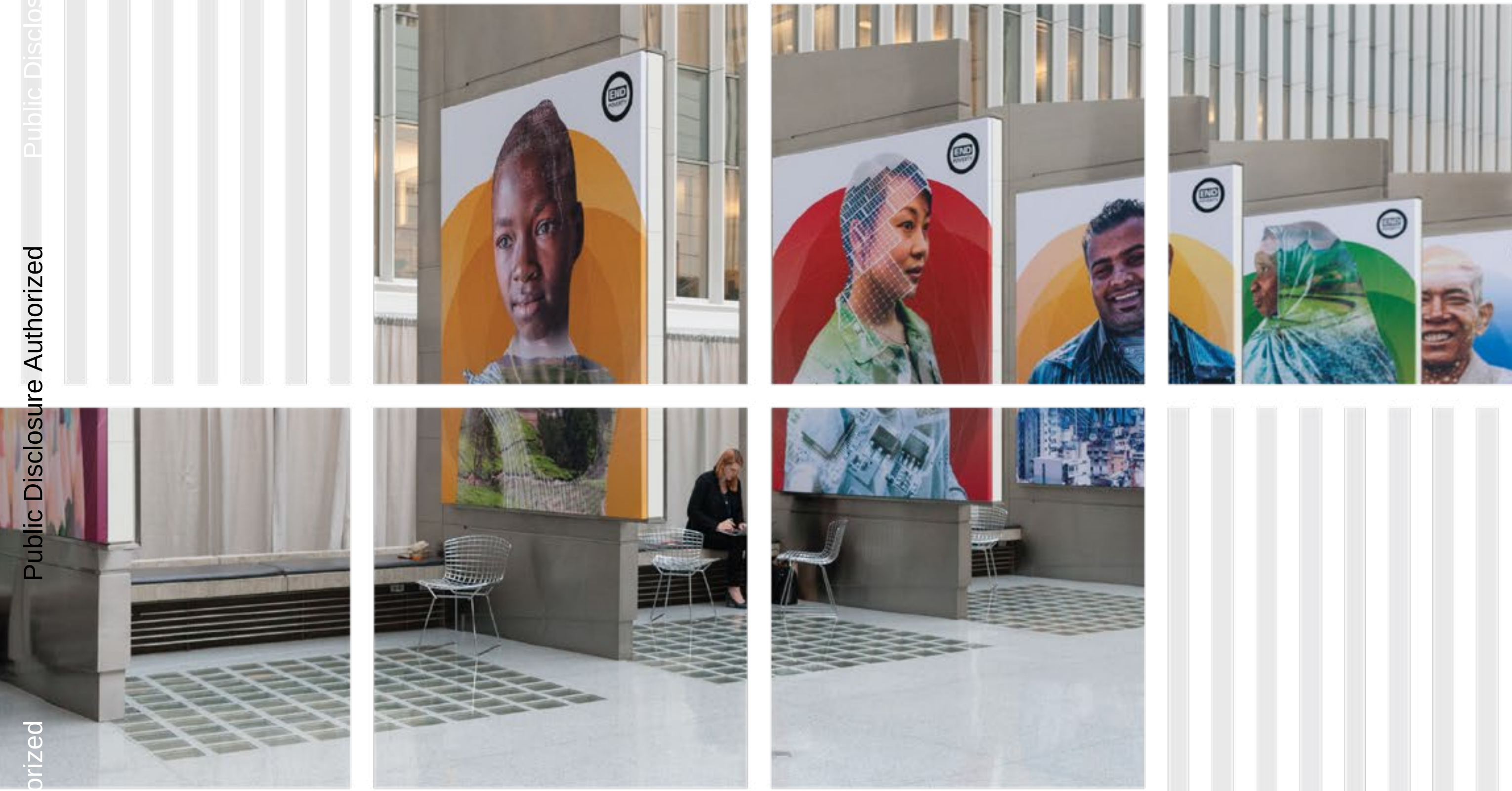
IBRD Callable Capital



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Acronyms and Abbreviations

CAF	Capital Adequacy Framework
E/L	Equity-to-Loan Ratio
FY	Fiscal Year
IBRD	International Bank for Reconstruction and Development
LLP	Loan Loss Provisioning
MDB	Multilateral Development Bank
MOF	Ministry of Finance
PCT	Preferred Creditor Treatment

Executive Summary

Callable capital has been an integral part of IBRD's capital structure and a foundational element in IBRD's capital adequacy framework. This report seeks to provide increased clarity on the process and governance surrounding IBRD's callable capital, including clarification on scenarios that could lead to a call, when callable capital can be called, how a call could be made, and how shareholders could respond to a call.

IBRD's callable capital can only be called to meet bond and guarantee obligations. The Executive Directors are authorized to call capital by a majority of the total voting power. IBRD's Articles of Agreement set forth a clear "waterfall" for calling capital where IBRD's special reserve, surplus, and the income earned on its paid-in capital and retained earnings would be applied to meet bond and guarantee obligations prior to calling capital. A capital call can be made well in advance of any potential default. Under IBRD's prudent financial policies – including substantial liquidity holdings and annual reviews of sustainable lending limits over a multi-year horizon – Board and Management should have a substantial amount of time to discuss remedial measures and to provide advance warning to shareholders of any potential call on capital.

The reverse stress test analysis illustrated the type of scenarios that could trigger a downward spiral starting with a large shock of non-performing loans and multiple rating downgrades that eventually leads to a call on capital. The analysis highlights the extreme remote nature of these scenarios. IBRD's capital adequacy framework is designed to limit the probability of such an event to very low levels. Furthermore, IBRD's robust financial policy framework which adheres to the highest industry standards and triple-A credit rating requirements protects the institution's financial soundness including in adverse scenarios.

Shareholder countries' commitments to the IBRD callable capital are legally binding and backed by the full faith of shareholder countries. Callable capital is generally recorded off balance sheet as a contingent liability by shareholder countries – usually with no budgetary provisions made given its extremely remote nature.

For callable capital that has not been appropriated, most governments would be required to secure approval from their respective Parliaments before responding to a call. However, a number of governments have already received Parliamentary appropriations for a part or all of their callable capital subscriptions to IBRD and therefore would not require Parliamentary approval to make payment up to the appropriated amounts in the event of a call.

The need for a Parliamentary approval and the size of the call are two important factors that affect the timeline within which a government can respond to a call. The payment could be made within a few days to a few weeks for those that have already received Parliamentary appropriations or can accommodate the called amount within the existing budget envelop, and a few months to a year for those that need to obtain a Parliamentary approval. While the processes and timeframes vary among shareholder countries, the clarifications provided by shareholders demonstrate that they would be able to respond to a call within the time period that would be available to them in the extreme unlikely event that a call were to become necessary.

1 Introduction

Callable capital has been an integral part of IBRD's capital structure since its inception nearly eight decades ago. It is a foundational element in IBRD's Capital Adequacy Framework (CAF) and played an important role in supporting IBRD's initial access to the market before it obtained a triple-A credit rating. As of June 30, 2023, IBRD has a total of $296 billion in callable capital, accounting for 93 percent of its $318 billion total subscribed capital, with the remaining 7%, or $22 billion, in paid-in capital.

The purpose of this report is to provide increased clarity on the process and governance surrounding IBRD's callable capital, including clarification on scenarios that could lead to a call, when callable capital can be called, how a call could be made, and how shareholders could respond to a call. The report reflects results of a three-pronged exercise undertaken jointly by Management and shareholder governments, including – (1) the analysis of legal and governance provisions on callable capital; (2) the reverse stress test analysis on scenarios that could lead to an eventual call on capital; and (3) the processes in individual shareholder countries for responding to a call on capital. The G20 Independent Review of Multilateral Development Banks' (MDB) Capital Adequacy Frameworks recognized that clarifying these processes has value, and this clarity is an important part of implementing the review's recommendation on callable capital.

The report is structured as follows: Section 2 provides an overview of the legal and governance framework for IBRD's callable capital; Section 3 discusses potential scenarios that could lead to an eventual call on capital as illustrated in the reverse stress test analysis; Section 4 summarizes the processes of a number of shareholder countries for responding to a call on capital, along with their treatment of callable capital from legal, accounting, and budgetary perspectives, based on results from a shareholder survey. Section 5 concludes the report. Annex 1 provides all IBRD shareholders' paid-in and callable capital information, and Annex 2 provides country-by-country details of the shareholders' callable capital survey results.

2 Legal and Governance Framework

This section discusses the legal and governance framework surrounding IBRD's callable capital. It focuses on when callable capital can be called under the terms set forth in IBRD's Articles of Agreement and other governing documents and who is authorized to call capital.

IBRD's callable capital can only be called to meet bond and guarantee obligations. Article II, Section 5 provides that 80 percent of each capital subscription shall be subject to call "only when required to meet [bond and guarantee] obligations of the Bank". Under the Articles, any unpaid portion of the remaining 20 percent could be called by IBRD as needed for its operations. However, in every subsequent capital increase in which the paid-in portion was less than 20 percent, the relevant Board of Governors Resolution specified that these amounts were subject to the same terms as the 80 percent portion and could only be called to meet IBRD's obligations. Accordingly, all of IBRD's callable capital is ring-fenced solely to meet its bond and guarantee obligations.

The Executive Directors are authorized to call capital by a majority of the total voting power. IBRD's Articles of Agreement do not explicitly specify who has the right to call capital. Article IV, Section 7(c) states that "the Bank" may call capital when necessary to meet bond and guarantee obligations. Furthermore, the general descriptions of the roles of the Governors, Executive Directors, and the President in the Articles do not encompass the power to call capital. However, other provisions of the Articles lead to the conclusion that the authority to call capital rests with the Executive Directors. All powers of IBRD are initially vested in the Governors, but the Governors are authorized to delegate all of their powers to the Executive Directors, except for seven specifically identified reserved powers (Article V, Section 2). The list of reserved powers does not include the power to call capital. The Governors have subsequently delegated all non-reserved powers to the Executive Directors (By-Laws of IBRD, Section 14). Accordingly, the power to call capital has been delegated to the Executive Directors. Finally, there are no specific voting requirements for calling capital. Accordingly, under the general voting rules set forth in the Articles, calling capital would require the approval of Executive Directors exercising a majority of the total voting power.

IBRD's Articles set forth a clear "waterfall" for calling capital. In the event of loan losses, IBRD must first resort to a special reserve (established under Article IV, Section 6), and then to the "other reserves, surplus, and [paid-in] capital available to the Bank" (Article IV, Section

7(b)). If these resources are not sufficient to absorb loan losses, IBRD may call capital when "necessary" to meet its bond and guarantee obligations (Article IV, Section 7(c)). Both the special reserve and surplus are invested in securities and can be liquidated as needed to meet bond and guarantee obligations, but paid-in capital and "other reserves" (retained earnings) are deployed on loans. Accordingly, in practice, the terms of Article IV, Sections 7(b) and 7(c) mean that IBRD may call capital if the special reserve, surplus, and income earned on its capital and reserves, if any, are not sufficient to cover its bond and guarantee obligations.

IBRD's Articles, as interpreted, allow capital to be called well in advance of any potential default. The Executive Directors have the power to interpret the Articles under Article IX. In 1947, in connection with IBRD's entry into the capital markets, the Executive Directors exercised this authority to clarify the timing of a call on capital:

> The Bank need not defer a call of all or part of the 80% of the subscriptions to its capital stock which is subject to call to meet obligations of the Bank created under Sections 1(a)(ii) and (iii) of Article IV of its Articles of Agreement until such obligations have actually matured. If for any reason the Bank will not have available funds sufficient to meet such obligations as they mature, it has the right under its Articles of Agreement to make calls on such 80% sufficiently in advance of the maturity of such obligations in order to meet them as they mature.

The Executive Directors subsequently determined in a 1960 interpretation that the above conclusion would apply to all unpaid capital, including amounts within the 20 percent portion in subsequent capital increases that were not required to be paid in. The information provided by individual shareholders (summarized in Table 2 and set forth in Annex 2) provides clarity on how much advance notice would be required in order for shareholders to meet their callable capital obligations and would be used to determine the timing of any potential call. *Accordingly, IBRD can call capital sufficiently in advance of any potential default in order to allow payment by shareholders in time to ensure that all obligations are paid in full and on time.*

IBRD also holds a substantial amount of liquidity, which could be applied to meet its bond and guarantee obligations at a time of severe stress. IBRD annually determines a Target Liquidity Level equal to estimated net disbursements and debt service over the course of the coming fiscal year, and holds (at least) a Prudential Minimum equal to 80 percent of the Target Liquidity Level. The primary purpose of liquidity is to ensure that IBRD is able to meet its obligations in the event of market disruptions, but it would also provide protection in the event of substantial losses of income from non-accruing loans. While the Articles did not anticipate the need to hold such liquidity and did not include a specific reference to it in the above-referenced waterfall, liquidity would also form part of the "available funds" referenced in the 1947 Interpretation used to meet bond and guarantee obligations prior to calling capital.

The 1947 Interpretation also established that IBRD is required to call capital to meet its obligations. For the avoidance of doubt on this point, the Executive Directors clarified that:

> The 80% of the subscriptions to the capital stock which is subject to call to meet obligations of the Bank created under Sections 1(a)(i) and (iii) of Article IV of the Articles of Agreement of the Bank is a part of the assets of the Bank of which it is bound to avail itself when and to the extent necessary in order to meet such obligations. The duty of the Bank in that regard is implicit in any obligation which it creates under such Sections.

This decision was also extended to all callable capital under the 1960 interpretation.

While the Articles of Agreement do not prescribe a specific process for calling capital, IBRD's Management, Executive Directors, and Governors would engage in planning and decision-making well in advance of any potential call on capital. Management and the Executive Directors meet to review financial statements and risk reports on a quarterly basis, and to set a Sustainable Annual Lending Level (based on a multi-year horizon as part of its Financial Sustainability Framework) each fiscal year. If the historically unprecedented level of losses of income that might lead to an eventual call on capital started to materialize, such losses would be highlighted in these frequent, periodic meetings, and Management and the Executive Directors would naturally begin to discuss mitigation steps and remedial measures that could forestall, minimize, or eliminate the need for a call on capital, while simultaneously alerting the Governors of the need to take whatever steps are necessary within each member country to prepare for a potential call on capital.

Taking all of these provisions into account, IBRD has a practical roadmap for meeting a potential call on capital. Under the Articles, all of IBRD's callable capital is reserved solely for meeting bond and guarantee obligations. IBRD's special reserve, surplus, and the income earned on its paid-in capital and retained earnings would be applied to meet bond and guarantee obligations prior to calling capital. Under the Articles, as interpreted, if these funds (as well as any other "available funds", including liquidity holdings) are not sufficient to meet forthcoming obligations, IBRD has the right to call capital sufficiently in advance so that shareholders can pay in to meet such obligations in full and on time. Under its prudent financial policies – including substantial liquidity holdings and annual reviews of sustainable lending limits over a multi-year horizon – IBRD's Board and Management should have a substantial amount of time to discuss remedial measures and to provide advance warning to shareholders of any potential call on capital. While existing processes are sufficient to deal with the remote possibility of a call on capital, IBRD could consider further augmenting its policy framework to include a formal process for considering remedial measures in the event of moderate financial stress (well in advance of a potential call on capital) that could forestall, minimize, or eliminate the need for such a call.

3 Reverse Stress Test Analysis

The reverse stress test analysis is aimed to provide an indication of the type of scenarios that could eventually lead to a call on capital. The analysis is grounded in IBRD's capital adequacy stress test which is calibrated to a specific shareholder risk appetite for a large non-accrual event that could potentially trigger a downward spiral that eventually leads to a call on capital. The reverse stress test analysis examined scenarios where IBRD experiences a large non-accrual[1] shock at a 98.5 percent confidence level, which is similar in magnitude to IBRD's equity. Examples of non-accrual scenarios that would reach the rough order of magnitude of these stress levels include simultaneous defaults of (i) five of IBRD's largest exposure countries with the weakest credit (currently rated B and below by S&P, Moody's and Fitch); and (ii) the three largest borrowers (all currently rated BB+ and above by rating agencies).[2] Table 1 provides a summary of these two illustrative scenarios. This level of non-accrual is nearly five times the highest non-accrual (as a share of portfolio) that IBRD has ever experienced in its nearly 80-year history. **It thus represents an extremely remote scenario.**

Table 1: Reverse Stress Test Illustrative Scenarios

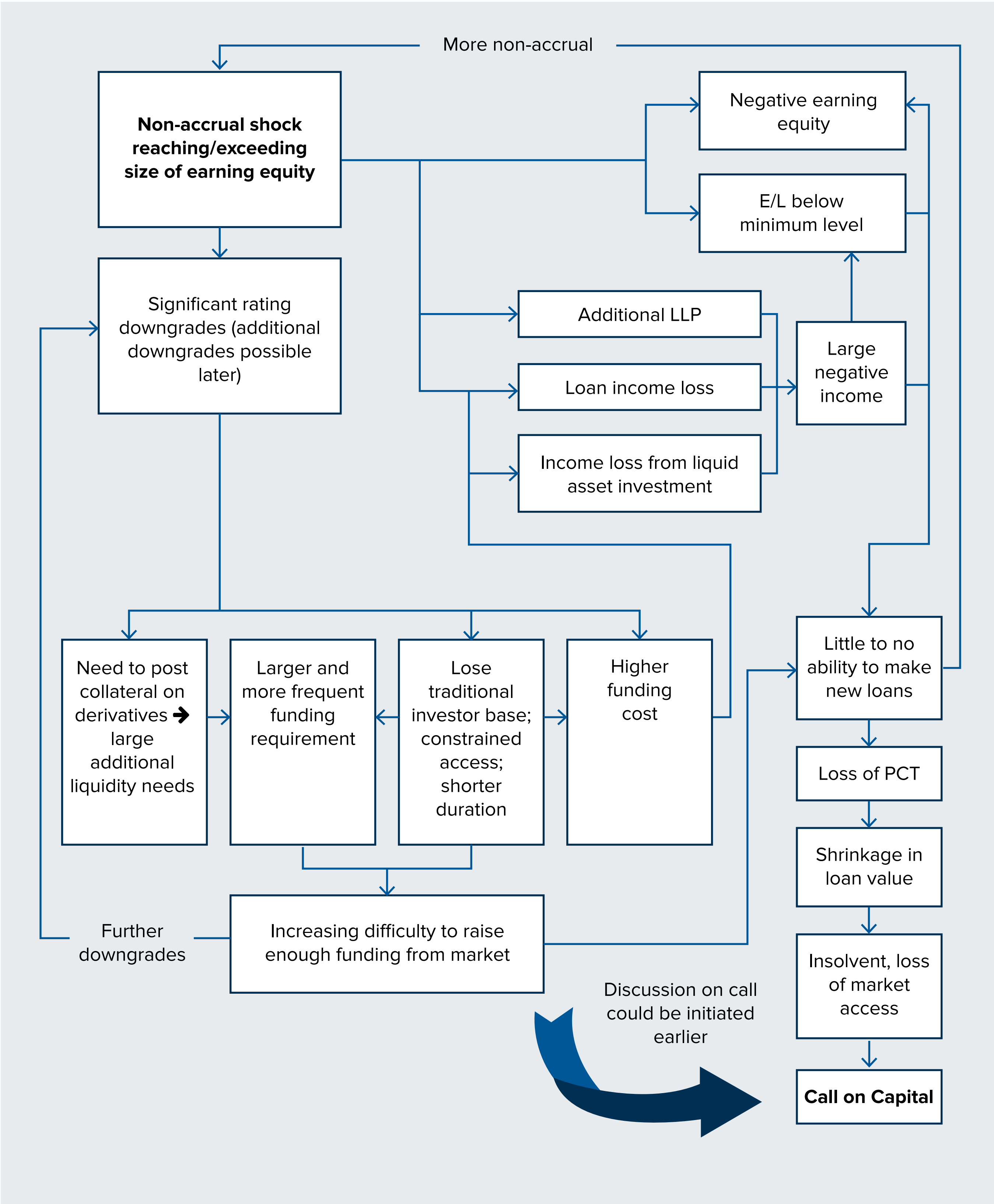
Scenarios	Share of IBRD Portfolio	Share of IBRD Earning Equity	Rating agency ratings
Scenario 1 (five weakest credit exposures among 15 largest borrowing countries)	19%	88%	CC to B
Scenario 2 (three largest exposures)	23%	107%	BB+ to BBB

Note: Balance sheet data are as of September 30, 2023.

1 Non-accrual is defined when a country has late principal and interest payment to IBRD that exceeds six months.

2 It is extremely difficult to describe with any degree of certainty the circumstances that could cause these low-probability tail events to occur; the two examples presented here simply illustrate the level of non-accrual shocks that could potentially reach IBRD's current equity levels. Likewise, precise probabilities for the two scenarios are extremely difficult to estimate. It should be noted however, that the 98.5 percent confidence level (or probability of 1.5 percent) does not represent the probability of a call but rather scenarios under which, if no remedial measures were taken, a call might eventually occur.

Figure 1: **Illustration of How a Large Non-accrual could Potentially Lead to a Call on Capital**



Under such a large non-accrual shock, IBRD is expected to suffer severe losses on its income and meanwhile face significant rating downgrades[3] leading to a three-fold impact on IBRD's market funding from restricted capital market access, a surge in funding cost, and an increase in required size of funding due to the need to start posting collateral on derivatives. IBRD's balance sheet would be severely impaired and no longer have the capacity to deliver a meaningful amount of new lending to client countries at a time they need IBRD financing the most, which could trigger additional defaults, further erosion of IBRD's Preferred Creditor Treatment (PCT), and consequently, further weaken investor confidence. These negative spiral effects, if not stopped quickly through remedial measures, could form a vicious cycle, and eventually lead to a capital call when IBRD finds itself unable to meet its debt service obligations. See Figure 1 for an illustration of the chain of events associated with a sufficiently large non-accrual that could lead to an eventual call on capital.

The exercise highlights that a capital call is a very remote tail event. IBRD's CAF is designed to limit the probability of such an event to very low levels in line with shareholder risk appetite. IBRD's robust financial policy framework which adheres to the highest industry standards and triple-A credit rating requirements protects the institution's financial soundness including in adverse scenarios. The analysis also highlights the extreme unpredictability of these tail events. How these scenarios evolve will depend heavily on the specific circumstances at that time surrounding the defaulting borrowers, the rest of IBRD client countries, non-borrowing shareholders, as well as remedial measures that might be undertaken.

3 The analysis takes into full consideration the uplift for callable capital allowed for by existing credit rating agency methodologies, some of which reduce or remove callable capital uplift when an MDB's policy importance or PCT status is significantly weakened.

4 Shareholder Process for Responding to a Call

This section summarizes the shareholder response component of the exercise in which a number of shareholders detailed their governments' institutional processes and authorizing requirements to respond to a call on capital should one be made. These shareholders provided additional clarity on two aspects: (1) their treatment of callable capital from a legal, accounting, and budgetary perspective; and (2) their domestic processes and timeframes for responding to a capital call, including whether any funds had already received budgetary appropriation for this purpose, along with the entities responsible and approvals required. Table 2 provides an overview of these processes by individual countries and Annex 2 provides detailed country-by-country input that has been received from individual shareholders.

As of the writing of this report, a total of 26 shareholders accounting for 69 percent of IBRD's shareholding have provided input on their respective processes, with other shareholders in the process of preparing input. The report reflects information that has been received to date.

Legal, Accounting and Budgetary Treatment

Shareholder countries' commitments to the IBRD callable capital are legally binding and backed by the full faith of shareholder countries. The legal status of callable capital is generally governed by the laws or legislation that each country has with respect to IBRD's Articles of Agreement, or through the capital increase resolutions.

Callable capital is generally recorded off balance sheet as a contingent liability by most of the shareholders, with some countries treating it as a guarantee. Governments in general do not make any budgetary outlays for callable capital as a call on capital is considered a remote event. In some countries, if the probability of a call were to be assessed as high or likely (e.g., greater than 50-70% in some countries), and the cashflow could be estimated, the governments would then disclose it in the notes to the Public Accounts, and in some instances record an estimated liability with corresponding provisions.

Domestic Processes and Timeframes

For callable capital that has not been appropriated, most governments would be required to secure approval from their respective Parliaments before responding to a call.

A number of governments have already received Parliamentary appropriations for a part or all of their callable capital subscriptions to IBRD and therefore would not require Parliamentary approval to make payment up to the appropriated amounts in the event of a call. For instance, the United States Congress has already appropriated approximately $7.7 billion in callable capital subscriptions to IBRD with no further appropriation or other Congressional action needed to enable the United States to pay this amount if and when called. Denmark and New Zealand do not require additional Parliamentary approval to make a payment up to their respective full $2.3 billion and $1.2 billion callable capital subscriptions, and Canada and Australia already received appropriations for a portion of their callable capital subscriptions, of $2.8 billion and $3.3 billion respectively, for which no additional Parliamentary approval is required for payments up to those amounts. In addition, a number of countries such as Japan ($22.4 billion), Germany ($13.3 billion) and France ($12.1 billion) do not require additional Parliamentary approval for responding to a call unless a supplemental budget or budget amendment is required. Thus, at least $65 billion of callable capital could be paid without additional Parliamentary approval required.

The need for a Parliamentary approval and the size of the call are two important factors that affect the timeline within which a government can respond to a call. Governments that have already received Parliamentary appropriations for part or all the called amount or can accommodate the called amount within the existing budget envelope, can generally disburse payments quickly, potentially within a few days to a few weeks. For Governments that need to obtain Parliamentary approval to respond to a call or require a supplemental budget to be passed by the Parliament, the process could take longer, with estimates ranging from a few months to a year. Importantly, this timeframe is within the time period that would likely be available to shareholders for preparing for a payment if a discussion on a call were to be initiated.

5 Conclusion

Callable capital is an important part of IBRD's capital structure. Shareholder callable capital subscriptions are legally binding, backed by the full faith of shareholder governments, and demonstrate shareholders' strong support to the institution. Capital can only be called to meet IBRD's bond and guarantee obligations, which is an extremely remote event. Nevertheless, it provides significant additional assurance to bondholders of the ultimate safety of their investment in IBRD bonds beyond IBRD's own balance sheet.

IBRD can call capital well in advance of any potential default and, while the processes and timeframes for responding to a call vary among shareholder countries, the clarifications provided by shareholders demonstrate that they would be able to respond to a call within the time period that would be available to them in the extreme unlikely event that a call were to become necessary. Furthermore, at least $65 billion of callable capital subscriptions could potentially be paid by shareholder governments without needing additional Parliamentary approval. This could enable an accelerated response and payment by these countries if a call were to be made.

Table 2: Overview of Shareholder Process[4]

Shareholder (in order of shareholding)	Shareholding (%)	Callable Capital ($ billion)	Budgetary Treatment	Approval Process	Payment Timeline
United States	16.6%	49.2	$7.66 billion has been authorized and appropriated by the US Congress before 1981. Treasury has the budgetary resources to obligate and pay the amounts called to respond to capital calls up to the amount of those subscriptions. Post-1981 funds for U.S. callable capital subscriptions have not been appropriated and are thus not part of the budget.	The $7.66 billion appropriated amount only needs to be apportioned by the Office of Management and Budget (OMB). For the rest of the callable capital, appropriation from the Congress is required. The request could either be done as part of the normal budget cycle or a supplementary request.	The already appropriated amount can be paid in as little as a few days post OMB apportionment (if the necessary preparatory work is done in advance). For the un-appropriated amount, the time taken would largely depend on the U.S. Congress.
Japan	7.6%	22.4	All callable capital amounts have already been authorized by the Parliament through legislation or the budget.	Ministry of Finance (MOF) is authorized under the law to make payments up to the limit as specified in the budget immediately when called for. If additional budget is required for cash payments, it can be included in either the annual or a supplementary budget.	Cash payments could be made in a matter of weeks if it can be allocated from within the existing budget. If additional budget is required, timeline would depend on the Parliamentary process.
China	5.9%	17.4	Currently not reflected in the government's balance sheet.	The MOF would include the call request into its next fiscal year's departmental budget application. After review and with approval of the National People's Congress, the central government's budgetary authority (MOF) will ratify this departmental budget and initiate its internal procedures to make the payment.	It usually takes about a year from preparing budget request to making payments.
Germany	4.5%	13.3	Accounted as guarantees (off balance sheet contingent liability) and is included and listed in the departmental budget for surety obligations, guarantees or other warranties.	If the amount exceeds what was already allocated as expenses in the federal budget for surety obligations, guarantees or other warranties by at least €50 million, the government would need to give a written notification to the Budget Committee of the Parliament about its intention to mobilize the excess expenditures due. Only in the very unlikely event that the amount due leads to a breach of the ceiling on net borrowing set by the Parliament for the relevant fiscal year would a supplementary budget have to be passed within the framework of the ordinary legislative procedure.	Timeframe depends on the amount due. If no obligation to inform the Budget Committee of the Parliament, it would take less than a month, even 1 week. If a supplementary budget is required, it could take up to 2 months.

4 Shareholding and capital data is as of end FY23.

Shareholder (in order of shareholding)	Shareholding (%)	Callable Capital ($ billion)	Budgetary Treatment	Approval Process	Payment Timeline
France	4.1%	12.1	Recorded as an unfunded contingent liability under the regime of State guarantees. Capital payments are made only from a special budget account, the "CAS-PFE". This special account, under standard process, is only provisioned through the returns from the State's financial participations in public companies and financial institutions. Under exceptional circumstances, it may benefit from additional resources.	Depending on the size of the call and the resources of this special account, there could be a range of scenarios. If the special account has available funds or can be supplemented by the budget for official development assistance to meet the call request, the finance ministry can make the payment. If not sufficient budget from these two sources, the Prime Minister can issue a decree to transfer from other sections of the budget but within the limits of certain thresholds. If a supplementary budget is considered necessary, the request would need to be approved by the Parliament and adopted under a standard budgetary approval procedure.	The timeframe depends on the scenario and size of the call and could range from 4-8 weeks in scenarios without Parliamentary approval to 2-6 months when a supplementary budget act is required to be prepared and approved by the Parliament.
United Kingdom	4.1%	12.1	Classified as a remote contingent liability due to the assessment of the probability of occurrence being highly unlikely.	Approval process depends on the size of a call and in most cases would likely require Parliamentary approval.	Disbursement of the call could take 2-3 months but could be expedited.
India	3.2%	9.5	Not reflected in government balance sheet or budget.	To respond to a call, budgetary provisions would need to be approved by the Parliament. Though government has certain instruments to meet any unforeseen need of funds through budget during the financial year, it is subject to the nature of the requirement as well as the size of the requirement. The potential size of the call is important for determining the processes and approvals required.	Depends on the size of the call.
Canada	2.7%	7.9	$2.8 billion has already been appropriated and thus does not require additional Parliamentary approval. The rest of the callable amount is Contingent Liability in Canadian Public Accounts.	For the amount already appropriated, disbursements require approval from the Minister of Finance and Prime Minister. For the unappropriated amount, Parliamentary approval would be required through an appropriation act.	The process can take about 1-4 months for the amount already appropriated, and about 4-10 months for the unappropriated amount.

Shareholder (in order of shareholding)	Shareholding (%)	Callable Capital ($ billion)	Budgetary Treatment	Approval Process	Payment Timeline
Italy	2.6%	7.7	No amount appropriated; recorded as an off-balance sheet commitment.	If there are resources already identified or allocated, the Minister of Economy and Finance can approve. If the resources above are insufficient, the Minister of Economy and Finance would need to inform and present a proposal of an urgent decree law to the Council of Ministers, followed by Parliamentary approval. The third option is through an ordinary law or budget law approved by the Parliament.	For resources identified, the payment can be made in a short period of time, possibly accelerated to a few days. Could take up to 2 months for the decree law route to pass the Parliament (though the Italian decree law allows Italian funds to be immediately disbursed even before Parliamentary approval), and up to 12 months for the regular budget law option which must follow standard parliamentary procedures.
Spain	2.0%	5.9	Recorded off balance sheet as contingent liability. Not included in the budget.	Ministry of Economy would need to initiate the process for appropriation of budgetary funds with the Budget Ministry when a call is made. If the disbursement is expected to be for a period no longer than five years, an Agreement of the Council of Ministers is required. If the disbursement is expected to be for longer than five years, an agreement of Council of Ministers is also required, or a law would need to be passed.	This process could be completed in 1-4 months, unless a law is to be passed which would add an additional 5 months.
Netherlands	2.0%	5.9	Treated as a guarantee. No funds have been appropriated for callable capital. Funds for callable capital payment will be acquired through the issuance of sovereign debt.	The Minister of Finance must obtain Parliamentary approval to be able to disburse the funds. Given the fact that Parliament has approved the budget that incorporates the guarantee already, getting Parliamentary approval to disburse the funds would be a standard procedure.	Parliamentary approval process is expected to take 1-2 months, after which the Dutch State Treasury Agency would be able to deliver up to $2 billion within a maximum of 2 weeks and is committed to funding the entire callable capital within a month of approval. This is under the assumption that there is no severe market stress.
Korea, Republic of	1.7%	4.9	Not considered a national obligation on the balance sheet; when budgeted, it would be allocated under the category of international contributions.	The Ministry of Economy and Finance (MOEF) of Korea would make payments in response to a call either through approval by the National Assembly or consultation with the Bank of Korea. This may entail revising relevant enforcement decree and allocating fiscal resources.	The process typically requires a minimum of 6 months to fulfill payments.

Shareholder (in order of shareholding)	Shareholding (%)	Callable Capital ($ billion)	Budgetary Treatment	Approval Process	Payment Timeline
Switzerland	1.6%	4.6	Recorded as contingent liability, with provisions required to be made if probability of loss is greater than 50%.	Parliamentary appropriation is needed to respond to a call. The Federal Department for Economic Affairs, Education and Research would formulate a credit request in coordination with the Federal Department for Foreign Affairs as part of the regular budgeting process for the forthcoming year or for a supplementary credit under the current budget. Under the regular procedure, the Federal Council submits the request for a supplementary credit to Parliament as part of an omnibus supplementary credit bill. Under the urgent procedure the Federal Council decides itself on the request, following consultations with the Finance Delegation of Parliament, and asks Parliament for approval afterwards during the next regular session. The urgent procedure is used only in exceptional circumstances, subject to demonstrating a very high level of urgency and necessity.	The regular procedure for a supplementary credit for the current budget year takes around 3-5 months, and the urgent procedure 1-3 months.
Belgium	1.5%	4.5	Recorded as a contingent liability. No provisions have been made.	The availability of any callable capital is subject to a budget amendment and therefore the approval of Belgium's Council of Ministers and Parliament.	A timeline of 3-6 months is expected.
Australia	1.4%	4.2	About $3.3 billion has been provisioned through past legislations by appropriating the 'Consolidated Revenue Fund' to enable Australia to make payment in response to a call.	For amount that has been appropriated, the Treasurer and Minister of Finance decide how to fund the payment following a call before the payment is processed. For the amounts which are not appropriated, the normal budget appropriation process would be undertaken.	If with enough early warning and there is appropriation in place to fund the call, the process could take about 8-10 weeks. For the un-appropriated amount, this may take up to 6 months. Timeframes for this process would also depend on the size of the call and would be subject to the discretion of the responsible Minister.

Shareholder (in order of shareholding)	Shareholding (%)	Callable Capital ($ billion)	Budgetary Treatment	Approval Process	Payment Timeline
Poland	0.8%	2.3	Included in contingent liabilities.	The process is closely linked to the call amount. If amount is significant, it will be necessary to initiate a procedure to include the amount in the state budget for the next financial year.	Timeline would depend on call amount. If the amount is relatively small, it could be paid within 2-3 months; if amount is significant, it would have to be included in the next year's budget law which is subject to normal budgetary procedure. The Budget Act for a given year normally enters into force on January 1.
Denmark	0.8%	2.3	Recorded as a contingent liability. Since 2019 the Danish Government sets aside provisions for expected losses on new guarantees associated with callable capital, which is paid by the responsible ministry. Recently issued callable guarantees are treated as other financial instruments (such as state lending and lending guarantees) in the government budgeting. That means that the calculated expected loss on each (newly issued) callable guarantee is treated as a cost in the government budget.	The government has a legal basis in the Finance Act to respond to a call immediately in full, with no Parliamentary approval needed. Responsible ministry, with the involvement of the Ministry of Finance and the Central Bank (as payment agent for the state), can process the payment.	Process is expected to take a few days. Large transactions in non-Danish Krone might take a bit longer.
Austria	0.7%	2.0	Recorded as a contingent liability, with no provisions recorded on balance sheet. No separate budgetary provisions are made.	The relevant national legal act already covers the capital subscription for both the paid-in and the callable capital. Thus, in principle, no further Parliamentary approval is required. However, depending on the envisaged entry into force and the size of the call of callable capital, the Federal Ministry of Finance will either include the financial request in the next annual federal budget or will have to amend the current budget.	The timeframe depends on the amount due and will require a minimum of 2 months. In case of a very high scenario, it could take up to 1 year.

Shareholder (in order of shareholding)	Shareholding (%)	Callable Capital ($ billion)	Budgetary Treatment	Approval Process	Payment Timeline
Norway	0.6%	1.9	Callable capital is noted in the state budget, but funds are not appropriated as a call is considered unlikely.	Parliamentary approval would be required. The Norwegian Parliament approves the fiscal budget for the coming calendar year before the start of the year and a revised budget bill in the first half of the fiscal year. If, during the fiscal year, an unforeseen and necessary state expenditure which cannot be covered by a given appropriation arises, a proposal to the Parliament may be put forward for a supplementary appropriation.	Approval process could take about 3-5 months. Payments can be made within a few days, if necessary and urgent, after Parliamentary approval.
Chile	0.4%	1.3	Reported as contingent liability.	The Ministry of Finance can authorize the acceptance of the call, but this will depend on the availability of resources, which are approved the previous year by a budget law. For the year following the call, it would be easy for the ministry to instruct the budget office (which depends on the Ministry of Finance) to schedule the payment.	To avoid significant changes to the current budget, the minimum time to respond to such call would be one year.
New Zealand	0.4%	1.2	Recorded as contingent liability. Costs may be recognized once a certain event occurs, and/or it can be reliably quantified.	A Permanent Legislative Authority exists to respond to a call on callable capital, however endorsement from Cabinet would be required. The Treasury will assess and advise the Minister of Finance, who in turn will assess impact on government's fiscal position and balance sheet, and funding options. The Treasury will support the Minister of Finance to prepare a paper for Cabinet consideration. Following Cabinet endorsement and after all approval documents have been issued, the Treasury will make the payment.	The process can take up to 9-12 weeks. Acceleration of the procedure is possible such that the process could occur within weeks.
Czechia	0.4%	1.1	Recorded as a contingent liability. No provisions recorded on balance sheet.	A legislative amendment of the approved State Budget would be needed as the Governmental Budgetary Reserve allocated at the General Treasury budgetary chapter would not be able to fully cover those claims. Government´s as well as Parliament´s approval would be necessary.	The process of amending the State Budget in a regular procedures usually takes a few months, unless there is a legislative emergency state in action in which case it could be up to 2 weeks.

Shareholder (in order of shareholding)	Shareholding (%)	Callable Capital ($ billion)	Budgetary Treatment	Approval Process	Payment Timeline
Slovak Republic	0.2%	0.5	Recorded as a contingent liability. No provisions recorded on balance sheet.	Government approval would be required post intra and inter-ministerial consultations.	Approval process is expected to take about 2 months. It would also depend on the requested amount and the actual situation in the state financial assets.
Lithuania	0.1%	0.3	Recorded as a contingent liability. No provisions recorded on balance sheet.	If the amount of call is small and Ministry of Finance's budget has funds available, it can make payments directly. If not, then the amount has to be included in the budget law to be approved by Parliament.	The timeframe depends on the amount due and urgency. If Parliamentary approval is not needed, the process can be completed within a month. Otherwise, if the Parliament needs to be involved, it depends on the budget preparation and approval time frame and could take several months.
Latvia	0.1%	0.2	Recorded as a contingent liability. No provisions recorded on balance sheet.	Minister of Finance includes payment mechanism in state budget law and submit it for approval to the Cabinet of Ministers, followed by a Parliamentary approval.	If payment mechanism is in place, in general it takes 1-1.5 months for preparation and approval of the order and the payment.

Annex 1. IBRD Shareholder Capital Subscriptions

Shareholder (in alphabetic order)	Paid-in Capital ($ million)[5]	Callable Capital ($ million)
Afghanistan	5.1	55.9
Albania	5.4	137.8
Algeria	118.4	1,533.0
Angola	28.8	461.9
Antigua & Barbuda	2.3	77.2
Argentina	220.9	3,164.1
Armenia	13.8	228.2
Australia	320.4	4,210.8
Austria	157.4	2,031.3
Azerbaijan	19.1	312.5
Bahamas, The	9.0	166.1
Bahrain	11.9	186.9
Bangladesh	65.1	886.0
Barbados	4.5	109.9
Belarus	34.6	513.9
Belgium	318.1	4,478.3
Belize	1.8	68.9
Benin	9.7	173.9
Bhutan	2.6	89.1
Bolivia, Plurinational State of	18.9	324.4
Bosnia and Herzegovina	9.8	104.6
Botswana	5.4	105.1
Brazil	386.8	6,068.3
Brunei Darussalam	15.2	271.1
Bulgaria	64.5	853.4
Burkina Faso	9.7	173.5

5 Capital data is as of end FY23.

Shareholder (in alphabetic order)	Paid-in Capital ($ million)[5]	Callable Capital ($ million)
Burundi	4.6	121.3
Cabo Verde, Republic of	2.3	85.7
Cambodia	6.4	68.3
Cameroon	12.4	253.3
Canada	619.5	7,879.8
Central African Republic	3.9	113.8
Chad	3.9	113.8
Chile	101.3	1,320.7
China	1,312.1	17,374.1
Colombia	101.2	1,323.0
Comoros	1.0	43.5
Congo, Democratic Republic of	31.0	381.1
Congo, Republic of	4.3	122.4
Costa Rica	12.3	155.6
Cote d'Ivoire	33.3	481.9
Croatia	28.2	367.6
Cyprus	16.0	238.6
Czechia	82.0	1,058.2
Denmark	169.3	2,274.7
Djibouti	2.8	93.8
Dominica	3.2	79.4
Dominican Republic	17.2	302.6
Ecuador	24.1	437.7
Egypt, Arab Republic of	76.8	1,211.8
El Salvador	3.9	44.8
Equatorial Guinea	2.7	83.5
Eritrea	1.8	69.7
Estonia	8.6	150.9
Eswatini	3.2	68.0
Ethiopia	8.3	169.1
Fiji	8.8	154.6
Finland	109.6	1,477.2
France	956.6	12,145.7
Gabon	5.1	113.9
Gambia, The	2.7	91.0
Georgia	18.6	293.8
Germany	1,043.5	13,261.1
Ghana	16.1	249.5
Greece	38.7	485.1
Grenada	2.4	78.8

Shareholder (in alphabetic order)	Paid-in Capital ($ million)[5]	Callable Capital ($ million)
Guatemala	12.4	229.0
Guinea	9.9	214.9
Guinea-Bissau	1.4	72.5
Guyana	11.5	196.5
Haiti	7.8	179.2
Honduras	2.3	75.0
Hungary	107.4	1,395.2
Iceland	13.7	217.5
India	738.0	9,537.1
Indonesia	216.8	2,983.6
Iran, Islamic Republic of	254.3	3,963.4
Iraq	33.0	434.5
Ireland	75.2	1,021.1
Israel	52.5	756.0
Italy	599.8	7,698.2
Jamaica	28.7	411.0
Japan	1,751.9	22,361.2
Jordan	16.5	265.4
Kazakhstan	31.3	520.4
Kenya	21.1	393.2
Kiribati	1.9	80.1
Korea, Republic of	365.9	4,909.7
Kosovo, Republic of	11.5	174.1
Kuwait	141.0	2,203.2
Kyrgyz Republic	5.7	127.9
Lao People’s Democratic Republic	3.3	39.5
Latvia	14.0	221.8
Lebanon	6.3	121.8
Lesotho	4.6	122.9
Liberia	3.6	69.5
Libya	72.1	1,126.4
Lithuania	17.3	255.1
Luxembourg	22.1	316.4
Madagascar	16.3	272.4
Malawi	10.2	197.5
Malaysia	75.4	1,184.8
Maldives	1.5	58.5
Mali	14.1	231.4
Malta	10.9	174.0
Marshall Islands	0.9	55.7

Shareholder (in alphabetic order)	Paid-in Capital ($ million)[5]	Callable Capital ($ million)
Mauritania	6.1	151.7
Mauritius	12.3	197.4
Mexico	291.1	4,548.6
Micronesia, Federated States of	1.0	56.8
Moldova	10.7	228.7
Mongolia	5.6	94.4
Montenegro	6.6	110.5
Morocco	66.8	906.6
Mozambique	6.8	153.9
Myanmar	21.4	396.6
Namibia	11.7	221.1
Nauru	2.4	68.3
Nepal	7.7	169.1
Netherlands	444.5	5,856.0
New Zealand	90.2	1,223.1
Nicaragua	5.3	115.2
Niger	5.6	143.1
Nigeria	168.0	2,174.3
North Macedonia	5.7	71.7
Norway	145.0	1,874.9
Oman	12.1	226.5
Pakistan	109.1	1,496.9
Palau	0.2	1.8
Panama	10.3	127.0
Papua New Guinea	14.0	243.6
Paraguay	9.3	203.7
Peru	77.5	1,019.3
Philippines	102.1	1,331.9
Poland	177.1	2,292.8
Portugal	53.3	852.7
Qatar	11.1	156.5
Romania	67.1	882.7
Russian Federation	685.8	8,859.0
Rwanda	7.5	173.7
St. Kitts and Nevis	0.3	32.9
St. Lucia	2.6	81.7
St. Vincent and The Grenadines	1.6	45.1
Samoa	5.1	109.2
San Marino	2.5	69.3
Sao Tome and Principe	2.2	82.9

Shareholder (in alphabetic order)	Paid-in Capital ($ million)[5]	Callable Capital ($ million)
Saudi Arabia	545.8	7,897.6
Senegal	17.5	337.4
Serbia	33.7	445.7
Seychelles	0.2	31.6
Sierra Leone	4.6	121.2
Singapore	63.0	794.6
Slovak Republic	41.0	536.2
Slovenia	18.0	227.8
Solomon Islands	2.3	85.6
Somalia	3.3	72.9
South Africa	177.3	2,317.4
South Sudan	8.6	164.8
Spain	461.2	5,919.8
Sri Lanka	46.7	677.0
Sudan	15.5	224.5
Suriname	2.0	47.7
Sweden	204.4	2,701.6
Switzerland	357.9	4,574.7
Syrian Arab Republic	14.0	281.8
Tajikistan	5.3	139.9
Tanzania	10.0	146.2
Thailand	106.6	1,456.9
Timor-Leste	3.1	87.8
Togo	8.1	184.7
Tonga	3.5	92.5
Trinidad and Tobago	22.8	384.5
Tunisia	17.2	223.2
Türkiye	244.5	3,355.1
Turkmenistan	3.6	72.0
Tuvalu	1.5	54.1
Uganda	9.0	122.0
Ukraine	108.5	1,623.9
United Arab Emirates	61.8	746.7
United Kingdom	975.7	12,126.6
United States	3,689.5	49,205.9
Uruguay	24.0	405.8
Uzbekistan	32.9	478.4
Vanuatu	3.1	89.2
Venezuela, Republica Bolivariana de	150.8	2,305.5
Vietnam	41.7	553.1

Shareholder (in alphabetic order)	Paid-in Capital ($ million)[5]	Callable Capital ($ million)
Yemen, Republic of	14.0	252.8
Zambia	34.4	501.5
Zimbabwe	22.4	408.9
TOTAL	**21,819.0**	**296,021.4**

Annex 2.
Individual Shareholder Responses[6]

(In order of shareholding)

United States

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)[7]	Callable Capital Commitments ($ billions)[8]
IBRD	16.6%	$49.2
IDB	30.7%	$49.2
AsDB	15.6%	$18.7
AfDB	6.5%	$8.2
EBRD	10.1%	$3.1
NADBank	50.0%	$1.5
MIGA	18.4%	$0.3

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: N/A

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: N/A

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

6 Callable capital amounts in the shareholder responses may differ slightly from those in Table 2 (end June 2023) due to different data time periods.

7 MDB annual financial statements from IBRD and MIGA fiscal year 2023, and AsDB, AfDB, EBRD, IDB, and NADBank calendar year 2022.

8 See Treasury Department Agency Financial Report, 2023. In some cases, these numbers differ slightly from those included in MDB annual financial statements due primarily to use of different exchange rates by Treasury and various MDBs.

Response:

Background

Treasury works with the Office of Management and Budget (OMB) to request funding from the U.S. Congress for the MDBs as part of the President's annual budget request or as a part of supplemental appropriations requests.

For the United States to agree to an increased subscription to capital stock in a MDB, Congress must authorize subscription to the entire amount of the U.S. capital subscription. In practice, Congress authorizes Treasury, on behalf of the U.S. Government, to subscribe to additional shares of the capital stocks of the applicable MDB, usually with a qualifier that such subscriptions become effective only to the extent and in such amounts as are provided in advance in appropriations acts.

Congress' role with respect to the appropriations process comes from the U.S. Constitution. The U.S. Constitution grants Congress the "power of the purse" by providing that "no Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law." [9] In other words, "no money can be paid out of the Treasury unless it has been appropriated by an act of Congress."[10] The Constitution provides Congress with the power to enact statutes to protect and exercise this power. Congress has done this through, among other ways, the annual budget and appropriations process and the enactment of appropriations acts. An appropriation act is a statute that provides legal authority for federal agencies to incur obligations and to make payments out of the Treasury for specified purposes.[11]

Prior to 1981, Congress' practice was to both authorize and appropriate the funds for U.S. callable capital subscriptions even absent an express call from the relevant MDB to transfer cash to meet those callable capital subscriptions. Since 1981, Congress' practice has changed. Now, it is common for an appropriations act to specify the amount that is being authorized for the callable capital subscription, referred to as a "limitation on callable capital" or "program limitation," but to refrain from actually appropriating the money at issue at that time.[12] In other words, program limitations, which take the form of language in appropriations acts authorizing subscriptions in particular amounts, address the requirement

9 U.S. Const., art. 1, § 9, cl. 7. See also GAO, Principles of Federal Appropriations Law, 4th ed., 2016 rev., ch. 1, § A, GAO-16-463SP (Washington, D.C.: Mar. 2016).

10 *Cincinnati Soap Co. v. United States*, 301 U.S. 308, 321 (1937).

11 GAO, *A Glossary of Terms Used in the Federal Budget Process*, GAO-05-734SP (Washington, D.C.: September 2005).

12 For example, in the Coronavirus Aid, Relief and Economic Security Act (2020), Congress authorized the United States Governor of the African Development Bank to subscribe to 532,023 additional shares of the capital stock of the African Development Bank (the "Seventh Capital Increase") with the limitation that any subscription "shall be effective only to such extent and in such amounts as are provided in advance in appropriation Acts." Pub. L. 116-136, § 21012(b)(3), 134 Stat. 281, 594 (2020). Congress also authorized to be appropriated $7,286,587,008 for payment by the Secretary of the Treasury and allocated $6,849,396,992 for callable shares of the Bank. Subsequent appropriations acts authorized subscription to instalments of the callable shares of the Seventh Capital Increase through program limitations, such as the Consolidated Appropriations Act, 2023, which provided for a limitation on callable capital subscriptions: "The United States Governor of the African Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of increases in capital stock in an amount not to exceed $856,174,624." Pub. L. 117-328, 136 Stat. 4459, 4996 (2022).

for “amounts as are provided in advance in appropriations Acts.” Because a program limitation on callable capital does not involve appropriating actual funds, subsequent legislation would be needed to appropriate the funds to meet a call for that capital from the relevant institution.

(2) Processes and Approvals	(3) Timeframes	(4) Responsibilities
Callable Capital that has been Authorized and Appropriated by Congress		
OMB would need to approve the use of these funds through an apportionment, which is an OMB-approved plan to use budgetary resources. For callable capital amounts that are already authorized and for which funds have been appropriated, apportionment is needed prior to making payments, with OMB approval being typically provided when Treasury communicates the intended use of the funds.	Apportionment can be done within a day or two	U.S. Treasury Department and OMB
Upon OMB’s apportionment, Treasury usually promptly undertakes its routine mechanism for distributing payments to the MDBs. This includes going through internal processes and using Treasury’s constituent relationship with the Federal Reserve to execute the transaction. Using these routine processes, Treasury has contributed over $7.2 billion to the MDBs over the last five years to meet commitments related to capital increases and pledges related to replenishments.	As little as a few days to make the payment (if the necessary preparatory work is done in advance)	U.S. Treasury Department
Callable Capital that has been Authorized, but for which Funds are Not Yet Appropriated by Congress		
The process of an MDB reaching the point of making a call on callable capital to meet its obligations could be a lengthy one, with the forthcoming call being foreseen well in advance. To respond to a call on callable capital that has been made or is forthcoming, U.S. Treasury would need to work with OMB to request an appropriation of funds from Congress. This could take different forms depending on the expected timing of the call, and there are myriad opportunities for executive branch engagement with Congress as it seeks the requested appropriation. Supplemental Request: If the call is made or expected to be made outside of the U.S. annual budget cycle, U.S. Treasury could work quickly with OMB to prepare an emergency supplemental request to Congress for appropriation of funds in the amount that is, or that Treasury expects, to be called. This request could be stand-alone, with just the request for the appropriation of callable capital included, or paired with other requests for appropriations. This process could be completed quickly. President’s Budget: In the event that the timing of a forthcoming call aligns with the U.S. budget cycle, U.S. Treasury could work with OMB to include in the President’s budget request the amount that Treasury expects to be called.	A supplemental request could be made in as little as a few days A request in the President’s Budget would need to be timed with the release of that budget (often in early February)	U.S. Treasury Department and OMB

(2) Processes and Approvals	(3) Timeframes	(4) Responsibilities
The U.S. Congress would need to appropriate the requested amount of callable capital that it has already authorized, but this would be subject to the legislative process, and the timeframe for it is not predictable. However, if there were indications in advance that a call is forthcoming, there could be ample time for the executive branch to work with Congress to garner support for any necessary appropriation, and for Congress to provide that appropriation before any call is actually made.	Dependent on the U.S. Congress	U.S. Congress
After Congress appropriates the funds, Treasury would need to issue a warrant to provide the fund balance to the Treasury account, and OMB would need to approve the use of those funds through an apportionment.	The warrant and apportionment can be processed concurrently, with these steps possibly taking two to three days to execute	U.S. Treasury Department and OMB
Treasury would need to go through its standard internal payment processes to execute the transaction.	As little as a few days to make the payment (if the necessary preparatory work is done in advance)	U.S. Treasury Department

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The full amount of callable capital that has been authorized and appropriated for each MDB would be available for disbursement in response to one or more calls (e.g., if some portion of this amount is used to respond to a call, the remainder would be available for one or more subsequent calls). Where callable capital has been authorized, but funds have not been appropriated, Treasury and OMB would need to pursue the above-described process to request from Congress the appropriation of an amount of callable capital at or above the amount of the call that has been made or is forthcoming. The size of the request for appropriations would be limited to the amount of U.S. callable capital that has been authorized, but not appropriated at each MDB.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: The process for an emergency supplemental appropriations request is described in the response to questions 2, 3, and 4.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: Before 1981, the U.S. Congress' practice was to authorize and appropriate the full amount of U.S. callable capital subscriptions even absent a call by the relevant MDB for the cash in question. This allows the United States to make payments on these callable capital subscriptions in the event that they are called without any additional act of Congress. The total amount of appropriated callable capital subscriptions through 1980 is over $12 billion. Since 1981, Congress' practice has changed. Under the current practice, Congress enacts so-called "program limitations" for U.S. subscriptions to callable capital. Enactment of a program limitation in an appropriations act enables the United States to make the relevant subscription. For the United States to respond to a call on capital, Congress would need to adopt additional legislation providing the necessary appropriation.

That more than $12 billion in callable capital that has been authorized and appropriated is distributed as follows:

IBRD: $7.66 billion (~4.9% of end-FY23 IBRD net debt[13])

IDB: $3.80 billion (~5.4% of end-2022 net debt)

AsDB: $748 million (~0.9% of end-2022 net debt)

No further appropriation or other Congressional action is necessary to enable the Secretary of the Treasury to pay these amounts if any part of them were to be called to meet obligations of the above MDBs. In the event of a call on callable capital, the U.S. Treasury would need to make a payment under its usual mechanism if the funds have been apportioned. If the funds have not been apportioned, Treasury would need to submit a request to OMB for apportionment and, once apportioned, make a payment under its usual mechanism.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response:

Accounting Treatment
U.S. paid-in capital at the MDBs is considered to be a non-marketable equity investment valued at cost in the Treasury Department's Agency Financial Report. U.S. callable capital subscriptions at the MDBs fall under the category of "Other Commitments and

13 Borrowings less liquid assets and cash due from banks in latest annual financial statements.

Contingencies" in that same report, where they are referred to as commitments, but are functionally equivalent to contingent liabilities.

In accordance with the Statement of Federal Financial Accounting Standards No. 5, Accounting for Liabilities of the Federal Government, Treasury recognizes material contingent liabilities meeting the following criteria:

- A past event or exchange transaction has occurred;
- A future cash outflow is probable; and
- A future cash outflow is measurable.

If one or more, but not all, of the above criteria for recognition are met, and there is a reasonable possibility of loss, Treasury will disclose, if material, the nature of the contingent liability, along with a range of possible loss, if estimable, and a description of the nature of the contingency.

As U.S. callable capital subscriptions at the MDBs do not meet all three criteria, they are not included as liabilities on the consolidated balance sheet in the Agency Financial Report, and are instead included in Note 27 – "Commitments and Contingencies" – along with the statement that these subscriptions are only callable under certain limited circumstances to meet the obligations of the respective MDB, and there has never been, nor is there anticipated to be a call on these subscriptions.

Budgetary Treatment

U.S. callable capital subscriptions are not incorporated into the U.S. budget unless they are appropriated by Congress. When callable capital is appropriated, Treasury receives budget authority to obligate it (i.e., incur the obligation) and pay the funds to meet that obligation (i.e., to outlay the funds). If these funds are not obligated and paid in the year they are appropriated, they remain as budgetary resources that are available for subsequent obligation and payment.

For U.S. callable capital subscriptions that were authorized and appropriated by Congress before 1981, Treasury has the budgetary resources to obligate and pay the amounts called to respond to capital calls up to the amount of those subscriptions. Post-1981 U.S. callable capital subscriptions have not been appropriated and are thus not part of the budget.

Past appropriations for callable capital have not been scored in past U.S. budgets (i.e., assigned a cost based on the expected outlay) nor resulted in budget outlays because a call has never been made, and it has been recognized that the likelihood of a call is remote. And, callable capital that has not been appropriated is not subject to budget scoring as it cannot result in an outlay until there is an appropriation.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: U.S. callable capital subscriptions that are authorized by the U.S. Congress are binding commitments backed by the full faith and credit of the United States (unless the authorizing statute of such commitments specifically provides otherwise), notwithstanding that a future appropriation might be necessary in order to fund that commitment. To date, no authorizing statute has provided that such subscriptions are not backed by the full faith and credit of the United States.

The full faith and credit of the United States is the highest assurance of payment the U.S. Government can provide, and also backs U.S. Treasury securities.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: U.S. callable capital subscriptions are treated the same from an accounting, legal, and process for responding to a call perspective across the MDBs in which the United States is a shareholder.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: N/A

Japan

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
IBRD	7.6	22.361
ADB	15.6	20.945
IDB	5.0	8.249
AfDB	5.3	9.947
EBRD	8.6	€2.023
MIGA	5.1	0.079

Figures for IBRD and MIGA are as of June 2023 and for others are as of December 2022, according to their respective financial statements.

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: N/A

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: N/A

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

Procedural Step	Timeframe	Responsible Entity
The executive branch has been authorized by the Parliament to subscribe to the full amount of the callable capital. Therefore, the Ministry of Finance could immediately issue the required amount of promissory notes to the MDBs when needed at the time of a call without further Parliamentary approval.	Immediately	Ministry of Finance

Procedural Step	Timeframe	Responsible Entity
Then, for the purpose of encashing the promissory notes, the government would seek the budget from (i) the existing budget, which can be mobilized within the executive branch; or (ii) an additional budget, which requires approval by the Parliament, depending on the required amount and other considerations. For the latter, it can be included in the annual budget, which is submitted to the Parliament and approved by March, or a supplementary budget, which is formulated on an ad hoc basis.	As a matter of weeks in the case of reallocation. Dependent on the Parliament in the latter case.	Ministry of Finance Parliament
Once the government had secured the budget as described above, the Ministry of Finance could encash the promissory notes through its internal procedure.	A few weeks	Ministry of Finance

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The Government would issue the promissory notes for the amount necessary to respond to a call and the notes would be encashed through the process described above.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: We may be able to accelerate the processes by preparing in advance, skipping or simultaneously processing multiple tasks, as far as the procedures in the MOF are concerned.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: Callable capital can be available immediately if reallocation within the existing budget is feasible, because the whole process can be completed within the executive branch.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: The government has a legal obligation to respond to all subscribed capital, including callable capital. On the other hand, the callable capital is not listed in the contingent liabilities of the explanatory note to the balance sheet of the Japanese Government, on the grounds that the callable capital has never been called and that the probability of it being called is extremely low.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: Under the Law for the Measures in Consequence of Admission to each MDB, the Japanese Government is fully authorized, in accordance with the procedures, to subscribe and to make payments on account of callable capital not exceeding the limit as specified in the budget. Also, each Law stipulates that the Government is authorized to pay a part of the subscription in the form of notes. When payments become necessary in connection with any of the notes so issued to each MDB, the Government will be able to make such payments immediately under the Law. The Government is bound and obligated under the Law described above.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: There is effectively no difference in terms of accounting status or process, while the method for authorization is different between the IBRD and other MDBs: subscription of callable capital to the IBRD is authorized by the relevant Law and the others are authorized by budgetary measures.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: N/A

Germany

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
IBRD (Link)	4.501%	USD 13.261
ADB (Link)	4.316%	USD 5.806
AfDB (Link)	4.099%	UA 5.674 = USD 7.554
IDB (Link)	1.896%	USD 3.126
CDB (Link)	5.579%	USD 0.073
AIIB (Link)	4.622%	USD 3.587
EBRD (Link)	8.591%	EUR 2.023 = USD 2.211
EIB (Link)	18.779%	EUR 42.555 = USD 46.504
CEB (Link)	16.414%	EUR 0.814 = USD 0.889

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: If a bank's board of directors was to issue a call, Germany would verify and assess the call. This would involve the Finance Ministry, as well as, for IBRD, ADB, AfDB, IDB and CDB, the Ministry for Development Cooperation. If the amount due exceeded the amount already allocated as expenses in the federal budget for surety obligations, guarantees or other warranties by at least €50 million, the German government would need to give a written notification to the Budget Committee of the German Bundestag (parliament) about its intention to mobilize the excess expenditures due.

If the excess expenditures were lower than €50 million, there would not be any obligation to inform the Budget Committee ex ante.

Only in the very unlikely event that the amount due leads to a breach of the ceiling on net borrowing set by the Bundestag for the relevant fiscal year would a supplementary budget have to be passed within the framework of the ordinary legislative procedure.

Finally, excess expenditure payments would technically be made via the Bundesbank, which routinely channels Germany's payments for MDBs' capital increases and their concessional windows' replenishments.

We would aim to get through the budgetary process as swiftly as possible to mobilize the means Germany has committed to.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: The timeframe depends on the amount due. If there is no obligation to inform the Budget Committee of the German Bundestag (see question 2), the time required is less than one month. Otherwise up to two months are required unless a supplementary budget needs to be passed.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

Procedural Step	Timeframe	Responsible Entity
Verification and assessment	1 month	Ministry of Finance together with the divisions responsible for the respective MDB (either in the Ministry for Economic Cooperation and Development or in the Ministry of Finance)
[Notification of the Budget Committee of the Bundestag]	1 month	Ministry of Finance
Payment	1 week	Ministry of Finance

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: If only a portion of callable capital is used to respond to a call, the remainder would be available for one or more subsequent calls.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: Depending on the circumstances, the process may be faster than described. For instance, if the case is straightforward, can be easily assessed and validated and if there is no need to inform the Budget Committee of the German Bundestag, the timeframe might be brought down to one week.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable,

funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: As mentioned above, amounts already allocated as expenses in the federal budget for surety obligations, guarantees or other warranties plus up to €50 million can be disbursed without ex-ante notification of the Bundestag.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Callable capital is recorded as an off-balance sheet commitment and as a contingent, not a direct, liability. Essentially, the departmental budget for surety obligations, guarantees or other warranties (budget chapter 3208) includes and lists all guarantees provided by the German Federation. The current amounts are published every quarter in the Federal Ministry of Finance's monthly report (https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Press_Room/Publications/Monthly_Report/Key_Figures/2023/2023-11-federal-budget.html). The table includes the total amount of guarantees Germany has provided to international financial institutions (IFIs). The vast majority of all guarantees provided to IFIs are callable capital.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: They are guarantees in accordance with the legal framework of the Multilateral Development Banks. The German government accepts guarantees on the legal basis of section 3 of the annual Budget Act (https://www.bundeshaushalt.de/static/daten/2024/soll/E-HG%202024.pdf#page=4).

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: There are no differences in the treatment of callable capital across different MDBs.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: In rare cases there may be factors that affect the timeline of the process, for instance if notification of the Budget Committee or even a supplementary budget is necessary immediately before or after a federal election.

United Kingdom

1. Shareholding and Callable Capital Commitments.

Response:

MDBs* (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
African Development Bank (AFDB)	1.86	$3.4bn
Asian Development Bank (ADB)	2.04	$2.740bn
Caribbean Development Bank (CDB)	8.89	$0.122bn
Inter-American Development Bank (IDB)	0.96	$1.588bn
Multilateral Investment Guarantee Agency (MIGA)	4.83	$0.075bn
International Bank for Reconstruction and Development (IBRD)	4.12	$11.740bn
EBRD	8.59	$2.2bn
AIIB	3.15	$2.4bn

These figures are based on the UK's public accounts for the financial year ending 5th April 2023. Callable commitments in currencies other than USD are converted into USD using exchange rates correct as of 11th January 2024.

**Note:* Following the UK's exit from the European Union, the UK has a unique relationship with the European Investment Bank (EIB) through the Withdrawal Agreement and EIB has therefore not been included in the list above.

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: N/A

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: N/A

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

Background

- Responsibility for the UK's shareholding at the MDBs is shared between the Minister of State for Development and Africa (Foreign, Commonwealth and Development Office, FCDO) and the Chancellor of the Exchequer (His Majesty's Treasury, HMT). The FCDO Minister is the UK Governor at the World Bank Group (WBG), AfDB, AsDB, CDB and IDB. The Chancellor is the UK Governor at the AIIB and the EBRD.
- The process to prepare for a potential disbursement against a call on the UK's callable capital would begin well in advance of any call being made.
- Following a vote to call the Bank's callable capital, discussions with MDB management around the need for a call on callable capital would set expectations for the timing of disbursement – both in terms of the need for the Bank and the process requirements from shareholders.

(2) Processes and Approvals	(3) Timeframes	(4) Responsibilities
Monitoring of risk of call: The UK monitors indicators that could suggest an increase in the risk of a call on callable capital on an ongoing basis.	Ongoing	FCDO and/or HMT, depending on the MDB, and UK Representatives on MDB Boards.
Elevated risk of call: If a call on callable capital becomes probable – i.e. greater than 50% likelihood – the relevant Government Department / Ministry would create a provision using non-cash Resource Annually Managed Expenditure (RAME) budget to the expected amount of the call. RAME is specific part of the UK government budget that is spent on items that may be unpredictable or not easily controlled by Government Departments / Ministries.	RAME budget is requested twice annually as part of the Main and Supplementary Estimates and forecasts are updated regularly in the year. The provision can be made at any time but the latest opportunity in the UK's financial year (April – April) to request significant additional RAME budget is December. If monitoring indicates that a provision may be needed in the final quarter of the financial year, RAME budget would be requested in December to cover this.	FCDO or HMT Ministers, depending on the MDB, in coordination with the relevant HMT spending team.
Expected value of call: If the expected value of a call is of a value that would mean that the relevant Ministry would exceed its expenditure limits, then it would have to seek additional resource as part of the 'Supplementary Estimates' procedure in February of a given financial year. This is debated and voted on by the House of Commons. Once the estimates have been agreed, they are put into legislative form through a Supply and Appropriation Bill. The House of Lords passes Supply and Appropriation Bills without debate. If the expected value of a call is within the relevant Ministry's expenditure limits and no additional funding is sought, then this step can be skipped.	2-3 months, but time frame will depend on the time of year and the urgency of the call.	FCDO or HMT, depending on the MDB, in coordination with the relevant HMT spending team

(2) Processes and Approvals	(3) Timeframes	(4) Responsibilities
Disbursement of call: The disbursement of funds would require approval by an order approved by the House of Commons (pursuant to Section 11(4) of the International Development Act 2002). Preparation for this would start as soon as there is recognition of an elevated risk of a call on callable capital. The order requires approval of the House of Commons and the timescales for this process depend on Parliamentary time available and the political priority afforded to the matter. We would usually allow 2-3 months for an order to be approved, however with advance planning for a call and in the case of urgency this can be accelerated.	2 – 3 months, but could be expedited.	FCDO or HMT, depending on the MDB, in coordination with the relevant HMT spending team and Parliamentary Officials.

5. **Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).**

Response: Seeking to make available an amount of callable capital above the size of a call that has been made would require a separate request for funding that would be similar to the process outlined above for seeking financing that exceeds the relevant Department's expenditure limits, and a further legislative process if the size of the call is increased after an order has already been made in respect of the smaller sum.

6. **Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).**

Response: The legislative process can be accelerated - the possibility and timeframe depend on Parliamentary time available, and the political priority afforded to the matter.

7. **Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.**

Response: No callable capital would be available for immediate disbursement by the UK - any payments in respect of UK callable capital require Parliamentary Approval (see answer to Q9).

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response:

- The UK classifies callable capital as a remote contingent liability due to the assessment that the probability of occurrence being unlikely (no call has ever been made on the IFIs' callable capital stock to date). Therefore, per guidance set out in IAS 37 Provision, Contingent Liabilities and Contingent Assets, there is no requirement to report or disclose the liabilities.
- Under UK Government interpretations and adaptations for the public sector, we disclose callable capital as a remote contingent liability in the Parliamentary Accountability section of the relevant Government Department's Annual Report and Accounts (FCDO / HMT).
- If a call on callable capital becomes probable – i.e., greater than 50% likelihood – the relevant Government Department / Ministry would increase the provision in its non-cash Resource Annually Managed Expenditure (RAME) budget to the expected amount of the call.
- The payment would be recognized as an accrual in the Department's Expenditure Limits (DEL) once it is certain that the capital will be called (and the RAME provision would be released)

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: While the contingent liability for callable capital may be noted in the orders which provide the legal basis for the UK's capital subscriptions, payment in respect of callable capital is not pre-approved. Payment in respect of callable capital amounts to a 'relevant payment' to the MDBs, as defined in s.11(2) of the International Development Act 2002.

Pursuant to s11(4) of the Act the payment may only be made if approved by an order made by or with the approval of HM Treasury, which order must first be approved by the House of Commons (s.11(5)). This is in addition to financial requirements to have sufficient spend permission through the Supply and Appropriation Bills.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: Callable Capital is treated similarly across all MDBs where the UK is a shareholder. EIB is a separate case – see response to question 1.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: N/A

India

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
Asian Infrastructure Investment Bank	8.62%	USD 6.7 bn
NDB	18.98%	USD 8 bn
AfDB	0.276%	USD 0.52378 bn
Asian Development Bank	6.317%	USD 8.4964 bn
European Bank for Reconstruction and Development (EBRD)	0.033%	USD 0.00876 bn (€ 8.07 million)
International Bank for Reconstruction and Development (IBRD)	3.23%	USD 9.54 bn
International Finance Corporation (IFC)	4.07%	N/A
Multilateral Investment Guarantee Agency (MIGA)	3.03%	USD 0.0471 bn

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: Under IBRD's Articles of Agreement, 80 percent of each capital subscription is reserved solely to be called to meet IBRD's bond and Guarantee obligations, with the remaining 20 percent subject to more flexible terms – it can be paid in or subject to call for use in operations. The process involves two steps- (i) Creation of Budget Head/Account and (ii) Provisioning of adequate amount of budget in the Head/Account. Since the call on callable capital would not be a regular or routine feature, the Budget Head/Account may be opened with some token provision just to keep the Head/ Account alive/active/ operative. On the other, on receipt of a call for callable capital, necessary provision of budget would be required to made in this Account with approval of the Parliament through Budget Estimate (BE)/Revised Estimate (RE). Though Government of India has certain instruments to meet any unforeseen need of funds through budget during the financial year, however, it is subject to the nature of the requirement as well as the size of the requirement. The potential size of the call on the Callable Capital is vital information to indicate the processes and approvals required and estimated time.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: Same responses as for question 2. The potential size of the call on the Callable Capital is vital information to indicate the processes and approvals required and estimated time.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response: Same responses as for questions 2 and 3.

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The size of the Call Response would be subject to approval by Parliament of India.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: Approval of Parliament is required to address the call on Callable Capital. Though Government of India has certain instruments to meet any unforeseen need of funds through budget during the financial year, however, it is subject to the nature of the requirement as well as the size of the requirement.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: Same response as for question 2.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: The accounting procedure will be finalized with help of Divisions concerned. However, the funds provided when the call on capital is made by the World Bank should be accounted for as Investment.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: IBRD's Articles of Agreement do not describe the process for calling capital. However, some elements of the process can be inferred from the overall structure of the Articles.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: It would be difficult to say anything at this point of time as a call on Callable Capital has never been made by any MDBs including World Bank. Further, the discussion on Callable Capital is still underway in various MDBs.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: The information has been comprehensively provided in the reply to queries at No. 2.

Canada

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions) [14,15]
IBRD	2.77%	7.88
AfDB	3.88%	7.25
IDB	4.00%	6.60
ADB	5.22%	6.36
EBRD	3.4%	0.88
AIIB	1.03%	0.80
CDB	9.31%	0.12
MIGA	2.95%	0.05

** As of Dec 2023. Note these figures are based on Canada's Public Accounts. There could be minor differences in valuation between MDB financial statements and Canada's Public Accounts, particularly with respect to foreign exchange rate conversions.*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: Responsibility for Canada's membership at MDBs is shared between the Minister of Finance (Department of Finance Canada) and the Minister of International Development (Global Affairs Canada) as given in the table below. In the unlikely event of a call on callable capital from an MDB to which Canada has committed callable capital, the responsible Governor would need to consider the following three factors:

- whether there is legal/statutory authority for the Governor to disburse such payments;
- whether there is a previously identified source of funds for said Governor to make such payments; and,
- whether parliamentary approval (i.e., appropriation) would be required for Canada's Governor to disburse such a payment.

Detailed information is provided in the table in response to Question 4.

14 See 2023 Public Accounts (Vol 1, Section 11, Table 11.7)

15 1 USD: CAD 1.3516

MDBs	Canada's Governor
IBRD	Minister of Finance
AfDB	Minister of International Development
IDB	Minister of International Development
ADB	Minister of International Development
EBRD	Minister of Finance
CDB	Minister of International Development
MIGA	Minister of Finance

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: The length of the process to execute a payment on callable capital would be a function of the above-mentioned factors, including existing legislation. Indicative timelines are provided in the table in the following question.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

(2) Procedural Step	(3) Timeframe	(4) Responsible Entity
Legal/Statutory Authority: The authority for a Canadian Governor to a specific MDB to honor a call on previously committed callable capital and to disburse funds to such an MDB would need to be aligned with the relevant sections of the respective Canadian legislation (see links in question 10) setting out our country's interaction with the respective MDB. Such legislation authorizes the appropriate Canadian Governor to purchase shares in each of these institutions (both paid-in and callable capital).	0	Department of Finance or Global Affairs Canada, depending on the MDB, in coordination with Justice Canada
Source of Funds: Callable capital is currently noted as a "contingent liability" in the Public Accounts of Canada. In the unlikely event of a call on callable capital from any MDB that Canada is a member of, the respective Governor would need to seek a funding decision from the Prime Minister and Minister of Finance to secure funds from the fiscal framework to make a payment related to callable capital commitments. Such a funding decision could be sought either through the annual federal budget process, or through an "off-cycle" funding decision at any time during the fiscal year.	1-3 months	Funding decision required from the Minister of Finance and Prime Minister. The Department of Finance Canada; or Global Affairs Canada working with the Department of Finance, depending on the MDB, in coordination with the Privy Council Office would undertake work to obtain the decision.

(2) Procedural Step	(3) Timeframe	(4) Responsible Entity
Parliamentary Approval (Appropriation): In most instances, parliamentary approval would be required. In these cases, the callable capital amount would need to be approved by Parliament (both the House and the Senate) through an appropriation act. There are usually four opportunities to seek appropriation throughout a fiscal year – Main Estimates (approx. March and June); Supplementary Estimates A (approx. June); Supplementary Estimates B (approx. December); Supplementary Estimates C (approx. March). For callable capital that has already been appropriated, as in the case of some IBRD callable capital (discussed in Question 7), this step could be skipped.	3-6 months	Decision required by Parliament. The Department of Finance Canada or Global Affairs Canada, depending on the MDB, in coordination with the Treasury Board Secretariat would undertake work to obtain the decision.
Test Payment and other due diligence: The Government of Canada would then execute the callable capital payment, after ensuring necessary due diligence, including test payments.	0-1 month	Chief Financial Officer of the Department of Finance Canada or Global Affairs Canada, depending on the MDB

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: In the case of a subsequent call on capital, so long as the total amount requested remains within the Government of Canada's total existing callable capital commitment to the MDB, the process and timelines would be the same as described in response to questions 2-4 for the second call.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: Canada does not have an accelerated process outside of what is described in response to questions 2-4.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: Building on the response to questions 2 - 4, Canada's Parliament has appropriated some of its World Bank – IBRD callable capital. Callable capital that has already been appropriated would be subject to fewer remaining approvals steps and therefore a faster disbursement process (i.e., matter of weeks).

- Canada appropriated up to US$1.54 billion in callable capital for the IBRD in 2011-12 Chapter 3 - Bill C-34 - Efull... (parl.ca) (search International Bank for Reconstruction and Development in document).
- Canada increased the above-mentioned limit and appropriated a total of US$2.81 billion in 2019 2019 Public Accounts Volume II - Appendix I.

No other callable capital has been appropriated for any other MDB that Canada is a member of. These amounts may be "noted" in the Public Accounts of Canada or in appropriation acts, but not "appropriated/approved" by Parliament.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Canada's callable capital commitments at MDBs are classified as "contingent liabilities" with no valuation (i.e., expense) associated with them. This follows Canada's public sector accounting directives, as below.

The Department (GAC or FIN) would recognize a liability when:

(1) the probability of occurrence of the future event is likely; and

(2) the amount of the liability can be estimated.

In terms of probability, the following ranges are used:

- Likely - a greater than 70% probability that a liability may exist;
- Unlikely - a less than 30% probability that a liability may exist; and
- Not determinable - a probability between 30% and 70% that a liability may exist.

Guidance is provided to Departments in this document: Directive on Accounting Standards: GC 3300-3310 Contingent Liabilities and Loan Guarantees- Canada.ca. In our view, the probability of a call on callable capital occurring is currently estimated to be unlikely.

In the event that there is a call on callable capital (and the relevant appropriation is approved by Parliament), the relevant Department would record an investment that would be included in the Public Accounts. As the investment(s) are considered concessionary, there would be a valuation allowance for the full amount of the callable capital.

The Public Accounts of Canada (Volume 1 – section 11) lists all callable capital contingent liabilities: Contingent liabilities— Section 11: Contractual obligations, contractual rights and contingent liabilities as at March 31—Volume I: Public Accounts of Canada 2023—Receiver General for Canada—PSPC (tpsgc-pwgsc.gc.ca).

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response:

- Relevant legislation is linked below. While some legislation provides the relevant Minister/Governor with "statutory" (i.e., legislative) authority to make payments in respect of paid-in capital, no legislation expressly provides the relevant Minister/Governor with the authority to make payments in respect of callable capital.
- As such, payments related to callable capital require "expenditure approval" through an appropriation act that is approved by Parliament, as discussed in response to questions 2 - 4.
- International Development (Financial Institutions) Assistance Act (justice.gc.ca) (GAC)
    - This above-mentioned legislation provides the relevant Minister with the authority to pay from the fiscal framework, in consultation with the Minister of Finance (i.e., subject to a funding decision). The amount would need to be approved by Parliament through an appropriation act.
- Bretton Woods and Related Agreements Act (justice.gc.ca) (FIN)
    - This above-mentioned legislation provides the relevant Minister with the authority to pay from the fiscal framework (subject to a funding decision), but requires that the amount be approved by Parliament through an appropriation act.
- European Bank for Reconstruction and Development Agreement Act (justice.gc.ca) (FIN)
    - This above-mentioned legislation provides the relevant Minister with the authority to respond to a call on callable capital and pay from the fiscal framework (subject to a funding decision). The amount would need to be approved by Parliament through an appropriation act.
- Asian Infrastructure Investment Bank Agreement Act (justice.gc.ca) (FIN)
    - The above-mentioned legislation provides the relevant Minister with the authority to respond to a call on callable capital and pay from the fiscal framework (subject to a funding decision). The amount would need to be approved by Parliament through an appropriation act.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: There are no differences.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: N/A

Italy

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
IBRD*	2.61%	7.698 USD
IFC*	3.21%	N/A
MIGA*	2.80%	0.044 USD
AfDB**	2.38%	3.302 UA
AIIB**	2.65%	2.057 USD
AsDB**	1.80%	2.425 USD
CDB**	5.58%	0.0734 USD
EBRD**	8.52%	2.023 EUR
IADB**	1.97%	3.242 USD
IDB Invest**	2.95%	N/A
EIB**	18.78%	42.555 EUR
CEB**	16.72%	0.814 EUR

** As of June 30, 2023*

*** As of December 31, 2022*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response:

Ownership of Italy's shareholding in all MDBs falls solely within the purview of the Ministry of Economy and Finance. In the unlikely event of a call on callable capital by one or more institutions, the responsible Governor would need to consider the following procedure:

- **Option 1:** Ordinary budget management and administrative procedures. Use previously identified funds allocated in the "Statement of Estimates" (in Italian: Stato di previsione) of the Ministry of Economy and Finance, in the elementary unit (in Italian: capitolo di bilancio) dedicated to this specific purpose. In this case, payments are executed, within the limit of the resources allocated, in a very short time, without further acts, after the regularity controls are carried out by the State offices in charge (Central budget offices). If the above resources are insufficient, the budget appropriation related to the "Reserve fund for unforeseen expenses" (article 28 of the law n. 196, 31 December 2009 "Law on accounting and public finance"), within the limit of its resources, can be authorized to respond to the call: in this case a ministerial administrative decree must be signed and approved by the Minister of Economy and Finance. Other forms of flexibility between budget elementary units are allowed by law n.196, limited to specific cases, and can be applied after the enactment of ministerial administrative decrees authorizing the transfer of resources form other elementary units to the one dedicated to this specific purpose.

- **Option 2:** Decree law. If the available resources are insufficient, it is possible to activate the extraordinary legislative procedure of the decree-law, which is usually adopted for situations of necessity and urgency. This legislative act would increase the resources allocated to the specific unit of the budget concerning that capital call. As stated by the Italian Constitution (article 81), and detailed in the law n.196, the new expenditure must be compensated by correspondent reduction in other expenditure units or increase of revenues: in some cases resources that are deposited in the treasury accounts (accounts opened at the Bank of Italy where the ministry holds liquid assets) can be used if they fulfil the conditions of the aforementioned law. It is worth noting that the compensation must be effective in terms of three relevant public finance aggregates: the balance of the State budget, the cash borrowing requirement and the ESA general government net lending/borrowing. A decree law is delivered by presenting the Italian Council of Ministers with a legal instrument which is immediately effective after the publication in the Official Journal and that would be finally approved ("converted into law") by the Parliament within a short time frame (within 60 days).
- **Option 3:** Ordinary law or Budget law. In case the requisite of necessity and urgency is not met, the ordinary legislative process must be followed: in this case a draft law (disegno di legge) is presented to the Parliament and becomes effective after its approval: the examination (and amendment) of a draft law by the Parliament may occur in a longer time frame, not being formally subject to limits (this case seems unlikely to be followed for calls of capital given their implicit urgency).Alternatively, the resources can be allocated in the State budget with the Budget law. In October the Government presents to the Parliament the draft budget law for the following three years (disegno di legge di bilancio) approved by the Council of Ministers. The final approval by the Parliament and the publication on the Official Journal occur by the end of the year. The measures included in the budget law, in this case the increase of resources dedicated to the calls of capital, must be consistent with the public finance objectives set in the Planning documents (so, differently from the other laws, it is not bound to a strict financial compensation of each measure, thus making room to the authorization of new expenditures, provided the attainment of the overall objectives).

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: The options above mentioned will come with different timeframes associated with the process needed to approve and execute a payment on callable capital. The selected option would vary depending on several factors, including the urgency and the amount of the call and whether parliamentary approval is necessary. Indicative timelines can be found below.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

Procedural Step	Timeframe	Responsible Entity
Legal Authority: The Authority for the Minister for Economy and Finance as shareholder to respond to a call and honor Italy's commitments is grounded in the legislation.	N/A	Ministry of Economy and Finance Italian Parliament
Source of Funds: Callable Capital is, for budgetary purposes, considered to be an off-balance sheet commitment in the form of a contingent liability. *Option 1: Ordinary budget management and administrative procedures* Resources already allocated in the specific elementary unit or administrative decree. The Minister of Economy and Finance could approve the use of the reserve fund or the flexibility measures to respond to the call with a ministerial administrative decree, signed and approved by the Minister themselves. *Option 2: Decree law* The Minister of Economy and Finance would need to inform and present a proposal of an urgent decree law to the Council of Ministers. *Option 3: Ordinary law or Budget law* The proposal could be stand-alone, with just the request for the appropriation of callable capital included or paired with other requests for appropriations. This process could be completed in line with the ordinary legislative process or as a budget appropriation as part of the Italian budget cycle or. It could require few months to be approved by the Parliament depending on when the call occurs.	Depending on the urgency. It can be expedited to the greatest extent possible.	Ministry of Economy and Finance Council of Ministers Italian Parliament

<table>
<tr><th>Procedural Step</th><th>Timeframe</th><th>Responsible Entity</th></tr>
<tr><td>Approval of Funds
Option 1: Ordinary budget management and administrative procedures
• The funds are available for disbursement after either regularity controls or the approval of a Ministerial decree.
Option 2: Decree law
• The Council of Ministers can be urgently convened to approve the decree-law. The decree-law is immediately effective and executable, but parliamentary approval will be needed to confirm and transform the decree-law into ordinary law within 60 days.
• The Parliament can be urgently convened to schedule the approval within the shortest timeframe possible. The decree-law must be approved by both chambers of Parliament.
It should be noted that the Italian Executive branch and the Parliament have both moved swiftly in the past when unannounced expenditures came forth and we expect this to be the case for the unlikely event of a call on callable capital.
Option 3: Ordinary law or Budget law
In case the requisite of necessity and urgency is not met, the ordinary legislative process must be followed: in this case a draft law (disegno di legge) is presented to the Parliament and becomes effective only after its approval.
• The Council of Ministers can approve an ordinary law (without any specific time constraints) or the budget law, in October, and submit it to the Parliament.
• Following the approval of the instrument by the Council of Ministers, parliamentary approval of the Budget law occurs before the end of the year. It could require few months to be approved by the Parliament depending on when the call occurs.</td><td>Option 1: N/A
Option 2: Immediately effective after the Council of Ministers approval. Up to 60 days for Parliamentary approval.
Option 3: Up to 12 months
These laws must follow standard parliamentary procedures.</td><td>Ministry of Economy and Finance
Council of Ministers
Italian Parliament</td></tr>
<tr><td>Payment: Once approved, the Ministry of Economy and Finance would proceed to depositing the funds to the relevant IFI and considering the urgency of the matter make payments accordingly in few days.</td><td>These steps could take only few days to execute.</td><td>Ministry of Economy and Finance</td></tr>
</table>

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The size of the request would be limited to the amount of the Italian share of callable capital that has been authorized at each MDB. If the initial call that is made is for less than the total amount of callable subscribed (we deem this likely), any further disbursement of capital would follow the same steps as the first call, with the added benefit that the procedure will have been tried and tested and therefore likely to be slightly quicker. The Italian Government is unable to provide funds above those subscribed in the form of callable capital without a separate legal instrument that would need to be ratified by the Parliament.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: In case there are previously identified sources of funds, the procedures for the budget appropriation to make them available for immediate use, and the bureaucratic steps internal to the MoF could take only a few days. Alternatively, for the accelerated legislative procedure (decree law), the Council of Ministers can be convened urgently to approve a decree-law which is immediately effective. The final and formal approval by the Parliament of the decree law must take place within 60 days to confirm the government's decision. The final and formal approval by the Parliament can be immediately scheduled depending on the urgency.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: No amounts of callable capital have been appropriated for any institution.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: According to the Eurostat Manual on Government Deficit and Debt, callable capital does not impact the budget in terms of debt or deficit until a call (and payment) occurs. As for the Manual, "A large part of an MDB capital increase is usually structured as callable capital, i.e., not actually paid-in. The statistical treatment in the case of MDBs providing mainly non-concessional loans is as follows: the callable part is to be considered a contingent transaction, which is not to be recorded in the national accounts system". [16]

Accounting treatment: Italian callable capital subscriptions fall under the category of off-balance sheet commitments as a type of contingent liability.

Budgetary treatment: Callable capital subscriptions are not incorporated into the budget unless they are appropriated by the Parliament. When callable capital is appropriated, the

16 For further references see the *Manual on Government Deficit and Debt – Implementation of ESA 2010 – 2022 edition*, Luxembourg: Publications Office of the European Union, 2023.

Ministry of Economy and Finance receives budget authority to commit it and pay the funds to meet the obligation.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: All the callable capital subscriptions of Italy are grounded in the international agreements establishing the various IFIs and are approved by the Italian parliament and consequently express the consent of the state to be bound by each such treaty.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: The callable capital subscriptions of Italy are all treated in the same way from an accounting, legal, and process for responding to a call perspective across all the MDBs in which Italy is a shareholder.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: N/A

Spain

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
IBRD	2.01%	5.92
IDB	1.96%[1]	3.24
AfDB	1.016%	0.14
ADB	0.34%	0.46
EBRD	0.343%	0.81[2]
CAF	4.64%[3]	0.11
BCIE	4.0%	0.21
AIIB	1.8156%	1.4
CEB	10.9%	0.532

1 Vote share

2 In EUR billion

3 Vote share

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response:

The decision to subscribe a capital increase in an MDB is responsibility of the Government through a cabinet decision (Agreement of Council of Ministers, ACM). This ACM would generally include the subscription of callable capital in addition to paid in capital. To respond to a call on callable capital that has been committed by a previous ACM, the Ministry of Economy would need to initiate the process for the appropriation of budgetary funds with the Budget Ministry.

The government needs to secure the appropriation of funds and include these funds in the annual budget. Typically, disbursement of funds following a call on callable capital could take place over several years. If the appropriation of funds is for a total period no longer than five years (including year of cabinet approval, that is, 1+4 years with 1 being year of approval), a new ACM is needed for the cabinet to approve the effective disbursement of the funds. If the appropriation of funds is for a total period longer than five years, an ACM is also required, or a law would need to be passed through Parliament.

Budget appropriation requires agreement with the budget authority (Ministry for the Budget). Responsibility for the ACM lies with the Ministry of the Economy but requires agreement with the Ministry of the Budget to ensure appropriation of the funds. If the call were to affect the original treaty of Spanish membership of the MDB, the participation of the Ministry of Foreign Affairs would be necessary since the treaty is considered an international treaty.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: Very difficult to anticipate. It depends on government budget priorities, amount and conditions of the call and period of disbursement of funds.

Appropriation of funds depends on budget availability, and, in turn, budget availability depends on the accounting treatment of the call.

In principle, a call for callable capital is recorded as a financial investment and can be agreed within the budget year.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

(2) Procedural Step	(3) Timeframe	(4) Responsible Entity
Appropriation of funds: the Ministry of Economy needs to agree with the Budget Ministry on the appropriation of funds	0-3 months	Ministry of Economy, Trade and Enterprise
Legal Authority: in instances where disbursement of funds does not go over a total period of five years and does not affect the original Treaty of Membership, the Ministry of the Economy is responsible to table the Cabinet Agreement	1 month	Ministry of the Budget
In instances where disbursement of the call goes beyond five years in total, the responsibility is shared with the Budget Ministry, or a law may be passed through Parliament.	6 months	Ministry of Economy, Trade and Enterprise and Budget Ministry

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: A call above the size approved through a prior Cabinet decision (ACB) would require a new ACM.

This new ACM would require the appropriation of budgetary funds, so the ACM would require prior agreement with the Budgetary Authority (Budget Ministry). Appropriation of funds is subject to the same comments as above.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: In exceptional and urgent circumstances, the government can approve a Royal Decree-Law, which does not require public consultation and can enter into force immediately but needs to be approved by Parliament after Cabinet approval.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: The Spanish Government has not appropriated any funds for immediate disbursement in response to a call on callable capital in any MDB. All subscriptions of callable capital are conditional (qualified) on the budgetary appropriation of the funds though the process described above.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Commitments regarding callable capital are not included in the budget, since they are considered contingent liabilities in line with Eurostat public accounting rules. This explains the above rationale for the need for budgetary appropriation of funds to meet the call, which takes place only if a call is made. This also means subscription of callable capital is generally conditional on a subsequent appropriation of funds.

If there is a call on callable capital and the relevant appropriation is approved, it would be recorded in the budget as an investment and be included in the public accounts following Eurostat rules. However, if the call was made under conditions of stress of the MDB, the relevant department would need to assess whether the funds appropriated can be fully recorded as an investment. There is no precedent of this situation.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response:

Relevant legislation is listed below and can be sated on demand. This legislation is limited to subscription of capital and does not provide the authority to make payments in respect of callable capital. Effective payment requires appropriation of funds as discussed above.

- Ley General Presupuestaria, Ley 47/2003, de 26 de noviembre, General Presupuestaria, art 47 and 47 bis
- Ley 14/2000, de 29 de diciembre, de Medidas fiscales, administrativas y del orden social, art. 45
- ACM 5th April 2019 authorizing participation of Spain in the 2018 capital increase de the IBRD.
- ACM 27 July 2021 authorizing participation of Spain in the 2018 capital increase de the IFC.
- ACM 19 August 2011 authorizing participation of Spain in the 9th capital increase de the IDB.
- ACM of 16 July 2010 authorizing participation of Spain in the capital increase de the EBRD.
- ACM of 30 April 2010 authorizing participation of Spain in the capital increase de the ADB.
- ACM of 14 July 2020 authorizing participation of Spain in the capital increase de the AfDB.
- ACM of 16 July 2010 authorizing participation of Spain in the capital increase de the EBRD.
- ACM of 26 June 2015 authorizing participation of Spain in the ABII.
- ACM of 1st September 2020 authorizing participation of Spain in the capital increase in CABEI.
- ACM of 18 July 2023 authorizing participation of Spain in the capital increase de the CAF-DBLA.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: There are no differences.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: N/A

Netherlands

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
IBRD	2.0	(USD) 5.7
IDB	0.2	(USD) 0.33
ADB	1.0	(USD) 1.38
AfDB	0.87	(USD) 1.2
EBRD	2.48	(USD) 0.59

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: See the answer to question 4.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: Depending on the cause of the request parliamentary approval might be needed. When parliamentary approval is not needed the fund disbursements is dependent upon the issuance of debt to acquire the funds (question 5). This will take maximum two weeks. In case parliamentary approval is needed, there is a regular budgetary cycle for the approval of fund disbursements. This has an annual cadence. Every year t-1 in mid-September, the budget for year t gets presented to parliament, which approves it before the start of year t. Before June 1st in year t, the first supplementary budget is presented to parliament, which has the right to amend it. Subsequently, parliament authorizes the supplementary budget. Before the 1st of December of year t, this process is repeated for the second supplementary budget.

There is also a process for accelerated approvals in exceptional circumstances. Whilst there is no fixed timeline associated with the implementation of such an 'incidental supplementary budget' (ISB), it would not be unreasonable to expect parliamentary approval within a matter of weeks.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

(2) Procedural Step	(3) Timeframe from call*	(4) Responsible Entity
Legal/Statutory Authority: The Netherlands made a legal commitment to contribute a maximum of USD 5.7 bln in callable capital if the World Bank were to call upon it. The Minister of Finance, who is Governor of the World Bank, is responsible for disbursement, as well as for acquiring parliamentary approval. Within the government, the Finance Minister has delegated responsibilities. The budget department (DGRB) is responsible for updating the budget to fit the called upon amount into the budget. The Dutch State Treasury Agency is responsible for the issuance of sovereign bonds / treasury bills in order to acquire the financing needed to disburse to the World Bank.	0**	The budget department within the Ministry of Finance, the Dutch State Treasury Agency.
Source of Funds: No funds have been appropriated for this callable capital, as a call on capital is considered extremely unlikely. Therefore, the funds necessary to respond to a capital call are not accounted for in advance and will instead be acquired through the issuance of sovereign debt.17 The Dutch State Treasury Agency assures, helped by the Dutch AAA-credit rating, that funding is acquired. The Dutch State Treasury Agency would be capable to deliver up to USD 2 bn within a maximum of two weeks following parliamentary approval. The DSTA is committed to fund the entire USD 5,7 bn within a month of approval. This is under the assumption that there is no severe market stress.	0-2 months	The budget department within the Ministry of Finance, the Dutch State Treasury Agency.
Parliamentary Approval: Callable capital is, for budgetary purposes, treated as a guarantee. Therefore, the Minister of Finance must, in the case of a call on capital, obtain parliamentary approval to be able to disburse the funds. Given the fact that parliament has approved the budget that incorporates the guarantee already, getting parliamentary approval to disburse the funds would be a standard procedure. No additional legislative approval is required in the case of a call on capital. This would only be necessary if the government would like to change the disbursement procedures.	1-2 months	the Ministry of Finance

** This timeframe is indicative of average expectations of timelines of a call on callable capital. Given the dire nature of a call on callable capital, it is possible that these timelines could be expedited.*

*** Which authorities are responsible for approval, disbursement and budgeting is clear, and therefore no more time would be needed to sort this out. The total process, clearly, takes longer, indicated by the timeframes of the operations of getting parliamentary approval, raising funds and budgeting.*

17 Begrotingsregels 2022-2025.pdf (rijksfinancien.nl)

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The Government of the Netherlands would have to separately assess whether it is prepared to make any new or additional amounts of (callable) capital available, beyond what has already been agreed to and is consequently viewed as a legal commitment. The process would be similar to the process and timelines described in response to questions 2-4. In addition to this, additional legislative procedures would likely be required.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: See the second paragraph of the answer to question 3. In the Dutch budgetary system, there exists an option for accelerated off-cycle approvals (the ISB procedure).

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: No funds have been appropriated yet. The fastest way in which the Netherlands can disburse funds would be through the ISB-procedure that is described in the second paragraph of the answer to Q3. The timelines associated with raising the necessary financing are also described in the answer to Q4.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Callable capital is treated as a guarantee on the Dutch budget. No money is appropriated (the amount put into a risk provision fund is 0)[18] but there is a legal responsibility to disburse the funds when called upon. The possibility of a call is accounted for in the budget, even if no funds are appropriated. This is due to the fact that this guarantee is a crisis facility i.e. money will be raised only when the World Bank calls upon the callable capital.

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9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: Through the IBRD Articles of Agreement, the Netherlands has committed to the disbursement of callable capital in the case of a call. Although parliamentary approval for the disbursement of funds is required (due to the 'budget right' of parliament), the Dutch budget – including a guarantee to the World Bank in case of a call – has already been approved by parliament. As such, callable capital can be viewed as a legal commitment.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: All are guarantees and all are similar across the MDBs. Non-MDB callable capital, e.g., the European Stability Mechanism (ESM), has different rules which are clearly specified. For the MDBs, no such differences are specified and therefore all callable capital commitments are considered the same and accounted for in the same way in the Dutch budget.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: N/A

Korea, Republic of

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding* (% of Subscribed Capital)	Callable Capital Commitments ($ billions)*
IBRD	1.66	4.9
MIGA	0.45	0.007
ADB	5.03	6.8
AfDB	0.47	0.7(UA billions)
EBRD	1.01	0.2(Euro billions)
IDB	0.004	0.005
AIIB	3.86	3.0
CABEI	9.0	0.5

** IBRD, MIGA, AIIB, CABEI as of June 30, 2023 and ADB, AfDB, EBRD, IDB as of December 31, 2022*
(Source: Financial Statement per MDB).

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: The Ministry of Economy and Finance (MOEF) of Korea would make payments in response to a call either through approval by the National Assembly or consultation with the Bank of Korea (Central Bank). This may entail revising relevant enforcement decree and allocating fiscal resources.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: The process typically requires a minimum of six months to fulfill payments for callable capital.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response: As stated in (2), the MOEF would make payments in response to a call either through approval by the National Assembly or consultation with the Bank of Korea.

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The size of call response is limited to the agreed-upon amount shown in (1).

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: Korea does not have an official accelerated process. However, the MOEF could expedite procedures by proactively preparing in advance, streamlining or concurrently handling multiple tasks within its own processes.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: N/A

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Korea's commitment of callable capital to MDBs is not considered a national obligation on the balance sheet of the Korean Government; when budgeted, it would be allocated under the category of international contributions.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: Korea has legislation governing the payment procedures for capital investments in MDBs, which includes provisions for callable capital.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: Korea's approach to responding to callable capital is consistent across various MDBs.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: N/A

Switzerland

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding* (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
AfDB	1.44	2.00
AsDB	0.58	0.78
AIIB	0.73	0.57
EBRD	2.30	0.58 (EUR billions)
IDB	0.47	0.78
IIC	1.33	NA
MIGA	1.49	0.02
IFC	1.70	NA
IBRD	1.53	3.47
CEB	0.983	0.043 (EUR billions)

** As of December 31, 2022*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: Callable capital subscriptions are approved together with paid in capital subscriptions by Parliament and committed under separate commitment credits. However, while callable capital is authorized, it is not yet appropriated and parliamentary appropriation is therefore needed in case of a call.

The Federal Department for Economic Affairs, Education and Research (EAER) would formulate a credit request in coordination with the Federal Department for Foreign Affairs (FDFA) as part of the regular budgeting process for the forthcoming year or for a supplementary credit under the current budget. The credit request would be dealt with in accordance with the rules set out in Switzerland's budgetary law (Art. 33/34, SR 611.0 - Bundesgesetz vom 7. Oktober 2005 über den eidgenössischen Finanzhaushalt). In case of a request for a supplementary credit either the regular or the urgent procedure would apply. Requests for supplementary credits are assessed according to the criteria of necessity, non-predictability, urgency, and inability to compensate within existing appropriations. In any case, the supplementary credit would have to conform with Switzerland's debt brake rules (Art. 126 Federal Constitution and Art. 13-18 of the Federal Budget Law).

Under the regular procedure, following submission of the request by the responsible department and consultation and material review by the Federal Department for Finance (FDF), the Federal Council submits the request for a supplementary credit to Parliament as part of an omnibus supplementary credit bill.

Under the urgent procedure the Federal Council decides itself on the request, following consultations with the Finance Delegation of Parliament, and asks Parliament for approval afterwards during the next regular session. The urgent procedure is used only in exceptional circumstances, subject to demonstrating a very high level of urgency and necessity.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: The regular budgeting process for the forthcoming year takes 12 months, starting in January and concluding in December of the current year. The regular procedure for a supplementary credit for the current budget year takes around 3-5 months, the urgent procedure 1 to 3 months. Under the regular procedure, there are two rounds for supplementary credits requests to be considered: the first in the summer (concluding in June, request to be submitted by February) and in the winter (concluding in December, request to be submitted by August) parliamentary sessions.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response: The responsibilities to adopt a credit under the regular budgeting process, vested within the Federal Council and the Parliament, are described here: [Procédure budgétaire (parlament.ch)]

The table below provides the details of the supplementary credit request procedure.

Procedural Step	Timeframe	Responsible Entity
Receive notice from the MDB on call on callable capital		EAER
Draft of preliminary recommendation for a supplementary credit, including specifics on the procedure to be followed (regular vs. urgent)	3-5 weeks	EAER, FDFA
Consideration of the preliminary recommendation		FDF
1) Regular procedure for supplementary credit		
Drafting and formal submission of supplementary credit request	3-6 weeks	EAER, FDFA
Material review of supplementary credit request		FDF
Consideration of credit request as part of omnibus supplementary credit bill		Federal Council
↓ IF FEDERAL COUNCIL APPROVES ↓		
Consideration by Parliament either in June or December	4 weeks	Parliament

Procedural Step	Timeframe	Responsible Entity
IF PARLIAMENT APPROVES		
Release of funds and information to EAER	2-3 weeks	FDF
Processing of payment request		EAER, FDFA, Swiss National Bank (SNB), FDF
2) Urgent procedure for supplementary credit		
Drafting and formal submission of supplementary credit request	2-3 weeks	EAER
Material review of credit request		FDF
Consideration of credit request under urgent procedure	1 week	Federal Council
IF FEDERAL COUNCIL APPROVES		
Consideration of credit request (in case of refusal, the credit request would be considered under the regular procedure)	1-2 weeks	Finance Delegation of Parliament
IF FINANCE DELEGATION APPROVES		
Release of funds and information to EAER	2-3 weeks	Finance Delegation, FDF
Processing of payment request		EAER, FDFA, SNB, FDF

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: As long as the total amount requested remains within Switzerland's total existing callable capital commitment to the MDB, process and timeline would be as per answers given to Q2-4. For calls above the amount already committed, the Parliament would have to approve a commitment credit and appropriate the required funds.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: The urgent procedure may be adopted (cf. Q2 & Q4). The responsible department following consultation with the FDF determines on a case-by-case basis if there is scope to follow an urgent procedure in place of the regular procedure.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved

budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: Switzerland does not hold callable capital immediately available for disbursement.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Switzerland classifies callable capital as a contingent liability in accordance with IPSAS 19 as it represents a promise of a possible future payment/equity participation. Switzerland considers that callable capital does not fulfil the conditions of a guarantee based on IPSAS accounting rules (IPSAS 29), since it lacks some features of a guarantee (e.g., no defined termination date, no market value). Switzerland does not provide other contingent liabilities or guarantees to MDBs.

In accordance with internal risk management guidelines issued by the Swiss Federal Finance Administration provisions should be made for guarantees or contingent liabilities if the probability of loss is greater than 50%. We carry out qualitative risk assessments for a capital call on an annual basis. However, we do not carry out quantitative risk assessments. The stock of callable capital is value adjusted (mainly to account for exchange rate fluctuations, since there is no market value) on an annual basis and reported in the Federal consolidated financial statements (admin.ch).

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: Switzerland's subscription to callable capital rests on the Federal Act of 19 March 1976 on international development cooperation and humanitarian aid (available here in French) as well as, in the case of the World Bank, on the Federal Act of 4 October 1991 on Switzerland's participation in the Bretton Woods institutions (available here in French).

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: There are no differences in the way Switzerland treats callable capital it holds in MDBs.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: None

Belgium

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments (EUR millions)
AfDB	0.644	873.75
AsDB	0.34	456.7
AIIB	0.285	227.7
IDB	0.331	541.7
EIB	4.48	11795.973
EBRD	2.3	541.59
IBRD	1.52	4357.4
CEB	3	146.083

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: N/A

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: N/A

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response: Parliament approved the capital subscription of Belgium, covering both paid-in and callable capital. If a call on callable capital were to be made, the necessary resources would have to be included in the budget. This requires approval by the Council of Ministers and by the Parliament.

The budget process takes approximately 6 months. Much depends on the timing of the call. Most likely the existing budget would have to be amended. A timeline of 3 to 6 month is to be expected.

Procedural Step	Timeframe	Responsible Entity
Budget amendment: approval Council of Ministers	2/3 months	Finance/Development Cooperation
Approval parliament	2/3 months	Parliament
Normal budget process: budget preparation	2 months	Budget/Finance: DevCo
Budget conclave	2 months	Government
Approval parliament	2 months	Parliament

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The size of the call would not influence the procedure (described above). If no budgetary resources have been identified in the initial budget, the above procedures come into play (budget amendment).

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: This depends on the moment when the call would occur. Urgency procedures exist, but less than 3 months is not realistic. If it is certain that a call on callable capital will occur in the future, Belgium could undertake the necessary steps (notably from a budgetary and procedural point of view) in order to be able to react quicker when the call will occur.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: No provision has been made. The availability of any callable capital is subject to a budget amendment and therefore the approval of Belgium's Council of Ministers and Parliament.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: "Contingent Liability"

9. **Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.**

Response: The existing capital subscriptions by Belgium, both paid-in and callable capital, have been approved by law. Belgium's callable capital subscriptions therefore can be considered a commitment. The execution of a call on callable capital must be decided by according to the procedures described above.

10. **Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.**

Response: The requirements and procedures would be the same, there is no difference in treatment between the MDBs.

11. **Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.**

Response: Elections (e.g., in June 2024), followed by a (prolonged) period of caretaker government can slow the decision process down, as can dissolvement of parliament (limited to max 3 months).

Australia

1. Shareholding and Callable Capital Commitments.

Response:

We have filled out the below table as at 30 June 2023. Please note Australia purchased US$21,756,281 shares in the International Bank for Reconstruction and Development in November 2023.

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)*
Asian Infrastructure Investment Bank	3.8%	A$4.5 billion
Asian Development Bank	5.8%	A$10.8 billion
European Bank for Reconstruction and Development	1%	A$396.3 million
International Bank for Reconstruction and Development	1.43%	A$6.4 billion
Multilateral Guarantee Investment Agency	1.49%	A$40.4 million

**This information is based on the Australian Budget (Mid-year Economic and Fiscal Outlook 2023-24, p. 126, International financial institutions – uncalled capital subscriptions). There may be differences in valuation due to foreign exchange rate conversions.*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: Generally speaking, Australia already has legislation in place that enables us to make payments or in some instances issue securities in lieu of payments (e.g., promissory notes), to meet a call on capital from MDBs. Our legislation relating to MDBs in many cases includes specific provisions, referred to as 'special appropriations' under Australia's domestic legislation, that appropriates the Consolidated Revenue Fund for specified purposes that will enable Australia to make payments in response to a call on callable capital by the relevant MDB.

However, our legislative frameworks relating to various MDBs are not uniform, and in the unlikely event of a call on capital, some level of case-by-case assessment and due diligence will be needed to ensure:

- Any relevant legislative requirements that are applicable in the particular circumstances are complied with;
- No additional legislation is required to authorize payments to the MDB; and

- An existing appropriation can support the expenditure.

This assessment may be more complex for some MDBs than others; but in many instances there has been a practice of enacting specific appropriations (special appropriations) for capital subscriptions (see the 'Treasury' section of the Chart of Special Appropriations (finance.gov.au) for a list of these and other special appropriations).

In the limited instances where a suitable special appropriation has not been made, in the event of a call Australia may need to seek to appropriate the funds needed to meet a call through the normal budgetary appropriation processes (held twice a year).

With confirmation of the legislative basis to make a payment, Australia would then instigate a domestic process to access funding to meet the request. This domestic process would typically involve correspondence between the responsible Minister and the Minister for Finance. The responsible Minister would generally be the Treasurer.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: If Australia receives enough early warning about the quantum and timing on a call on capital, and there is an appropriation in place to fund this call, this process could take approximately 8-10 weeks as outlined below.

Where a special appropriation has not been made that would enable a payment in response to the particular call, Australia may need to seek to appropriate the funds needed through normal budgetary appropriation processes. This may take up to 6 months.

Timeframes for this process would also depend on the size of the call and would be subject to the discretion of the responsible Minister.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

Procedural Step	Timeframe*	Responsible Entity
Undertake assessment and due diligence of legislative framework, when we are advised that a call on capital is imminent (this process could be undertaken before a call is formally made)	4 weeks	Treasury
Provide advice to Treasurer that a call has been made. This should include details on how this payment would be funded.	4 weeks	Treasury/Finance
Treasurer and Minister for Finance to consider how to fund the payment	4 weeks	Treasury/Finance

Procedural Step	Timeframe*	Responsible Entity
Process the payment	2 weeks	Treasury/RBA

**These timeframes are indicative. If sufficient early warning of a call on capital is received, then the timeframe between a call being made and Australian payments being disbursed, can be further streamlined.*

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: Australia does not have the capacity to make available an amount of callable capital above the size of what we have committed to through our domestic legislation.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: Australia does not have an accelerated process outside of what is described in response to questions 2 to 4.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: We have interpreted this question to mean which callable capital commitments we consider would clearly have the necessary legislative arrangements in place (including special appropriations) to enable payment. A preliminary estimate of this amount is below, noting that these figures would need to be confirmed at the time:

MDB	Approximation of callable capital with requisite authority
Asian Infrastructure Investment Bank	A$4.5 billion
Asian Development Bank	USD 7.0 billion
European Bank for Reconstruction and Development	EUR 70 million
International Bank for Reconstruction and Development	USD 3.3 billion
Multilateral Guarantee Investment Agency	SDR 13.7 million

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Callable capital, or uncalled capital, is disclosed as a contingent liability in the Statement of Risks published in the Commonwealth Budget. Most recently, this can be found in the Mid-year Economic and Fiscal Outlook 2023-24 (page 126). The statement outlines general fiscal risks, specific contingent liabilities and assets that may affect the budget – as required by the Charter of Budget Honesty Act 1998.

A disbursement of callable funds would be captured as an equity investment. Budget and accounting treatment for each individual call on capital would be determined by considering the prevailing market condition and updated information of the financial institution's financial positions. However, noting the potentially distressed financial position of the bank at the time callable capital is required, the correct budget treatment of this investment would need to be assessed at the time of any call. Australia would be keen to engage further on any exercises to determine what this looks like.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response:

Australia has generally enacted legislation relating to its membership of each MDB. For several MDBs, Australia has also enacted legislation specifically authorizing subsequent additional capital subscriptions. The relevant Acts generally include provisions appropriating the Consolidated Revenue Fund for specified purposes that will enable Australia to make payments in response to a call on callable capital by the relevant MDB). Provisions of this nature are referred to as 'special appropriations' under Australia's domestic legislation. However, there is some variation in the legislative arrangements. As noted above, some level of case-by-case assessment and due diligence will be needed in the unlikely event of a call on capital, to ensure that any applicable legislative requirements are complied with, that no additional legislation is required to authorize payments, and that an existing appropriation can support the expenditure.

Relevant domestic legislation in respect of each MDB is as follows (noting that this is not an exhaustive or comprehensive summary of the operation of the relevant legislation):

Asian Development Bank:

Australia has enacted the following legislation relating to its membership of, and capital share subscriptions to, the Asian Development Bank. This legislation contains special appropriations, as noted above.

- Asian Development Bank Act 1966
- Asian Development Bank (Additional Subscription) Act 1972

- Asian Development Bank (Additional Subscription) Act 1977
- Asian Development Bank (Additional Subscription) Act 1983
- Asian Development Bank (Additional Subscription) Act 1995
- Asian Development Bank (Additional Subscription) Act 2009.

European Bank for Reconstruction and Development:

The European Bank for Reconstruction and Development Act 1990 deals with Australia's membership of the European Bank for Reconstruction and Development and includes a special appropriation relating to certain payments Australia is required to make to the Bank.

Asian Infrastructure Investment Bank:

The Asian Infrastructure Investment Bank Act 2015 deals with Australia's membership of the Asian Infrastructure Investment Bank. It expressly authorizes the making of payments required under the AIIB Agreement, and contains a special appropriation for the purposes of making such payments. No additional capital purchases have been made outside this initial subscription.

International Bank for Reconstruction and Development:

Australia has enacted the following legislation relating to its membership of, and capital share subscriptions to, the International Bank for Reconstruction and Development:

- International Monetary Agreements Act 1947
- International Monetary Agreements Act 1960
- International Monetary Agreements Act 1974
- International Monetary Agreements Amendment Act 1978
- International Financial Institutions (Share Increase) Act 1982
- International Financial Institutions (Share Increase) Act 1986
- International Bank for Reconstruction and Development (Share Increase) Act 1988
- International Bank for Reconstruction and Development (General Capital Increase) Act 1989
- International Financial Institutions Legislation Amendment Act 2010
- Treasury Laws Amendment (2020 Measures No. 2) Act 2020

This legislation contains provisions regarding the making of certain payments to the IBRD and appropriating the Consolidated Revenue Fund for that purpose.

Multilateral Investment Guarantee Agency:

The Multilateral Investment Guarantee Agency Act 1997 deals with Australia's membership of the Multilateral Investment Guarantee Agency and includes a special appropriation relating to certain payments Australia is required to make to the Agency.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: Australia currently treats all callable capital commitments as contingent liabilities. We expect all called shares to be treated consistently, regardless of which MDB may be requesting shares to be paid in. Legislative arrangements may differ as noted above and may impact on the process used to respond to a call.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: Australia has generally legislated for the purchase of capital at a particular price per share.

Poland

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
IBRD	0.77	2.29

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: N/A

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: The answer is for points 2 and 3.

The process is closely linked to an amount of capital to be called. For the purposes of this exercise, there are two ways of responding to a call on callable capital:

(1) If an amount of the call is relatively small, it could be paid within 2-3 months.

(2) If an amount is significant, it would have to be included in the next year's budget law, which is subject to the normal budgetary procedure. The Budget Act for a given year normally enters into force on 1 January.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response: N/A

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: If the amount is significant, it would be necessary to initiate a procedure to include this amount in the state budget for the next financial year.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail

(including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: Procedure as specified above. Accelerated procedure is unlikely in case of a callable capital payment.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: The answer from point number 3 applies.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: The callable capital is not budgeted in any way for the following year. It is included in the contingent liabilities. Once called it has to be earmarked in the annual state budget.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: Callable capital subscriptions are treated as contingent liabilities.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: Legally, all MDBs are treated equally in terms of callable capital.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: This would be dependent on an amount to be called. It might also depend on the financial position of the bank i.e., emergency situation or a situation where a call is made without an urgent need to provide funds.

Denmark

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)*
EIB	2.64%	6.54
EBRD	1.2%	0.31
NIB	21.1%	1.73
AIIB	0.38%	0.30
IBRD	0.79%	2.03 (of which 0.35 is with provisioning for expected losses)
AfDB	1.14%	2.67 (of which 1.16 is with provisioning for expected losses)
ADB	0.34%	0.43
IDB group	0.17%	0.29

**As of 20-12-2023.*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: N/A

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: N/A

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

Procedural Step	Timeframe	Responsible Entity
The general case: The government has a legal basis in the Finance Act to respond to a call immediately in full.	A few days. Large transactions in foreign currency (i.e. non DKK) might take a bit more time to perform.	Primarily the ministry responsible for the bank who made the call, with the involvement of the Ministry of Finance and the central bank (as payment agent for the state).

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The Danish government would have to seek the approval of parliament to make available an amount above what has been requested.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: The process outlined in 4 also describes the process for an emergency.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: As mentioned in section 4, callable capital is available for immediate disbursement.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Since 2019 the Danish Government sets aside provisions for expected losses on new guarantees associated with callable capital, which is paid by the responsible ministry. Recently issued callable guarantees are treated as other financial instruments (such as state lending and lending guarantees) in the government budgeting. That means that the calculated expected loss on each (newly issued) callable guarantee is treated as a cost in the government budget.

The Guarantee itself is a contingent liability in the central government accounts, and reported in detail as a disclosures notes in the accounts. If a call is made, the paid amount is treated as an expenditure in the central government accounts. The detailed classification of the expenditure (normal expenditure, equity injection, etc.) will depend on the precise nature of the contingent liability etc.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: Government guarantees are issued based on substantive law. Once the guarantee is issued, it is callable in its full amount for the entire duration of the guarantee.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: The process is the same for all MDBs.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: N/A

Austria

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
European Investment Bank (EIB)	2.584	5.855567**
International Bank for Reconstruction and Development (IBRD)	0.689	2.031300
African Development Bank (AfDB)	0.439	0.607660*
European Bank for Reconstruction and Development (EBRD)	2.300	0.541590**
Asian Development Bank (AsDB)	0.340	0.456700
Asian Infrastructure Investment Bank (AIIB)	0.516	0.400600
Inter-American Development Bank (IADB)	0.161	0.263400
Multilateral Investment Guarantee Agency (MIGA)	0.770	0.011974
International Finance Corporation (IFC)	0.808	0.0
IDB-Invest	0.538	0.0

**In SDR billions, ** In EUR billions*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: The Republic of Austria is subscribed to the general capital (including callable capital) on the above mentioned IFIs based on a national legal act (in German: IFI-Beitragsgesetz) and as defined in the respective resolutions of the IFIs. A call of callable capital is therefore treated accordingly. Austria considers capital subscriptions as a binding commitment governed by international law. The Republic of Austria will therefore aim to meet the request to avoid negative effects on the assessment of Austria by relevant rating agencies.

If the Board of Directors of an IFI need to initiate a call for callable capital, the Federal Ministry of Finance on behalf of the Republic of Austria will immediately assess the next steps. The relevant national legal act (IFI-Beitragsgesetz) already covers the capital subscription for both the paid-in and the callable capital. Thus, in principle, no further parliamentary approval is required. However, depending on the envisaged entry into force and the size of the call of callable capital, the Federal Ministry of Finance will either include the financial request in the next annual federal budget or will have to amend the current budget.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: The timeframe depends on the amount due and will require a minimum of two months. In case of a very high scenario, it could take up to one year (see options, below).

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

Procedural Step	Timeframe	Responsible Entity
Option 1: Inclusion in the next federal budget (with approval of the federal budget law at Parliament)	Up to 12 months	Federal Ministry of Finance
Option 2: Amendment of the current budget (a parliamentary approval for the budgetary amendment might be needed depending on the size of the call)		
Option 2a: without parliamentary approval	2-3 months	Federal Ministry of Finance
Option 2b: with parliamentary approval	4-5 months	Federal Ministry of Finance
Payment after approval and transfer of funds	1 month	Federal Ministry of Finance

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: If the total amount of callable capital called does not exceed Austria's subscription based on the relevant legal act in force, the national procedure to be followed are the same as described above. In case the called amount exceeds the approved subscription, a new legal act will have to be passed by parliament and relevant budgetary provisions will have to be made.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them

(recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: Depending on the circumstances and the size of the call, the national process could be accelerated. Once deliberations on a call of callable capital are initiated within the IFI, Austria would aim to include these expenditures in the budgetary forecast. This may speed up the approval process with regards to future calls.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: No budgetary provisions for callable capital are foreseen in the current budget.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Callable capital is treated as a contingent liability. It is listed in an appendix to the federal financial statements. Given the very low probability of a call of callable capital, no separate budgetary provisions are made, and no provisions are recorded on the balance sheet.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: The callable capital is included in the legal act (IFI-Beitragsgesetz) for the respective capital subscription (that covers paid-in and callable capital), which requires parliamentary approval.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: There is no difference in the treatment.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: The ability to promptly respond depends on the size of the call, the global economic circumstances and the overall effect on the Austrian budget. In years of parliamentary elections, the budgetary approval process might be delayed.

Norway

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)*
IBRD	0.6	USD 1.84
EBRD	1.26	USD 0.325**
MIGA	0.69	USD 0.011
AfDB	1.13	USD 2.16
ADB	0.34	USD 0.46
IDB	0.17	USD 0.28
CEB	1.27	USD 0.069
AIIB	0.57	USD 0.44
NIB	21.5	USD 1.76***

** As of 20-12-2023*

*** 0,297 billion euro. ECBs exchange rate per December 20, 2023.*

**** 18,19 billion NOK. Norges Bank exchange rate per December 20 2023*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: N/A

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: N/A

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

(2) Procedural Step	(3) Timeframe	(4) Responsible Entity
The responsible Ministry would need to verify the call.	1-2 week	Responsible Ministry (holding the governor position)

(2) Procedural Step	(3) Timeframe	(4) Responsible Entity
In the unlikely event of a call on callable capital from an MDB, the respective Governor would need to clear the decision with the government.	2-4 weeks	Responsible Ministry, Ministry of Finance, Prime Minister's office
Parliamentary approval would be required to make a payment related to callable capital commitments. The Norwegian Parliament approves the fiscal budget for the coming calendar year before the start of the year and a revised budget bill in the first half of the fiscal year. If, during the fiscal year, an unforeseen and necessary state expenditure which cannot be covered by a given appropriation arises, a proposal to the Parliament may be put forward for a supplementary appropriation	2-4 months	Responsible Ministry, Ministry of Finance, Parliament
Payments will be made shortly after parliament has approved the payment. Within a few days, if necessary and urgent	Within a few days, if necessary and urgent	Ministry of Finance

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The Norwegian government would have to seek the approval of parliament to make available an amount above what has been requested. The approval procedure would be the same as above.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: Norway does not have an accelerated process that would allow us to skip any of the segments in questions 2–4.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: N/A

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Callable capital is noted in the state budget, but funds are not appropriated as a call is considered unlikely.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: Every individual Callable Capital Subscription is decided and considered separately by Parliament, and normally with annual recurrence.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: N/A

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: N/A

Chile

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
IBRD	0.43	1.32
IADB	3.119	5.15
CAF	1.4	N/A
AIIB	0.0103	0.008
MIGA	0.48	7.49

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: The Ministry of Finance can authorize the acceptance of the call, but this will depend on the availability of resources, which are approved the previous year by a budget law. For the year following the call, it would be easy for the ministry to instruct the budget office (which depends on the Ministry of Finance) to schedule the payment. This is because what is scheduled is the payable capital, not the callable capital, even though this is considered within contingent liabilities.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: To avoid significant changes to the current budget, the minimum time to respond to such call would be one year.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

Procedural Step	Timeframe	Responsible Entity
Instruction to pay: meaning that the callable capital is binding and it doesn't require additional approval.	None	Ministry of Finance
Budget Availability and Payment Instruction	None	Budget Office
Payment	None	Treasury

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The decision to make available an amount of callable capital is discretionary; however, it must be within the subscribed capital approved by Congress. Now, if it is beyond what's been subscribed already, it would be necessary to follow a procedure similar to the subscription of a capital increase, as detailed in point 9.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: Since this capital is considered within contingent liabilities, its utilization is discretionary; however, it is strictly necessary to review the availability of resources and the payment schedule of the Budget Office, which might not have available resources, even though this disbursement is an investment.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: Currently it is zero. As mentioned above, the process for responding to a callable capital call is not yet defined. That is why it is at the discretion of the government. Total callable capital is the one listed in the table of item number two, which the total amount is approximately fourteen billion dollars.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: The Budget Office reports in its contingent liabilities report background information on the financial commitments of the Treasury, which may or may not become payable, depending on whether certain events occur or not, or whether their underlying variables assume certain values. To date, the report includes contingent liabilities related to state guarantees, callable capital, bankruptcy, public works concessions, among others.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: Each time an agreement between the country and a multilateral bank is enacted, where the bank's Articles of Agreement are approved, it is done through a decree, which details both the ordinary capital and the guaranteed capital to be subscribed. Consequently, both the paid-in capital and the callable capital are legally binding for the country.

Regarding a capital increase, given that the capital increase is incorporated into the banks' articles of agreement, it should not be necessary to obtain Congress's approval to subscribe to a capital increase based on the current participation at that time. However, it is important to highlight that any modification to the bank's article of agreement does require the approval of Congress.

The callable capital is registered as a Contingent Liability.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: There are no differences.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: Any decision of this nature, whether it involves an actual capital increase or similar actions, must be supported by an institutional plan issued by the Bank, to optimize spending and followed by a rigorous ex-post evaluation.

We want to highlight this as a very important factor.

New Zealand

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding* (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
IBRD	0.41%	1.26
MIGA	0.29%	0.0044
ADB	1.532%	2.19
EBRD	0.035%	0.00769
AIIB	0.476%	0.369

** Figures for ADB and IBRD as of December 2023; for MIGA as of June 2023; and for EBRD and AIIB as of December 2022, according to the respective MDB financial statements.*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response:

MDBs other than EBRD

- Legislative approval is not required to respond to a call on callable capital (except in the case of EBRD), however endorsement from Cabinet would be required.
- A Permanent Legislative Authority (PLA) exists to authorize capital contributions (paid-in and callable) to MDBs (other than EBRD), under Section 5 of the International Finance Agreements Act 1961 (the Act). This means no additional legislative process is required to authorize New Zealand's response a call on callable capital (or a call that is forthcoming), unlike most other forms of public expenditure in New Zealand that must have legislative approval through a budget process.
- While this PLA provides authority to incur the expenditure, Cabinet's endorsement would likely be required to respond to a call on capital, given it is likely to affect the government's financial position.
- Cabinet's endorsement can be sought by the Minister of Finance, as Governor of each MDB, at any of the Cabinet meetings, which occur most weeks throughout the year. When seeking Cabinet's endorsement, the Minister of Finance, with advice from the Treasury, would discuss with Ministerial colleagues the fiscal implications of the call on capital. Once directed by Cabinet, the Treasury would arrange for the funds and transfer them to the relevant MDB.

EBRD

- In relation to EBRD, we have not identified any PLA that would authorize capital contributions to that entity. Absent a PLA, responding to a call on callable capital would need to be authorized by an appropriation, which is a legislative approval to incur expenditure. Appropriations are created by Parliament passing an 'appropriation act'– there are two of these annually, one passed at the start and, and one passed at the end, of the government's financial year.
- To ensure that spending can occur lawfully outside of these two annual windows, Parliament provides a prospective approval for the Executive to spend public money up to a specified amount, prior to an appropriation act being passed. This is known as Imprest Supply. Use of Imprest Supply requires approval from Cabinet, using a similar process as described for the other MDBs covered by the PLA as set out above.
- Requests for Cabinet authority to use Imprest Supply can be commenced at any time, other than the period (usually of around 1 month) preceding the government's 'Budget Day' (generally in May) known as the 'Budget Moratorium',[19] during which new funding requests or other decisions that would materially impact economic or fiscal forecasts cannot proceed. This is to ensure that the Budget documents and legislation presented on Budget Day accurately reflect all decisions taken by the Government.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: See answer to Q4 below.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

Timeframe for MDBs covered by the PLA

- 3-4 Weeks: The Treasury will receive the notification from the relevant MDB (draft resolution) on the call on capital, will assess and provide advice to the Minister of Finance.

19 There are other specific periods where the ability to seek funding decisions may also be challenging. Firstly, the period between a General Election and the moment a new Government is sworn-in (known as the caretaker period). According to the caretaker convention principles, any major decision should be deferred until a new Government has been formed, and if not possible, such decision should be taken in consultation between the caretaker Government and incoming Government. Secondly, when funding decisions for the current fiscal year (ending 30 June) are being sought after the release of the Budget for the upcoming fiscal year (usually the period between mid-May to 30 June as per the Budget cycle), as the Supplementary Estimates Bill has been finalized and put before the House. While limited, there are still options to progress a spending proposal in this period, which include, amending the Supplementary Estimates Bill or treat the spending as unappropriated and authorize it through the subsequent Confirmation and Valuation Bill.

- 1-2 Weeks: The Minister of Finance receives advice from the Treasury on the call on capital and assesses the impacts on the government's fiscal position and balance sheet, and funding options.
- 3-4 Weeks: The Treasury will support the Minister of Finance to prepare a paper to for Cabinet consideration. The paper is lodged for an upcoming Cabinet meeting (subject to Cabinet's calendar).
- Up to 2 weeks: when Cabinet have endorsed the call on capital and all approval documents have been issued, the Treasury will transfer the funds to the relevant MDB.

Timeframe for EBRD (under the budget Cycle)**

- Nov to Feb: Treasury advises the Minister of Finance on finance portfolio budget initiatives (which a call on EBRD capital would be). Finance portfolio initiatives along with budget initiatives from other portfolios are presented and discussed with a subset of Ministers. (A call on capital must be presented and discussed with the Minister of Finance (as portfolio Minister) during this period.)
- Feb to May: Agencies prepare documents to support the Estimates (funds required), and these are presented to Ministers. Cabinet makes Budget decisions around April each year.
- May: Budget Day. Budget decisions are released and approved by Parliament, which authorize spending for the upcoming financial year (beginning 1 July).
- July: Transfer of the funds can be made on 1 July through the First Imprest Supply bill[20] (as described above Q2).

** As noted above (Q2), funding approval can also be provided by Cabinet outside of the Budget process, where necessary. This process can follow the timeframes for other MDBs.

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The New Zealand government can make available for disbursement the amount of capital called by the respective MDB and up to the total callable capital commitment New Zealand has with the MDB making the call - in accordance with the processes described above (Q2 and Q4). The Treasury will advise the Minister of Finance, and Cabinet will consider the call, in relation to the capital that has been officially called (e.g., in case a call is for less than the total callable capital commitment from New Zealand). If a different amount is expected, prior engagement with the Treasury must occur.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail

20 The First Imprest Supply Bill is the statutory mechanism to provide authority for Government spending from the start of a financial year on 1 July until the Appropriation Act - the Budget – comes into force (usually in August).

(including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: Each procedural step can be accelerated, such that the process could occur within weeks. Specifically:

- Cabinet papers can be prepared and presented for Cabinet consideration with urgency with the approval of the Prime Minister. The speed at which Cabinet can make decisions is discretionary.
- Advice can be prepared by the Treasury and decisions can be made by the Minister of Finance with urgency.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: No funds 'sit' in the PLA or particular appropriation, funds are only made available after the appropriate approvals that the PLA is subject to have occurred (for example, Cabinet has considered and endorsed the call on capital). And in the case of EBRD, until legislative approval has been granted (as described in Q2).

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Callable capital commitments are disclosed in the Government's financial statements as contingent liabilities. These financial statements are reported on a monthly basis for the months of September through to June.

Contingent liabilities are costs, which the Crown will have to face if a particular uncertain and not probable event occurs. Typically, contingent liabilities consist of guarantees and indemnities, legal disputes and claims, and uncalled capital. The costs associated with contingent liabilities may need to be recognized once a certain event occurs and/or it can be reliable quantified.

If a call on capital occurs, it would be registered as an increase in financial assets, therefore would have a neutral impact on the Government's net debt position. The authority to acquire the financial asset is provided from the PLA that is in place, therefore no new funding is required through the budget process (with the exception of EBRD for which an appropriation is required).

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: Legal basis upon which subscriptions rest are described above (Q2). The articles of association for each MDB have been either 'accepted' or 'ratified' by the New Zealand government, and consequently express the consent of the state to be bound by each such treaty.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: As described above in relation to EBRD (Q2). We note that the distinct treatment of EBRD compared to other MDBs is a product of portfolio responsibility historically being held by the Minister of Foreign Affairs (and the Ministry of Foreign Affairs and Trade). Responsibility has recently been shifted to the Minister of Finance (and the Treasury), which provides a pathway for addressing this distinction, which the government may consider doing in the future.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: We note that callable capital is designed to help MBDs respond to an imminent default on their bonds and guarantee obligations in cases of severe financial stress. In case of severe and/or systemic global financial crisis, it is possible that several MDBs decide to make calls on capital, which may limit the ability of New Zealand (and other shareholders) to respond to different calls on capital at the same point in time. Additionally, in the event of such crisis, it is likely shareholders' finances are also under stress, which may in turn hinder their ability to respond to a call.

Domestic needs may also affect a given country's ability to respond to a call – for example if a country is responding to natural disasters or severe weather events with great fiscal impacts.

Czechia

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)
IBRD	0.36 %	1.058
IFC	0.40 %	00 (the subscribed capital has already been fully paid)
MIGA	0.44%	0.006
EBRD	0.86%	0.202 EUR
EIB	0.89%	2.010 EUR
CEB	0.77%*	0.038 EUR

** As at 31 December 2023. The capital increase of the CEB comes into force on 29 February 2024. However, the subscription period for the capital increase has been extended to 30 June 2024. The share of the Czech Republic may (and most probably will) be adjusted during the remaining subscription period as the member states will subscribe their respective shares.*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: In case of the IBRD (approx. 26,5 billion CZK) and EBRD (approx. 5 billion CZK) call on callable capital, a legislative Amendment of the Approved State Budget would be needed as the Governmental Budgetary Reserve allocated at the General Treasury budgetary chapter would not be able to fully cover those claims. Government´s as well as Parliament´s approval would be necessary.

Financing of the MIGA call on callable capital (0,006 bil. EUR is approx. 150 million CZK) would be possible from the Governmental Budgetary Reserve (the Ministry of Finance is eligible to release up to 50 mil. CZK without any further approval) located within the General Treasury budgetary chapter. Government´s approval would be necessary (if the amount is higher than 50 mil. CZK) based on the 218/2000 Budgetary Rules Act, article 27.

Main code: 218/2000 Budgetary Rules Act, 320/2001 Financial Control Act, 416/2004 Decree on Financial Control in Public Administration.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: In case of the IBRD and EBRD call on callable capital, a legislative Amendment of the Approved State Budget would be needed as the Governmental Budgetary Reserve allocated at the General Treasury budgetary chapter (or any other savings) would not be able to fully cover those claims. The process of amending the State Budget in a regular procedure (not during a so-called legislative emergency state procedure) takes usually few months as it has to be approved by the Parliament. If there is the so-called legislative emergency state in action (e.g., during the COVID19 crisis etc.) then it can take up to two weeks.

Financing the MIGA call on callable capital from the Governmental Budgetary Reserve would be quite a swift process. The government is eligible to release funds based on the Government´s Resolution Document. The timeframe for preparing the material and discussing it at the Government and final approval takes around few weeks to a month.

In general, if the need for the callable capital call would be known in advance (at least 3-4 months in advance to the new budget year) then it could be budgeted for the upcoming budget year during the regular budget process which takes place from approx. March to the end of September, before it is submitted to the Parliament.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

Procedural Step	Timeframe	Responsible Entity
IBRD and EBRD callable capital call – probably need of amending the approved State Budget, as the required amount would be too high to be covered from the Governmental Budgetary Reserve. The process takes several months – the material has to be prepared and approved by the Government, State Budget Amendment Law has to be prepared and approved by the Government and subsequently approved by the Parliament as well.	Few months	Ministry of Finance, Government, Parliament
MIGA callable capital call – possible payment from the Governmental Budgetary Reserve allocated at the General Treasury budget chapter, subsequently approved by Government via the Government´s Resolution Document.	Few weeks to a month	Ministry of Finance, Government

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: Size of call on callable capital would influence the necessary legislative process (as described in (3) Timeframes) in relation to the source of payment (Governmental Budgetary Reserve or Amendment of the State Budget).

Government´s ability to make available the amount of callable capital above the size of a call that has been made (or is forthcoming) is unlikely.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: Accelerated domestic legislative process in not presumable in this case. A so-called legislative emergency state procedure, which took place for example during the COVID19 crisis, is declared by the chairman of the Parliament only if security of the state and its citizens rights are threatened or if a substantial economic damage is at risk. Thus, it is quite unlikely to establish the emergency legislative state procedure in regard to a call on callable capital.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: No provision for potential call on callable capital has been made in the existing State Budget (for years 2024-2026).

Although for example, in December 2023 there was an immediate disbursement for the capital increase required for CEB for 2023 that was approved by the Government´s Resolution Document in September 2023 covering yearly installments of capital increase for CEB for years 2023-2026. The approval and payment process took approximately 3 months, and it was paid from the General Treasury budgetary chapter with no need of approval from the Parliament as the amount was approx. 60 mil. CZK (approx. 2.4 mil. EUR).

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Ministry of Finance accounts for callable capital as a contingent liability.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: The legal status results from statutory agreements (Articles of Agreement), no special legal provision or measure have been made in this regard.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: The legal status results from specific statutory agreements of individual MDBs.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: There are certain risks that could jeopardize the procedure. E. g. (1) National political situation (elections to the Chamber of Deputies, Government collapse etc. (2) National fiscal situation (as illustrated in the IBRD Callable Capital Reverse Stress Testing, the call on callable capital would probably be triggered in the case of global crisis scenario that would affect the fiscal situation of the Czech Republic as well. Furthermore, in that assumed scenario, other MDBs would probably also make call on callable capital, limiting the ability of the Czech government to respond promptly and in sufficient amount to all calls.

Slovak Republic

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)*
EIB	0.31%	0.756
EBRD	0.43%	0.112
CEB	0.346%	0.018
IBRD	0.20%	0.536
MIGA	0.29%	0.034

** 31/12/2023. 1 EUR = 1,105 USD.*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: N/A

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: N/A

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response: If there was a request for payment of capital during a particular year, we need the approval of the Slovak Government. Our internal process for getting the approval of the Slovak Government would take in practice two months, as it entails an intra- and subsequently inter-ministerial consultation. In any case this process would also depend on the requested amount and the actual situation in our state financial assets.

Procedural Step	Timeframe	Responsible Entity
Government approval	2 months	Ministry of Finance

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: The size of the call would not influence the procedure (described above).

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: This depends on the moment when the call would occur. When urgent, the periods of the intra- and inter-ministerial consultations could be shortened. If it is likely that a call on callable capital will occur in the future, Slovak Republic could undertake the necessary steps (notably from a budgetary and procedural point of view) in order to be able to react quicker when the call will occur.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: No provision for potential call on callable capital has been made in the existing State Budget (for years 2024-2026). They are recorded as contingent liabilities.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Contingent liabilities are defined within Slovak legislation and specifically outlined as Annex no. 4 to the public administration budget (https://www.mfsr.sk/files/archiv/88/Prilohy.pdf).

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: The existing capital subscriptions have been approved by the Government and are usually formalized in writing at the level of the Minister of Finance, while guided by the Statutory documents of the MDBs.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: The requirements and procedures would be the same, there is no difference in treatment between the MDBs.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: Apart from MDBs, a callable capital institute exists also within the European Stability Mechanism.

Lithuania

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)*
IBRD	0.09 %	USD 0.255
EBRD	0.1%	EUR 0.024 = USD 0.026
EIB	0.18%	EUR 0.399 = USD 0.431
NIB	2%	EUR 0.147 = USD 0.159
CEB	0.229%	EUR 0.011 = USD 0.012

** as of 21-02-2024(EUR=USD 1.0809).*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: By the Government resolution on payments of contributions (or their part) for the membership of the Republic of Lithuania in the MDBs the Ministry of Finance of Lithuania is authorized to make payments for Lithuania's membership in MDBs as requested by these institutions. The funds needed for payments to MDBs during the FY should be included in the State budget as part of allocations to the Ministry's of Finance budgetary programmes.

In case the amount called by MDBs is not significant and there are funds available in the Ministry's of Finance budget, the Ministry of Finance has the authority to make payments for the called capital from its respective budgetary allocations. This is based on the Law on the Budget Structure which allows the appropriation managers (i.e. budgetary institutions) to change the purpose of funds within their approved budgetary programmes but not exceeding the total amount earmarked for these programmes.

Furthermore, the appropriation managers have the right once per quarter to reallocate quarterly funds within their approved budgetary programmes. If there is a need to reallocate funds between the programmes, the decision has to be taken by the Government.

In case of a capital call for significant amount, it would be necessary to include this amount into the State budget. This could be done either by amending the Budget Law for current FY (although it should be noted that in the past the amendments happened only on exceptional circumstances, e.g., covid-19 pandemic, Russia's war against Ukraine) or by earmarking the necessary amount in the Budget Law for the next FY. In both cases the Budget Law has to be approved by the Parliament.

3. **Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.**

Response: The timeframe depends on the amount due and urgency. If there is no obligation to amend the Budget Law the time required for the Government procedures is less than one month. Otherwise, if the Parliament needs to be involved, it depends on the budget preparation and approval time frame. For the regular procedure, if the MDBs capital call is received before the first budget draft is prepared (around September) or at least by the time the Budget Law is adopted by the Parliament, the funds could be included in the next year's budget; if MDBs capital is called later, after the budget has already been approved by the Parliament, the expedited procedures could take several months to approve the amendments to the Budget Law. In case the amount is significant and cannot be covered from the appropriations of the current FY, the payment should be moved to the next FY.

4. **Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.**

Response:

Procedural Step	Timeframe	Responsible Entity
Assessment if the called amount can be covered from the Ministry of Finance budgetary allocations	A week	Ministry of Finance
Preparation the Budget Law ammendments (if needed)	Several weeks-Month	Ministry of Finance
Approval of the Budget Law ammendments	Several months	Parliament
Payment (once the Budget Law is approved)	A week	Ministry of Finance

5. **Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).**

Response: See the answer to question 2.

6. **Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).**

Response: The accelerated processes might take a month if the Parliaments needs to be involved. Otherwise, if the called amount can be covered from the Ministry of Finance budgetary allocations, the timeframe might be brought down to a week or two.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: No funds are set aside or earmarked in Lithuania's regular budget for a potential payment of callable capital. Lithuania's budget includes only funds for actual payments to MDBs which will be made during the FY but it does not include provisions for potential payments of the subscribed but not-paid-in capital which may be called by MDBs.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Callable capital is recorded as an off-balance sheet commitment and as a contingent, not a direct, liability.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: The callable capital subscriptions are made by the Government resolutions.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: The process is same for all MDBs.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: The elections or the holiday breaks for the Parliament.

Latvia

1. Shareholding and Callable Capital Commitments.

Response:

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions)*
IBRD	0.08%	USD 0.23
MIGA	0.10%	USD 0.001
EIB	0.11%	EUR 0.24
EBRD	0.10%	EUR 0.02
NIB	1.34%	EUR 0.10
CEB	0.23%	EUR 0.01

** as of 20-12-2023*

2. Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

Response: The general procedure implies that a mechanism for possible payments to MDBs is included in the Law on the State Budget for the upcoming year (T+1) and the Budget Framework for the upcoming three years. The deadline for provision of such a mechanism is September of the current year (T) to allow for a payment starting from next year (T+1). To respond to a call on callable capital, the Ministry of Finance would prepare a draft order and submit it for approval to the Government (Cabinet of Ministers), followed by a parliamentary approval.

3. Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

Response: If the mechanism is in place, as described above, in general it takes 1-1.5 months for preparation and approval of the order, and the payment.

4. Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Response:

Procedural Step	Timeframe	Responsible Entity
Proposal to include a mechanism for possible payments to MDBs in the Law on the State Budget	By September, current year (T)	Ministry of Finance
Preparation of a draft order and submission for approval to the Government	Two weeks	Ministry of Finance
Approval by the Government	One week	Cabinet of Ministers
Parliamentary approval	One week	Budget and Finance (Taxation) Committee of the Parliament
Payment	One week	Ministry of Finance, State Treasury

5. Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

Response: Approval by the government and the parliament would be needed.

6. Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

Response: In case the accelerated process should be undertaken, the same procedural steps would apply (see point 4) with possibly shorter terms, except for the first step which could be omitted upon justification for emergency measures.

7. Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

Response: No funds are set aside or earmarked in the State regular budget for a potential payment of callable capital. The State budget includes funds only for actual payments to MDBs.

8. Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Response: Callable capital is recorded as an off-balance sheet commitment and as a contingent liability.

9. Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Response: The callable capital subscription would be issued as the Order of the Cabinet of Ministers of the Republic of Latvia.

10. Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

Response: The process is the same for all MDBs.

11. Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.

Response: N/A

WORLD BANK GROUP

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