

# **ADF-11 Financing Framework 2: Discount Rates, Grant Financing & Replenishment Scenarios**

**Discussion Paper**

ADF-11 Replenishment: Third Consultation  
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**AFRICAN DEVELOPMENT FUND**

## Executive Summary

This ADF-11 Financing Framework 2 paper presents the discount rates for accelerated encashment, discusses the financing of foregone income and principal resulting from the extension of grants under ADF-11 and examines the ADF-9 and ADF-10 grant compensation amounts expected from donors during the ADF-11 disbursement period. It also presents the 5 replenishment scenarios, with each scenario modified with subscription technical gaps of 5% or 10%, as requested by Deputies at the conclusion of the ADF-11 second consultation meeting.

**Discount Rates:** Donors may pay their subscription in either, (1) SDR, (2) a currency used for the valuation of the SDR, or (3) their own currencies under certain conditions. The currency-specific Commercial Interest Reference Rate (CIRR) applicable as of 30 June 2007 for credits of up to 5 years, adjusted downwards by 100 basis points for each of the ADF eligible currencies are presented in this section, and will be used to determine the amount to be credited to State participants who opt to accelerate the encashment of their subscriptions. The Fund will apply the SDR discount rates to State participants whose currency of subscription is not in the list of eligible currencies.

**Grant Compensation:** Management proposes that Donors adopt for ADF-11 the same grant compensation framework as that of ADF-10, whereby the foregone income due to grants is compensated by an upfront charge on grants, while foregone principal reflows are offset, as they arise during future replenishments, using the “pay as you go” approach. This would ensure that there is no reduction in ADF future commitment capacity. Based on the analysis carried out by the Fund which applies the outcome of the recent IMF/World Bank Debt Sustainability Analysis (DSA), the indicative proportion of grants for ADF-11 is estimated at 28.38%. The rate for the upfront grant charge has been set at 10.12% for the ADF-11 period and is a function of (1) the ADF-11 grant level, (2) the grant disbursement profile and (3) the discount rate applied. The total nominal values of the foregone principal reflows that will be compensated on a ‘pay as you go” basis amount to UA 468 million for ADF-9 and UA 1,038 million for ADF-10. Each donor’s grant compensation for foregone principal is based on its normalized burden share for each of the relevant replenishments.

**Replenishment Scenarios:** The resources of the Fund are composed of (a) donor subscriptions, (b) Advance Commitment Capacity (ACC) and (c) funds carried over from previous replenishments. The following 5 replenishment scenarios, with maximum technical gaps in donor subscriptions of 5% and 10% are presented in this section: (1) Baseline scenario: ADF-10 subscriptions level maintained in real SDR terms; (2) Scenario 1: 40% increase in ADF-10 resources; (3) Scenario 2: 50% increase in ADF-10 resources; (4) Scenario 3: 60% increase in ADF-10 resources; and (5) Scenario 4: 100% increase in ADF-10 resources. These scenarios assume a 100% increase in ADB net income transfers (UA 60 million for the ADF-11 period), and present the ADF-11 resources applying a 70% and a 100% compensation level for the MDRI. MDRI compensation expected during the ADF-11 disbursement period (2008-2020), backed by firm commitments as of mid- November 2007, would serve to determine the final level of ACC applicable for ADF-11. It is important to highlight that costs not covered by firm commitments will reduce the resources available for ADF-11. Based on the important safety margins built in the Advance Commitment Authority (ACA) framework, and the current trend in donor financing and commitments, the Fund’s UA 1.2 billion ACC for the ADF-10 period remains unimpaired. As of 15 August 2007, the Fund had received from donors, MDRI commitments covering 72% (31% unqualified commitments, 41% qualified commitments) of the MDRI eligible loans cancelled for the ADF-11 disbursement period (2008-2020). Twenty eight percent of the indicative UA 1.66 billion MDRI cost for the ADF-11 disbursement period is currently not covered by any type of commitments. In order to ensure a high level of ACC for ADF-11, Donors need to deposit unqualified instruments of commitment for the ADF-11 disbursement period.

**Conclusion:** Management recommends that Deputies approve: (1) the ADF-11 grant compensation framework, wherein the foregone income due to grant levels are covered by an upfront charge on grants while foregone principal reflows are offset, using the “pay as you go” approach; (2) a replenishment level that would underpin the current pipeline of identified ADF-11 projects and support the scaling up of resources to Africa as pledged by the donor countries; and (3) a technical gap of 5% to ensure that the target resources level agreed upon are met. Donors are encouraged to deposit unqualified MDRI instruments of commitment for the ADF-11 disbursement period (2008-2020) by mid-November 2007: this will ensure lower subscriptions requirements from donors and a higher ACC, thereby increasing the capacity of the Fund to meet its development goals.

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**ADF-11 FINANCING FRAMEWORK II:  
DISCOUNT RATES, GRANT FINANCING AND REPLENISHMENT SCENARIOS**

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## **1. Introduction**

- 1.1 During the second ADF-11 consultation meeting held in Tunis on 12-13 June 2007, Management presented to deputies, the ADF-11 financing framework with three replenishment scenarios: a baseline scenario (ADF-10 donor subscriptions in real SDR terms), and two other scenarios (50% and 100% increase in ADF-10 resources) based on the pipeline of programs and projects identified by the Bank's Operations<sup>1</sup>. At the conclusion of the discussions, Deputies requested Management to prepare two additional scenarios (i.e. 40% and a 60% increase in ADF-10 resources) for the third consultation meeting. Deputies also acknowledged that the widening ADF structural gap was a major concern that should be addressed. They agreed that a small (between 5% and 10%) technical gap would be reasonable and should be included in future scenarios, for discussion in Bamako. This paper responds to these requests.
- 1.2 This paper also presents the discount rates for accelerated encashment<sup>2</sup>, discusses the financing of foregone income and principal resulting from the extension of grants under ADF-11 and examines the ADF-9 and ADF-10 grant compensation amounts expected from donors during the ADF-11 disbursement period.<sup>3</sup>
- 1.3 This paper is organized as follows. Section 2 computes the discount rates for ADF-11 accelerated encashment and presents sample accelerated encashment schedules for each ADF replenishment currency. Section 3 analyzes the foregone income and principal which will arise from ADF-11 grant funding. Section 4 provides the five replenishment scenarios including capped technical gaps. Section 5 is the conclusion and includes recommendations from Management.

## **2. Discount Rates for Accelerated Encashment**

- 2.1. Donors may pay their subscription in either: (1) SDR; (2) a currency used for the valuation of the SDR; or (3) their own currencies under certain conditions<sup>4</sup>. During the ADF-11 Replenishment second consultative meeting, Deputies agreed that the currency-specific Commercial Interest Reference Rate (CIRR) applicable as of 30 June 2007 for credits of up to 5 years, adjusted downwards by 100 basis points, will be used to determine the amount to be credited to State participants who opt to accelerate the encashment of their subscriptions<sup>5</sup>. Table 1 presents the applicable ADF-11 discount rates for the ADF-11 replenishment currencies. The Fund will apply the SDR discount rate to State participants whose currencies of subscription are not in the list of currencies provided in table 1.

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<sup>1</sup> *ADF-11 Financing Framework*, Tunis, June 2007.

<sup>2</sup> Deputies approved during the second ADF-11 consultation meetings in Tunis, the criteria for determining the discount rates for accelerated encashment, which is the currency specific CIRR adjusted by 100 basis points as of 30 June 2007.

<sup>3</sup> Deputies adopted the "Pay as you go" option for the compensation of foregone principal due to grants.

<sup>4</sup> C.f. *ADF-XI Exchange Rate Period*, March 2007 presented at the ADF-11 first consultation meetings in Dar Es Salaam

<sup>5</sup> *ADF-11 Financing Framework*, Tunis, June 2007.

**Table 1: ADF-11 Discount Rates for Accelerated Encashment**

Currency	Adjusted CIRR
Canadian Dollar	4.31%
Danish Krone	4.47%
EURO	4.28%
Japanese Yen	1.01%
Korean Won	5.13%
Norwegian Krone	5.09%
Swedish Krona	4.12%
Swiss Franc	2.83%
UK Pound	5.68%
US Dollar	4.69%
SDR	4.30%

Source: OECD, ADF

- 2.2. Donors using accelerated encashment may either apply for a credit or discount on their subscriptions. Annex 1 shows sample currency-specific accelerated encashment schedules for all ADF-11 replenishment currencies. As with previous replenishments, donors may further customize their accelerated encashment schedules, to reflect their preferred encashment profile.
- 2.3. Annex 2 shows the aggregated increase in donor subscriptions should all State participants select an encashment schedule that is shorter than the standard ADF-11 schedule. It ranges from +3.6% for an 8-year encashment schedule, to +9.9% for a 5-year encashment schedule.

### **3. ADF-11 Grant Financing**

- 3.1. During ADF-10 negotiations, Management agreed with Donors that the IMF/World Bank Debt Sustainability framework (DSF) for low-income countries would guide the determination of the proportion of grants in ADF resources<sup>6</sup>. Donors also agreed to maintain the financial integrity of ADF and selected at the time, a two-pronged approach to address the costs related to the ADF-10 grant financing. Management proposes that Donors adopt the same approach for ADF-11, whereby the foregone income due to grants is compensated by an upfront charge on grants, while foregone principal reflows are offset, as they arise during future replenishments, using the “pay as you go” approach. This would ensure that there is no reduction in ADF future commitment capacity.
- 3.2. During ADF-7 and ADF-8, the level of grant was set at 7.5% of the resources of replenishment. The grant proportion has been substantially increased in subsequent replenishments. As a result, Management is measuring the foregone reflows of both income and principal due to the extension of a level of grants that is higher than the 7.5% original level. The marginal impact of higher allocations to grants on the foregone reflows of both income and principal is the amount that needs to be compensated for.

<sup>6</sup> Report on the Tenth General Replenishment of the Resources of the ADF, ADF/BD/WP/2005/06, 19 January 2005.

### **Level of ADF-11 Grant**

- 3.3. Based on the analysis carried out by the Fund which applies the outcome of the recent IMF/World Bank Debt Sustainability Analysis (DSA), the indicative proportion of grants for ADF-11 is estimated at 28.38%<sup>7</sup>.

### **Foregone Income due to Grants**

- 3.4. In accordance with the grant compensation scheme adopted by deputies during ADF-10, a country's allocation is reduced by 20% (modified volume discount) in the case of assistance extended in the form of grants. Part of the volume discount is used to compensate the Fund for foregone charges due to grants through an upfront grant charge, while the remaining amount is allocated to ADF-only countries under the Performance Based Allocation system.<sup>8</sup>
- 3.5. As in ADF-10, Management proposes that foregone charges due to grants be financed through the volume discount on grants. This avoids having to resort to additional funding from donors. An upfront charge, equal in present value terms to the foregone ADF-11 income reflows due to grants, would be deducted at each grant disbursement<sup>9</sup>. Table 2 presents the level of the grant percentage computed for 2008, and the upfront charge that would yield a present value equal to the present value of the foregone grant charges reflows using a discount rate of 4.30%.<sup>10</sup>

**Table 2: Upfront Grant Charge to Compensate Foregone Income**

<b>Grant level</b>	<b>Upfront grant charge</b>
28.38%	10.12%

- 3.6. The 10.12% upfront charge (11.9% for ADF-10) has been determined through an iterative process that equates the present value of the upfront grant charges levied at disbursement, with the present value of the foregone income flows. The rate for the upfront charge is a function of (1) the ADF-11 grant level, (2) the grant disbursement profile and (3) the discount rate applied. It is independent of the replenishment amount.

### **Foregone Principal Repayments due to Grants**

- 3.7. Donors committed to making a series of payments to offset the foregone principal reflows due to ADF-9 and ADF-10 grants as they arise. The nominal value of these foregone reflows amount to UA 468 million for ADF-9, and UA 1,038 million for ADF-10. Each donor's contribution is based on its normalized burden share for each of the relevant replenishments. Financing by donors for foregone principal on a pay as you go basis, is scheduled to start in 2013 during the ADF-12 replenishment period and end in 2055 for ADF-9, and 2058 for ADF-10. Annex 3 presents State participants' shares of grant financing over the next 3 replenishments.
- 3.8. Management proposes a similar approach for the compensation for ADF-11 grant principal reflows. The required financing expected from donors, scheduled to start in 2019, will be linked to the ADF-11 replenishment size and grant levels adopted for 2009 and 2010<sup>11</sup>.

<sup>7</sup> IMF/World Bank Debt Sustainability Analysis was conducted in June 2007.

<sup>8</sup> Report on the tenth General Replenishment of the Resources of the ADF, ADF/BD/WP/2005/06, 19 January 2005.

<sup>9</sup> The upfront grant charge is to be subtracted from the 20% volume discount and applied to the Fund's liquidity.

<sup>10</sup> The discount rate used is the 4.30% adjusted CIRR for SDR as of 30 June 2007.

<sup>11</sup> The DSA is an annual exercise that determined a grant level of 28.38% for the Mid 2007 to mid-2008 period. The grant amounts that would be allocated during the Mid- 2008-Mid 2009 period and Mid- 2009-Mid 2010 period will be determined during the DSAs in 2008 and 2009.

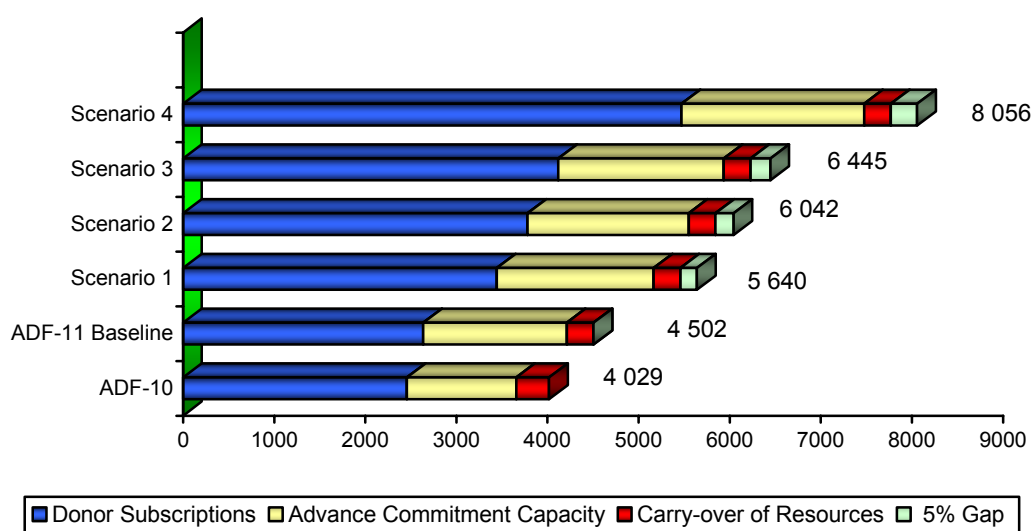
## 4. Replenishment Scenarios

4.1. Five replenishment scenarios, with maximum technical gaps of 5% or 10% are presented in this section. The gap is intended to provide donors the flexibility to increase their burden shares during a particular replenishment without affecting other State participants' burden shares, and also ensures that donors can make supplemental contributions to further enhance the operations of the Fund. The five scenarios considered are summarized below:

- Baseline scenario: ADF subscriptions maintained in real SDR terms;
- Scenario 1: 40% increase in ADF-10 resources;
- Scenario 2: 50% increase in ADF-10 resources;
- Scenario 3: 60% increase in ADF-10 resources;
- Scenario 4: 100% increase in ADF-10 resources.

**Graph 1: Replenishment Scenarios for ADF-11**

(UA millions)



### **Revisiting the Advance Commitment Capacity (ACC)**

4.2. The determination of the indicative baseline ACC presented during the second ADF-11 consultation meeting in Tunis was based on a set of core financial assumptions<sup>12</sup>. Three of the core assumptions, specifically the ADF-11 grant level, ADB transfers and MDRI compensation have been updated as described below.

#### **a. ADF-11 Grant Level**

4.3. For the replenishment scenarios presented to Deputies during the second ADF-11 consultation meetings in June 2007, a grant share of 28.00% was assumed, in line with the level of grants applicable for the 2006-2007 period. Following the DSA exercise, the grant level has been set at 28.38% for the 2007-2008 period, and the grant fee for ADF-11 estimated at 10.12% (compared to 11.94% for ADF-10). The immediate effect of this lower grant fee is a decrease in the ADF-11 ACC amount, due to the reduction of the upfront charges applied to compensate for foregone income. Although the DSA to determine the grant level is an annual exercise, for ACC computation purpose, we have assumed a constant fee rate of 10.12%.

<sup>12</sup> C.f. *Long-term Financial Integrity of the ADF*, June 2007, Tunis

## **b. ADB Transfer**

- 4.4. One of the cash inflows supporting the Fund's Advance Commitment Capacity is the net income transfers from the Bank to the Fund. Since ADF-8, the Board of Governors has approved an allocation of UA 30 million from the Bank's net income to the Fund over each 3-year replenishment period. Taking into account the strengthened financial position of the Bank, and the need to increase the resource envelope available for financing development projects in the 38 regional member countries for which only concessional financing through the public sector window is permitted under the Bank Group's credit policy, Management has undertaken to recommend to the Boards that the Bank's net income allocation to the Fund be increased to an amount of up to UA 60 million during the ADF-11 replenishment period. This will represent an increase of up to 100% over the previous income allocations. Management will continue to reassess the Bank's financial position annually to determine the feasibility of transferring additional net income to the ADF.
- 4.5. In addition to direct transfers described above, Management intends to continue to expand its non-sovereign lending operations in ADF-only countries, thereby directly promoting the socio-economic development of these countries. Financing projects in ADF-only countries will accelerate the use of the Bank's risk capital, as projects located in these countries tend to be more risky and therefore require more risk capital support than projects located in ADB countries. The Bank has already committed UA 282 million in loans and guarantees to non-sovereign operations in ADF-only countries since the beginning of ADF-10. The non-sovereign operations financed are mainly in the infrastructure (power) sector (UA 139 million), mining sector (UA 127 million) and financial sector (UA16 million).

## **c. Compensation for the MDRI**

- 4.6. **MDRI Costs.** The total cost of the MDRI<sup>13</sup> for the ADF is estimated at UA 5,835.9 million in nominal terms. Given the "Dollar-for-Dollar Compensation" pledges, the actual cost and thus the final amount of donor contributions will depend on (i) market exchange rates, (ii) the actual dates on which the beneficiary countries reach their HIPC completion points and (iii) the HIPC debt relief to be provided to qualifying HIPCs at completion point under the enhanced HIPC initiative. The updated MDRI costs<sup>14</sup> estimate and donor payment schedules for the ADF-11 period in UA and in national currencies will be provided to each State participant in October 2007, once the ADF-11 replenishment rates are known.
- 4.7. **ADF-10 disbursement period (2005-2017).**<sup>15</sup> A substantial portion of future principal reflows during the 2006<sup>16</sup>-2017 period, and which have already been committed under the ADF-10 Advance Commitment Capacity of 1.2 billion, have been cancelled under the MDRI. Based on the important safety margins built in the Advance Commitment Authority (ACA)<sup>17</sup> framework, and the current trend in donor financing and commitments, the Fund's ACC for the ADF-10 period remains unimpaired.
- **2006-2007 period:** As of 31 August 2007, the Fund had received 99% of the commitments required to cover the MDRI cost for the remainder of the ADF-10 period (2006-2007). While 91% of the costs are covered by unqualified commitments, 8% of the instruments of commitments deposited remain qualified<sup>18</sup>. It is important to highlight that no donors have come forward yet to fund the 0.64% structural financing gap of the MDRI, which amounts to UA 0.5 million for the 2006-2007 period.

<sup>13</sup> Based on debt outstanding and disbursed as of December 2004 as cut-off date, and 1 January 2006 as implementation date, for 33 eligible beneficiary countries.

<sup>14</sup> The MDRI cost is scheduled to be updated at the beginning of each replenishment period, taking into account the relevant exchange rates for the replenishment.

<sup>15</sup> ADF loans disburse over a 10-year period, as a result the ADF disbursement period is 13 years as it covers loans extended during year 3 (last year) of the replenishment.

<sup>16</sup> The implementation year of the MDRI is 2006.

<sup>17</sup> *Long Term Financial Integrity of the African Development Fund*, June 2007, Tunis

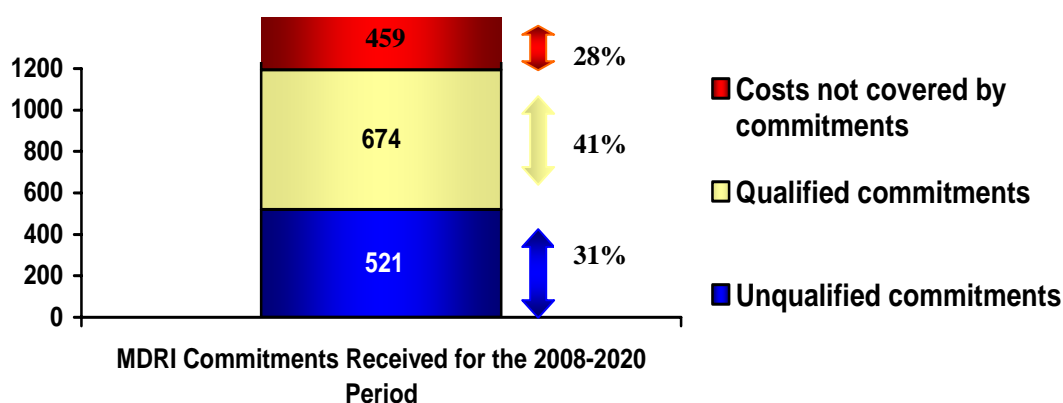
<sup>18</sup> The contribution of the United States to the MDRI is partially qualified. The US expects as part of its 2008 budget process that unqualified funding will be available to fully cover the remainder of the 2006-2007 period.



- 2008-2017 period: As of 31 August 2007, the Fund had received 78% of the commitments required to cover the MDRI cost for the 2008-2017 period, and 22% remain uncovered. However, only 43% of the costs are covered by unqualified commitments while 35% of the commitments, remain qualified.

- 4.8. **ADF-11 disbursement period (2008-2020)**<sup>19</sup>: As of 31 August 2007, the Fund has received from donors, MDRI commitments covering 72% of the loans cancelled for that period as illustrated in graph 2. Twenty eight percent of the indicative UA 1.66 billion MDRI cost for the ADF-11 disbursement period is currently not covered by any type of commitments.

**Graph 2: MDRI Commitments Received 2008-2020**  
(UA millions)



- 4.9. Impact on ACC. Deputies agreed that compensation for loans cancelled under the MDRI should be included in the cash flow stream supporting the ACC so that the impact of MDRI on the Fund's commitment capacity would be neutral. In light of the horizon of relevance for the ACA model, compensation during the ADF-11 disbursement period (2008-2020), backed by firm commitments would serve to preserve the level of ACC for ADF-11. Consequently, to enable Management to firm up the ACC estimates, Donors would need to adjust their instruments of commitments by mid-November 2007, to cover the 2008-2020 period. The following criteria will be used to determine the extent of inclusion of donor pledges in the ACA:20 Costs not covered by commitments reduce the Fund's commitment capacity and are not included in the ACA.

- Unqualified commitments: 100 % inclusion as donors represent predominantly investment grade credits;
- Qualified commitments: 85% inclusion, with the 15% discount factored in to reflect the uncertainty in terms of timeliness of payments. This safety margin ensures that the flow of ADF-11 ACC is not affected by delayed payments.

**d. Indicative ACC for ADF-11**

- 4.10. The final level of ACC that will be established for the eleventh replenishment of the Fund will depend on (1) the pledged ADF-11 donor subscription amount and (2) the level of MDRI commitments received by mid November 2007 for the 2008-2020 period. The indicative ACC for each of the replenishment scenarios, which are depicted in graph 1, and analyzed in the following sections are based on:

- Assumed grant funding level of 28.38% and grant fee of 10.12% for ADF-11;

<sup>19</sup> C.f. footnote 17.

<sup>20</sup> C.f. *ADF Implementation Modalities of the Multilateral Debt Relief Initiative*, ADF/BD/WP/2006/31, 5 April 2006.

- ADB transfers of UA 60 million over the period 2008-2010;
- 70% Compensation for MDRI based on commitments received for the ADF-10 disbursement period.<sup>21</sup>

### **Financial Implications and Outcomes of Replenishment Scenarios**

#### **a. Revisiting the Baseline Scenario**

- 4.11. During the first ADF-11 consultation meeting in Dar Es Salaam in March 2007, Management assumed an inflation rate of 7.5% over the 3-year period 2005-2007 for the computation of the baseline for ADF-11 donor subscriptions (ADF-10 level in real SDR terms)<sup>22</sup>.
- 4.12. However, some ADF deputies indicated that IDA had presented a different inflation rate, and requested the Fund to review its assumed inflation level. For harmonization purposes, Management decided to determine its baseline subscription amount by applying the compounded inflation rate of 6.12% presented by IDA on February 2007 to its Deputies. The subsequent June 2007 IDA 15 Financing Framework paper, revised the inflation rate to 7.28% for the 2004-2006 period. For harmonization purposes, Management has accordingly revised to 7.28% the compounded inflation rate used to determine the ADF-11 subscriptions baseline as shown below.

**Table 3: Baseline for ADF-11 Resources**  
(UA million)

	Donor subscriptions (1)	Supplemental contributions (2)	ACC (3)	Subtotal (4)=(1)+(2)+(3)	Carry-over (5)	Total resources (6) = (4)+(5)
<b>ADF-10</b>	2,458	12	1,200	3,670	359	<b>4,029</b>
<b>ADF-11 Baseline scenario (No % Change vs. ADF-10</b>	<b>2,636</b>	<b>-</b>	<b>1,576</b>	<b>4,212</b>	<b>294</b>	<b>4,506</b>
- in nominal terms	7%	-	31%	15%	-18%	12%
- in real terms	0%	-	22%	7%	-24%	4%

- 4.13. The total resources of the Fund under the baseline scenario are estimated at UA 4,506 million, a 12% increase in nominal terms over the funding available for ADF-10 (4% increase in real terms). This represents the minimum level of ADF-11 resources, as agreed by State participants in the context of the MDRI. The baseline subscription for each donor in UA and indicative amounts in currency<sup>23</sup> are shown in Annex 4.
- 4.14. Table 4 presents the level of donor subscriptions and ACC required if the Fund receives, by mid- November 2007, 100% unqualified commitments for the 2008-2020 period.

**Table 4: Baseline Scenario Assuming 100% MDRI Compensation**

Scenario assuming 100% MDRI Compensation	Baseline UA million	% Change vs ADF-10 - nominal	% Change vs ADF-10 - real
Donor subscriptions	2,636	7.28%	0%
ACC	1,794	49.51%	39.37%
Carry-over	294	-	-

<sup>21</sup> The 70% level is a weighted average of both unqualified commitments (factored in at 100%) and qualified commitments (factored in at 85%) received from donors.

<sup>22</sup> Long term ADF sustainability, Dar Es Salaam, March 2007

<sup>23</sup> The rates from 1 April 2007 to 15 August 2007 are used as a proxy. The ADF-11 replenishment rates determination period is 1 April 2007-30 September 2007.

Total resources	4,725	17.28%	9.32%
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**b. Replenishment Scenario 1: 40% Increase in ADF-10 Resources**

- 4.15. Scenario 1 assumes an increase of ADF-10 resources by 40%. It is presented in table 5 with alternative levels of technical gaps (5% and 10%) and 70% MDRI compensation coverage.

**Table 5: Replenishment Scenario 1**  
(UA million)

	Donor subscriptions	Supplemental contributions	ACC	Subtotal	Carry-over	Total resources
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6) = (4)+(5)
<b>ADF-10</b>	2,458	12	1,200	3,670	359	<b>4,029</b>
<b>Scenario 1 (No Gap)</b>	<b>3,626</b>	-	<b>1,721</b>	<b>5,347</b>	<b>294</b>	<b>5,641</b>
% Change vs. ADF-10						
- in nominal terms	48%	-	43%	46%	-18%	40%
- in real terms	38%	-	34%	36%	-24%	31%
<b>Scenario 1 (With 5% Gap)</b>	<b>3,445</b>	-	<b>1,721</b>	<b>5,165</b>	<b>294</b>	<b>5,459</b>
% Change vs. ADF-10						
- in nominal terms	40%	-	n.a.	41%	n.a.	36%
- in real terms	31%	-	n.a.	31%	n.a.	26%
<b>Scenario 1 (With 10% Gap)</b>	<b>3,263</b>	-	<b>1,721</b>	<b>4,984</b>	<b>294</b>	<b>5,278</b>
% Change vs. ADF-10						
- in nominal terms	33%	-	n.a.	36%	n.a.	31%
- in real terms	24%	-	n.a.	27%	n.a.	22%

- 4.16. The total resources of the Fund under scenario 1 are set at UA 5,641 million, a 40% increase over the funding available for ADF-10 (31% increase in real terms). Subscriptions are increased by 48% (38% real terms) and the ACC by 43% (34% in real terms). A 5% technical gap in subscriptions leads to a total increase in subscriptions of 40%, and a 10% technical gap leads to a 33% increase in donor subscriptions<sup>24</sup>. Only 79% of the pipeline of national and multinational projects currently identified for ADF-11 could be financed with this level of resources.<sup>25</sup> Pledges required from donors in UA and indicative amounts in currency<sup>26</sup> under this scenario are shown in Annex 5.
- 4.17. Table 6 presents the level of donor subscriptions and ACC required if the Fund receives by mid- November 2007, unqualified commitments for the 2008-2020 period.

<sup>24</sup> It is important to note that if the technical gaps are not filled, the ACC amounts would be decreased accordingly to reflect the lower donor subscriptions amounts.

<sup>25</sup> ADF-11 Strategic Directions and Indicative Lending Scenarios, June 2007

<sup>26</sup> The rates from 1 April 2007 to 15 August are used as a proxy. The replenishment rates determination period is 1 April 2007-30 September 2007.

**Table 6: Replenishment Scenario 1 Assuming 100% MDRI Compensation**

Scenario assuming 100% MDRI Compensation	Scenario 1: 40% In UA million	% Change vs ADF-10 - nominal	% Change vs ADF-10 - real
Donor subscriptions	3,433	40%	30%
ACC	1,913	59%	49%
Carry-over	294	-	-
Total resources	5,640	40%	31%

**c. Replenishment Scenario 2: 50% Increase in ADF-10 resources**

- 4.18. Scenario 2 represents an increase of ADF-10 resources by 50%. It is presented in table 7 with alternative levels of technical gaps (5% and 10%) and a 70% MDRI compensation coverage.

**Table 7: Replenishment Scenario 2**  
(UA million)

	Donor subscriptions	Supplemental contributions	ACC	Subtotal	Carry-over	Total resources
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6) = (4)+(5)
<b>ADF-10</b>	2,458	12	1,200	3,670	359	<b>4,029</b>
<b>Scenario 2 (No Gap)</b>	<b>3,980</b>	-	<b>1,769</b>	<b>5,749</b>	<b>294</b>	<b>6,043</b>
% Change vs. ADF-10						
- in nominal terms	62%	-	47%	57%	-18%	50%
- in real terms	51%	-	37%	46%	-24%	40%
<b>Scenario 2 (With 5% Gap)</b>	<b>3,781</b>	-	<b>1,769</b>	<b>5,550</b>	<b>294</b>	<b>5,844</b>
% Change vs. ADF-10						
- in nominal terms	54%	-	n.a.	51%	n.a.	45%
- in real terms	43%	-	n.a.	41%	n.a.	35%
<b>Scenario 2 (With 10% Gap)</b>	<b>3,582</b>	-	<b>1,769</b>	<b>5,351</b>	<b>294</b>	<b>5,645</b>
% Change vs. ADF-10						
- in nominal terms	46%	-	n.a.	46%	n.a.	40%
- in real terms	36%	-	n.a.	36%	n.a.	31%

- 4.19. The total resources of the Fund under the scenario 2 are set at UA 6,043 million, a 50% increase over the funding available for ADF-10 (40% increase in real terms). Subscriptions are increased by 62% (51% in real terms) while the ACC is increased by 47% (37% in real terms). A 5% gap in subscriptions leads to a 54% increase in donor subscriptions, while the 10% technical gap leads to a 46% increase in donor subscriptions<sup>27</sup>. Approximately 84% of the pipeline of national and multinational projects currently identified for ADF-11 could be financed with this level of resources.<sup>28</sup> The pledges required from donors in UA and indicative amounts in currency<sup>29</sup> are shown in Annex 6.
- 4.20. Table 8 presents the level of donor subscriptions and ACC required if the Fund receives by mid- November 2007, 100% unqualified commitments for the 2008-2020 period.

<sup>27</sup> If the technical gaps are not filled, the ACC amounts would be decreased accordingly to reflect the lower donor subscriptions amounts.

<sup>28</sup> ADF-11 Strategic Directions and Indicative Lending Scenarios, June 2007

<sup>29</sup> The rates from 1 April 2007 to 15 August 2007 are used as a proxy. The replenishment rates determination period is 1 April 2007-30 September 2007.

**Table 8: Scenario 2 Assuming 100% MDRI Compensation**

Scenario assuming 100% MDRI Compensation	Scenario 2 : 50% UA million	% Change vs ADF-10 - nominal	% Change vs ADF-10 - real
Donor subscriptions	3,786	54%	44%
ACC	1,964	64%	534%
Carry-over	294	-	-
Total resources	6,043	50%	40

**d. Replenishment Scenario 3: 60% Increase in ADF-10 Resources**

- 4.21. Scenario 3 represents an increase of ADF-10 resources by 60%. It is presented in table 9 with alternative levels of technical gaps (5% and 10%), and a 70% MDRI compensation coverage.

**Table 9: Replenishment Scenario 3**  
(UA million)

	Donor subscriptions	Supplemental contributions	ACC	Subtotal	Carry-over	Total resources
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6) = (4)+(5)
<b>ADF-10</b>	2,458	12	1,200	3,670	359	<b>4,029</b>
<b>Scenario 3 (No Gap)</b>	<b>4,335</b>	-	<b>1,817</b>	<b>6,152</b>	<b>294</b>	<b>6,446</b>
% Change vs. ADF-10						
- in nominal terms	76%	-	51%	68%	-18%	60%
- in real terms	64%	-	41%	56%	-24%	49%
<b>Scenario 3 (With 5% Gap)</b>	<b>4,118</b>	-	<b>1,817</b>	<b>5,935</b>	<b>294</b>	<b>6,229</b>
% Change vs. ADF-10						
- in nominal terms	68%	-	n.a.	62%	n.a.	55%
- in real terms	56%	-	n.a.	51%	n.a.	44%
<b>Scenario 3 (With 10% Gap)</b>	<b>3,902</b>	-	<b>1,817</b>	<b>5,719</b>	<b>294</b>	<b>6,013</b>
% Change vs. ADF-10						
- in nominal terms	59%	-	n.a.	56%	n.a.	49%
- in real terms	48%	-	n.a.	45%	n.a.	39%

- 4.22. The total resources of the Fund under scenario 3 are set at UA 6,446 million, a 60% increase over the funding available for ADF-10 (49% increase in real terms). Subscriptions are increased by 76% (64% in real terms) while the ACC is increased by 51% (41% in real terms). A 5% gap in subscriptions leads to a 68% increase in donor subscriptions, while a 10% technical gap leads to a 59% increase in subscriptions<sup>30</sup>. Approximately 90% of the pipeline of national and multinational projects currently identified for ADF-11 could be financed with this

<sup>30</sup> If the technical gaps are not filled, the ACC amounts would be decreased accordingly to reflect the lower donor subscriptions amounts.

level of resources.<sup>31</sup> The pledges required from donors in UA and indicative amounts in currency<sup>32</sup> are shown in Annex 7.

- 4.23. Table 10 presents the level of donor subscriptions and ACC required if the Fund receives by mid- November 2007, 100% unqualified commitments for the 2008-2020 period.

**Table 10: Replenishment Scenario 3 Assuming 100% MDRI Compensation**

Scenario assuming 100% MDRI Compensation	Scenario 3: 60% In UA million	% Change vs ADF-10 - nominal	% Change vs ADF-10 - real
Donor subscriptions	4,138	68%	57%
ACC	2,014	68%	56%
Carry over	294	-	-
Total resources	6,446	60%	49%

**e. Replenishment Scenario 4: 100% Increase in ADF-10 Resources**

- 4.24. Scenario represents an increase of ADF-10 resources by 100%. It is presented in table 11 with alternative levels of technical gaps (5% and 10%) and 70% MDRI compensation coverage.

**Table 11: Replenishment Scenario 4**  
(UA million)

	Donor subscriptions	Supplemental contributions	ACC	Subtotal	Carry-over	Total resources
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6) = (4)+(5)
<b>ADF-10</b>	2,458	12	1,200	3,670	359	<b>4,029</b>
<b>Scenario 4 (No Gap)</b>	<b>5,760</b>	-	<b>2,003</b>	<b>7,763</b>	<b>294</b>	<b>8,057</b>
% Change vs. ADF-10						
- in nominal terms	134%	-	67%	112%	-18%	100%
- in real terms	118%	-	56%	97%	-24%	86%
<b>Scenario 4 (With 5% Gap)</b>	<b>5,472</b>	-	<b>2,003</b>	<b>7,475</b>	<b>294</b>	<b>7,769</b>
% Change vs. ADF-10						
- in nominal terms	123%	-	n.a.	104%	n.a.	93%
- in real terms	108%	-	n.a.	90%	n.a.	80%
<b>Scenario 4 (With 10% Gap)</b>	<b>5,184</b>	-	<b>2,003</b>	<b>7,187</b>	<b>294</b>	<b>7,481</b>
% Change vs. ADF-10						
- in nominal terms	111%	-	n.a.	96%	n.a.	86%
- in real terms	97%	-	n.a.	83%	n.a.	73%

- 4.25. The total resources of the Fund under scenario 4 are set at UA 8,057 million, a 100% increase over the funding available for ADF-10 (86% increase in real terms). Subscriptions are increased by 134% (118% in real terms) while the ACC is increased by 67% (56% in real terms). A 5% gap in subscriptions leads to an increase in donor subscriptions of 123%, and a 10% technical gap leads to an increase of 111% in subscriptions<sup>33</sup>. The full pipeline of national and multinational projects currently identified for ADF-11 could be financed with this level of resources, leaving room for additional financing of projects that would be identified

<sup>31</sup> ADF-11 Strategic Directions and Indicative Lending Scenarios, June 2007

<sup>32</sup> The rates from 1 April 2007 to 15 August 2007 are used as a proxy. The replenishment rates determination period is 1 April 2007-30 September 2007.

<sup>33</sup> If the technical gaps are not filled, the ACC amounts would be decreased accordingly to reflect the lower donor subscriptions amounts.

during the ADF-11 period.<sup>34</sup> The pledges required from donors in UA and indicative amounts in currency<sup>35</sup> are shown in Annex 8.

- 4.26. Table 12 presents the level of donor subscriptions and ACC required if the Fund receives by mid- November 2007, 100% unqualified MDRI commitments for the 2008-2020 period.

**Table 12: Replenishment Scenario 4 Assuming 100% MDRI Compensation**

Scenario assuming 100% MDRI Compensation	Scenario 4 : 100% In UA million	% Change vs ADF-10 - nominal	% Change vs ADF-10 - real
Donor subscriptions	5,559	126%	111%
ACC	2,204	84%	71%
Carry over	294	-	-
Total resources	8,057	100%	86%

## 5. Conclusion

- 5.1. Based on the foregoing analysis, Management recommends that Deputies approve:
- **The ADF-11 grant compensation framework** wherein the foregone income due to grant levels are covered by an upfront charge on grants of 10.12%, while foregone principal reflows are offset, as they arise in future replenishment, using the “Pay as you go” approach.
  - **A replenishment level that would underpin the current pipeline** of identified ADF-11 projects and support the scaling up of resources to Africa as pledged by donors.
  - **A technical gap of 5%**. Over the past 10 years, supplemental contributions made to reduce the ADF gap and/or increase a State participant’s burden share have ranged from 1.4% to 3.5%. Management recommends a technical gap of 5% to ensure that the target resources level agreed upon are met.
- 5.2. **Management also urges donors to deposit unqualified instruments of commitment for MDRI for the ADF-11 disbursement period (2008-2020) by mid-November 2007.** This will ensure lower subscription requirements from donors and a higher ACC, thereby increasing the capacity of the Fund to meet its development goals.

<sup>34</sup> ADF-11 Strategic Directions and Indicative Lending Scenarios, June 2007

<sup>35</sup> The rates from 1 April 2007 to 15 August 2007 are used as a proxy. The replenishment rates determination period is 1 April 2007-30 September 2007.

## Annex 1: Sample Accelerated Encashment Schedules

### Accelerated encashment schedule ADF-11

#### CAD

Fiscal Year	Discount Rate	Standard schedule - %-	Schedule 3 years - %-	Schedule 4 years-%-	Schedule 5 years -%-	Schedule 6 years-%-	Schedule 7 years-%-
2008		3.430	33.333	25	20	16.667	14.29
2009		7.760	33.333	25	20	16.667	14.29
2010		12.580	33.333	25	20	16.667	14.29
2011		14.770		25	20	16.667	14.29
2012		14.870			20	16.667	14.29
2013		13.700				16.667	14.29
2014		11.740					14.29
2015		9.740					
2016		8.400					
2017		3.010					
<b>Discount rate</b>	<b>4.31%</b>						
<b>Total</b>		<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>
<b>NPV equivalent</b>		<b>83.51</b>	<b>95.92</b>	<b>93.97</b>	<b>92.07</b>	<b>90.22</b>	<b>88.42</b>
<b>Discount /credit as % of face value</b>			<b>14.86%</b>	<b>12.52%</b>	<b>10.24%</b>	<b>8.03%</b>	<b>5.88%</b>

### Accelerated encashment schedule ADF-11

#### DKK

Fiscal Year	Discount Rate	Standard schedule - %-	Schedule 3 years - %-	Schedule 4 years-%-	Schedule 5 years -%-	Schedule 6 years-%-	Schedule 7 years-%-
2008		3.430	33.333	25	20	16.667	14.29
2009		7.760	33.333	25	20	16.667	14.29
2010		12.580	33.333	25	20	16.667	14.29
2011		14.770		25	20	16.667	14.29
2012		14.870			20	16.667	14.29
2013		13.700				16.667	14.29
2014		11.740					14.29
2015		9.740					
2016		8.400					
2017		3.010					
<b>Discount rate</b>	<b>4.47%</b>						
<b>Total</b>		<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>
<b>NPV equivalent</b>		<b>82.98</b>	<b>95.78</b>	<b>93.76</b>	<b>91.80</b>	<b>89.89</b>	<b>88.04</b>
<b>Discount /credit as % of face value</b>			<b>15.42%</b>	<b>12.99%</b>	<b>10.62%</b>	<b>8.33%</b>	<b>6.09%</b>



**Accelerated encashment schedule ADF-11  
EURO**

Fiscal Year	Discount Rate	Standard schedule - %-	Schedule 3 years - %-	Schedule 4 years-%-	Schedule 5 years -%-	Schedule 6 years-%-	Schedule 7 years-%-
2008		3.430	33.333	25	20	16.667	14.29
2009		7.760	33.333	25	20	16.667	14.29
2010		12.580	33.333	25	20	16.667	14.29
2011		14.770		25	20	16.667	14.29
2012		14.870			20	16.667	14.29
2013		13.700				16.667	14.29
2014		11.740					14.29
2015		9.740					
2016		8.400					
2017		3.010					
<b>Discount rate</b>	<b>4.28%</b>						
<b>Total</b>		<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>
<b>NPV equivalent</b>		<b>83.61</b>	<b>95.95</b>	<b>94.01</b>	<b>92.12</b>	<b>90.28</b>	<b>88.50</b>
<b>Discount /credit as % of face value</b>			<b>14.75%</b>	<b>12.43%</b>	<b>10.17%</b>	<b>7.98%</b>	<b>5.84%</b>

**Accelerated encashment schedule ADF-11  
YEN**

Fiscal Year	Discount Rate	Standard schedule - %-	Schedule 3 years - %-	Schedule 4 years-%-	Schedule 5 years -%-	Schedule 6 years-%-	Schedule 7 years-%-
2008		3.430	33.333	25	20	16.667	14.29
2009		7.760	33.333	25	20	16.667	14.29
2010		12.580	33.333	25	20	16.667	14.29
2011		14.770		25	20	16.667	14.29
2012		14.870			20	16.667	14.29
2013		13.700				16.667	14.29
2014		11.740					14.29
2015		9.740					
2016		8.400					
2017		3.010					
<b>Discount rate</b>	<b>1.01%</b>						
<b>Total</b>		<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>
<b>NPV equivalent</b>		<b>95.72</b>	<b>99.00</b>	<b>98.51</b>	<b>98.02</b>	<b>97.53</b>	<b>97.05</b>
<b>Discount /credit as % of face value</b>			<b>3.43%</b>	<b>2.92%</b>	<b>2.40%</b>	<b>1.90%</b>	<b>1.39%</b>

**Accelerated encashment schedule ADF-11  
KRW**

Fiscal Year	Discount Rate	Standard schedule - %-	Schedule 3 years - %-	Schedule 4 years-%-	Schedule 5 years -%-	Schedule 6 years-%-	Schedule 7 years-%-
2008		3.430	33.333	25	20	16.667	14.29
2009		7.760	33.333	25	20	16.667	14.29
2010		12.580	33.333	25	20	16.667	14.29
2011		14.770		25	20	16.667	14.29
2012		14.870			20	16.667	14.29
2013		13.700				16.667	14.29
2014		11.740					14.29
2015		9.740					
2016		8.400					
2017		3.010					
<b>Discount rate</b>	<b>5.13%</b>						
<b>Total</b>		<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>
<b>NPV equivalent</b>		<b>80.85</b>	<b>95.20</b>	<b>92.92</b>	<b>90.71</b>	<b>88.57</b>	<b>86.50</b>
<b>Discount /credit as % of face value</b>			<b>17.74%</b>	<b>14.92%</b>	<b>12.19%</b>	<b>9.54%</b>	<b>6.98%</b>

## Accelerated encashment schedule ADF-11

### NOK

Fiscal Year	Discount Rate	Standard schedule - %-	Schedule 3 years - %-	Schedule 4 years-%-	Schedule 5 years -%-	Schedule 6 years-%-	Schedule 7 years-%-
2008		3.430	33.333	25	20	16.667	14.29
2009		7.760	33.333	25	20	16.667	14.29
2010		12.580	33.333	25	20	16.667	14.29
2011		14.770		25	20	16.667	14.29
2012		14.870			20	16.667	14.29
2013		13.700				16.667	14.29
2014		11.740					14.29
2015		9.740					
2016		8.400					
2017		3.010					
<b>Discount rate</b>	<b>5.09%</b>						
<b>Total</b>		<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>
<b>NPV equivalent</b>		<b>80.98</b>	<b>95.23</b>	<b>92.97</b>	<b>90.77</b>	<b>88.65</b>	<b>86.59</b>
<b>Discount /credit as % of face value</b>			<b>17.60%</b>	<b>14.80%</b>	<b>12.09%</b>	<b>9.47%</b>	<b>6.92%</b>

## Accelerated encashment schedule ADF-11

### CHF

Fiscal Year	Discount Rate	Standard schedule - %-	Schedule 3 years - %-	Schedule 4 years-%-	Schedule 5 years -%-	Schedule 6 years-%-	Schedule 7 years-%-
2008		3.430	33.333	25	20	16.667	14.29
2009		7.760	33.333	25	20	16.667	14.29
2010		12.580	33.333	25	20	16.667	14.29
2011		14.770		25	20	16.667	14.29
2012		14.870			20	16.667	14.29
2013		13.700				16.667	14.29
2014		11.740					14.29
2015		9.740					
2016		8.400					
2017		3.010					
<b>Discount rate</b>	<b>2.83%</b>						
<b>Total</b>		<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>
<b>NPV equivalent</b>		<b>88.67</b>	<b>97.27</b>	<b>95.95</b>	<b>94.65</b>	<b>93.37</b>	<b>92.11</b>
<b>Discount /credit as % of face value</b>			<b>9.70%</b>	<b>8.20%</b>	<b>6.73%</b>	<b>5.29%</b>	<b>3.88%</b>

## Accelerated encashment schedule ADF-11

### GBP

Fiscal Year	Discount Rate	Standard schedule - %-	Schedule 3 years - %-	Schedule 4 years-%-	Schedule 5 years -%-	Schedule 6 years-%-	Schedule 7 years-%-
2008		3.430	33.333	25	20	16.667	14.29
2009		7.760	33.333	25	20	16.667	14.29
2010		12.580	33.333	25	20	16.667	14.29
2011		14.770		25	20	16.667	14.29
2012		14.870			20	16.667	14.29
2013		13.700				16.667	14.29
2014		11.740					14.29
2015		9.740					
2016		8.400					
2017		3.010					
<b>Discount rate</b>	<b>5.68%</b>						
<b>Total</b>		<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>
<b>NPV equivalent</b>		<b>79.14</b>	<b>94.72</b>	<b>92.22</b>	<b>89.81</b>	<b>87.49</b>	<b>85.25</b>
<b>Discount /credit as % of face value</b>			<b>19.69%</b>	<b>16.53%</b>	<b>13.49%</b>	<b>10.55%</b>	<b>7.71%</b>

**Accelerated encashment schedule ADF-11  
SEK**

Fiscal Year	Discount Rate	Standard schedule - %-	Schedule 3 years - %-	Schedule 4 years-%-	Schedule 5 years -%-	Schedule 6 years-%-	Schedule 7 years-%-
2008		3.430	33.333	25	20	16.667	14.29
2009		7.760	33.333	25	20	16.667	14.29
2010		12.580	33.333	25	20	16.667	14.29
2011		14.770		25	20	16.667	14.29
2012		14.870			20	16.667	14.29
2013		13.700				16.667	14.29
2014		11.740					14.29
2015		9.740					
2016		8.400					
2017		3.010					
<b>Discount rate</b>	<b>4.12%</b>						
<b>Total</b>		<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>
<b>NPV equivalent</b>		<b>84.15</b>	<b>96.10</b>	<b>94.22</b>	<b>92.39</b>	<b>90.61</b>	<b>88.88</b>
<b>Discount /credit as % of face value</b>			<b>14.19%</b>	<b>11.96%</b>	<b>9.79%</b>	<b>7.68%</b>	<b>5.62%</b>

**Accelerated encashment schedule ADF-11  
US DOLLAR**

Fiscal Year	Discount Rate	Standard schedule - %-	Schedule 3 years - %-	Schedule 4 years-%-	Schedule 5 years -%-	Schedule 6 years-%-	Schedule 7 years-%-
2008		3.430	33.333	25	20	16.667	14.29
2009		7.760	33.333	25	20	16.667	14.29
2010		12.580	33.333	25	20	16.667	14.29
2011		14.770		25	20	16.667	14.29
2012		14.870			20	16.667	14.29
2013		13.700				16.667	14.29
2014		11.740					14.29
2015		9.740					
2016		8.400					
2017		3.010					
<b>Discount rate</b>	<b>4.69%</b>						
<b>Total</b>		<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>
<b>NPV equivalent</b>		<b>82.26</b>	<b>95.59</b>	<b>93.48</b>	<b>91.43</b>	<b>89.45</b>	<b>87.52</b>
<b>Discount /credit as % of face value</b>			<b>16.19%</b>	<b>13.63%</b>	<b>11.14%</b>	<b>8.73%</b>	<b>6.39%</b>

**Accelerated encashment schedule ADF-11  
SDR**

Fiscal Year	Discount Rate	Standard schedule - %-	Schedule 3 years - %-	Schedule 4 years-%-	Schedule 5 years -%-	Schedule 6 years-%-	Schedule 7 years-%-
2008		3.430	33.333	25	20	16.667	14.286
2009		7.760	33.333	25	20	16.667	14.286
2010		12.580	33.333	25	20	16.667	14.286
2011		14.770		25	20	16.667	14.286
2012		14.870			20	16.667	14.286
2013		13.700				16.667	14.286
2014		11.740					14.286
2015		9.740					
2016		8.400					
2017		3.010					
<b>Discount rate</b>	<b>4.30%</b>						
<b>Total</b>		<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>
<b>NPV equivalent</b>		<b>83.55</b>	<b>95.93</b>	<b>93.98</b>	<b>92.09</b>	<b>90.24</b>	<b>88.45</b>
<b>Discount /credit as % of face value</b>			<b>14.82%</b>	<b>12.49%</b>	<b>10.22%</b>	<b>8.01%</b>	<b>5.86%</b>

**Annex 2: Increase in donor contributions following the use of a shorter encashment schedule**

<b>Encashment Period</b>	<b>5-year Encashment</b>	<b>6-year Encashment</b>	<b>7-year Encashment</b>	<b>8-year Encashment</b>
<b>Increase in ADF-11 subscriptions</b>	<b>9.9%</b>	<b>7.7%</b>	<b>5.7%</b>	<b>3.6%</b>

## Annex 3: Foregone ADF-9 & ADF-10 principal due to grant financing

### ADF-9 GRANT COMPENSATION SCHEDULE

In UA

State Participants	ADF-9 Normalized Burden Share	ADF-9 Grant Compensation						
		ADF-12	ADF-13			ADF-14		
		2013	2014	2015	2016	2017	2018	2019
1 ARGENTINA	0.000%	-	-	-	-	-	-	-
2 AUSTRIA	1.248%	1,037	12,500	34,372	58,395	58,395	58,395	58,395
3 BELGIUM	2.100%	1,745	21,037	57,847	98,278	98,278	98,278	98,278
4 BRAZIL	0.447%	371	4,477	12,310	20,913	20,913	20,913	20,913
5 CANADA	5.729%	4,758	57,375	157,764	268,030	268,030	268,030	268,030
6 CHINA	2.090%	1,736	20,935	57,566	97,801	97,801	97,801	97,801
7 DENMARK	3.819%	3,172	38,250	105,176	178,687	178,687	178,687	178,687
8 FINLAND	1.910%	1,586	19,125	52,588	89,343	89,343	89,343	89,343
9 FRANCE	9.328%	7,748	93,429	256,902	436,459	436,459	436,459	436,459
10 GERMANY	10.635%	8,834	106,519	292,895	497,609	497,609	497,609	497,609
11 INDIA	0.222%	184	2,219	6,101	10,365	10,365	10,365	10,365
12 ITALY	5.474%	4,547	54,825	150,752	256,118	256,118	256,118	256,118
13 JAPAN	11.224%	9,323	112,417	309,115	525,165	525,165	525,165	525,165
14 KOREA	0.810%	672	8,109	22,297	37,882	37,882	37,882	37,882
15 KUWAIT	0.213%	177	2,128	5,852	9,943	9,943	9,943	9,943
16 THE NETHERLANDS	4.710%	3,912	47,175	129,717	220,380	220,380	220,380	220,380
17 NORWAY	4.507%	3,743	45,135	124,108	210,850	210,850	210,850	210,850
18 PORTUGAL	0.817%	679	8,185	22,508	38,239	38,239	38,239	38,239
19 SAUDI ARABIA	0.688%	571	6,886	18,935	32,170	32,170	32,170	32,170
20 SOUTH AFRICA	0.150%	125	1,503	4,134	7,023	7,023	7,023	7,023
21 SPAIN	2.921%	2,426	29,258	80,450	136,679	136,679	136,679	136,679
22 SWEDEN	5.092%	4,229	51,000	140,235	238,249	238,249	238,249	238,249
23 SWITZERLAND	3.819%	3,172	38,250	105,176	178,687	178,687	178,687	178,687
24 UNITED ARAB EMIRATES	0.000%	-	-	-	-	-	-	-
25 UNITED KINGDOM	7.002%	5,816	70,125	192,823	327,592	327,592	327,592	327,592
26 USA	15.045%	12,497	150,687	414,346	703,944	703,944	703,944	703,944
<b>TOTAL</b>	<b>100%</b>	<b>83,060</b>	<b>1,001,550</b>	<b>2,753,970</b>	<b>4,678,800</b>	<b>4,678,800</b>	<b>4,678,800</b>	<b>4,678,800</b>

### ADF-10 GRANT COMPENSATION SCHEDULE

State Participants	ADF-10 Normalized Burden Share	ADF-10 Grant Compensation						
		ADF-13	ADF-14			ADF-15		
		2016	2017	2018	2019	2020	2021	2022
1 ARGENTINA	0.000%	-	-	-	-	-	-	-
2 AUSTRIA	2.285%	9,474	105,805	208,575	237,232	237,232	237,232	237,232
3 BELGIUM/	2.147%	8,900	99,393	195,935	222,856	222,856	222,856	222,856
4 BRAZIL	0.000%	-	-	-	-	-	-	-
5 CANADA	6.233%	25,838	288,559	568,842	646,997	646,997	646,997	646,997
6 CHINA	2.274%	9,428	105,292	207,564	236,082	236,082	236,082	236,082
7 DENMARK	1.507%	6,246	69,757	137,513	156,406	156,406	156,406	156,406
8 FINLAND	2.078%	8,613	96,186	189,614	215,666	215,666	215,666	215,666
9 FRANCE	12.743%	52,825	589,944	1,162,966	1,322,750	1,322,750	1,322,750	1,322,750
10 GERMANY	9.156%	37,953	423,852	835,547	950,346	950,346	950,346	950,346
11 INDIA	0.241%	999	11,159	21,998	25,021	25,021	25,021	25,021
12 ITALY	5.541%	22,967	256,497	505,638	575,109	575,109	575,109	575,109
13 JAPAN	9.255%	38,366	428,471	844,652	960,701	960,701	960,701	960,701
14 KOREA	0.881%	3,652	40,783	80,396	91,442	91,442	91,442	91,442
15 KUWAIT	0.231%	959	10,709	21,110	24,011	24,011	24,011	24,011
16 THE NETHERLANDS	5.312%	22,020	245,923	484,793	551,400	551,400	551,400	551,400
17 NORWAY	4.903%	20,326	227,000	447,489	508,971	508,971	508,971	508,971
18 PORTUGAL	0.783%	3,245	36,244	71,448	81,264	81,264	81,264	81,264
19 SAUDI ARABIA	0.417%	1,729	19,308	38,062	43,291	43,291	43,291	43,291
20 SOUTH AFRICA	0.163%	677	7,561	14,906	16,953	16,953	16,953	16,953
21 SPAIN	3.047%	12,632	141,073	278,101	316,310	316,310	316,310	316,310
22 SWEDEN	5.541%	22,967	256,497	505,638	575,109	575,109	575,109	575,109
23 SWITZERLAND	3.556%	14,741	164,622	324,522	369,109	369,109	369,109	369,109
24 UNITED ARAB EMIRATES	0.000%	-	-	-	-	-	-	-
25 UNITED KINGDOM	10.389%	43,064	480,932	948,070	1,078,329	1,078,329	1,078,329	1,078,329
26 USA	11.316%	46,909	523,883	1,032,739	1,174,631	1,174,631	1,174,631	1,174,631
<b>TOTAL</b>	<b>100%</b>	<b>414,530</b>	<b>4,629,450</b>	<b>9,126,119</b>	<b>10,379,985</b>	<b>10,379,985</b>	<b>10,379,985</b>	<b>10,379,985</b>

## ANNEX 4

## BASELINE SUBSCRIPTIONS TO ADF-11

STATE PARTICIPANTS	BURDEN SHARE	BURDEN SHARE	CONTRIBUTIONS IN UA	UNITS OF OBLIGATION	EXCHANGE RATE <sup>1</sup>	AMOUNT SUBSCRIBED IN CURRENCY OF OBLIGATION
	ADF-10	ADF-11				
1 ARGENTINA	0.000%	0.000%	-	-		
2 AUSTRIA	1.650%	2.285%	60,255,061.68	EUR	1.12198	67,604,974.10
3 BELGIUM	1.550%	2.147%	56,603,506.45	EUR	1.12198	63,508,002.17
4 BRAZIL	0.000%	0.000%	-			-
5 CANADA	4.500%	6.233%	164,331,986.76	CAD	1.64761	270,755,024.71
6 CHINA	1.642%	2.274%	59,962,915.91	USD	1.52057	91,177,811.05
7 DENMARK	1.088%	1.507%	39,725,802.15	DKK	8.35442	331,886,036.00
8 FINLAND	1.500%	2.078%	54,777,328.92	EUR	1.12198	61,459,067.50
9 FRANCE	9.200%	12.743%	335,967,617.72	EUR	1.12198	376,948,947.73
10 GERMANY	6.610%	9.156%	241,380,000.00	SDR	1.00000	241,380,000.00
11 INDIA	0.174%	0.241%	6,355,002.26	INR	62.36233	396,312,747.97
12 ITALY	4.000%	5.541%	146,072,877.12	EUR	1.12198	163,890,846.67
13 JAPAN	6.682%	9.255%	244,010,163.44	JPY	183.49998	44,775,860,110.54
14 KOREA	0.636%	0.881%	23,225,587.46	KRW	1,408.93336	32,723,304,980.49
15 KUWAIT	0.167%	0.231%	6,098,542.44	USD	1.52057	9,273,260.67
16 THE NETHERLANDS	3.835%	5.312%	140,051,095.64	EUR	1.12198	157,134,528.29
17 NORWAY	3.540%	4.903%	129,274,496.25	NOK	9.03534	1,168,039,026.96
18 PORTUGAL	0.565%	0.783%	20,640,364.19	EUR	1.12198	23,158,075.82
19 SAUDI ARABIA	0.301%	0.417%	10,995,573.62	USD	1.52057	16,719,539.38
20 SOUTH AFRICA	0.118%	0.163%	4,306,035.47	ZAR	10.74916	46,286,264.23
21 SPAIN	2.200%	3.047%	80,340,082.42	EUR	1.12198	90,139,965.67
22 SWEDEN	4.000%	5.541%	146,072,877.18	SEK	10.37206	1,515,076,646.49
23 SWITZERLAND	2.567%	3.556%	93,750,561.68	CHF	1.85027	173,463,851.76
24 UNITED ARAB EMIRATES	0.000%	0.000%	-			-
25 UNITED KINGDOM	7.500%	10.389%	273,886,644.60	GBP	0.76046	208,279,837.75
26 UNITED STATES OF AMERICA	8.170%	11.316%	298,346,564.19	USD	1.52057	453,656,835.11
<b>TOTAL DONOR CONTRIBUTIONS</b>	<b>72.195%</b>	<b>100.00%</b>	<b>2,636,430,687.55</b>			

<sup>1</sup> Rates for the period 1 April 2007-15 August 2007 presented for indicative purpose. The ADF-11 replenishment rates are for the period 1 April 2007-30 September 2007

## ANNEX 5

## REPLENISHMENT SCENARIO 1: 40% INCREASE IN RESOURCES

STATE PARTICIPANTS	BURDEN SHARE	BURDEN SHARE	CONTRIBUTIONS IN UA	UNITS OF OBLIGATION	EXCHANGE RATE <sup>1</sup>	AMOUNT SUBSCRIBED IN CURRENCY OF OBLIGATION
	ADF-10	ADF-11				
1 ARGENTINA	0.000%	0.000%	-	-		
2 AUSTRIA	1.650%	2.171%	78,727,884.61	EUR	1.12198	88,331,111.98
3 BELGIUM	1.550%	2.040%	73,956,846.13	EUR	1.12198	82,978,102.22
4 BRAZIL	0.000%	0.000%	-			-
5 CANADA	4.500%	5.921%	214,712,413.06	CAD	1.64761	353,762,318.89
6 CHINA	1.642%	2.161%	78,346,173.64	USD	1.52057	119,130,841.25
7 DENMARK	1.088%	1.431%	51,904,823.94	DKK	8.35442	433,634,699.23
8 FINLAND	1.500%	1.974%	71,570,804.35	EUR	1.12198	80,301,011.07
9 FRANCE	9.200%	12.106%	438,967,600.48	EUR	1.12198	492,512,868.39
10 GERMANY	6.610%	8.698%	315,381,583.87	SDR	1.00000	315,381,583.87
11 INDIA	0.174%	0.229%	8,303,300.51	INR	62.36233	517,813,166.64
12 ITALY	4.000%	5.264%	190,855,478.28	EUR	1.12198	214,136,029.52
13 JAPAN	6.682%	8.793%	318,818,095.22	JPY	183.49998	58,503,114,097.08
14 KOREA	0.636%	0.837%	30,346,021.05	KRW	1,408.93336	42,755,521,394.36
15 KUWAIT	0.167%	0.220%	7,968,215.98	USD	1.52057	12,116,230.17
16 THE NETHERLANDS	3.835%	5.047%	182,987,556.41	EUR	1.12198	205,308,378.54
17 NORWAY	3.540%	4.658%	168,907,098.27	NOK	9.03534	1,526,133,061.33
18 PORTUGAL	0.565%	0.744%	26,968,227.49	EUR	1.12198	30,257,811.88
19 SAUDI ARABIA	0.301%	0.396%	14,366,564.85	USD	1.52057	21,845,367.51
20 SOUTH AFRICA	0.118%	0.155%	5,626,167.40	ZAR	10.74916	60,476,573.56
21 SPAIN	2.200%	2.895%	104,970,513.05	EUR	1.12198	117,774,816.24
22 SWEDEN	4.000%	5.264%	190,855,478.36	SEK	10.37206	1,979,564,472.83
23 SWITZERLAND	2.567%	3.378%	122,492,338.35	CHF	1.85027	226,643,898.88
24 UNITED ARAB EMIRATES	0.000%	0.000%	-			-
25 UNITED KINGDOM	7.500%	9.869%	357,854,021.77	GBP	0.76046	272,133,669.39
26 UNITED STATES OF AMERICA	8.170%	10.750%	389,812,792.93	USD	1.52057	592,737,638.54
<b>TOTAL DONOR CONTRIBUTIONS</b>	<b>72.19%</b>	<b>95.00%</b>	<b>3,444,700,000.00</b>			
<b>TECHNICAL GAP</b>		<b>5.00%</b>	<b>181,300,000.00</b>			
<b>REPLENISHMENT LEVEL</b>		<b>100.00%</b>	<b>3,626,000,000.00</b>			

<sup>1</sup> Rates for the period 1 April 2007-15 August 2007 presented for indicative purpose. The ADF-11 replenishment rates are for the period 1 April 2007-30 September 2007

## ANNEX 6

## REPLENISHMENT SCENARIO 2: 50% INCREASE IN RESOURCES

STATE PARTICIPANTS	BURDEN SHARE	BURDEN SHARE	CONTRIBUTIONS IN UA	UNITS OF OBLIGATION	EXCHANGE RATE <sup>1</sup>	AMOUNT SUBSCRIBED IN CURRENCY OF OBLIGATION
	ADF-10	ADF-11				
1 ARGENTINA	0.000%	0.000%	-	-		
2 AUSTRIA	1.650%	2.171%	86,413,949.46	EUR	1.12198	96,954,723.02
3 BELGIUM	1.550%	2.040%	81,177,122.89	EUR	1.12198	63,649,292.29
4 BRAZIL	0.000%	0.000%	-			
5 CANADA	4.500%	5.921%	235,674,408.16	CAD	1.64761	388,299,511.63
6 CHINA	1.642%	2.161%	85,994,972.72	USD	1.52057	130,761,375.67
7 DENMARK	1.088%	1.431%	56,972,200.57	DKK	8.35442	332,215,056.00
8 FINLAND	1.500%	1.974%	78,558,136.05	EUR	1.12198	88,140,657.49
9 FRANCE	9.200%	12.106%	481,823,234.95	EUR	1.12198	540,596,033.15
10 GERMANY	6.610%	8.698%	346,171,732.98	SDR	1.00000	346,171,732.98
11 INDIA	0.174%	0.229%	9,113,937.13	INR	62.36233	568,366,355.00
12 ITALY	4.000%	5.264%	209,488,362.81	EUR	1.12198	235,041,753.30
13 JAPAN	6.682%	8.793%	349,943,744.89	JPY	183.49998	64,214,670,189.29
14 KOREA	0.636%	0.837%	33,308,649.69	KRW	1,408.93336	46,929,667,719.13
15 KUWAIT	0.167%	0.220%	8,746,138.88	USD	1.52057	8,319,542.00
16 THE NETHERLANDS	3.835%	5.047%	200,852,309.57	EUR	1.12198	225,352,274.29
17 NORWAY	3.540%	4.658%	185,397,201.08	NOK	9.03534	1,675,126,746.85
18 PORTUGAL	0.565%	0.744%	29,601,088.09	EUR	1.12198	33,211,828.81
19 SAUDI ARABIA	0.301%	0.396%	15,769,147.30	USD	1.52057	23,978,092.31
20 SOUTH AFRICA	0.118%	0.155%	6,175,440.22	ZAR	10.74916	66,380,795.02
21 SPAIN	2.200%	2.895%	115,218,599.55	EUR	1.12198	129,272,964.32
22 SWEDEN	4.000%	5.264%	209,488,362.89	SEK	10.37206	2,172,825,869.24
23 SWITZERLAND	2.567%	3.378%	134,451,049.82	USD	1.85027	127,893,139.00
24 UNITED ARAB EMIRATES	0.000%	0.000%	-			
25 UNITED KINGDOM	7.500%	9.869%	392,790,680.26	GBP	0.76046	298,701,600.71
26 UNITED STATES OF AMERICA	8.170%	10.750%	427,869,530.02	USD	1.52057	650,605,571.26
<b>TOTAL DONOR CONTRIBUTIONS</b>	<b>72.19%</b>	<b>95.00%</b>	<b>3,781,000,000.00</b>			
<b>TECHNICAL GAP</b>		<b>5.00%</b>	<b>199,000,000.00</b>			
<b>REPLENISHMENT LEVEL</b>		<b>100.00%</b>	<b>3,980,000,000.00</b>			

<sup>1</sup> Rates for the period 1 April 2007-15 August 2007 presented for indicative purpose. The ADF-11 replenishment rates are for the period 1 April 2007-30 September 2007



## ANNEX 7

## REPLENISHMENT SCENARIO 3: 60% INCREASE IN RESOURCES

STATE PARTICIPANTS	BURDEN SHARE ADF-10	BURDEN SHARE ADF-11	CONTRIBUTIONS IN UA	UNITS OF OBLIGATION	EXCHANGE RATE <sup>1</sup>	AMOUNT SUBSCRIBED IN CURRENCY OF OBLIGATION
1 ARGENTINA	0.000%	0.000%	-	-		
2 AUSTRIA	1.650%	2.171%	94,121,726.36	EUR	1.12198	105,602,695
3 BELGIUM	1.550%	2.040%	88,417,795.91	EUR	1.12198	99,202,999
4 BRAZIL	0.000%	0.000%	-			-
5 CANADA	4.500%	5.921%	256,695,617.93	CAD	1.64761	422,934,267
6 CHINA	1.642%	2.161%	93,665,378.58	USD	1.52057	142,424,765
7 DENMARK	1.088%	1.431%	62,053,891.83	DKK	8.35442	518,424,275
8 FINLAND	1.500%	1.974%	85,565,205.98	EUR	1.12198	96,002,450
9 FRANCE	9.200%	12.106%	524,799,930.53	EUR	1.12198	588,815,026
10 GERMANY	6.610%	8.698%	377,048,859.92	SDR	1.00000	377,048,860
11 INDIA	0.174%	0.229%	9,926,863.68	INR	62.36233	619,062,349
12 ITALY	4.000%	5.264%	228,173,882.61	EUR	1.12198	256,006,533
13 JAPAN	6.682%	8.793%	381,157,320.13	JPY	183.49998	69,942,360,621
14 KOREA	0.636%	0.837%	36,279,647.33	KRW	1,408.93336	51,115,605,418
15 KUWAIT	0.167%	0.220%	9,526,259.31	USD	1.52057	14,485,344
16 THE NETHERLANDS	3.835%	5.047%	218,767,528.14	EUR	1.12198	245,452,791
17 NORWAY	3.540%	4.658%	201,933,886.11	NOK	9.03534	1,824,541,318
18 PORTUGAL	0.565%	0.744%	32,241,386.15	EUR	1.12198	36,174,190
19 SAUDI ARABIA	0.301%	0.396%	17,175,691.84	USD	1.52057	26,116,842
20 SOUTH AFRICA	0.118%	0.155%	6,726,264.66	ZAR	10.74916	72,301,695
21 SPAIN	2.200%	2.895%	125,495,635.44	EUR	1.12198	140,803,593
22 SWEDEN	4.000%	5.264%	228,173,882.70	SEK	10.37206	2,366,633,202
23 SWITZERLAND	2.567%	3.378%	146,443,542.96	USD	1.85027	270,960,094
24 UNITED ARAB EMIRATES	0.000%	0.000%	-			-
25 UNITED KINGDOM	7.500%	9.869%	427,826,029.89	GBP	0.76046	325,344,583
26 UNITED STATES OF AMERICA	8.170%	10.750%	466,033,772.02	USD	1.52057	708,636,973
						-
<b>TOTAL DONOR CONTRIBUTIONS</b>	<b>72.19%</b>	<b>95.00%</b>	<b>4,118,250,000.00</b>			
<b>TECHNICAL GAP</b>		<b>5.00%</b>	<b>216,750,000.00</b>			
<b>REPLENISHMENT LEVEL</b>		<b>100.00%</b>	<b>4,335,000,000.00</b>			

<sup>1</sup> Rates for the period 1 April 2007-15 August 2007 presented for indicative purpose. The ADF-11 replenishment rates are for the period 1 April 2007-30 September 2007

## ANNEX 8

## REPLENISHMENT SCENARIO 4: 100% INCREASE IN RESOURCES

STATE PARTICIPANTS	BURDEN SHARE	BURDEN SHARE	CONTRIBUTIONS IN UA	UNITS OF OBLIGATION	EXCHANGE RATE <sup>1</sup>	AMOUNT SUBSCRIBED IN CURRENCY OF OBLIGATION
	ADF-10	ADF-11				
1 ARGENTINA	0.000%	0.000%	-	-		
2 AUSTRIA	1.650%	2.171%	125,061,394.20	EUR	1.12198	140,316,383.06
3 BELGIUM	1.550%	2.040%	117,482,469.30	EUR	1.12198	131,812,980.91
4 BRAZIL	0.000%	0.000%	-			-
5 CANADA	4.500%	5.921%	341,076,530.40	CAD	1.64761	561,961,102.26
6 CHINA	1.642%	2.161%	124,455,035.90	USD	1.52057	189,242,593.94
7 DENMARK	1.088%	1.431%	82,452,229.98	DKK	8.35442	688,840,559.17
8 FINLAND	1.500%	1.974%	113,692,176.80	EUR	1.12198	127,560,348.52
9 FRANCE	9.200%	12.106%	697,312,018.42	EUR	1.12198	782,370,138.42
10 GERMANY	6.610%	8.698%	500,992,256.78	SDR	1.00000	500,992,256.78
11 INDIA	0.174%	0.229%	13,190,019.57	INR	62.36233	822,560,352.96
12 ITALY	4.000%	5.264%	303,179,138.13	EUR	1.12198	340,160,929.40
13 JAPAN	6.682%	8.793%	506,451,248.89	JPY	183.49998	92,933,794,042.80
14 KOREA	0.636%	0.837%	48,205,482.96	KRW	1,408.93336	67,918,313,080.95
15 KUWAIT	0.167%	0.220%	12,657,728.64	USD	1.52057	19,246,962.43
16 THE NETHERLANDS	3.835%	5.047%	290,680,729.43	EUR	1.12198	326,137,964.81
17 NORWAY	3.540%	4.658%	268,313,537.25	NOK	9.03534	2,424,304,035.64
18 PORTUGAL	0.565%	0.744%	42,839,765.67	EUR	1.12198	48,065,360.29
19 SAUDI ARABIA	0.301%	0.396%	22,821,680.51	USD	1.52057	34,701,962.74
20 SOUTH AFRICA	0.118%	0.155%	8,937,320.52	ZAR	10.74916	96,068,688.28
21 SPAIN	2.200%	2.895%	166,748,525.98	EUR	1.12198	187,088,511.18
22 SWEDEN	4.000%	5.264%	303,179,138.26	SEK	10.37206	3,144,592,212.77
23 SWITZERLAND	2.567%	3.378%	194,582,423.86	USD	1.85027	360,030,021.39
24 UNITED ARAB EMIRATES	0.000%	0.000%	-			-
25 UNITED KINGDOM	7.500%	9.869%	568,460,884.00	GBP	0.76046	432,291,763.85
26 UNITED STATES OF AMERICA	8.170%	10.750%	619,228,264.55	USD	1.52057	941,579,922.22
						-
<b>TOTAL DONOR CONTRIBUTIONS</b>	<b>72.19%</b>	<b>95.00%</b>	<b>5,472,000,000.00</b>			
<b>TECHNICAL GAP</b>		<b>5.00%</b>	<b>288,000,000.00</b>			
<b>REPLENISHMENT LEVEL</b>		<b>100.00%</b>	<b>5,760,000,000.00</b>			

<sup>1</sup> Rates for the period 1 April 2007-15 August 2007 presented for indicative purpose. The ADF-11 replenishment rates are for the period 1 April 2007-30 September 2007