

**Royal Government of Bhutan
Ministry of Finance**



Public Debt Situation Report

**For the quarter ended
31 December 2020**

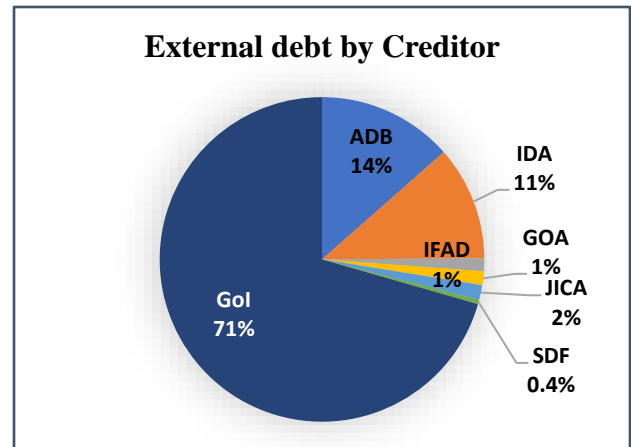
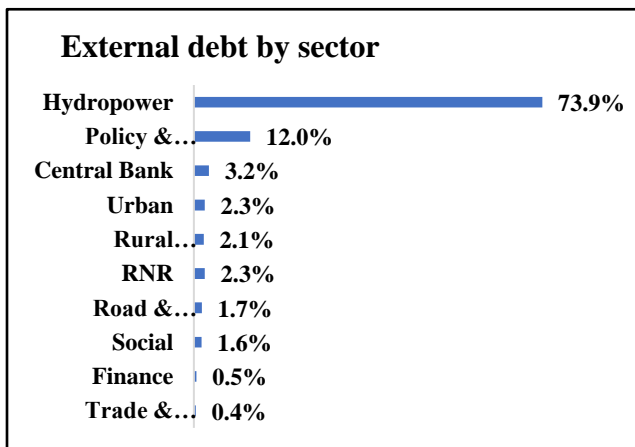
**Debt Management Division
Department of Macroeconomic Affairs**

February 2021

Public Debt at a Glance (31 December 2020)

	Amount (Million Nu.)
Total Public Debt	225,026.228
Percent of GDP	122.6%
Domestic Debt	6,386.720
Percent of GDP	3.8%
External Debt	218,639.508
Percent of GDP	119.1%

	Amount (Million Nu.)
External Debt	218,639.508
Hydro Debt	161,519.889
Non-Hydro Debt	57,119.619
INR Debt	154,246.319
CC Debt (US\$ 877.41 m)	64,393.189
External Debt Service (FY 2020/21)	5,385.956
Principal Repayment	3,612.091
Interest payment	1,773.865



Debt Indicators	Debt Policy Threshold	31 Dec 2020
1. Non-Hydro Debt to GDP	35.0%	31.1%
2. Sovereign Guarantee to GDP	5.0%	1.5%
		FY 2020/21
1. External Debt Service to Export of Goods and Services	25%	22.6%
2. General Gov't Debt Service to Domestic Revenue	22%	14.0%
3. Hydro Debt Service to Hydro Export Revenue	40%	15.7%
4. Hydro Debt Service Coverage Ratio (EBITDA/Debt Service)	1.2	3.3

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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 debt stock¹ on 31st December 2020 stood at Nu. **225,026.228 million**, an increase of Nu.1,731.425 million (or 0.8%) from the total public debt of **Nu.223,294.803 million** on 30th September 2020. The public debt stock accounted for 122.6% of FY2020/21 GDP.
2. The external debt stock increased to Nu.218,639.508 million from Nu.214,908.083 million on 30th September 2020, an increase of Nu.3,731.425 million (1.7%). The increase was mainly due to disbursement of US\$30 million by ADB for the Financial Market Development Program (Sub-program 2) and US\$7.5 million for Rural Finance Development Project during the second quarter. Despite the depreciation of USD, the appreciation of other currencies in which major portion of CC debts are denominated (viz, SDR, EUR, JPY) contributed significantly towards the increase in total external debt stock.
3. The total domestic debt stood at Nu.6,386.720 million, a decrease of Nu.2,000 million (23.8%) from Nu. 8,386.720 million on 30th September 2020. The decrease was due to the redemption of T-Bills during the quarter.

Table 1 presents the summary of the total public debt stock as of 31st December 2020.

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

Category	30-Sep-2020	31-Dec-2020	Change (%)
Total Public Debt	223,294.803	225,026.228	0.8%
Percent of GDP	120.8%	122.6%	
External Debt	214,908.083	218,639.508	1.7%
Percent of GDP	116.28%	119.1%	
Percent Total Public Debt	96.2%	97.2%	
Domestic Debt	8,386.720	6,386.720	-23.8%
Percent of GDP	4.5%	3.5%	
Percent of Total Public Debt	3.8%	2.8%	

4. The domestic debt comprised T-Bills stock of Nu.3,000 million and a 3-year Government bond of Nu.3,000 million that was issued in September 2020. The rest was 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.

II Categories of External Debt

5. 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) Gov't Debt²	203,774.671
Percent of Total External Debt	93.2%
O/w on-lent to Public Corporations (including hydro loans)	161,990.546
Percent of Gov't Debt	79.5%
(b) Corporate Debt³	7,864.837
Percent of Total External Debt	3.6%
(c) Central Bank Debt⁴	7,000.000
Percent of Total External Debt	3.2%

6. The Government Debt accounted for 93.2% of the total external debt. The Gov't debt includes budgetary debt of Nu. 41,784.125 million and Nu.161,990.546 million outstanding loans that has been on-lent to SoEs for carrying out socially beneficial projects and development of hydropower projects in the country.

7. The corporate debt of Nu.7,864.837 million accounted for 3.6% 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 by Tangsjibi Hydro Energy Limited from ADB, State Bank of India and EXIM Bank of India for the hydropower development.

The Central Bank debt, which is on account of the Standby Credit Facility (SCF) availed from the Government of India (GoI), comprised 3.2% of the total external debt.

² **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 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.

³ **Corporate Debt:** Refers to 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.

⁴ **Central Bank Debt:** External debt on the loan/credit facilities availed by the RMA for BoP support purposes.

8. *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	161,519.889
Percent of GDP	88.0%
Percent of Total External Debt	73.9%
(B) Non-Hydro Debt	57,119.619
Percent of GDP	31.1%
Percent of Total External Debt	26.1%
(B.1) Non-Hydro Debt: Budgetary	41,784.125
(B.2) Non-Hydro Debt: Corporate	8,335.494
(B.3) Non-Hydro Debt: Central Bank	7,000.000

9. The hydropower debt of Nu.161,519.889 million accounted for 73.9% of the total external debt, while the non-hydro debt at Nu.57,119.619 million accounted for about 26.1% of the external debt. The non-hydro debt to GDP at 31.1% was within the non-hydro threshold of 35% prescribed by Public Debt Policy 2016. The total external debt in terms of Rupee and Convertible Currency (CC) as of 31st December 2020 is presented in *Table 4* below.

Table 4: External Debt by currency composition

Category	Amount (Million Nu.)
(A) INR Debt	154,246.319
Percent of Total External Debt	70.5%
(A.1) INR Debt: Hydro	147,246.32
(A.2) INR Debt: Central Bank	7,000.00
(B) CC Debt (US\$ 877.41 Million)	64,393.189
Percent of Total External Debt	29.5%
Total External Debt	218,639.508
Percent of Total Public Debt	97.2%

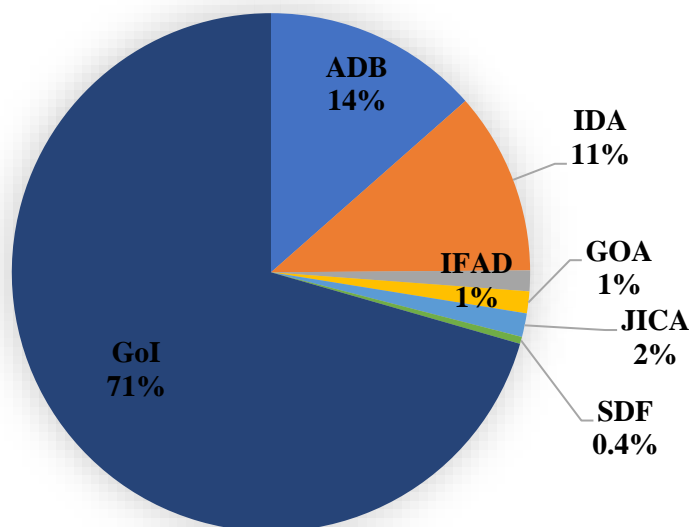
10. As of 31st December 2020, the INR-denominated debt was INR 154,246.319 million, making up 70.5%% of the total external. There was no increase in INR-denominated debt during the last quarter as there was no disbursement or repayment of INR loans during the second quarter.

11. The Convertible Currency (CC) debt stock stood at US\$877.41 million, an increase of US\$56.38 million compared to US\$821.03 million on 30th September 2020. Though the net CC debt inflows (disbursement minus repayment) during the quarter was only US\$35.484 million, the CC debt stock in US\$ increased by much higher amount due to depreciation of USD against other foreign currencies (SDR, EUR and JPY)—on average(weighted) the USD depreciated by 2.4% on 31st December 2021 compared to the rate on 30 Sept 2020. As these three currencies combined accounts for 79% of CC debt stock, a slight depreciation of USD against these currencies significantly increases the USD value of CC debt stock.

III Composition of External Debt

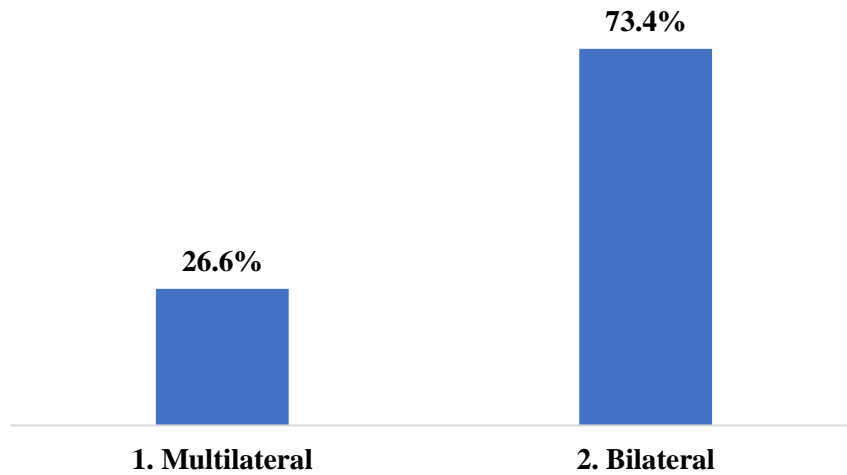
12. The external debt is divided into three main categories: (i) by creditors, (ii) by sectors and (iii) by currency as presented in *Chart 1*:

Chart 1: External Debt by Creditors



As of 31st December 2020, the GoI was Bhutan’s largest external creditor, representing about 71% of the total external debt, followed by ADB (14%), World Bank/IDA (11%), JICA (2%), Austria (1%), IFAD (1%) and the SAARC Development Fund (SDF, 0.4%)

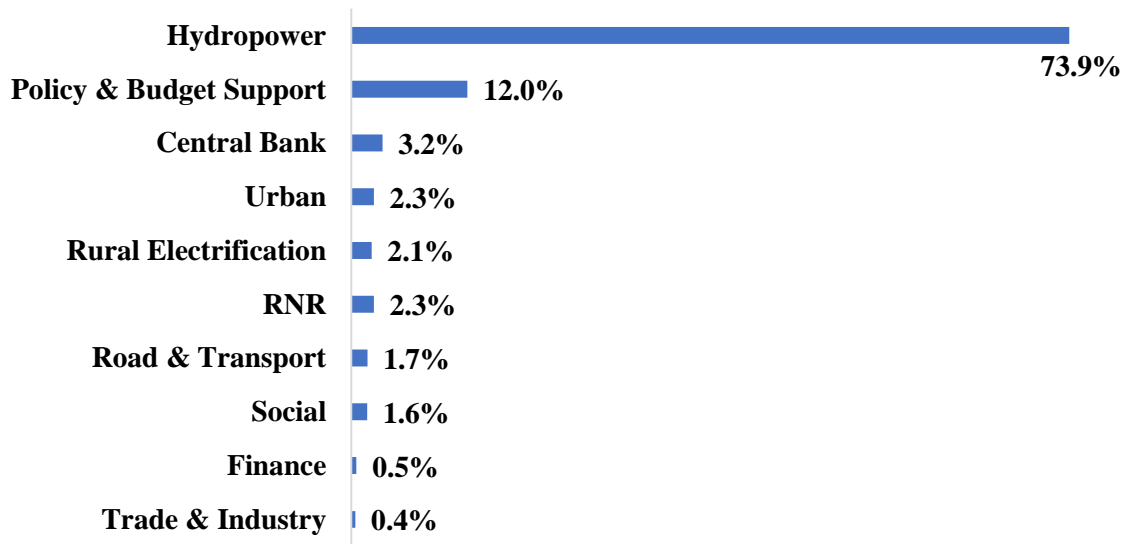
Chart 2 shows external debt multilateral and bilateral lender category. **Chart 2: External Debt by Creditor Type**



13. External debt from bilateral creditors (major portion from GoI) constituted 73.4% of the total external debt, and the external debt from multilateral creditors made up 26.6%.

14. Similarly, Chart 3 presents external debt composition by sectors.

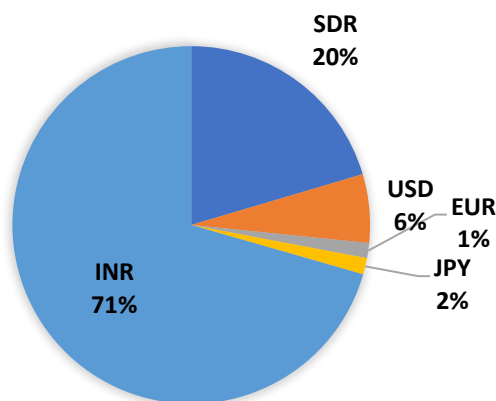
Chart 3: External Debt by Sectoral Composition



The debt in the hydropower sector constitutes the major portion of the total external debt (73.9%), followed by Policy and Budget Support (12%), Central Bank debt (3.2%), and other sectors as presented in the Chart 3 above.

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

Chart 4: External debt by Currency Composition



16. As illustrated by Chart 4 above, 71% of the total external debt is denominated in Indian Rupees (INR), followed by SDR (20%), USD (6%) and JPY (2%).

IV External Debt Servicing

17. 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 (Revised)
(A) External Debt Service through Budget	Amounts in Million Nu.		
Principal Repayment	2,331.470	1,776.183	3,612.091
Interest Payment	1,315.945	697.842	1,773.865
Total External Debt Service- through Budget	3,647.415	2,474.025	5,385.956
Total Budgetary Debt Service to Domestic Revenue	10.5%	6.8%	16.2%
(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	10,126.616
Total External Debt Service to Exports of Goods & Services	9.0%	5.8%	22.6%

Memorandum Items **			
Nominal GDP	172,758.81	178,370.12	183,550.80
Export of Goods and Services	52,052.29	56,784.84	44,811.48
Domestic Revenue	34,707.67	36,218.88	33,264.57

*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;

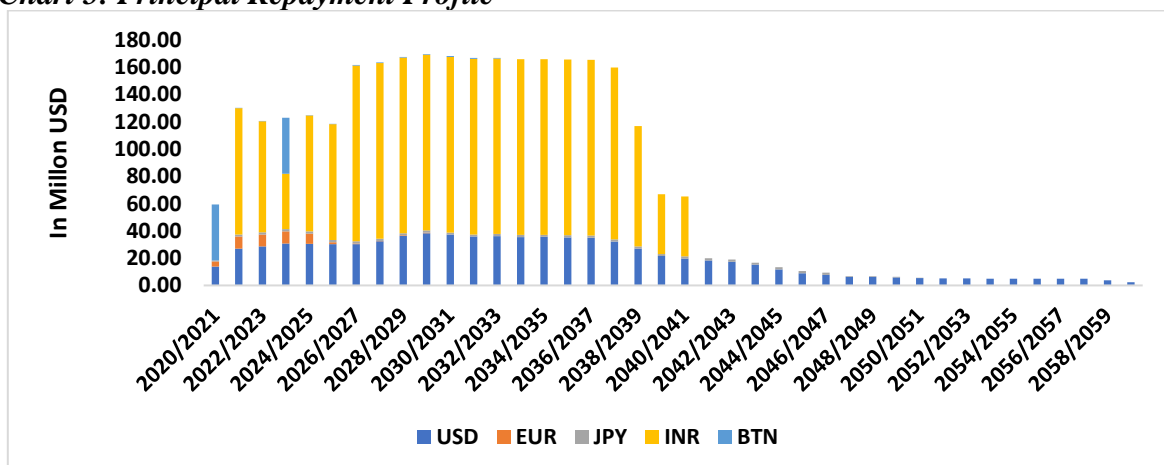
** Nominal GDP and Exports figures for FY2019/20 and FY2020/21 is based on December 2020 projection. These figures may change in the future as new changes in the economy are incorporated.

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 5.8% in FY2019-20 to 22.6% in FY2020/21.

V Redemption Profile

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

Chart 5: Principal Repayment Profile



19. The principal repayment is expected to increase significantly from FY2021/22 due to the start MHP debt servicing and the liquidation of INR 4,000 million SCF during the fiscal year.

20. The repayment is expected to drop in FY2023/24 after the SCF has been liquidated, 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.

21. 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 and stable.

22. 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 that was issued in September 2020.

VI Government Guarantees

23. *Table 6* presents the details of the guarantees issued by the Government as of 31st December 2020.

Table 6: Status of Government Guarantees

Sl#	Beneficiary	Date of Issue	Issued To	Purpose	Original Amt	Balance (Million Nu.)
1	National Housing Development Corporation Ltd.	11-Sep-17 (20 years)	NPPF	Financing for Affordable Housing Project in Phuntsholing.	890.00	796.83
2	Bhutan Agro Industries Ltd.	05-Jun-17 (20 years)	BOBL	Financing for set up of an integrated agro-based industry in Lingmethang, Mongar.	166.00	166.00
3	Bhutan Development Bank Ltd.	09-Mar-19 (5 years)	NPPF	OESD Loan Scheme to youths.	521.30	305.25
4	Drukair Corporation Ltd.	11-Feb-19 (11 years)	NPPF	Financing for purchase of new Aircraft A320 Neo.	US\$ 36.6 m	586.49
5	Drukair Corporation Ltd.	13-Aug-19 (10 years)	SDF	Purchase of New ATR 42-600	US\$ 13 m	954.07
Total						2,808.63
Government Guarantee to GDP (%)						1.5%

24. As of 31st December 2020, the loan outstanding on which the Government has provided a guarantee stood at Nu.2,808.63 million, accounting for 1.5% of FY2020/21 GDP. The sovereign guarantee was within the threshold of 5% of GDP prescribed by Public Debt Policy 2016.

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.)		218,639.508	6,386.720	225,026.228
Nominal Debt as percent of GDP		119.1%	3.5%	122.6%
Weighted Average Interest Rate		7.2%	4.0%	7.3%
Refinancing Risks	Average Time to Maturity (Years)	11.7	2.3	11.4
	Debt Maturing in 1 Year (% of Total)	1.7%	47.2%	5.1%
Interest Rate Risks	Average Time to Refixing (Years)	11.2	2.3	11.0
	Debt Refixing in 1 Year (% of Total)	6.1%	47.2%	9.3%
	Fixed Rate Debt (% of Total)	95.5%	100.0%	98.4%
Forex Risk	CC Debt (% of Total)			28.6%
	Short-term CC Debt (% of Gross Reserve)			0.0%
Debt Stress	Hydro Debt to GDP (%)			88.0%
	Non-Hydro Debt to GDP (%)			31.1%

25. 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 122.6% 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 7.2%, the cost of total public debt is deemed sustainable since the major portion (74%) of external debt is on account of hydropower projects which are commercially viable with significant export potential. In addition, 91.2% 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 constituted 98.4%. In addition, the average time to re-fixing (ATR) is estimated at 11 years. Thus, due to the long ATR and the small portion of variable-interest rate debt, the interest rate risk is deemed considered low.
3. The Average Time to Maturity (ATM) is estimated at 11.4 years, and about 5.1% 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. However, since about 48% of domestic debt is maturing in within one year, the domestic debt might pose some refinancing and interest rate risks.

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 major proportion (70.5%) of total external debt, and the Ngultrum is pegged at par with the INR, which lowers exchanges rate risks.
 - The balance 29.5% 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 on 31-Dec-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			569.34	41,784.12		2,314.42	169,855.38		95.38	7,000.00		2,979.15	218,639.51
A.1 Concertible Currency(CC Debt)			569.34	41,784.12		308.07	22,609.06		0.00	0.00		877.41	64,393.19
ADB	SDR	94.78	137.29	10,075.97	64.49	93.42	6,855.86				159.27	230.71	16,931.83
ADB	USD	80.00	80.00	5,871.20	91.60	91.60	6,722.16				171.60	171.60	12,593.36
IDA	SDR	228.24	330.62	24,264.38	5.77	8.36	613.52				234.01	338.98	24,877.90
GOA	EUR	0.00	0.00	0.00	33.21	40.72	2,988.13				33.21	40.72	2,988.13
JICA	JPY	0.00	0.00	0.00	4,536.66	43.92	3,223.53				4,536.66	43.92	3,223.53
IFAD	SDR	14.79	21.43	1,572.58	11.77	17.06	1,251.79				26.57	38.48	2,824.37
SDF	USD	0.00	0.00	0.00	13.00	13.00	954.07				13.00	13.00	954.07
A.2 INR Debt			0.00	0.00	147,246.32	2,006.35	147,246.32	7,000.00	95.38	7,000.00	154,246.32	2,101.73	154,246.32
Hydropower projects	INR				147,246.32	2,006.35	147,246.32				147,246.32	2,006.35	147,246.32
BoP Support(RMA)	INR							7,000.00	95.38	7,000.00	7,000.00	95.38	7,000.00
B. Domestic Debt	BTN	6,386.72	87.02	6,386.72							6,386.72	87.02	6,386.72
Total Public Debt(A+B+C)			656.37	48,170.84		2,314.42	169,855.38		95.38	7,000.00		3,066.17	225,026.23
CHECK				OK			OK			OK			OK

ANNEX II: THE CONVERTIBLE CURRENCY DEBT as on 31-Dec-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	Dec-93	Jun-23	0.367	0.532	39.031
2	Multi Project -II (DWH)	ADB	SDR	Non-Hydro: Budgetary	May-95	Nov-24	1.188	1.722	126.341
3	Chirang Hill Irrigation	ADB	SDR	Non-Hydro: Budgetary	Nov-95	May-25	0.151	0.218	16.013
4	Road Mechanization Project	ADB	SDR	Non-Hydro: Budgetary	Dec-96	Jun-26	0.816	1.182	86.783
5	Highland Livestock Development Project	ADB	SDR	Non-Hydro: Budgetary	May-97	Nov-26	0.846	1.225	89.939
6	Industrial Estates Project	ADB	SDR	Non-Hydro: Budgetary	Dec-98	Jun-28	0.165	0.239	17.546
7	Bhutan Development Finance Corporation	ADB	SDR	Non-Hydro: Commercial	Jan-99	Jan-28	0.520	0.753	55.267
8	Technical & Vocational Educational Training	ADB	SDR	Non-Hydro: Budgetary	Apr-01	Oct-30	1.319	1.910	140.192
9	East West Highway Maintenance Project	ADB	SDR	Non-Hydro: Budgetary	Feb-04	Aug-33	1.906	2.761	202.608
10	Rural Electrification Project (RE-I)	ADB	SDR	Non-Hydro: Commercial	Feb-06	Aug-35	2.863	4.148	304.395
11	Financial Sector Development Program	ADB	SDR	Non-Hydro: Budgetary	Feb-08	Aug-37	1.998	2.895	212.431
12	Development Finance Loan	ADB	SDR	Non-Hydro: Commercial	Feb-08	Aug-37	1.995	2.889	212.053
13	Urban Infrastructure Improvement Project	ADB	SDR	Non-Hydro: Budgetary	Aug-08	Feb-38	2.972	4.305	315.926

14	Sustainable Rural Electrification (RE-II)	ADB	SDR	Non-Hydro: Commercial	Feb-08	Aug-31	3.237	4.689	344.137
15	Health Care Reform Program	ADB	SDR	Non-Hydro: Budgetary	Feb-09	Aug-24	1.904	2.757	202.364
16	Road Improvement project	ADB	SDR	Non-Hydro: Budgetary	Feb-09	Aug-32	3.632	5.261	386.088
17	Basic Skill Development Project	ADB	SDR	Non-Hydro: Budgetary	Oct-09	Apr-33	2.599	3.765	276.312
18	Rural Electrification and Network Expansion Project (RE III)	ADB	SDR	Non-Hydro: Commercial	Mar-12	Sep-35	4.115	5.961	437.484
19	Road Network Project	ADB	SDR	Non-Hydro: Budgetary	Apr-14	Oct-37	13.319	19.293	1,415.929
20	Urban Infrastructure Development Project	ADB	SDR	Non-Hydro: Budgetary	Apr-15	Oct-38	11.430	16.557	1,215.108
21	Financial Sector Development Program	ADB	SDR	Non-Hydro: Budgetary	Apr-15	Aug-37	4.670	6.765	496.472
22	Financial Sector Development Project	ADB	SDR	Non-Hydro: Budgetary	Apr-15	Oct-38	0.664	0.962	70.633
23	Green Power Development Project (Sepcial Operations)-Dagachu- ADF	ADB	SDR	Hydropower	Apr-17	Oct-40	15.693	22.733	1,668.374
24	Urban Infrastructure Project	ADB	SDR	Non-Hydro: Budgetary	May-20	Nov-43	9.940	14.400	1,056.784
25	SASEC Trade Facilitation Program (LOAN)	ADB	SDR	Non-Hydro: Budgetary	May-21	Nov-36	5.412	7.840	575.355
26	Strengthening Economic Management Program (Loan)	ADB	SDR	Non-Hydro: Budgetary	Sep-21	Mar-37	9.224	13.362	980.613
27	Green Power Development Project -Dagachu- Additional Financing	ADB	SDR	Hydropower	Feb-22	Aug-45	22.780	32.999	2,421.797
28	2nd Green Power Development Project (Special Operations-Tangsibji)-Nik	ADB	SDR	Hydropower	Feb-23	Aug-46	13.285	19.245	1,412.354

29	Strengthening Economic Management Program II (LOAN)	ADB	SDR	Non-Hydro: Budgetary	Dec-23	Jun-39	14.443	20.922	1,535.450
30	SASEC Transport, Trade Facilitation and Logistics Project (Loan 3421-BH)	ADB	SDR	Non-Hydro: Budgetary	Feb-25	Aug-48	2.024	2.932	215.150
31	Secondary Towns Urban Development Project	ADB	SDR	Non-Hydro: Budgetary	Aug-26	Feb-50	3.790	5.490	402.897
32	Green Power Development Project (Ordinary Operations)-Dagachu- OCR	ADB	USD	Hydropower	Apr-14	Oct-38	46.226	46.226	3,392.490
33	2nd Green Power Development Project (Ordinary Operations - Tangsibji)-	ADB	USD	Hydropower	Nov-20	Nov-44	36.146	36.146	2,652.743
34	Phuentsholing Township Development Project (Loan)-Amochu	ADB	USD	Non-Hydro: Commercial	Aug-26	Feb-50	1.724	1.724	126.505
35	Financial Market Development Program - Sub Program I	ADB	USD	Non-Hydro: Budgetary	May-28	Nov-43	30.000	30.000	2,201.700
36	COVID-19 Active Response & Expenditure Support (CARES) Program	ADB	USD	Non-Hydro: Budgetary	Jan-00	Jan-00	20.000	20.000	1,467.800
37	Financial Market Development Program - Subprogram 2	ADB	USD	Non-Hydro: Budgetary	Jan-00	Jan-00	30.000	30.000	2,201.700
38	Rural Finance Development Project	ADB	USD	Non-Hydro: Commercial	Jan-00	Jan-00	7.500	7.500	550.425
39	Technical Assistance	IDA	SDR	Non-Hydro: Budgetary	Apr-94	Oct-33	0.987	1.430	104.937
40	Forestry Development Project	IDA	SDR	Non-Hydro: Budgetary	Sep-94	Sep-34	1.683	2.437	178.874
41	Bhutan Calcium and Carbide Ltd	IDA	SDR	Non-Hydro: Budgetary	Nov-95	May-35	2.423	3.510	257.575
42	Second Forestry Development	IDA	SDR	Non-Hydro: Budgetary	Oct-98	Apr-28	0.181	0.262	19.204

43	Primary Education Project	IDA	SDR	Non-Hydro: Budgetary	Oct-98	Apr-28	0.930	1.347	98.869
44	Third Forestry Development Project	IDA	SDR	Non-Hydro: Budgetary	Jan-04	Jul-33	2.017	2.922	214.456
45	Second Education Project	IDA	SDR	Non-Hydro: Budgetary	Jul-08	Jan-38	6.893	9.985	732.779
46	Urban Development Project	IDA	SDR	Non-Hydro: Budgetary	Jun-10	Dec-39	5.657	8.194	601.384
47	Rural Access Project	IDA	SDR	Non-Hydro: Budgetary	Jun-10	Dec-39	6.024	8.726	640.402
48	Education Development Project	IDA	SDR	Non-Hydro: Budgetary	Sep-13	Mar-43	18.700	27.088	1,988.012
49	Decentralized Rural Development Project	IDA	SDR	Non-Hydro: Budgetary	Aug-15	Feb-45	4.042	5.854	429.661
50	Development Policy Financing for Institutional Strengthening	IDA	SDR	Non-Hydro: Budgetary	Sep-19	Mar-49	7.309	10.588	777.022
51	Second Urban Development Project (Urban Dev. II)	IDA	SDR	Non-Hydro: Commercial	Sep-20	Mar-30	5.771	8.360	613.522
52	First Development Policy Credit	IDA	SDR	Non-Hydro: Budgetary	Feb-21	Aug-30	16.500	23.902	1,754.132
53	Strengthening Regional Cooperation for Wildlife Protection in Asia Pro	IDA	SDR	Non-Hydro: Budgetary	Nov-21	May-31	1.395	2.021	148.326
54	Second Development Policy Credit	IDA	SDR	Non-Hydro: Budgetary	Apr-18	Apr-38	21.534	31.193	2,289.290
55	Remote Rural Communities Development Project	IDA	SDR	Non-Hydro: Budgetary	Nov-17	May-37	5.126	7.426	544.995
56	Additional Financing for UDP II	IDA	SDR	Non-Hydro: Budgetary	Jul-19	Jan-39	10.690	15.485	1,136.471
57	Fiscal Sustainability & Investment Climate Development Policy Financing	IDA	SDR	Non-Hydro: Budgetary	Nov-20	May-40	14.064	20.373	1,495.163
58	DPC II Fiscal Sustainability & Investment Climate	IDA	SDR	Non-Hydro: Budgetary	Feb-22	Aug-41	17.500	25.350	1,860.443

59	Strengthening Fiscal Mgmt. & Pvt Sector Employment Opportunities (DPC I)	IDA	SDR	Non-Hydro: Budgetary	Aug-28	Feb-58	20.600	29.841	2,190.007
60	Strengthening Fiscal Management & Private Sector Employment Opportunity	IDA	SDR	Non-Hydro: Budgetary	Aug-29	Feb-59	21.700	31.434	2,306.949
61	COVID-19 Emergency Response & Health Systems Preparedness Project	IDA	SDR	Non-Hydro: Budgetary	Jan-00	Jan-00	2.186	3.166	232.363
62	Third Strengthening Fiscal Mgt & Pvt Sector Employment Opportunities (DPC III)	IDA	SDR	Non-Hydro: Budgetary	Jan-00	Jan-00	29.200	42.298	3,104.281
63	Development Policy Financing With Catastrophe Deferred Drawdown Option	IDA	SDR	Non-Hydro: Budgetary	Jan-00	Jan-00	10.900	15.789	1,158.790
64	Small Farm Development & Irrigation Rehabilitation Project	IFAD	SDR	Non-Hydro: Budgetary	Jun-91	Dec-30	0.940	1.362	99.973
65	Tashigang & Mongar Area Development	IFAD	SDR	Non-Hydro: Budgetary	Jun-96	Dec-35	0.959	1.389	101.911
66	Punakha Wangdi Valley Development Project	IFAD	SDR	Non-Hydro: Budgetary	Oct-98	Apr-38	0.854	1.238	90.823
67	First Eastern Zone Agricultural Project	IFAD	SDR	Non-Hydro: Budgetary	Jul-02	Jan-42	1.501	2.174	159.570
68	Second Eastern Zone Agricultural Project	IFAD	SDR	Non-Hydro: Commercial	Mar-10	Sep-39	4.241	6.143	450.848
69	Agriculture, Marketing and Enterprise Promotion Programme	IFAD	SDR	Non-Hydro: Commercial	Oct-15	Apr-45	7.534	10.914	800.943
70	Market Access and Growth Intensification Project (MAGIP-LOAN)	IFAD	SDR	Non-Hydro: Budgetary	Apr-21	Oct-50	5.596	8.107	594.946
71	Commercial Agriculture & Resilient Livelihoods Enhancement Programme (CARLEP-LOAN)	IFAD	SDR	Non-Hydro: Budgetary	Oct-20	Apr-40	4.942	7.158	525.353

72	Basochhu Hydro Power Project (Upper Stage)	GOA	EUR	Hydropower	Dec-06	Dec-25	4.296	5.266	386.471
73	Basochhu Hydro Power Project (Lower Stage)	GOA	EUR	Hydropower	Jun-10	Dec-24	8.332	10.214	749.599
74	Dagachhu Hydroelectric Power Project (Raiffeisen Bank International)	GOA	EUR	Hydropower	Jan-15	Mar-25	17.671	21.662	1,589.743
75	The Financing of Rural Electrification	GOA	EUR	Non-Hydro: Commercial	Dec-18	Dec-29	2.916	3.574	262.320
76	Rural Electrification Project (Phase I) - JICA	JICA	JPY	Non-Hydro: Commercial	May-17	May-47	2,812.922	27.234	1,998.722
77	Rural Electrification Project (Phase II) - JICA	JICA	JPY	Non-Hydro: Commercial	Jun-21	Jun-51	1,723.740	16.689	1,224.803
78	Purchase of New Aircraft ATR 42-600 By Druk Air Corporation	SDF	USD	Non-Hydro: Commercial	Mar-20	Mar-30	13.000	13.000	954.070
TOTAL CONVERTIBLE CURRENCY (currency other than INR and BTN) DEBT- in million								877.411	64,393.189

Currency	Forex Rate (Currency/BTN) as on 31-Dec-2020
USD	73.390
SDR	106.311
EURO	89.965
JPY	0.711
INR	1.000

Currencies	Currency/USD
SDR	1.449
EUR	1.226
JPY	0.010
USD	1.000
INR	0.014
BTN	0.014

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%	25.453
Liquidation of loan from DEG, Germany	NPPF	01-Oct-31	8.30%	361.267
3-Year Government Bond	Multiple	26-Sep-23	6.50%	3,000.000
R326-T Bills	Financial Institutions	02-Mar-21	0.97%	3,000.000
Total				6,386.720

Notes: The discount rate for the T-Bills is the weighted average discount rate of 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 new loans effective from April 2013, front end fee of 0.2% is applicable instead of commitment charge
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%