



# IMF POLICY PAPER

## THE EXCHANGE OF DOCUMENTS BETWEEN THE FUND AND REGIONAL FINANCING ARRANGEMENTS

January 2018

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**International Monetary Fund**  
**Washington, D.C.**



## THE EXCHANGE OF DOCUMENTS BETWEEN THE FUND AND REGIONAL FINANCING ARRANGEMENTS

December 6, 2017

### EXECUTIVE SUMMARY

**The changing contours of the global economy and the rapid transformation of the global financial safety net (GFSN) have strengthened the case for more structured collaboration between its different layers, particularly with Regional Financing Arrangements (RFAs).** RFAs have become an important part of the GFSN, and their roles have also evolved. Over recent years, their coverage has expanded to encompass many major advanced and emerging market economies; the resources under their control has risen. Moreover, since the global financial crisis, some RFAs have become key financing counterparts of Fund-supported programs. These developments have heightened the importance of close and timely collaboration with RFAs.

**However, there is currently no formal framework for an exchange of Board documents with RFAs, leaving a gap in Fund collaboration with RFAs.** The Fund has a long-standing practice for collaborating and sharing documents with other international organizations, primarily under the Transmittal Policy that was amended most recently in November 2017. However, some RFAs do not meet the criteria under the Transmittal Policy and, in view of the unique and heterogeneous institutional and governance structures of RFAs, there is a need for a dedicated and coherent framework that facilitates the exchange of documents on both routine and non-routine bases.

**This paper proposes a policy framework for the exchange of documents between the Fund and RFAs.** The proposed framework establishes a set of criteria to be met by RFAs for document exchange—based on the consideration of whether a certain entity shares common operational interest with the Fund, and provides satisfactory confidentiality and reciprocity assurances. Under routine document sharing arrangements with RFAs, Board documents would be provided after Board consideration. In cases of UFR arrangements involving current or potential co-financing by the Fund and RFAs, or Policy Coordination Instruments (PCIs) and Policy Support Instruments (PSIs) that may help unlock RFA financing to the country, staff proposes that relevant Board documents be exchanged prior to their consideration by the Board, following notification to the Board. The proposed framework builds on the principles of the Transmittal Policy and does not impact the transmittal of documents to international organizations currently governed by the Transmittal Policy.

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## Glossary

AMF	Arab Monetary Fund
BoP	Balance of Payments
BRICS	Brazil, Russia, India, China, and South Africa
CMIM	Chiang Mai Initiative Multilateralization
CRA	BRICS Contingent Reserve Arrangement
EC	European Commission
EFSD	Eurasian Fund for Stabilization and Development
ESM	European Stability Mechanism
EU	European Union
EU-BoP	European Union, Balance of Payments Facility
FCL	Flexible Credit Line
FLAR	Latin American Reserve Fund
GFSN	Global Financial Safety Net
IMF	International Monetary Fund
LOI	Letter of Intent
MEFP	Memorandum of Economic and Financial Policies
MoU	Memorandum of Understanding
PCI	Policy Coordination Instrument
PSI	Policy Support Instrument
PLL	Precautionary Liquidity Line
RFA	Regional Financing Arrangement
TMU	Technical Memorandum of Understanding
UFR	Use of Fund Resources

## INTRODUCTION

1. **The changing contours of the global economy and rapid transformation of the GFSN have strengthened the case for more structured collaboration between its different layers.** In an increasingly integrated global economy, where there is a greater potential for spillovers and synchronized financial cycles, global cooperation becomes critical for the effective operation of the international monetary system.<sup>1</sup> Moreover, as risks continue to rise with further integration, there is a need for a more robust and coherent GFSN. This is essential for ensuring adequate liquidity support to countries during systemic events and for limiting the potential for contagion. More generally, it is widely recognized that concerted efforts among the different layers of the GFSN can strengthen the mechanisms for crisis prevention and resolution.
2. **Against this backdrop, developing strong collaboration with Regional Financing Arrangements (RFAs)<sup>2</sup> is increasingly important.** RFAs have become an important part of the GFSN, as their roles have evolved. Over recent years, their coverage has expanded to encompass many major advanced and emerging market economies. The resources under their control has risen from less than 10 percent of total GFSN resources in 2007 to around a third of GFSN resources in 2016.<sup>3</sup> Moreover, since the global financial crisis, some RFAs have become key financing counterparts of Fund-supported programs; their capacity and role in terms of the division of labor with the Fund continues to evolve.<sup>4</sup> These developments increase the importance of close and timely collaboration with RFAs. Such collaboration would have substantial benefits for the Fund and its membership—by enhancing the effectiveness of the GFSN in terms of crisis prevention and mitigation (e.g., by helping deploy resources in a timely manner). It would also make it possible to combine the Fund’s extensive surveillance and crisis mitigation skills and universal risk-pooling with the deeper regional knowledge and ownership brought by RFAs. Greater collaboration with RFAs would also encourage countries to seek support early, when needed.
3. **Given the benefits for the membership, the Executive Board has recognized the need for a more structured collaboration with RFAs.** Specifically, a framework to facilitate collaboration was recently welcomed by the Board during its discussion of [Collaboration Between Regional Financing Arrangements and the IMF](#).<sup>5</sup> This framework is wide-ranging and encompasses

<sup>1</sup> See [Strengthening of the International Monetary System—A Stocktaking](#), 2016, February and [Adequacy of the Global Financial Safety Net](#), 2016, March.

<sup>2</sup> Consistent with the definition set out in the July 2017 Board paper on Collaboration between Regional Financing Arrangements and the IMF, an RFA is defined as “a financing mechanism backed by pooled resources through which a group of countries pledge common financial support to a fellow member in the event of external liquidity needs or balance of payments (BoP) difficulties.

<sup>3</sup> See [Collaboration between Regional Financing Arrangements and the IMF](#), 2017, July.

<sup>4</sup> See [Collaboration between Regional Financing Arrangements and the IMF](#), 2017, July and [Collaboration between Regional Financing Arrangements and the IMF—Background Paper](#), 2017, July.

<sup>5</sup> [This endorsement follows previous Directors’ calls that “\[...\] highlighted the importance of close collaboration on program design and monitoring between regional financing partners and the Fund”](#). There has also been support for

(continued)

collaboration in the areas of surveillance, capacity building, and co-financing. The framework outlines several operational principles as well as modalities of engagement in the various types of activity. A key element of the framework laid out in this paper concerns information sharing. At the Board discussion on IMF-RFA collaboration, a number of Directors noted that “[...] *consideration should be given to sharing country staff reports, especially in a lending context, with relevant RFAs at the time they are issued to the Fund’s Executive Board for consideration.*”<sup>6</sup>

**4. The Fund has a long-standing practice of collaborating and sharing documents with other international organizations, either routinely or in response to ad hoc requests.** The Transmittal Policy was established in 1990 to consolidate some of these arrangements and set out modalities for exchanging staff reports on surveillance, the use of Fund resources (UFR), and technical assistance (TA).<sup>7</sup> In November 2017, the Board further amended the Transmittal Policy to ensure a consolidated, evenhanded approach to the transmittal of Fund documents to international organizations and currency unions. RFAs may qualify to receive documents under the Transmittal Policy if they are international organizations and meet the criteria specified under the policy. Currently, the Arab Monetary Fund (AMF) is the only RFA that receives Fund documents under the Transmittal Policy due to its status as an international organization.<sup>8</sup> Surveillance and program staff reports can be shared with RFAs after they are issued to the Board, subject to specific ad hoc approval by the Board and the consent of the affected members.

**5. There is currently no formal mechanism for the systematic sharing of Board documents with RFAs.** The recent Board paper on the Transmittal Policy noted that there is also an interest in the sharing of Fund documents with RFAs in view of their importance in the Global Financial Safety Net.<sup>9</sup> However, the need for timely information exchange and RFAs’ unique and heterogeneous institutional and governance structures require a dedicated and coherent framework that encompasses both routine and non-routine exchange of documents.

**6. In light of the previous considerations, and the need to develop a policy framework suitable for the needs of both the Fund and the RFAs, this paper proposes a policy framework for the exchange of documents with RFAs.** The proposal aims to support and help improve crisis prevention and mitigation in common members of the Fund and RFAs. The proposed policy framework builds on the principles of the Transmittal Policy; but considering the special nature of RFAs, it differs in terms of the criteria required for document sharing and modalities of document exchange. Given the distinctive governance structures of RFAs, the exchange of documents would be either with the staff of the independent secretariat of an RFA or the technical staff performing

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*“establishing operational guidelines that build upon the G-20 principles between the Fund and regional financing arrangement (RFAs)”.*

<sup>6</sup> See press release [IMF Discusses Collaboration between Regional Financing Arrangements and the IMF](#), July 31, 2017.

<sup>7</sup> See [“Transmittal Policy—Exchange of Documents Between the Fund and Other Organizations”](#), October 26, 2017 for a summary of institutions that currently share documents under the Transmittal Policy.

<sup>8</sup> The Fund determined that the AMF met the criteria for document access under [Decision No A-9786-\(93/20\)](#), as amended. The document sharing arrangement with the AMF was formalized in 1994 and provides AMF with access to documents on common members after consideration by the Board.

<sup>9</sup> See [“Transmittal Policy—Exchange of Documents Between the Fund and Other Organizations”](#) October 26, 2017.

secretariat functions for the RFA in cases where an independent secretariat is not present. The proposed framework does not impact the transmittal of documents to international organizations or currency unions currently governed by the Transmittal Policy.

## NEED FOR A FRAMEWORK FOR DOCUMENT EXCHANGE WITH REGIONAL FINANCING ARRANGEMENTS

**7. For the purpose of the proposed policy, an RFA is defined as a financing mechanism backed by pooled resources through which a group of countries pledge common financial support to a fellow member in the event of external liquidity needs or balance of payments difficulties.**<sup>10</sup> There are currently seven financing arrangements that meet this definition. These are the AMF, BRICS Contingent Reserve Arrangement (CRA), Chiang-Mai Initiative Multilateralization (CMIM), Eurasia Fund for Stabilization and Development (EFSD), European Union Balance of Payments (EU-BOP) Facility, European Stability Mechanism (ESM), and Latin American Reserve Fund (FLAR).<sup>11</sup> Their corresponding memberships and type of founding charters are summarized in Table 1. Notwithstanding some common characteristics shared, RFAs are financing mechanisms with unique and heterogeneous institutional and governance structures. If these RFAs were to request access to documents under the Transmittal Policy, such requests would be considered based on the criteria for international organizations, and some RFAs do not fit this classification.<sup>12</sup> Moreover, under the Transmittal Policy, access to documents is generally provided to international organizations after consideration by the Board. However, in cases of current or potential co-financing by RFAs, RFAs would benefit from earlier access to Fund documents. As a result, a separate policy framework is needed for the exchange of documents with RFAs.

**8. The Board has recognized that the collaboration between the Fund and RFAs could be mutually beneficial for several reasons.**<sup>13</sup> First, it would increase the effective firepower of both parties to tackle large-scale crises. Second, such collaboration would allow the deeper regional knowledge of RFAs to be combined with the global experience and perspective of the Fund. Third, it could enhance country ownership (a strength of RFAs) while boosting the credibility of adjustment programs and limiting moral hazard (a strength of the Fund). Finally, while smooth collaboration in financing activities can help crisis management, collaboration in surveillance and capacity development can improve crisis prevention. For these reasons, the sharing of information

<sup>10</sup> See [Collaboration between Regional Financing Arrangements and the IMF](#), 2017, July.

<sup>11</sup> See [Collaboration between Regional Financing Arrangements and the IMF](#), 2017, July and [Collaboration between Regional Financing Arrangements and the IMF—Background Paper](#), 2017, July.

<sup>12</sup> An international organization is established by states through a treaty under international law. It has permanent organs (including a secretariat) and a legal personality and will of its own that are distinct from that of its member states. Its purposes are achieved through fulfillment of functions or powers granted to it under its treaty.

<sup>13</sup> See [Collaboration between Regional Financing Arrangements and the IMF](#), 2017, July.

contributes to building trust among the co-financing parties and increases the credibility of the policies being pursued.

**9. A dedicated policy framework for the exchange of documents on common members of the Fund and RFAs would improve the availability and timeliness of information provided to each entity in its decision making.** Documents received from RFAs would improve Fund staff's information and analysis, thereby allowing for a better-informed consideration at Executive Board meetings, including on financing assurances, and improve the Fund's decision-making by allowing the Board to better consider both member-level and region-level issues. Also, a dedicated framework to allow access to Fund documents would better inform RFAs in their decision making.

**10. The exchange of documents with RFAs needs to be guided by a clearly defined set of criteria.** In some RFAs, there is no clear distinction between the secretariat or entity supporting the decision-making process and the decision-making body. Hence, a clearly defined set of criteria is needed to govern the exchange of documents with RFAs in view of the unique and heterogenous structure of RFAs.

**11. In line with the Transmittal Policy, the exchange of documents with RFAs should also safeguard the confidentiality of information and ensure the reciprocity of document sharing.** As discussed in the [Collaboration Between Regional Financing Arrangements and the IMF](#), the ability of the Fund to share information with RFAs is contingent on the consent of the concerned common member country. Therefore, appropriate governance structures of RFAs and confidentiality arrangements are necessary to provide sufficient comfort for the member country when the Fund is sharing confidential and potentially sensitive information. Also, consistent with other document sharing arrangements, the Fund should be assured that the RFA is able and willing to share on a reciprocal basis its own documents comparable to those shared by the Fund.

## PROPOSED FRAMEWORK

**12. In light of the above considerations, staff proposes a consolidated framework for the exchange of documents with RFAs.** The framework aims to help improve crisis prevention and mitigation in common members. It builds on the principles underlying the Transmittal Policy—namely, the commonality of operational interest, confidentiality, and reciprocity. The framework also considers the type of engagement with RFAs, as it determines the timing and type of documents that would be shared with RFAs.

### A. Criteria for Document Exchange

**13. Staff propose that RFAs would need to meet the following criteria to be eligible for document exchange, in the absence of an objection by the Executive Director of the member country concerned:**

- (i) *Commonality of operational interest:* The financing mechanism has specialized responsibilities within the Fund's field of interest (generally, the mechanism is or will be providing substantial financial assistance to the common member countries of the Fund and the RFA).

- (ii) *Confidentiality*: RFAs would need to assure the Fund that documents provided will not be used for any purpose other than the internal purposes of the RFA and would be kept confidential.<sup>14</sup> In the event confidentiality is not upheld, the Managing Director may suspend the document sharing arrangement until the Managing Director receives satisfactory assurances of confidentiality.
- (iii) *Reciprocity*: RFAs should agree to a reciprocal transmittal of comparable documents to the Fund.<sup>15</sup> Staff will need to explore the scope and nature of these documents for each RFA. In the event reciprocity is not upheld, the Managing Director may suspend the document sharing arrangement until the Managing Director receives satisfactory assurances of reciprocal document sharing.

**14. Furthermore, entities within the RFA that may receive Fund documents should be clearly identified.** RFAs have various governance structures. In some RFAs, there is little distinction between technical level staff and decision-making bodies. Under the proposed framework, the exchange of documents would be with (i) the staff of the dedicated secretariat of an RFA,<sup>16</sup> or (ii) the dedicated technical staff performing secretariat functions in cases where an RFA does not have a secretariat.<sup>17</sup> The determination of which entities within the RFA will receive access to Fund documents will be made at the time of the request by the RFA.

## B. Routine Access

**15. If an RFA meets the criteria in ¶13 and entities within the RFA are identified as per ¶14, it would qualify for routine access to Board documents.** Staff propose that the documents pertaining to individual common member countries on surveillance, use of Fund resources (UFR)<sup>18</sup>, Policy Support Instrument (PSI), Policy Coordination Instrument (PCI), Staff Monitored Programs (SMP) and Post-Program Monitoring (PPM) reports, Ex-Post Evaluation reports, Financial System Stability Assessments, Selected Issues, and Statistical Appendixes, be shared on a routine basis with RFAs after consideration by the Fund's Board (see Table 2).<sup>19,20</sup>

<sup>14</sup> Documents transmitted are for official use as background material only, and for limited circulation to relevant staff within the recipient entity. The information contained in these reports is not for quotation or publication.

<sup>15</sup> Some RFAs may be in the process of developing their analytical capacity. In those instances, RFAs would still be expected to share comparable documents and agree to start sharing documents once that capacity is developed.

<sup>16</sup> The secretariat is understood to be the office of the Secretary or Secretary-General, the department that is responsible for the administration of the secretary's functions for an organization.

<sup>17</sup> Where the dedicated technical staff is located with member country authorities, it would be expected that the document sharing will take place under the current document sharing arrangement with member country authorities.

<sup>18</sup> UFR documents include Letter of Intent (LOI), Memorandum of Economic and Financial Policies (MEFP), and Technical Memorandum of Understanding (TMU).

<sup>19</sup> Only those documents classified as "for official use only" or "confidential" will be transmitted. Documents classified as "strictly confidential" are not transmitted.

<sup>20</sup> A secure system will be used to provide documents to authorized contacts at each RFA.

**Table 1. Characteristics of Regional Financing Arrangements**

<b>RFA</b>	<b>Established</b>	<b>Members</b>	<b>Secretariat or Coordinating Party</b>
Arab Monetary Fund (AMF)	1976 by Agreement approved by the Economic Council of Arab States	Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, West Bank and Gaza, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen	Director General
BRICS Contingent Reserve Arrangement (CRA)	2014 by treaty	Brazil, China, India, Russian Federation, and South Africa	Coordinator for the Governing Council (i.e., BRICS' Chair)
Chiang-Mai Initiative Multilateralization (CMIM)	2000 (2010) by multilateral agreement	China, Hong Kong (China), Japan, Korea, Indonesia, Thailand, Malaysia, Singapore, Philippines, Vietnam, Cambodia, Myanmar, Brunei Darussalam, and Lao People's Democratic Republic	Co-chairs of the ASEAN+3 Finance and Central Bank Deputies' Meeting (one from the ASEAN Member States and one from the Plus Three countries) <sup>1</sup>
Eurasia Fund for Stabilization and Development (EFSD)	2009 by treaty	Armenia, Belarus, Kazakhstan, Kyrgyz Rep., Russian Federation, and Tajikistan	Chairman of the Management Board of the Eurasian Development Bank's (EDB) in its capacity as Fund Resources Manager of EFSD

Table 1. Characteristics of Regional Financing Arrangements (concluded)

RFA	Established	Members	Secretariat or Coordinating Party
European Union-Balance of Payments (EU-BoP) Facility	1988 by Council Regulation (EEC) No 1969/88 of 24 June 1988 establishing a single facility providing medium-term financial assistance for Member States' balances of payments	Members: EU Member States. Potential beneficiaries: EU's non-Eurozone countries (Bulgaria, Croatia, Czech Republic, Denmark, Hungary, Poland, Romania, Sweden, and United Kingdom)	European Commission Directorate General, European Commission's Economic and Financial Affairs Department
European Stability Mechanism (ESM)	2012 by Treaty	(Eurozone countries) Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, and Spain	Secretary General in its capacity of Secretary of the Board of Governors and the Board of Directors of the ESM
Latin American Reserve Fund (FLAR)	1978 (1989) by Constitutive Agreement	Bolivia, Colombia, Costa Rica, Ecuador, Paraguay, Peru, Uruguay, and Venezuela	Executive President of FLAR in its capacity of FLAR's legal representative and the head of FLAR's permanent technical body

Source: Regional Financing Arrangements.

<sup>1</sup>Delivers the swap request notice and other relevant information to the Executive Level Decision Making Body (ELDMB), which decides on the swap request.

## C. Non-Routine Access

**16. Staff proposes that *non-routine access* to documents would be provided prior to consideration by the Fund’s Board under certain circumstances.** In some circumstances, timely information sharing is critical as the early sharing of document will allow each entity to understand the financing of other parties and facilitate their internal decision making on the provision of financial support. Therefore, in cases where RFAs are providing or considering providing financing, it is proposed that documents be shared as follows:

- a. *UFR arrangements involving current or potential co-financing by the Fund and RFAs.* In these cases, transparent and speedy information is critical for timely decisions on financing assurances. Timely information sharing is particularly important when the Fund-supported program depends on RFA financing (e.g., financing assurances from RFAs are needed), and when the decision of RFAs depends on the Fund-supported program. Co-financing could take different forms, including instances of UFR arrangements initially approved on a precautionary basis where RFAs are meeting the current or potential financing needs of a country, or, in extending financing to the country, the RFA has a portion of its disbursement linked to Fund involvement.<sup>21</sup> Fund documents will be provided throughout the duration of the Fund arrangement, as long as RFAs continue to be involved in financing of the country.
- b. *PCIs and PSIs (Fund’s non-financial engagement with a country) that may help unlock RFA financing to the country.* Information contained in PCIs and PSIs may be relevant for RFAs’ financing decisions for those PCIs and PSIs that may help unlock RFA financing to the country. Program documents will be provided to RFAs for the duration of the Fund engagement, as long as RFAs continue to be involved in financing of a common member country.

In *non-routine access* cases, staff proposes that documents pertaining to individual countries on UFR arrangements, PCIs and PSIs are shared with RFAs before consideration by the Fund’s Board, following notification to the Board that non-routine document access should be provided (Table 2).<sup>22,23</sup>

Before notifying the Board, the RFA would need to submit a request providing the necessary information to determine whether a document may be transmitted on a *non-routine* basis:

- *UFR arrangements involving current or potential co-financing by the Fund and RFAs.* RFAs would need to justify that they are providing current or potential financing to fill the balance

<sup>21</sup> Not all RFAs have financing instruments that require Fund involvement—i.e., a “link” to the Fund—for the disbursement of RFA funds. A detailed overview of which RFAs and what instruments are *linked* to the Fund and under which conditions is discussed in [Collaboration between Regional Financing Arrangements and the IMF, 2017, July](#) and [Collaboration between Regional Financing Arrangements and the IMF—Background Paper, 2017](#).

<sup>22</sup> Including the Letter of Intent (LOI), Memorandum of Economic and Financial Policies (MEFP), Technical Memorandum of Understanding (TMU), and/or Program Statement (for PCI).

<sup>23</sup> A secure system will be used to provide documents to authorized contacts at each RFA.

of payments needs of a common member country where the Fund is providing financing or is shortly expected to provide financing.

- *PCIs and PSIs*: For those PCIs and PSIs that may help unlock RFA financing to the common member country, program documents will be provided to RFAs. RFAs will need to provide a rationale for their requests.

The Managing Director may suspend an RFA's non-routine access to Fund documents if staff determines that an RFA's co-financing activity with the member has not been activated after six months, or completion of the RFA's financing.

**Table 2. Document Exchange with Regional Financing Arrangements<sup>1</sup>**

Access	Timing for Distribution	Type of Documents
<b>Routine</b>	After consideration by the Board	Article IV, UFR, Financial System Stability Assessments, Selected Issues, Statistical Appendixes, Staff Monitored programs (SPM) reports, and Post-Program Monitoring (PPM) reports. <sup>2, 3, 4</sup>
<b>Non-routine</b>	Shortly after issuance to the Board (before consideration by the Board)	UFR, PSI, and PCI Staff Reports. <sup>2, 3, 4</sup>

<sup>1</sup> Document exchange only applies to Fund and RFA's common member countries.  
<sup>2</sup> Includes combined UFR/Article IV consultation staff reports.  
<sup>3</sup> Includes combined PSI/Article IV consultation staff reports or PCI/Article IV consultation staff reports.  
<sup>4</sup> When applicable the document should be shared with the LOI, MEFP, TMU, and Program Statement.

## D. Other Operational Issues

**17. For routine and non-routine access, staff proposes that documents be shared with the dedicated secretariat of an RFA or with the technical staff performing secretariat functions for the RFA in cases where a secretariat is not present.** In cases where the technical staff performing secretariat functions for the RFA is located within a common member country's central bank or ministry of finance, and identified as having duties under the RFA in addition to their roles in either the central bank or ministry of finance, it would be expected that such document sharing would take place under existing information sharing arrangements with member country officials.

**18. In requesting a document sharing arrangement with the Fund, an RFA would submit a request to the Secretary of the Fund detailing how the RFA meets the criteria outlined in this paper.** It would also provide appropriate assurances that the material in the documents is for internal and exclusive use by staff only. For routine and non-routine document exchange, RFAs should follow the procedures set out in Table 3. For RFAs with rotating chairs, the RFA must notify the Fund of change in the coordinating parties. At that time, the RFA must reaffirm that the RFA's commitment to the Fund will be maintained. The Fund will adjust document access accordingly.

**19. The implementation of this framework is expected to utilize 0.2 staff full-time equivalents (FTE) for initial implementation and 0.1 for ongoing administration of the document sharing arrangements.**

Table 3. Actions Required by RFAs and Duration of Document Exchange		
Access	Action Required by RFAs	Duration of Document Exchange
<b>Routine</b>	Extend a request to the Secretary's Department of the Fund	Open-ended <sup>1</sup>
<b>Non-Routine</b>	Extend a request to the Secretary's Department of the Fund for each individual UFR arrangement, PCI, or PSI of the Fund	For the duration of the corresponding financial arrangement or non-financing engagement of the Fund, as long as the RFA is involved in financing <sup>1</sup>
<sup>1</sup> Unless either the Fund or the RFA request to terminate the document exchange or the RFA fails to comply with the criteria in ¶13.		

## E. Preliminary Assessment of the Criteria to Qualify for the Exchange of Documents for Current RFAs

### 20. Staff's preliminary assessment indicates that there are RFAs that meet the first eligibility criterion for exchange of documents with the Fund under the proposed framework.

Specifically, all the RFAs in Table 1 meet the criterion of *commonality of operational interest*. Also, these RFAs currently have the capacity to meet criteria (ii) and (iii), that is, *confidentiality* and *reciprocity*. When an RFA requests a document exchange arrangement with the Fund, the RFA would need to explain which entities within the RFA would receive access to documents. Upon determination that the criteria have been met and appropriate entities to receive documents identified, staff would then circulate a paper to the Board, for consideration on a lapse-of-time basis, proposing that the RFA be granted access to documents. Specifically:

- AMF, EFSD, EU-BoP, ESM, and FLAR: Have a dedicated secretariat or technical staff (see the last column of Table 1), with the ability to legally commit to confidentiality and reciprocity assurances for the transmittal of documents both on a routine and non-routine basis.
- BRICS CRA and CMIM: Have a secretariat that is not distinct from the decision-making bodies. The technical staff are generally located within a common member country's central bank or ministry of finance, and identified as having duties under the RFA in addition to their roles in either the central bank or ministry of finance (see the last column of Table 1). In such cases, it would be expected that the document sharing will take place under the current document sharing arrangement with member country authorities. However, some technical staff may be distinct from and located separately from member country authorities and in such cases, the RFA should clearly identify the designated entity within the RFA that will receive documents. In any case, the Fund should receive necessary commitments to confidentiality and reciprocity from the RFA for the transmittal of documents on both a routine and non-routine basis.

## NEXT STEPS

### 21. If Executive Directors agree with the proposals set out in this paper:

- RFAs would need to communicate to the Fund Secretary their interest in receiving documents either on a *routine* or *non-routine* basis or both (if applicable), as well as their interest in receiving either all applicable documents or only specific types of documents. A secure system would be used to provide documents to authorized contacts at each RFA.<sup>24</sup>
- In cases where a new RFA requests access to Fund documents, the policy framework set out in this paper would be applied. If staff determines that the eligibility criteria have been met, SEC would submit a proposal on document exchange with RFAs for consideration by the Executive Board on a lapse of time basis. If approved, access to the relevant documents would be provided. For non-routine access to documents, additional steps are required to be taken as provided for in this paper.

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<sup>24</sup> Going forward, it is expected that IMF Connect's advanced document security controls would be used for such secure document sharing.

## Proposed Decision

The following decision, which may be adopted by a majority of the votes cast, is proposed for adoption by the Executive Board:

1. For the purpose of this decision, the term “Regional Financing Arrangement” shall mean a financing mechanism backed by pooled resources through which a group of countries pledge common financial support to a fellow member in the event of external liquidity needs or balance of payments (BoP) difficulties.
2.
  - a. The Managing Director may transmit to Regional Financing Arrangements (“RFAs”) that meet the criteria set forth in subparagraph (b) below (“eligible RFAs”) the following documents pertaining to common member countries of the Fund and the eligible RFA: staff reports and related documents pertaining to (A) surveillance under Article IV, Section 3(a) and (b), (B) the use of Fund resources, and (C) the Policy Support Instrument and the Policy Coordination Instrument; (D) Staff Monitored Programs, Post-Program Monitoring reports, and Ex-Post Evaluation reports; (E) Financial System Stability Assessments; and (F) Selected Issues and Statistical Appendixes. The transmittal of documents under this paragraph would occur after Board consideration of the relevant document, provided that there is no objection by the member country to whom the document pertains.
  - b. The following criteria shall be applied in determining eligibility for access to Fund documents under this decision:
    - i. *Commonality of operational interest:* The RFA has specialized responsibilities within the Fund’s field of interest (generally, a mechanism that is or will be providing substantial financial assistance to the member country concerned).



decision shall take place only after the eligible RFA indicates that it is providing or ready to provide financing to a common member country.