Fund's financial activities for the period September 11, 2009 through March 31, 2010, and also discusses recent developments likely to influence the Fund's liquidity position.[3] Against this backdrop, it examines the outlook for liquidity using the one-year Forward Commitment Capacity (FCC), the primary measure of the Fund's liquidity, which is calculated taking into account supplementary resources made available under borrowing arrangements, including note purchase agreements (Box 1).

2. **The paper also reviews developments related to Fund borrowing, including the appropriateness of the mix of borrowed to quota resources used in disbursements**.[4] When considering operational issues related to Fund borrowing in June 2009, the Executive Board agreed that the mix of borrowed and quota resources used in disbursements should be kept under close review and adjusted as appropriate in the context of the six-monthly review of Fund liquidity, or more frequently if needed. Similarly, it was noted that the limit on the immediate encashment of bilateral loans and notes when creditors have balance of payments needs should be kept under review.

3. **The paper concludes that:**

- The Fund's liquidity position has strengthened significantly and is adequate in the near term. The supplementary resources made available under bilateral loan and note purchase agreements have bolstered the Fund's liquidity position to a record level even with the further increase in total credit commitments. Nonetheless, considering the possibility of substantial additional Fund commitments and further renewals of Flexible Credit Line (FCL) arrangements, additional supplementary resources should be made readily available for use by securing the effectiveness of the remaining bilateral pledges.

- The SDR 15 billion limit on immediate repayment of claims under bilateral loan and note purchase agreements remains appropriate. However, scope for raising the limit could be considered at the time of the next liquidity review in light of developments in

[1] The main contributors to this paper were Heikki Hatanpää, Sergio Rodriguez, and A. Dabney (all staff from FIN).

[2] The paper describes the developments and the outlook for the General Resources Account (GRA) only. For a review of the financing of the Fund's concessional assistance, see *Update on the Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries* [forthcoming].

[3] The previous review extended to September 10, 2010. More recent data on the Fund's finances can be found at http://www.imf.org/external/fin.htm.

[4] According to the Guidelines for Borrowing by the Fund, Fund borrowing shall remain subject to a process of continuous monitoring by the Executive Board. For this purpose the Executive Board will regularly review the Fund's liquidity and financial position, taking into account all relevant factors of a quantitative and qualitative nature. See *IMF Executive Board Discusses Operational Issues Related to Borrowing by the Fund and Reviews the Fund's Borrowing Guidelines* (PIN No. 09/83, 7/15/09), and *Borrowing by the Fund—Operational Issues* (6/17/09).

the demand for Fund resources and progress in securing the effectiveness of the remaining commitments under bilateral agreements in the coming months.

- The 1:1 mix of borrowed to quota resources targeted for disbursements during the current Financial Transactions Plan (FTP) remains appropriate. Staff plans to keep the mix under close review and will revisit it in the context of the quarterly FTPs, or at any time if warranted by larger-than-expected demand for Fund resources, such as an FCL drawing or requests for new large arrangements.

Box 1. The Fund's Forward Commitment Capacity[1]

The Fund uses the one-year FCC to measure its liquidity. The FCC measures the Fund's capacity to make new financial resources available to members from the General Resources Account (GRA) over the next 12 months.

- The FCC is defined as the Fund's stock of usable resources less undrawn balances under existing arrangements, plus projected repurchases during the coming 12 months, less repayments of borrowing due one-year forward, less a prudential balance intended to safeguard the liquidity of creditors' claims and to take account of any erosion of the Fund's resource base.

- Usable resources consist of: (i) Fund holdings of the currencies of members considered by the Executive Board to have a sufficiently strong balance of payments and reserve position for them to be included in the Financial Transactions Plan (FTP) for the financing of the Fund's operations and transactions; (ii) Fund holdings of SDRs; and (iii) unused amounts available under currently active bilateral loan and note purchase agreements, and unused amounts available under the New Arrangements to Borrow (NAB) or the General Arrangements to Borrow (GAB) when these have been activated.

- The prudential balance is calculated as 20 percent of the quotas of members included in the FTP, amounts made available under bilateral loan and note purchase agreements, and any amounts activated under the NAB or the GAB.

[1] For a more detailed discussion on borrowing and the FCC, see Section II.E in *Borrowing by the Fund—Operational Issues* (6/17/09).

II. Recent Developments

4. **The Fund has continued to respond flexibly to members' actual and contingent financing needs, while strengthening the supplementary resources that boost its commitment capacity, thereby underpinning the confidence of members and markets:**

- The growth in demand for Fund resources has moderated from record levels experienced at the height of the crisis, and outstanding commitments remain high by historical standards. During the period under review, the Fund made GRA commitments (including under successor arrangements) to nine members totaling SDR 37.4 billion.

- Further progress has been made towards increasing resources available to the Fund in line with the objectives laid out by the IMFC at its 2009 Spring Meeting:[5]

  - As of end-March 2010, the effective bilateral loan and note purchase agreements amounted to SDR 167 billion (US$253 billion) (Table 1 and Appendix Table 3). Work continues towards making additional supplementary resources available for use and it is expected that further bilateral agreements will become effective in the coming months as seven bilateral loan agreements for a total amount of about SDR 24 billion have already been approved by the Board and another five agreements for a total amount of about SDR 10 billion are under discussion.

  - On April 12, 2010, the Board is scheduled to consider a reform proposal for an expanded and more flexible New Arrangements to Borrow (NAB). Pledges under proposed modified NAB total some SDR 367.5 billion (US$588.6 billion). These resources would not become available until the reformed NAB becomes operational, which requires both the consent from current participants representing 96 percent of total (current) credit arrangements and adherence of new participants representing 70 percent of the total credit arrangements of new participants.[6]

  - The Committee of the Whole has initiated work on the Fourteenth General Review of Quotas in line with the agreed deadline of January 2011.

- In line with the target, the ratio of borrowed to quota resources used in disbursements during the period under review has been 1:1. As of end-March, the outstanding borrowing by the Fund amounted to SDR 6.3 billion.

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[5] The IMFC agreed in April 2009 that there should be an increase in the resources available to the Fund through immediate financing from members of $250 billion, subsequently incorporated into an expanded and more flexible New Arrangements to Borrow (NAB), increased by up to $500 billion. See IMFC Communiqué (4/25/09).

[6] For more information on the NAB, see Factsheet *IMF Standing Borrowing Arrangements*, available at http://www.imf.org/external/np/exr/facts/gabnab.htm.

Table 1. Bilateral Borrowing—Status of Commitments 1/ (Billions)

	US$	SDR
Total Bilateral Agreements in Effect 2/	253	167
Loan Agreements 3/	184	122
Note Purchase Agreements 4/	69	45
Bilateral Pledges Not Yet Effective	51	33
Approved by the Executive Board 5/	36	24
Under Discussion 6/	15	10
Total Loan and Note Purchase Agreements	304	200

1/ Data and exchange rates as of March 31, 2010. Note: numbers may not add due to rounding.
2/ Effective and thus available for use in GRA lending.
3/ Includes agreements with Japan, Norges Bank, Canada, the United Kingdom, Deutsche Bundesbank, De Nederlandsche Bank NV, Danmarks Nationalbank, Banco de Portugal, France, National Bank of Belgium, the Central Bank of Malta, the Slovak Republic, and the Czech National Bank.
4/ Includes agreements with the People's Bank of China, Brazil, and the Reserve Bank of India.
5/ Includes agreements with the Swiss National Bank, Spain, Banca d'Italia, the Oesterreichische Nationalbank, Ireland, the Bank of Finland, and the Swedish Riksbank.
6/ Includes loan agreements with Greece, Luxembourg, Poland, and Slovenia, and a note purchase agreement with Russia.

A. Demand for Fund Resources

5. **Credit outstanding rose to SDR 41.1 billion at end-March 2010 compared with SDR 32.6 billion at early September 2009** (Figure 1 and Table 2). During this period purchases were SDR 8.5 billion, mainly owing to disbursements under SBAs approved before the period under review. Repurchases totaled SDR 36 million; there were no voluntary advance repurchases during the period under review.

6. **The stock of total outstanding commitments increased only moderately, as the bulk of new commitments were made under successor arrangements.** New commitments during the period under review totaled SDR 37.4 billion (Table 2).[7] These comprised a successor FCL arrangement for Mexico, which is being treated as precautionary, six SBAs, of which one is being treated as precautionary (El Salvador) and five are non-precautionary (Dominican Republic, Angola, Maldives, Jamaica, and Iraq), and two Extended Arrangements (Seychelles and Moldova) (Table 4, Appendix). In SDR terms, about 85 percent of the new

[7] No disbursements were made under Emergency Assistance during the period under review.

commitments were accounted for by the arrangements with Mexico and El Salvador that succeeded existing precautionary arrangements for identical amounts.[8] Consequently, total resources committed (i.e., the sum of credit outstanding and undrawn balances under GRA arrangements), increased by about SDR 5½ billion during the period to SDR 117.7 billion.

Table 2. The Fund's Liquidity, 2007–March 31, 2010 1/
(In billions of SDRs)

	2007	2008	2009		Apr. 18, 2009 - Sep. 10, 2009	Sep. 11, 2009 - Mar. 31, 2010	
Flows during the period							
New commitments 2/	0.8	30.7	77.9		40.8	37.4	
Purchases	1.0	13.4	20.5		12.2	8.5	
Repurchases	4.7	1.9	0.7		0.1	0.0	
End of period							
Usable resources 3/	165.4	152.4	290.1		258.2	306.9	
of which: available under borrowing arrangements			142.5		112.7	160.4	
Less: Undrawn balances under GRA arrangements	3.1	20.3	77.1		79.7	76.6	
Plus: Projected repurchases one-year forward	0.3	0.1	1.5		0.8	1.9	
Less: Repayments of borrowing due one-year forward	0.0	0.0	0.0		0.0	0.0	
Less: Prudential balance	34.9	34.7	65.3		58.9	69.3	
Equals: One-year Forward Commitment Capacity (FCC) 4/	**127.7**	**97.6**	**149.3**	5/	**120.4**	**162.9**	5/
Available NAB/GAB borrowing	34.0	34.0	34.0		34.0	34.0	
Memorandum items, end of period:							
Quotas of members in Financial Transactions Plan	174.4	173.4	179.9		179.9	179.9	
GRA credit outstanding	6.0	17.5	37.2		32.6	41.1	
Active borrowing arrangements 6/			146.7		114.7	166.7	
Outstanding Borrowing by the Fund	0.0	0.0	4.3		1.9	6.3	

Source: Finance Department.
1/ Columns may not add up due to rounding.
2/ Gross amount of new commitments not netted for undrawn balances under expired/cancelled arrangements. Includes disbursements under Emergency Assistance.
3/ Usable resources consist of: (i) the Fund's holdings of the currencies of FTP members and (ii) holdings of SDRs, and (iii) unused amounts under credit lines already activated.
4/ The FCC is determined on the basis of ordinary resources and amounts made available under bilateral loan and note purchase agreements. In addition, the Fund has access to SDR 34 billion under the NAB/GAB.
5/ In the absence of borrowed resources, the FCC on September 10, 2009, end-December 2009, and as of March 31, 2010 would have been SDR 28.6 billion, SDR 32.0 billion, and SDR 29.5 billion, respectively.
6/ Total amount made available under active loan and note purchase agreements, including amounts already disbursed.

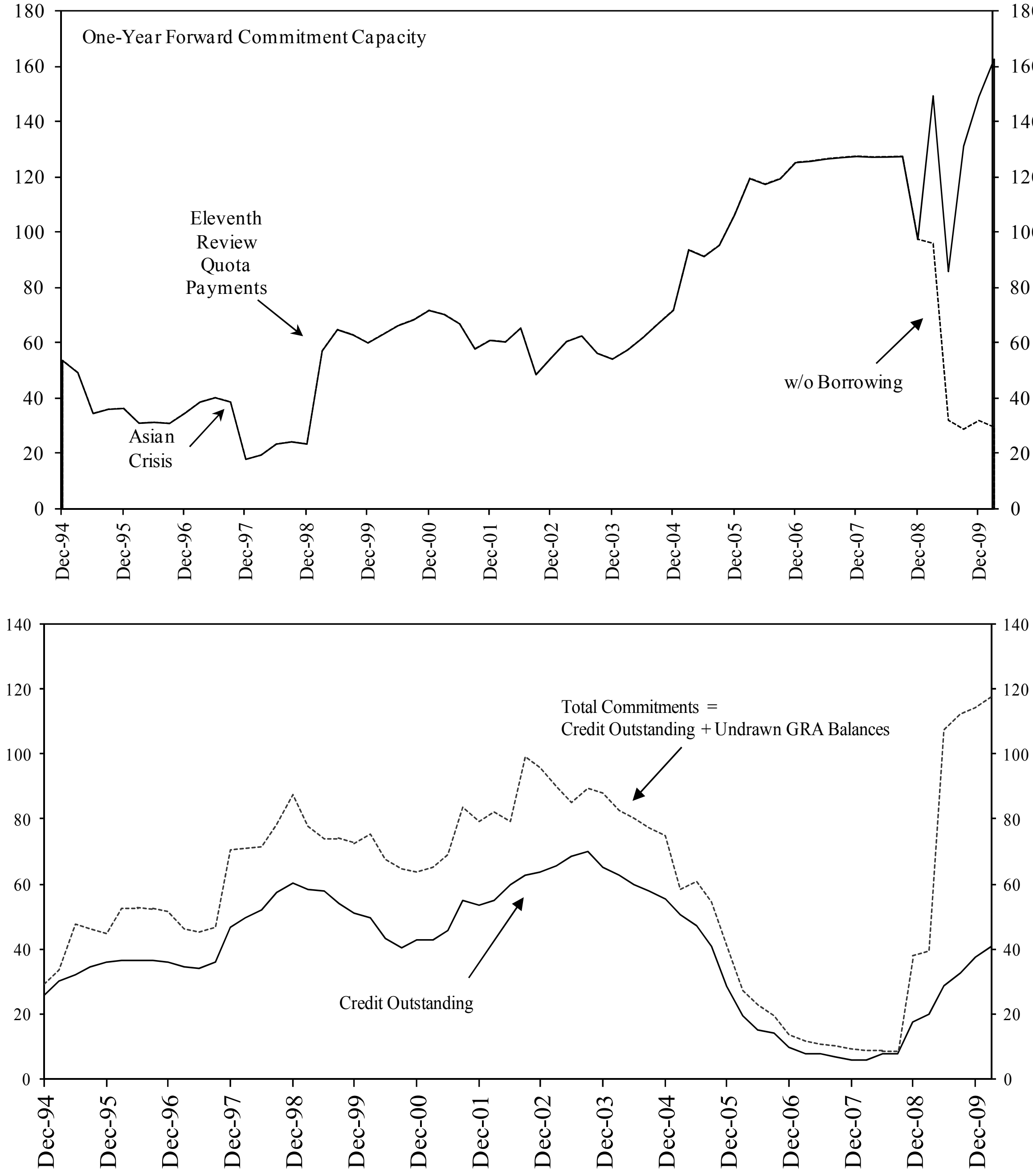
7. **Twenty-six members had GRA arrangements at end-March 2010, with undrawn balances totaling SDR 76.6 billion.** About two-thirds of the undrawn balances (SDR 52.2 billion) were accounted for by the three precautionary FCLs (Mexico, Poland, and Colombia). The combined undrawn balances under the 21 SBAs amounted to SDR 24.3 billion (Table 5, Appendix), of which five (Costa Rica, El Salvador, Gabon, Guatemala, and Hungary) are being treated as precautionary, with a combined undrawn balance of SDR 4.6 billion.[9]

[8] In addition, the EFF arrangement approved for Seychelles coincided with the cancellation of an SBA under which only part of the total commitments were drawn.

[9] The Hungarian authorities have indicated their intention to not make further drawings under the SBA that was non-precautionary on approval.

Figure 1. One-Year Forward Commitment Capacity, GRA Credit Outstanding and Credit Commitments: December 1994–March 31, 2010

(In billions of SDRs)



Source: Finance Department.

8. **The share of the largest users of Fund resources has continued to decline, but credit concentration remains high**. As of end-March 2010, the largest user, Romania, accounted for 20 percent of credit outstanding, down from 23 percent accounted for by Hungary in early September 2009. The three largest users—Romania, Hungary, and Ukraine—accounted for about 56 percent of total credit outstanding as of end-March, while total credit to the five largest users of Fund resources accounted for about 79 percent of total credit outstanding as compared with about 84 percent at early September 2009.

B. Supply of Fund Resources

9. **The supply of quota-based resources available under the FTP remained broadly unchanged.** With no new countries either included in or excluded from the FTP during the period under review, the number of countries included in the FTP remained at a record high of 52, representing about 83 percent of total quotas.

10. **Resources available under borrowing agreements increased substantially, to a total of SDR 167 billion.** During the period under review, nine bilateral loan agreements and two note purchase agreements became effective.[10] In total, these agreements made available about SDR 49 billion in supplementary resources, in addition to the SDR 115 billion that was already effective at the beginning of the period under review.[11] Resources available under these agreements may be used flexibly to support any financing provided through the GRA. These resources may also be used to repay other borrowing, as all agreements to date provide for reciprocal repayment arrangements.

11. **No change in the encashment limit is proposed at this time.** The supply of borrowed resources has become significantly more diverse, with the number of loan and note purchase agreements in effect up to sixteen, from five at the time of the previous review. However, potential future demand for Fund resources remains highly uncertain, and any encashment requests would likely coincide with a renewed deterioration of global environment and increased demand for Fund resources, suggesting it would be prudent to retain for the time being the SDR 15 billion limit for immediate encashment.[12] Scope for increasing the limit could be considered again at the time of the next semi-annual liquidity review, by which point a

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[10] The bilateral loan agreements that became effective during the review period were: Deutsche Bundesbank (EUR 15 billion), De Nederlandsche Bank (EUR 5.31 billion), Danmarks Nationalbank (EUR 1.95 billion), Banco de Portugal (EUR 1.06 billion), France (EUR 11.06 billion), National Bank of Belgium (EUR 4.74 billion), the Central Bank of Malta (EUR 0.12 billion), the Slovak Republic (EUR 0.44 billion), and the Czech Nationalbank (EUR 1.03 billion), together with note purchase agreements with Brazil (US$10 billion) and the Reserve Bank of India (US$10 billion).

[11] In addition, changes in exchange rates, in particular the strengthening of the U.S. dollar vis-à-vis the SDR, increased the SDR equivalent amount available under borrowing agreements that were effective at the beginning of the period under review by some SDR 3 billion.

[12] Under the baseline scenario for further disbursements prior to the next semiannual liquidity review (see Section III.B), outstanding borrowing under all bilateral loan and note purchase agreements would remain well below the SDR 15 billion limit for immediate encashment.

significant number of additional bilateral agreements is expected to become effective (see below).[13]

III. OUTLOOK

A. Overall Adequacy of Liquidity Position

12. **The availability of new supplementary resources has bolstered the Fund's liquidity position to a record level even with a moderate increase in total commitments.** Over the period as a whole, the additional resources made available under loan and note purchase agreements outweighed the net increase in commitments, lifting the FCC by SDR 43 billion to SDR 163 billion at end-March 2010 (see Table 2).[14]

13. **Going forward, further increases in available Fund resources can be expected from two sources:**

- **Quota-based resources included in the FTP will increase once the ad hoc increases agreed under the 2008 reform become effective.** When effective, the ad hoc quota increases for 54 members under Board of Governors Resolution No. 63-2 will increase total quotas of current FTP participants by about SDR 19.8 billion.[15] Staff will continue to assess members' external positions with a view to possibly proposing the inclusion of additional members in the FTP. At the same time, however there is also a risk that the external position of some of the current FTP participants could deteriorate to the point that their inclusion in the FTP would no longer be appropriate.

- **Further supplementary resources are expected to become available.** Seven bilateral loan agreements, for a combined total equivalent to SDR 24 billion have been approved by the Executive Board but are not yet effective.[16] The effectiveness of these

[13] If the limit on the immediate encashment of bilateral loans and notes is increased, Directors agreed that, with respect to any loan agreements and note purchase agreements that had incorporated a lower encashment limit, it would be appropriate for the Board to agree upon the request of the lender, to make the necessary changes to such agreements, so as to enable the lender to benefit from the higher limit (see PIN No. 09/83, 7/15/09). Under the proposed decision to modify the NAB, participants would have the option to fold into the NAB their claims under the bilateral loan and note purchase agreements, and the proposed modified NAB decision provides for the full and immediate encashability of participants' claims under their credit arrangements in case of balance of payments need.

[14] The placement of proceeds from gold sales in the GRA also contributed to the increase in the FCC during the period. However, the majority of the increase in liquidity arising from gold sales is temporary as the profits from the sales are to be transferred to the Investment Account, with only the book value to be retained in GRA.

[15] Effectiveness of the ad hoc quota increases requires the 2008 Voice and Participation amendment to come into effect. So far, 68 members (of the required 112) have ratified the amendment, accounting for almost 71.5 percent of the voting power from a total of 85 percent needed.

[16] Includes agreements with *the Swiss National Bank*, *Spain*, *Banca d'Italia*, *the Oesterreichische Nationalbank*, *Ireland*, *the Bank of Finland*, and *the Swedish Riksbank*.

agreements is pending either their legislative approval, and/or other remaining steps. In addition, staff is seeking to finalize remaining loan and note purchase agreements that are expected to be submitted for Board approval in the coming months.

14. **The global recovery is proceeding better than expected, but activity remains dependent on highly accommodative policies and subject to downside risks.**[17] Recent developments as described in IMF's World Economic Outlook suggest that activity is recovering at varying speeds—tepidly in most advanced economies but solidly in emerging and developing economies. In 2010, world output is expected to rise by about 4¼ percent, following a 0.5 percent contraction in 2009. Activity remains dependent on highly accommodative policies and subject to downside risk, as fiscal fragilities have come to the fore. As discussed in the Global Financial Stability Report, the health of the global financial system has improved, but risks remain elevated, due to the still-fragile nature of the recovery and the ongoing repair of balance sheets. Concerns about sovereign risks could also undermine stability gains and morph the credit crisis into a new phase, potentially giving rise to additional Fund commitments.

15. **On balance, the Fund's liquidity position has been strengthened significantly, but the risks to the global outlook underscore the importance of ongoing efforts to further bolster the Fund's resources.** Considering the stabilizing effect on markets of ensuring that the Fund has enough resources to meet most contingencies, and given the possibility of substantial additional Fund commitments and FCL renewals, further increases in the supplementary resources readily available to the Fund are needed to ensure the Fund's liquidity is sufficient to fulfill its mandate. The immediate priority is to make effective the loan agreements that have already been approved by the Executive Board and conclude further agreements with members that have already indicated their willingness to provide supplementary resources to the Fund. In parallel, work continues toward putting in place the expanded NAB, and concluding the Fourteenth General Review of Quotas. During this time of heightened uncertainty, it will be important to continue to monitor the Fund's liquidity closely.

B. Mix of Borrowed and Quota-Based Resources

16. **Disbursements under GRA arrangements have been made with a view to achieving a 1:1 ratio of borrowed to quota-based resources over time.** By end March 2010, the actual ratio used in disbursements during the current February–April 2010 FTP period was fully in line with the target, and the Fund's outstanding borrowing under bilateral loan and note purchase agreements stood at SDR 6.3 billion (see Table 2).

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[17] See *World Economic Outlook*, April 2010, available at http://www.imf.org/external/pubs/ft/weo/2010/01/index.htm, and *Global Financial Stability Report*, April 2010, available at http://www.imf.org/external/pubs/ft/gfsr/2010/01/index.htm.

17. **In view of the continued upside risks to the demand for Fund resources, maintaining the use of temporary supplementary borrowed resources remains appropriate.** No immediate change in the current mix of borrowed and quota-based resources appears warranted at this stage:

- **There has been a substantial increase in usable borrowed resources, suggesting that a higher ratio of borrowed to quota resources could be appropriate.** The Board previously agreed that greater reliance on borrowed resources could be considered once more borrowing lines are in place, with a view to preserving a liquidity buffer in the GRA in case of a large demand for Fund resources.[18]

- **At the same time, new demand for Fund resources has moderated, but could increase rapidly if some of downside risks to the global recovery, or some more country-specific risks, are realized**. As noted, total GRA commitments (i.e., credit outstanding and undisbursed commitments) increased by a moderate SDR 5½ billion since early September 2009. Disbursements arising under the existing and projected non-precautionary arrangements between May 2010 and October 2010 are projected at about SDR 15 billion.

- **Available usable quota resources provide flexibility in setting the future mix of borrowed to quota resources.** Quota resources available for lending (excluding the prudential balance needed if all resources pledged under bilateral loan and note purchase agreements become effective) stand at about SDR 70 billion, while the resources remaining under total pledged bilateral borrowing is about SDR 194 billion. Consequently, the ratio of borrowed to quota resources that would allow disbursements of all resources available for lending is currently about 2.7:1. As illustrated in Appendix Table 6, quota resources available for lending would remain reasonably comfortable with 1:1 ratio based on the projected baseline disbursements of SDR 15 billion, but a higher ratio would likely be needed if there is a significant increase in projected disbursements.

18. **Larger-than-expected demand for Fund resources could call for increasing the share of borrowed resources in disbursements prior to the next review of liquidity**. The mix of borrowed to quota resources needs to be kept under close review, and could be revisited in the context of the next Financial Transactions Plan (FTP), or earlier if warranted.
A drawdown under one or more of the current FCL arrangements, approval of sizable new arrangements, or a sizable increase in access under an existing arrangement, could indicate a need to adjust the ratio. Staff would return promptly to the Executive Board if circumstances warrant.

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[18] PIN No. 09/83, 7/15/09.

APPENDIX

Table 3. Bilateral Loan and Note Purchase Agreements 1/
(Billions)

	Original Currency	US$	SDR
Total Bilateral Agreements in Effect 2/		**253**	**167**
Loan agreements		**184**	**122**
Japan 3/	100.00	100	66
Norges Bank 4/	3.00	5	3
Canada 3/	10.00	10	7
EU		70	46
of which			
United Kingdom 4/	9.92	15	10
Deutsche Bundesbank 5/	15.00	20	13
De Nederlandsche Bank NV 5/	5.31	7	5
Danmarks Nationalbank 5/	1.95	3	2
Banco de Portugal 5/	1.06	1	1
France 5/	11.06	15	10
National Bank of Belgium 5/	4.74	6	4
Central Bank of Malta 5/	0.12	0	0
Slovak Republic 5/	0.44	1	0
Czech National Bank 5/	1.03	1	1
Note Purchase Agreements		**69**	**45**
People's Bank of China 4/	32.00	49	32
Brazil 3/	10.00	10	7
Reserve Bank of India 3/	10.00	10	7
Bilateral Pledges Not Yet Effective		**51**	**33**
Approved by the Executive Board		**36**	**24**
Swiss National Bank 4/	6.30	10	6
Spain 5/	4.14	6	4
Banca d'Italia 5/	8.11	11	7
Oesterreichische Nationalbank 5/	2.18	3	2
Ireland 5/	1.30	2	1
Bank of Finland 5/	1.30	2	1
Swedish Riskbank 5/	2.47	3	2
Under Discussion 6/		**15**	**10**
Total Loan and Note Purchase Agreements		**304**	**200**

1/ Data and exchange rates as of March 31, 2010.
2/ Effective and thus available for use in GRA lending.
3/ Limit in USD.
4/ Limit in SDR
5/ Limit in EUR
6/ Includes loan agreements with Greece, Luxembourg, Poland, and Slovenia, and a note purchase agreement with Russia.

Table 4. New Commitments (GRA), September 2008–March 31, 2010 1/
(In millions of SDRs)

Date of Approval 2/		Member	Type of Arrangment	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
5/6/09	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 Arrangment	20
1/29/10		Moldova	Extended Arrangment	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
Total				**143,449**

Source: Finance Department.
1/ Also includes disbursements under Emergency Assistance. The commitments below the dotted line took place during the period under review.
2/ Date of disbursement for Emergency Assistance.
3/ Precautionary at time of approval.
4/ Amount of the augmentation.

Table 5. Current Arrangements (GRA) as of March 31, 2010

(In millions of SDRs unless indicated otherwise)

Member	Next Scheduled Review	Effective Date	Expiration Date	Amount Agreed	Undrawn Balance	Total GRA Credit		Drawings Available Thru End-2010 1/	Scheduled Repurchases Thru End-2010
						Outstanding	As percent of Quota		
Stand-by Arrangements									
Angola	3/15/10	11/23/09	2/22/12	859	630	229	80	458	--
Armenia	5/15/10	3/6/09	7/5/11	534	183	350	381	145	--
Bosnia	6/10/10	7/8/09	6/30/12	1,015	710	304	180	304	--
Costa Rica 2/	6/17/10	4/11/09	7/10/10	492	492	--	--	492	--
Dominican Republic	4/7/10	11/9/09	3/8/12	1,095	895	489	223	347	96
El Salvador 2/	9/15/10	3/17/10	3/16/13	514	514	--	--	321	--
Gabon 2/	8/15/09	5/7/07	5/6/10	77	77	--	--	77	--
Georgia	5/15/10	9/15/08	6/14/11	747	220	527	351	150	--
Guatemala 2/	6/15/10	4/22/09	10/21/10	631	631	--	--	631	--
Hungary 2/	6/15/10	11/6/08	10/5/10	10,538	2,901	7,637	735	2,901	--
Iceland	12/15/09	11/19/08	5/31/11	1,400	735	665	565	525	--
Iraq	5/31/10	2/24/10	2/23/12	2,377	2,080	297	25	1,545	--
Jamaica	5/31/10	2/4/10	5/3/12	821	406	414	151	128	--
Latvia	5/15/10	12/23/08	12/22/11	1,522	629	892	704	270	--
Maldives	6/25/10	12/4/09	12/3/12	49	41	8	100	12	--
Mongolia	6/15/10	4/1/09	10/1/10	153	31	123	240	31	--
Pakistan	5/3/10	11/24/08	12/30/10	7,236	3,067	4,169	403	3,067	--
Romania	6/15/10	5/4/09	5/3/11	11,443	3,180	8,263	802	2,306	--
Serbia, Republic of	5/25/10	1/16/09	4/15/11	2,619	1,598	1,021	218	1,278	--
Sri Lanka	12/15/09	7/24/09	3/23/11	1,654	1,240	420	102	1,034	2
Ukraine	11/15/09	11/5/08	11/4/10	11,000	4,000	7,000	510	4,000	--
21 Arrangements				56,773	24,259	32,810		20,022	98
Flexible Credit Line									
Colombia 2/	n.a.	5/11/09	5/10/10	6,966	6,966	--	--	6,966	--
Mexico 2/	9/24/10	3/25/10	3/24/11	31,528	31,528	--	--	31,528	--
Poland 2/	n.a.	5/6/09	5/5/10	13,690	13,690	--	--	13,690	--
3 Arrangements				52,184	52,184	--	--	52,184	--
Extended Arrangements									
Moldova	6/30/10	1/29/10	1/28/13	185	165	20	16	30	--
Seychelles	6/15/10	12/23/09	12/22/12	20	17	14	160	6	--
2 Arrangements				205	182	34	176	36	--
Total 26 SBA, FCL, and EFF				109,162	76,624	32,844		72,242	--

Source: Finance Department.
1/ Indicates undrawn and scheduled purchases.
2/ Precautionary as of March 31, 2010.

Table 6. The Mix Between Own and Borrowed Resources: Illustrations with Different Ratios of Borrowed to Quota Resources

(SDR billions)

	Usable Quota Resources 1/ A	Prudential Balance 2/ B	UQR Available for Lending 3/ C=(A-B)	Undrawn Potential Borrowing 4/ D	Borrowing : Quota Remaining 5/ E=D/C
Initial situation (March 31, 2010):					
Total potential borrowing assumed at SDR 200 billion (US$304 billion) 6/	146	76	70	194	2.7
Assuming Further Disbursements Using a Borrowing:Quota Ratio of 2:1					
After further disbursements of SDR 15 billion: 7/					
Total potential borrowing remains at SDR 200 billion (US$304 billion)	141	76	65	184	2.8
After further disbursements of SDR 50 billion: 8/					
Total potential borrowing remains at SDR 200 billion (US$304 billion)	130	76	54	160	3.0
Assuming Further Disbursements Using a Borrowing:Quota Ratio of 1:1					
After further disbursements of SDR 15 billion: 7/					
Total potential borrowing remains at SDR 200 billion (US$304 billion)	139	76	63	186	3.0
After further disbursements of SDR 50 billion: 8/					
Total potential borrowing remains at SDR 200 billion (US$304 billion)	121	76	45	169	3.7

Source: Staff calculations.

1/ GRA holdings of currencies of FTP members and SDRs.
2/ Prudential balance is held in GRA and is set as 20 percent of the sum of the quota of FTP members and total potential borrowing.
3/ Usable quota resources net of the prudential balance, i.e., quota resources available to finance lending.
4/ As of March 31 2010, SDR 6.3 billion of borrowed resources had been disbursed.
5/ The ratio that would allow full disbursement of the remaining borrowed resources.
6/ Reflects committed borrowed resources at an exchange rate as of March 31, 2010.
7/ Projected disbursements under existing arrangements and estimates of disbursements under prospective arrangements in the period May 2010–October 2010.
8/ Illustrative scenario.