

**Royal Government of Bhutan
Ministry of Finance**



Public Debt Situation Report

**For the quarter ended
30 September 2020**

**Debt Management Division
Department of Macroeconomic Affairs**

October 2020

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LIST OF ABBREVIATIONS

ADB	Asian Development Bank
ADF	Asian Development Fund
ATM	Average Time to Maturity
ATR	Average Time to Re-fixing
BDFC	Bhutan Development Finance Corporation
BFAL	Bhutan Ferro Alloys Limited
BHSL	Bhutan Hydropower Service Ltd
BHTF	Bhutan Health Trust Fund
BoBL	Bank of Bhutan Ltd
BoP	Balance of Payment
CC	Convertible Currency
COL	Concessional OCR Lending
DCCL	Dungsam Cement Corporation Limited
FYP	Five Year Plan
GDP	Gross Domestic Product
GoI	Government of India
IDA	International Development Association
IFAD	International Fund for Agricultural Development
INR	Indian Rupee
JICA	Japan International Cooperation Agency
NPPF	National Pension and Provident Fund
NSB	National Statistical Bureau
OCR	Ordinary Capital Resources
ODF	Overdraft Facility
PNB	Punjab National Bank
RBI	Reserve Bank of India
RE	Rural Electrification
RGoB	Royal Government of Bhutan
RNR	Renewable Natural Resources
RMA	Royal Monetary Authority
SAARC	South Asian Association for Regional Cooperation
SBI	State Bank of India
SCF	Standby Credit Facility
SDF	SAARC Development Fund
T-Bills	Treasury Bills
USD	United States Dollar
WMA	Ways and Means Advances

This debt report is prepared by the Debt Management Division, Department of Macroeconomic Affairs, Ministry of Finance. The external debt statistics in this report and those published by the RMA are different: in this report, only the public debt statistics are presented, while the RMA external statistics includes private external debt in addition to the public debt.

I Summary of Public Debt Stock

1. The total public debt¹ on 30th September 2020 stood at **Nu.223,294.803** million, an increase of Nu.7,924.635 million (or 3.7%) from the total public debt of **Nu.215,370.168** million on 30th June 2020. The total public debt accounted for 120.8% of FY2020/21 GDP.²

2. The external public debt increased to Nu.214,908.083 million from Nu.213,383.100 million on 30th June 2020, a marginal increase of Nu.1,524.983 million (0.7%). The increase was mainly due to a loan disbursement for Punatsangchhu-II Hydroelectric Project Authority (PHPA II).

3. The total domestic debt stood at Nu.8,386.720 million, an increase of Nu.6,399.65 million (322.1%) from Nu.1,987.068 million on 30th June 2020. The domestic debt increased due to the issuance of T-Bills and Government Bond during the first quarter of FY2020-21.

4. *Table 1* below presents the summary of the total public debt stock as of 30th September 2020.

Table 1: Total Public Debt Summary (amount in Nu. millions)

Category	30-Jun-2020	30-Sep-2020	Change (%)
Total Public Debt	215,370.168	223,294.803	3.7%
Percent of GDP	113.7%	120.8%	
External Debt	213,383.100	214,908.083	0.7%
Percent of GDP	112.64%	116.3%	
Percent Total Public Debt	99.1%	96.2%	
Domestic Debt	1,987.068	8,386.720	322.1%
Percent of GDP	1.0%	4.5%	
Percent of Total Public Debt	0.9%	3.8%	

5. The domestic debt comprised T-Bills stock of Nu.5,000 million and a 3-year Government bond of Nu.3,000 million. A 3-year Government bond of Nu.3,000 million was issued at the annual coupon rate of 6.5% in September 2020, which will be redeemed on 26 September 2023. The rest of the domestic debt was a loan outstanding to the National Pension and Provident Fund (NPPF) borrowed for the construction of staff quarters for the Phuntsholing Hospital and the liquidation of Bhutan Hydropower Services loan to the German Investment Corporation (DEG), Germany.

¹ Public debt includes government and government guaranteed debt, and central bank debt.

² The fiscal year is from July to June.

II Categories of External Debt

6. The total external debt is presented in three major categories as given in *Tables 2, 3 and 4* respectively:

Table 2: External Debt: By Govt. Debt, Corporate Debt and Central Bank Debt

Category	Amount (Million Nu.)
(a) Govt Debt³	202,778.144
Percent of Total External Debt	94.4%
Of which: On-lent to Public Corporations (including hydro debt):	163.305.779
(b) Corporate Debt⁴	5,129.939
Percent of Total External Debt	2.4%
(c) Central Bank Debt⁵	7,000.000
Percent of Total External Debt	3.3%

7. The Government Debt accounted for 94.4% of the total external debt. The Gov't debt includes budgetary debt of Nu. 39,472.365 million and of Nu.163,305.779 million on account of loans on-lent to SoEs for carrying socially beneficial projects and development of hydropower projects in the country.

8. The corporate debt accounted for 2.4% of the total external debt. The corporate debt pertains to loan availed by Drukair from SDF for the purchase of new aircraft (ATR 42-600), and Tangsjibi Hydro Energy Limited from ADB, State Bank of India and EXIM Bank of India for the hydropower development.

9. The Central Bank debt, which is on account of the Standby Credit Facility (SCF) availed from the Government of India (GoI), comprised 3.3% of the total external debt. The central bank debt does not include RMA's currency swap arrangement of Rs.14,277.30 million with Reserve Bank of India, as it is for short-term rupee reserve management.

³ **Gov't Debt** : External debt on account of the borrowings from multilateral development partners and bilateral agencies for financing government's budgetary projects and programs. The debt servicing obligations for this debt is borne by the Government. The Gov't debt also includes external debt on account of loans availed by the Government and then on-lent to SoEs, including the hydropower project loans. The debt service obligations for the on-lent loans are borne by the SoEs.

⁴ **Corporate Debt**: Refers debt stock on account of loans signed between the public corporation and the creditors. The debt servicing is done directly by the public corporation without routing through the government budget system.

⁵ **Central Bank Debt**: External debt on the loan/credit facilities availed by the RMA for BoP support purposes.

10. *Table 3* shows the total external debt composition of hydropower and non-hydropower debt.

Table 3: External Debt: By Hydropower and Non-Hydro Debt

Category	Amount (Million Nu.)
(A) Hydropower Debt	161,325.459
Percent of GDP	87.3%
Percent of Total External Debt	75.1%
(B) Non-Hydro Debt	53,582.624
Percent of GDP	29.0%
Percent of Total External Debt	24.9%
B.1. Non-Hydro Budgetary Debt	39,472.365
B.2. Non-Hydro Commercial Debt (On-lent to SoEs)	7,110.259
B.3. Non-Hydro Central Bank Debt	7,000.000

11. As shown in *Table 3*, the hydropower debt at Nu.161,325.459 million accounted for 75.1% of the total external debt, while the non-hydro debt at Nu.53,582.624 million accounted for about 25% of the external debt. The non-hydro debt at 29% of FY2020-21 GDP was well within the 2016 Public Debt Policy threshold of 35%.

12. The total external debt in terms of Rupee and Convertible Currency (CC) as of 30th September 2020 is presented in *Table 4* below.

Table 4: External Debt: By Rupee and CC Debt

Category	Amount (Million Nu.)
(A) Rupee Debt	154,246.319
Percent of Total External Debt	71.8%
(A.1) Hydro Rupee Debt	147,246.32
(A.2) Central Bank Rupee Debt	7,000.00
(B) CC Debt⁶ (US\$ 821.03 Million)	60,661.764
Percent of Total External Debt	28.2%
Total External Debt	214,908.083
Percent of Total Public Debt	96.2%

13. As of 30 September 2020, the INR-denominated debt stood at INR 154,246.319 million, accounting for 71.8% of the total external debt. The INR-denominated debt increased by 2,048.90

⁶ Convertible Currency (CC) Debt refers to those debt that are denominated in currencies other than Indian Rupee and Bhutanese Ngultrum.

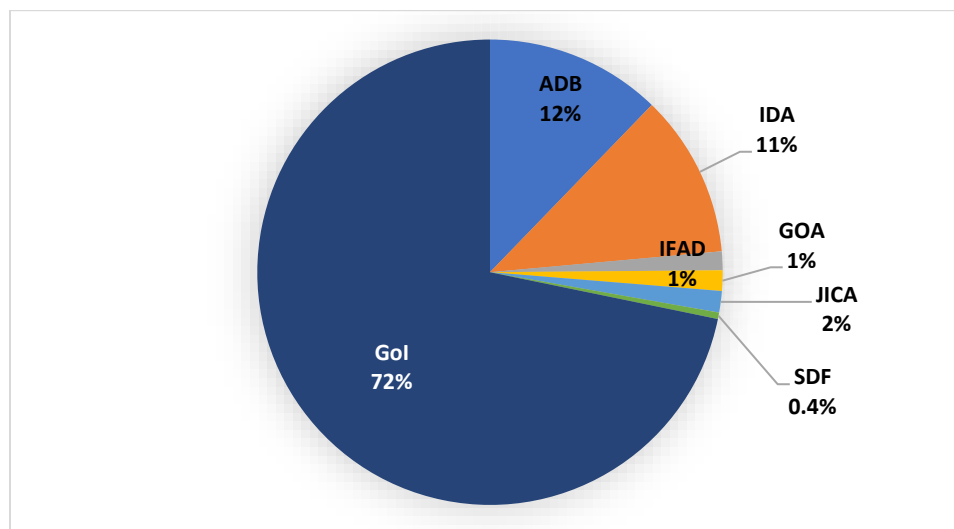
million (1.3%) compared to INR debt on 30th June 20120 due to loan disbursements for PHPA-II. There was no loan disbursement for other ongoing hydropower projects during the first quarter of FY2020/21.

14. The Convertible Currency (CC) debt stock stood at US\$821.03 million, an increase of US\$12.34 million from the US\$808.69 million on 30 June 2020. However, the Ngultrum value of the CC-denominated debt decreased from Nu.61,185.681 million on 30 June 2020 to Nu.60,661.764 million on 30 September 2020 due to the appreciation of the Ngultrum against the U.S. Dollar (Ngultrum appreciated from 75.66 per U.S. Dollar on 30 June 2020 to Nu.73.885 on 30 September 2020).

III Composition of External Debt

15. The external debt is divided into three main categories: (i) by creditors, (ii) by sectors and (iii) by currency. The external debt by creditor is presented in *Chart 1*:

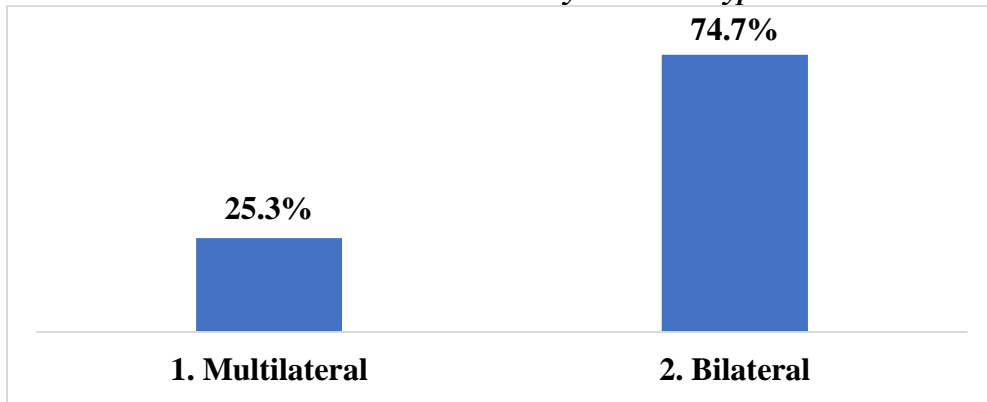
Chart 1: External Debt by Creditors



16. As of 30th September 2020, the GoI was Bhutan's largest external creditor, representing about 72% of the total external debt, followed by ADB (12%), World Bank/IDA (11%), JICA (2%), Austria (1%), IFAD (1%) and the SAARC Development Fund (SDF, 0.4%) as given in the *Chart 1* above.

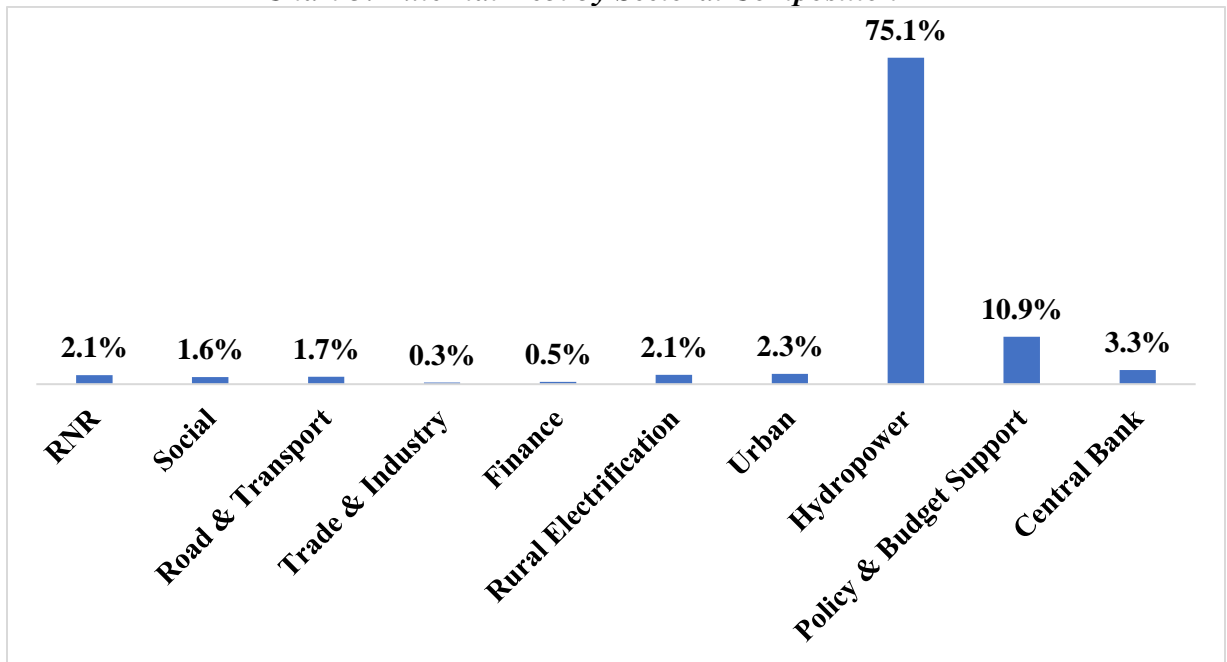
17. *Chart 2* shows that about 74.7% of the total external debt are from bilateral sources and 25.3% are from multilateral financial institutions.

Chart 2: External Debt by Creditor Type



18. Similarly, *Chart 3* presents external debt composition by sectors.

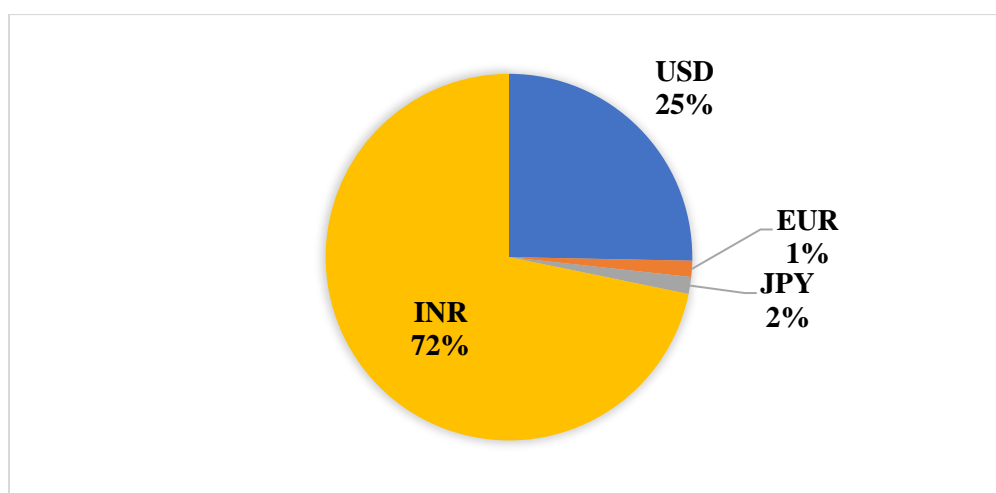
Chart 3: External Debt by Sectoral Composition



19. The debt in the hydropower sector constitutes the major portion of the total external debt (75.1%), followed by Policy and Budget Support (10.9%), Central Bank debt (3.3%), and other sectors as presented in the *Chart 3* above.

20. Chart 4 below presents the external debt by the currency composition:

Chart 4: External debt by Currency Composition



21. As illustrated by Chart 4 above, 72% of the total external debt is denominated in Indian Rupees (INR), followed by U.S. Dollar (25%), Japanese Yen (2%) and Euro (1%)

IV External Debt Servicing

22. Table 5 shows external debt servicing for the previous two fiscal years, and projected debt servicing for FY2020/21:

Table 5: External Debt Servicing (in Million Nu.)

Category	2018/19 (Actual)	2019/20 (Actual)	2020/21 (Proj)
(A) External Debt Service through Budget			
Principal Repayment	2,331.470	1,776.183	3,612.091
Interest Payment	1,315.945	697.842	1,775.793
Total External Debt Service- through Budget	3,647.415	2,474.025	5,387.884
Total Budgetary Debt Service to Domestic Revenue	10.5%	6.8%	15.0%
(B) External Debt Service-Off-Budget*			
Principal Repayment	500.970	0.000	4,032.374
Interest Payment	530.580	813.630	708.285
Total External Debt Service- Off-Budget	1,031.550	813.630	4,740.660
Total External Debt Service	4,678.96	3,287.66	10,128.544
Total External Debt Service to Exports of Goods & Services	9.0%	6.1%	19.9%

Memorandum Items (In Million Nu.) **			
Nominal GDP	173,595.74	176,483.57	184,817.80
Export of Goods and Services	52,052.29	53,958.09	50,957.29
Domestic Revenue	34,707.67	36,218.88	35,990.53

*The off-budget debt services are those external debt (on-lent and outright SOE liabilities) servicing that are made directly by SoEs and RMA, without routing through the Government budget system;

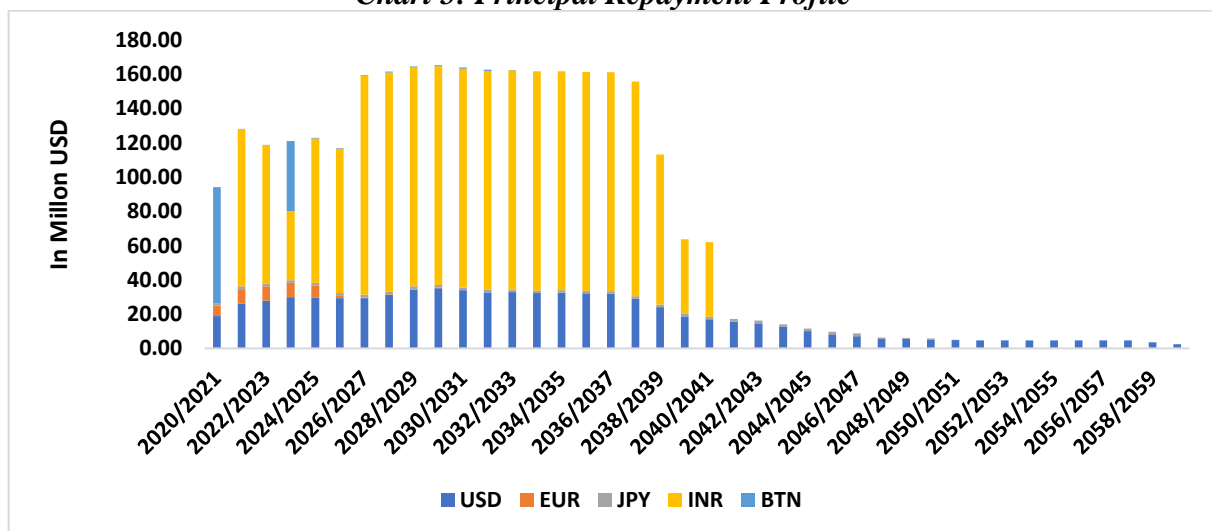
** Nominal GDP and Exports figures for FY2019/20 and FY2020/21 are based MFCTC projection (last updated in October 2020), which may change when figures are updated later.

23. The total external debt servicing in FY2020/21 is expected to increase significantly compared to debt servicing in FY2019-20, due to the start of the debt servicing for Mangdechhu Hydropower Project (MHP) and the liquidation of the SCF of Rs.4,000 million by RMA during the fiscal year. Therefore, the external debt service to exports is also expected to rise from 6.1% in FY2019-20 to 19.9% in FY2020/21.

V Redemption Profile

24. Chart 5 below shows the projected principal repayment of the public debt stock as of 30th September 2020.

Chart 5: Principal Repayment Profile



25. The principal repayment is expected to increase significantly from FY2021/22 due to the MHP debt servicing and the liquidation of the SCF III during the fiscal year.

26. The repayment is expected to drop in FY2023/24 after the SCF has been repaid, but increase sharply from FY2024/25 with the start of repayment for Puna-II hydropower loan after

its projected commissioning in December 2022. The repayment will further peak from FY2026/27 due to the start of the repayment for Puna-I and Kholongchu Hydropower loans.

27. The repayment is projected to remain elevated from FY2026/27 until FY2037/38 as the repayment for all the mega hydropower projects (MHP, Puna-I, Puna-II and Kholongchu) would be ongoing then. However, after the liquidation of MHP and Puna-I debt in FY2037/38, the repayment is projected to drop sharply from FY2038/39 and remain low thereafter.

28. Finally, the increase in repayment of Ngultrum debt in FY2023/24 is due to the redemption of the 3-year Government bond of Nu.3,000 million, which was issued in September 2020 and due for redemption on 26 September 2023.

VI Government Guarantees

29. Table 6 presents the details of the guarantees issued by the Government as of 30th September 2020.

Table 6: Status of Government Guarantees as of 30 September 2020

Sl#	Beneficiary	Date of Issue	Issued To	Purpose	Original Amt	Balance (Million Nu.)
1	National Housing Development Corporation Ltd.	11-Sep-17	NPPF	Financing for Affordable Housing Project in Phuntsholing.	890.00	831.94
2	Bhutan Agro Industries Ltd.	05-Jun-17	BOBL	Financing for set up of an integrated agro based industry in Lingmethang, Mongar.	166.00	156.50
3	Bhutan Development Bank Ltd.	09-Mar-19	NPPF	OESD Loan Scheme to youths.	521.30	305.25
4	Drukair Corporation Ltd.	11-Feb-19	NPPF	Financing for purchase of new Aircraft A320 Neo.	US\$ 36.6 m	586.49
5	Drukair Corporation Ltd.	13-Aug-19	SDF	Purchase of New ATR 42-600	US\$ 13 m	960.51
Total						2,840.68
Government Guarantee to GDP (%)						1.5%

30. As of 30th September 2020, the loan outstanding on which the Government has provided a guarantee stood at Nu.2,840.68 million, accounting for 1.5% of FY2020/21 GDP. The sovereign guarantee was within the 2016 Public Debt Policy threshold of 5% of GDP.

VII Cost and Risk Indicators

Table 7: Cost and Risk Indicators for Existing Debt

Cost & Risk Indicators		External Debt	Domestic Debt	Total Public Debt
Nominal Debt (Million Nu.)		214,908.083	8,386.720	223,294.803
Nominal Debt as percent of GDP		116.3%	4.5%	120.8%
Implied Interest Rate (Weighted Average Interest Rate)		7.3%	3.5%	7.4%
Refinancing Risks	Average Time to Maturity (Years)	11.6	1.9	11.2
	Debt Maturing in 1 Year (% of Total)	2.0%	59.8%	6.3%
Interest Rate Risks	Average Time to Refixing (Years)	11.1	1.9	10.8
	Debt Refixing in 1 Year (% of Total)	6.4%	59.8%	10.5%
	Fixed Rate Debt (% of Total)	95.5%	100.0%	99.4%
Forex Risk	CC Debt (% of Total)			27.2%
	Short-term CC Debt (% of Gross Reserve)			0.0%
Debt Stress	Hydro Debt to GDP (%)			87.3%
	Non-Hydro Debt to GDP (%)			29.0%

31. *Table 7* above presents the summary of cost and risk indicators of the current debt portfolio. The level of total public debt remains elevated at 120.8% of GDP; However, the overall risk is considered low and manageable because of the following reasons:

1. Although the weighted average interest rate is high at 7.4%, the cost of total public debt is sustainable since the major portion (75.1%) of external debt is on account of hydropower projects which are commercially viable with significant export potential. In addition, 91% of the hydro debt is denominated in INR, to which the Ngultrum is pegged at par, mitigating exchange rate risks.
2. The debt with fixed-interest rate constitutes 99.4%. In addition, the average time to re-fixing (ATR) is estimated at 10.8 years. Thus, due to the long ATR and the small portion of variable-interest rate debt, the interest rate risk is presently considered low.
3. The Average Time to Maturity (ATM) is estimated at 11.2 years, and only about 6.3% of the debt will be maturing in 1 year. The long ATM and the low level of debt maturing in 1 year indicates that the refinancing/rollover risk is low.
4. Though the proportion of external debt is quite high at 96.2% of the total public debt, the exchange rate risk is low because of the following reasons:
 - The INR-denominated debt constitutes a major portion (71.8%) of total external debt, and the Ngultrum is pegged at par with the INR, which lowers exchanges rate risks.

- The balance 28.2% of the total external debt is CC-denominated debt which are mostly concessional loans with interest rates ranging from 0% to 1.5%, long grace periods (8 to 10 years) and repayment periods up to 40 years. The concessional nature of the CC-denominated debt lowers the periodical debt servicing amount, reducing the pressure on government revenue and cash flows.

ANNEX I: TOTAL PUBLIC DEBT as of 30-Sep-2020 (Amount in Millions)

Category	Borrowing Currency	A. Gov't Budgetary Debt			B. On-lent & Corporate			C. Central Bank Debt			Total Public Debt (A+B+C)		
		Amount in Borrowing Currency	Amount in Equivalent US\$	Amount in Equivalent Nu.	Amount in Borrowing Currency	Amount in Equivalent US\$	Amount in Equivalent Nu.	Amount in Borrowing Currency	Amount in Equivalent US\$	Amount in Equivalent Nu.	Amount in Borrowing Currency	Amount in Equivalent US\$	Amount in Equivalent Nu.
A. External Debt			534.24	39,472.36		2,374.44	168,435.72		94.74	7,000.00		2,908.68	214,908.08
A.1 Concertible Currency(CC Debt)			534.24	39,472.36		286.79	21,189.40		0.00	0.00		821.03	60,661.76
ADB	SDR	95.07	133.66	9,875.25	64.34	90.46	6,683.34				159.41	224.11	16,558.59
ADB	USD	50.00	50.00	3,694.25	81.83	81.83	6,046.34				131.83	131.83	9,740.59
IDA	SDR	234.39	329.54	24,347.80	0.00	0.00	0.00				234.39	329.54	24,347.80
GOA	EUR	0.00	0.00	0.00	35.44	41.43	3,061.22				35.44	41.43	3,061.22
JICA	JPY	0.00	0.00	0.00	4,572.47	43.30	3,198.90				4,572.47	43.30	3,198.90
IFAD	SDR	14.97	21.05	1,555.07	11.93	16.77	1,239.09				26.90	37.82	2,794.16
SDF	USD	0.00	0.00	0.00	13.00	13.00	960.51				13.00	13.00	960.51
A.2 INR Debt			0.00	0.00	154,246.32	2,087.65	147,246.32	7,000.00	94.74	7,000.00	154,246.32	2,087.65	154,246.32
Hydropower projects	INR				147,246.32	1,992.91	147,246.32				147,246.32	1,992.91	147,246.32
BoP Support(RMA)	INR							7,000.00	94.74	7,000.00	7,000.00	94.74	7,000.00
B. Domestic Debt	BTN	8,386.72	113.51	8,386.72							8,386.72	113.51	8,386.72
Total Public Debt(A+B+C)			647.75	47,859.08		2,374.44	168,435.72		94.74	7,000.00		3,022.19	223,294.80
CHECK				OK			OK			OK			OK

ANNEX II: THE CONVERTIBLE CURRENCY DEBT as of 30-Sep-2020 (Amount in Millions)

Sl#	Project	Creditor	Agreement Currency	Category	Agreement Date	Maturity Date	Disbursed Outstanding Debt (DOD)		
							In Agreement Currency	Equivalent USD	Equivalent Nu.
1	Multi Project I	ADB	SDR	Non-Hydro: Budgetary	15-Dec-1993	15-Jun-2023	0.441	0.619	45.772
2	Multi Project -II (DWH)	ADB	SDR	Non-Hydro: Budgetary	1-May-1995	1-Nov-2024	1.337	1.880	138.924
3	Chirang Hill Irrigation	ADB	SDR	Non-Hydro: Budgetary	1-Nov-1995	1-May-2025	0.168	0.236	17.412
4	Road Mechanisation Project	ADB	SDR	Non-Hydro: Budgetary	1-Dec-1996	1-Jun-2026	0.891	1.252	92.524
5	Highland Livestock Development Project	ADB	SDR	Non-Hydro: Budgetary	15-May-1997	15-Nov-2026	0.917	1.289	95.202
6	Industrial Estates Project	ADB	SDR	Non-Hydro: Budgetary	15-Dec-1998	15-Jun-2028	0.176	0.248	18.287
7	Bhutan Development Finance Corporation	ADB	SDR	Non-Hydro: Corporate	15-Jan-1999	15-Jan-2028	0.520	0.731	54.001
8	Technical & Vocational Educational Training	ADB	SDR	Non-Hydro: Budgetary	15-Apr-2001	15-Oct-2030	1.385	1.947	143.826
9	East West Highway Maintenance Project	ADB	SDR	Non-Hydro: Budgetary	15-Feb-2004	15-Aug-2033	1.906	2.679	197.967
10	Rural Electrification Project(RE-I)	ADB	SDR	Non-Hydro: Corporate	15-Feb-2006	15-Aug-2035	2.863	4.025	297.423
11	Financial Sector Development Program	ADB	SDR	Non-Hydro: Budgetary	15-Feb-2008	15-Aug-2037	1.998	2.809	207.565
12	Development Finance Loan	ADB	SDR	Non-Hydro: Corporate	15-Feb-2008	15-Aug-2037	1.995	2.804	207.196
13	Urban Infrastructure Improvement Project	ADB	SDR	Non-Hydro: Budgetary	15-Aug-2008	15-Feb-2038	2.972	4.178	308.690
14	Sustainable Rural Electrification(RE-II)	ADB	SDR	Non-Hydro: Corporate	15-Feb-2008	15-Aug-2031	3.237	4.551	336.254
15	Health Care Reform Program	ADB	SDR	Non-Hydro: Budgetary	15-Feb-2009	15-Aug-2024	1.904	2.676	197.729

16	Road Improvement project	ADB	SDR	Non-Hydro: Budgetary	15-Feb-2009	15-Aug-2032	3.632	5.106	377.245
17	Basic Skill Development Project	ADB	SDR	Non-Hydro: Budgetary	1-Oct-2009	1-Apr-2033	2.703	3.800	280.783
18	Rural Electrification and Network Expansion Project(RE III)	ADB	SDR	Non-Hydro: Corporate	15-Mar-2012	15-Sep-2035	4.115	5.786	427.464
19	Road Network Project	ADB	SDR	Non-Hydro: Budgetary	1-Apr-2014	1-Oct-2037	13.710	19.276	1,424.189
20	Urban Infrastructure Development Project	ADB	SDR	Non-Hydro: Budgetary	1-Apr-2015	1-Oct-2038	11.747	16.516	1,220.256
21	Financial Sector Development Program	ADB	SDR	Non-Hydro: Budgetary	1-Apr-2015	15-Aug-2037	4.904	6.894	509.356
22	Financial Sector Development Project	ADB	SDR	Non-Hydro: Budgetary	1-Apr-2015	1-Oct-2038	0.683	0.960	70.933
23	Green Power Development Project (Sepcial Operations)-Dagachu- ADF	ADB	SDR	Hydropower	15-Apr-2017	15-Oct-2040	16.086	22.615	1,670.915
24	Urban Infrastructure Project	ADB	SDR	Non-Hydro: Budgetary	15-May-2020	15-Nov-2043	10.035	14.108	1,042.364
25	SASEC Trade Facilitation Program (LOAN)	ADB	SDR	Non-Hydro: Budgetary	15-May-2021	15-Nov-2036	5.412	7.609	562.177
26	Strengthening Economic Management Program (Loan)	ADB	SDR	Non-Hydro: Budgetary	15-Sep-2021	15-Mar-2037	9.224	12.968	958.152
27	Green Power Development Project - Dagachu- Additional Financing	ADB	SDR	Hydropower	1-Feb-2022	1-Aug-2045	22.780	32.027	2,366.327
28	2nd Green Power Development Project (Special Operations- Tangsibji)-Nik	ADB	SDR	Hydropower	15-Feb-2023	15-Aug-2046	12.744	17.917	1,323.764
29	Strengthening Economic Management Program II (LOAN)	ADB	SDR	Non-Hydro: Budgetary	1-Dec-2023	1-Jun-2039	14.443	20.306	1,500.281
30	SASEC Transport,Trade Facilitation and Logistics Project (Loan 3421-BH	ADB	SDR	Non-Hydro: Budgetary	15-Feb-2025	15-Aug-2048	1.625	2.285	168.847
31	Secondary Towns Urban Development Project	ADB	SDR	Non-Hydro: Budgetary	1-Aug-2026	1-Feb-2050	2.857	4.017	296.768
32	Green Power Development Project (Ordinary Operations)-Dagachu- OCR	ADB	USD	Hydropower	15-Apr-2014	15-Oct-2038	46.685	46.685	3,449.312

33	2nd Green Power Development Project (Ordinary Operations - Tangsibji)-	ADB	USD	Hydropower	15-Nov-2020	15-Nov-2044	33.667	33.667	2,487.476
34	Phuentsholing Township Development Project (Loan)-Amochu	ADB	USD	Non-Hydro: Corporate	1-Aug-2026	1-Feb-2050	1.483	1.483	109.554
35	Financial Market Development Program - Sub Program I	ADB	USD	Non-Hydro: Budgetary	15-May-2028	15-Nov-2043	30.000	30.000	2,216.550
36	COVID-19 Active Response & Expenditure Support (CARES) Program	ADB	USD	Non-Hydro: Budgetary	0-Jan-1900	0-Jan-1900	20.000	20.000	1,477.700
37	Technical Assistance	IDA	SDR	Non-Hydro: Budgetary	15-Apr-1994	15-Oct-2033	1.025	1.441	106.477
38	Forestry Development Project	IDA	SDR	Non-Hydro: Budgetary	15-Sep-1994	15-Sep-2034	1.683	2.366	174.777
39	Bhutan Calcium and Carbide Ltd	IDA	SDR	Non-Hydro: Budgetary	1-Nov-1995	1-May-2035	2.506	3.524	260.354
40	Second Forestry Development	IDA	SDR	Non-Hydro: Budgetary	1-Oct-1998	1-Apr-2028	0.193	0.271	20.015
41	Primary Education Project	IDA	SDR	Non-Hydro: Budgetary	1-Oct-1998	1-Apr-2028	0.992	1.395	103.045
42	Third Forestry Development Project	IDA	SDR	Non-Hydro: Budgetary	1-Jan-2004	1-Jul-2033	2.017	2.836	209.544
43	Second Education Project	IDA	SDR	Non-Hydro: Budgetary	15-Jul-2008	15-Jan-2038	6.893	9.691	715.995
44	Urban Development Project	IDA	SDR	Non-Hydro: Budgetary	15-Jun-2010	15-Dec-2039	5.806	8.162	603.073
45	Rural Access Project	IDA	SDR	Non-Hydro: Budgetary	15-Jun-2010	15-Dec-2039	6.182	8.692	642.200
46	Education Development Project	IDA	SDR	Non-Hydro: Budgetary	15-Sep-2013	15-Mar-2043	18.700	26.291	1,942.477
47	Decentralised Rural Development Project	IDA	SDR	Non-Hydro: Budgetary	1-Aug-2015	1-Feb-2045	4.042	5.682	419.820
48	Development Policy Financing for Institutional Strengthening	IDA	SDR	Non-Hydro: Budgetary	15-Sep-2019	15-Mar-2049	7.309	10.276	759.224
49	Second Urban Development Project (Urban Dev. II)	IDA	SDR	Non-Hydro: Budgetary	15-Sep-2020	15-Mar-2030	5.771	8.114	599.470

50	First Development Policy Credit	IDA	SDR	Non-Hydro: Budgetary	15-Feb-2021	15-Aug-2030	16.500	23.198	1,713.954
51	Strengthening Regional Cooperation for Wildlife Protection in Asia Pro	IDA	SDR	Non-Hydro: Budgetary	15-Nov-2021	15-May-2031	1.395	1.962	144.929
52	Second Development Policy Credit	IDA	SDR	Non-Hydro: Budgetary	1-Apr-2018	1-Apr-2038	21.928	30.829	2,277.819
53	Remote Rural Communities Development Project	IDA	SDR	Non-Hydro: Budgetary	1-Nov-2017	1-May-2037	5.222	7.342	542.446
54	Additional Financing for UDP II	IDA	SDR	Non-Hydro: Budgetary	15-Jul-2019	15-Jan-2039	10.690	15.029	1,110.441
55	Fiscal Sustainability & Investment Climate Development Policy Financin	IDA	SDR	Non-Hydro: Budgetary	15-Nov-2020	15-May-2040	14.300	20.105	1,485.427
56	DPC II Fiscal Sustainability & Investment Climate	IDA	SDR	Non-Hydro: Budgetary	15-Feb-2022	15-Aug-2041	17.500	24.604	1,817.830
57	Strengthening Fiscal Mgmt & Pvt Sector Employment Opportunities(DPC I)	IDA	SDR	Non-Hydro: Budgetary	15-Aug-2028	15-Feb-2058	20.600	28.962	2,139.846
58	Strengthening Fiscal Management & Private Sector Employment Opportunit	IDA	SDR	Non-Hydro: Budgetary	15-Aug-2029	15-Feb-2059	21.700	30.508	2,254.109
59	COVID-19 Emergency Response & Health Systems Preparedness Project	IDA	SDR	Non-Hydro: Budgetary	0-Jan-1900	0-Jan-1900	1.339	1.883	139.100
60	Third Strengthening Fiscal Mgt & Pvt Sector Employment Opportunities (DPC III)	IDA	SDR	Non-Hydro: Budgetary	0-Jan-1900	0-Jan-1900	29.200	41.053	3,033.179
61	Development Policy Financing With Catastrophe Deferred Drawdown Option	IDA	SDR	Non-Hydro: Budgetary	0-Jan-1900	0-Jan-1900	10.900	15.324	1,132.248
62	Small Farm Development & Irrigation Rehabilitation Project	IFAD	SDR	Non-Hydro: Budgetary	1-Jun-1991	1-Dec-2030	0.987	1.388	102.567
63	Tashigang & Mongar Area Development	IFAD	SDR	Non-Hydro: Budgetary	1-Jun-1996	1-Dec-2035	0.991	1.393	102.897
64	Punakha Wangdi Valley Development Project	IFAD	SDR	Non-Hydro: Budgetary	15-Oct-1998	15-Apr-2038	0.879	1.235	91.279
65	First Eastern Zone Agricultrul Project	IFAD	SDR	Non-Hydro: Budgetary	15-Jul-2002	15-Jan-2042	1.501	2.110	155.915

66	Second EasternZone Agricultural Project	IFAD	SDR	Non-Hydro: Corporate	1-Mar-2010	1-Sep-2039	4.241	5.962	440.521
67	Agriculture, Marketing and Enterprise Promotion Programme	IFAD	SDR	Non-Hydro: Corporate	15-Oct-2015	15-Apr-2045	7.688	10.808	798.569
68	Market Access and Growth Intensification Project(MAGIP-LOAN)	IFAD	SDR	Non-Hydro: Budgetary	15-Apr-2021	15-Oct-2050	5.596	7.868	581.319
69	Commercial Agriculture & Resilient Livelihoods Enhancement Programme (CARLEP-LOAN)	IFAD	SDR	Non-Hydro: Budgetary	15-Oct-2020	15-Apr-2040	5.016	7.053	521.090
70	Commercial Agriculture & Resilient Livelihoods Programme (CARLEP AF Loan)	IFAD	USD	Non-Hydro: Budgetary	0-Jan-1900	0-Jan-1900	0.000	0.000	0.000
71	Basochhu Hydro Power Project (Upper Stage)	GOA	EUR	Hydropower	31-Dec-2006	31-Dec-2025	5.153	6.025	445.124
72	Basochhu Hydro Power Project (Lower Stage)	GOA	EUR	Hydropower	30-Jun-2010	31-Dec-2024	9.374	10.959	809.741
73	Dagachhu Hydroelectric Power Project (Raiffeisen Bank International)	GOA	EUR	Hydropower	27-Jan-2015	31-Mar-2025	17.671	20.660	1,526.482
74	The Financing of Rural Electrification	GOA	EUR	Non-Hydro: Corporate	31-Dec-2018	31-Dec-2029	3.240	3.788	279.869
75	Rural Electrification Project (Phase I) - JICA	JICA	JPY	Non-Hydro: Corporate	20-May-2017	20-May-2047	2,865.996	27.137	2,005.051
76	Rural Electrification Project (Phase II) - JICA	JICA	JPY	Non-Hydro: Corporate	20-Jun-2021	20-Jun-2051	1,706.478	16.158	1,193.852
77	Purchase of New Aircraft ATR 42-600 By Druk Air Corporation	SDF	USD	Non-Hydro: Corporate	20-Mar-2020	20-Mar-2030	13.000	13.000	960.505
TOTAL CONVERTIBLE CURRENCY (currency other than INR and BTN) DEBT								821.029	60,661.764

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ANNEX -III: DETAILS OF INDIAN RUPEE LOANS DISBURSEMENTS, REPAYMENTS AND OUTSTANDING AS OF 30-SEP-2020 (AMOUNT IN MILLION RS.)

<i>Sl. No.</i>	<i>Project</i>	<i>Capacity</i>	<i>Total Project Cost</i>	<i>Loan Component</i>	<i>Loan Disbursed</i>	<i>Principal Repayment (cumulative)</i>	<i>Interest Paid (cumulative)</i>	<i>Disbursed Outstanding Debt (DoD)</i>
1	Punatshangchu Hydrpower Project Authority (PHPA)-I	1200 MW	93,755.75	56,253.45	48,274.48	-	-	48,274.483
2	Punatshangchu Hydrpower Project Authority (PHPA)-II	1020 MW	72,906.20	51,034.34	48,781.09	-	-	48,781.086
3	Mangdechu Hydropower Project Authority (MHPA)	720 MW	51,445.94	36,012.16	35,088.41	-	-	47,345.080
4	Tangsibji Hydro Energy Limited	118 MW	10,658.50	3,530.00	2,845.67	-	552.63	2,845.67
5	Kholongchu Hydro Energy Limited	600 MW	39,134.500					
	Sub-total (Hydro-power Rupee loans)	3058 MW	228,766.39	146,829.95	134,989.65	-	552.63	147,246.32
5	Standby Credit Facility II		3,000.00	3,000.00	3,000.00	-	1,244.32	3,000.00
6	Standby Credit Facility III		4,000.00	4,000.00	4,000.00	-	1,481.51	4,000.00
	Sub-total (Other Rupee loans)		7,000.00	7,000.00	7,000.00	-	2,725.83	7,000.00
	Grand Total (Rupee loans)		235,766.39	153,829.95	141,989.65	-	3,278.46	154,246.32

ANNEX- IV: DETAILS OF DOMESTIC DEBT

	Creditors	Maturity Date	Interest/Discount rate	Debt Stock (Million Nu.)
Construction of staff quarter of Phuntsholing Hospital	NPPF	01-Apr-22	7.50%	25.45
Liquidation of loan from DEG, Germany	NPPF	01-Oct-31	8.30%	361.27
3-Year Government Bond	Multiple subscribers	26-Sep-23	6.50%	3,000.00
R324-T Bills*	Financial Institutions	25-Nov-20	1.45%	3,000.00
R325-T Bills*	Financial Institutions	06-Oct-20	1.16%	2,000.00
Total				8,386.72

**Discount rate for the T-Bills is the weighted average discount of the winning bids.*

ANNEX - V: LENDING TERMS						
Sl. No.	Creditors	Agreement Currency	Repayment Period	Grace Period	Interest Rate (p.a)	Other charges (Commitment/ Mgt. fees/ Guarantee/service charges) p.a
Bilateral						
1	Government of India - Hydropower Loans	Indian Rupees	10-15 years	8 and 9 years	9% - 10.75%	
	Government of India - Standby Credit Facility	Indian Rupees	5 years		5%	
2	Japan International Cooperation Agency (JICA)	JPY	30 years	10 years	0.01% and 0.2%	0.1%; For <i>new loans effective from April 2013, front end fee of 0.2% is applicable instead of commitment charge</i>
3	Govt. of Denmark (Danish Mixed Credit)	EUR	10 years	3 years	0%	
4	Government of Austria	EUR	12-20 years	3.5 - 10 years	0% - 5.92%	0.15% - 0.25%
5	Germany - (Deutsche Investitions-DEG)	EUR	8 years	5 years	3 months EUROBOR + Margin (4.5%)	Commitment fee- 0.75%; Front end fee - 1.3%
Multilateral						
1	Asian Development Bank					
(i)	ADF	SDR	16 and 24 years	8 years	1% during the grace period; 1.5% thereafter	
	(a) Project loans		24 years			
	(b) Program loans		16 years			

(ii)	Hard-Term ADF	SDR	24 years	8 years	3.15%	
(iii)	OCR	USD	25 years	5 years	6-month LIBOR + 0.20% (Dagachhu); 6-month LIBOR + 0.70% (Tangsibji)	0.15%
2	World Bank					
(i)	IDA -Regular	SDR	30 years	10 years	0%	0.75%
(ii)	IDA -Blend	SDR	20 years	5 years	1.25%	0.75%
(iii)	IDA Small Economy Term Credits	SDR	30 years	10 years	0%	Commitment Fee 0-0.5% & Service charge 0.75%
3	International Fund for Agricultural Development (IFAD)					
(i)	IFAD -Regular	SDR	40 and 30 years	10 years	0%	1% and 0.75%
(ii)	IFAD -Blend	SDR	20 years	5 years	1.25%	0.75%