INTERNATIONAL MONETARY FUND

Review of Access Policy in the Credit Tranches, the Extended Fund Facility and the Poverty Reduction and Growth Facility, and Exceptional Access Policy

Prepared by the Policy Development and Review and Finance Departments

In consultation with the other Departments

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1. **This paper reviews the policies on access to Fund resources under its main lending facilities.**[1] The last such review was completed on February 26, 2003.[2] The paper includes a review of exceptional access policy and access under the Poverty Reduction and Growth Facility (PRGF).[3]

2. **In the staff's view, the current access limits and criteria on access remain appropriate.** Although some familiar questions have arisen with respect to exceptional access, recent access decisions within the limits have been consistent with the access framework. The Fund's liquidity is currently adequate to meet new requests for access in the credit tranches and the EFF at levels recently observed. Resources in the PRGF Trust Fund are more tightly limited, but the recent adoption of new norms for PRGF access should help conserve resources (see Box 1). Simulation of a variety of possible shocks leads to broadly similar conclusions about the Fund's ability to meet potential demand for resources from the General Resources Account (GRA) and the PRGF Trust Fund.

3. **The exceptional access framework was reviewed in April 2004.**[4] At that time the Board considered that the framework remained appropriate, and no change in the broad framework is proposed here. Nevertheless, the Fund's large exposure to individual members in exceptional access cases is a source of significant risk to the Fund's resources[5], and the paper proposes steps to reinforce access procedures in such cases.

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[1] This paper was prepared by a staff team consisting of Bhaswar Mukhopadhyay, Selim Elekdag, (both PDR), and Sherwyn Williams and Dmitriy Gershenson (both FIN) and led by Alan MacArthur (PDR) and Ydahlia Metzgen (FIN).

[2] See "Review of Access Policy Under the Credit Tranches and the Extended Fund Facility" (SM/03/19, 1/14/03) and the summing up (BUFF/03/28, 3/5/03).

[3] The review of PRGF policies is limited since a new policy for norms was recently agreed by the Board and the issue of the Fund's future engagement with low income countries is under more general discussion. See "The Acting Chair's Summing Up, The Fund's Role in Low-Income Member Countries—Considerations on Instruments and Financing" (BUFF/04/69, 4/7/04).

[4] See "Review of Exceptional Access Policy" (SM/04/99, 3/23/04) and the summing up (BUFF/04/81, 4/23/04). The original documents are "Access Policy in Capital Account Crises" (SM/02/246, 7/30/02) and the summing up (BUFF/02/159, 9/20/02), and "Access Policy in Capital Account Crises—Modifications to the Supplemental Reserve Facility and Follow-Up Issues Related to Exceptional Access Policy" (SM/03/20, l/14/03) and the summing up (BUFF/03/28, 3/5/03).

[5] See "Financial Risk in the Fund and the Level of Precautionary Balances" (EBS/04/11, 2/4/04) and summing up (BUFF/04/35, 3/2/04).

Box 1. Summary of Access Policies

Credit Tranches and the Extended Fund Facility

Limits: (i) an annual limit of 100 percent of quota; and (ii) a cumulative limit of 300 percent of quota outstanding (net of scheduled repurchases). Since exceptional access guidelines apply (see below) for lending under any facility that exceeds the above limits, a member that uses Fund resources under another facility or policy would have a lower effective limit under the credit tranches and EFF.

Criteria for access in individual cases: (i) actual or potential balance of payments need; (ii) capacity to repay the Fund, including the strength of the adjustment program; and (iii) a member's outstanding use of Fund credit and record in the use of Fund resources.

Exceptional Access

Exceptional circumstances: In exceptional circumstances, a member's access could exceed the above limits. The exceptional access framework applies when access under any policy or facility exceeds the limits applying to the credit tranches and EFF.

Criteria for exceptional access in capital account crises: (i) balance of payments pressures on the capital account resulting in a need for Fund financing that cannot be met within the limits; (ii) a high probability that debt will remain sustainable established on the basis of a rigorous and systematic analysis; (iii) good prospects for the member to regain access to private capital markets within the time Fund resources would be outstanding; and (iv) a strong adjustment program adopted by the member that provides a reasonably strong prospect of success, including not only the member's adjustment plans but also its institutional and political capacity to deliver that adjustment.

Procedural strengthening: (i) When management considers that exceptional access may be needed, there will be an early consultation with the Board ; (ii) for such informal Board meetings, a concise note will be prepared including a diagnosis of the problem, outlines of the needed policy measures, analysis of why exceptional access may be necessary and appropriate, and the likely timetable for discussions; (iii) a separate staff paper evaluating the case for exceptional access based on the above-mentioned criteria will be prepared; and (iv) an ex-post evaluation of all programs with exceptional access within one year after the end of the arrangement. In the rare instances where a need for exceptional access could arise in circumstances outside a capital accounts crisis, Directors noted the flexibility to grant access under the exceptional circumstances clause. In such cases the procedures for exceptional access (see below) would continue to apply, and the request would be judged "in light of the four substantive criteria," but the approval of the request would not necessarily be conditioned on meeting those criteria.

Presumption to use the Supplemental Reserve Facility: There is a strong presumption that exceptional access in capital account crises will be provided using resources of the SRF where the conditions for the SRF apply.

Transparency: In general, management will not recommend Board approval of requests for exceptional access unless the member consents to the publication of the associated staff report.

Poverty Reduction and Growth Facility

Access Limits: The access limit for a three-year PRGF arrangement is 140 percent of quota, with the possibility of access up to 185 percent of quota in exceptional circumstances.

Criteria: The general criteria for access under the PRGF are the same as those under the credit tranches and the EFF, but access considerations under the PRGF are also subject to the following access norms.

Access Norms: (i) 90 percent of quota for first time users; (ii) 65 percent of quota for second time users; (iii) 55 percent of quota for third time users; (iv) 45 percent of quota for fourth time users; (v) 35 percent of quota for fifth time users; (vi) 25 percent of quota for sixth and subsequent users; (vii) 10 percent of quota for low access PRGF arrangements.

Presumption to use PRGF/EFF blended resources: For countries with per capita GDP in excess of 75 percent of the IDA cutoff limit or with significant non-concessional borrowing, the Board established a presumption to use blended PRGF/EFF resources.

4. **The layout of the rest of the paper is as follows:** Section I contains a discussion of the purpose of access rules, and Section II examines the Fund's liquidity position. Section III discusses the potential demand for Fund resources resulting from several possible shocks. Section IV considers recent trends in access decisions and evaluates how they have conformed to the principles underlying the access rules, and whether the Fund's liquidity would be a constraint to providing similar access in the period ahead. Section V summarizes recent developments in exceptional access and discusses issues pertinent to policy in such cases. Section VI concludes with the list of staff recommendations and the issues for discussion. Draft decisions on access to GRA and PRGF resources are provided in Section VII.

I. PURPOSES OF ACCESS POLICY

5. **The Fund's access policies guide decisions on the amount of financing that is made available to members in support of their balance of payments adjustment.** Access policies differ across the various policies and facilities through which the Fund provides financing (Box 1). Financing in the credit tranches and under the EFF is subject to limits on annual and cumulative access of up to 100 and 300 percent of quota, respectively. Larger amounts can be made available under exceptional circumstances, including as elaborated under the framework for exceptional access in capital account crisis. The exceptional access framework applies once access under *all* GRA facilities (not just in the credit tranches and under the EFF) exceeds the above limits. Accordingly, the effective limits on credit tranche and EFF access would be lower if a member uses Fund resources under another facility or policy, such as emergency assistance or the Compensatory Financing Facility (CFF).

6. **For eligible low-income members, PRGF loans are limited to 140 percent of quota per three-year arrangement** (up to 185 percent in exceptional circumstances) together with a system of access norms that provide for declining access over successive arrangements. Individual decisions on the amount of financing, whether in the credit tranches, under the EFF, or PRGF, are based on the size of the balance of payments need and the member's capacity to repay, including the strength of the adjustment program, as well as the member's indebtedness to the Fund and track record.[6]

7. **Three broad principles underlie the Fund's access policies:** (i) to provide appropriate support to members undertaking adjustment measures to resolve their balance of payment difficulties within the Fund's limited resources; (ii) to treat members uniformly; and (iii) to safeguard the Fund's resources. At the simplest level, the Fund's access policies can be thought of as a means to balance fairly existing and prospective demand for the Fund's

[6] In 2004, Directors discussed the appropriate balance between financing and adjustment using the metric of debt stabilizing current account balances developed in the program design papers (SM/04/403, 404, 405, 406). Directors agreed that external viability remains a core objective of Fund-supported programs (BUFF/05/8). External adjustment should be anchored by considerations of medium-term debt sustainability.

resources with the available supply of resources while also safeguarding these resources. In practice, the GRA and the PRGF Trust face different constraints, and recent decisions on access limits and other policies have taken account of their distinct circumstances, as noted in the following two sections.

8. **Expected balance of payments needs have had an important bearing on past decisions on access limits.** The annual access limit applying to the credit tranches and EFF was increased from 68 percent to 100 percent in 1994, reflecting the potential demand for Fund resources arising from transition countries. It was expected that the unusually intensive adjustment efforts—both in macroeconomic stabilization and in structural reforms—would be combined with correspondingly large financing needs. In 1999, the Executive Board decided to maintain the annual limit at 100 percent of quota because of the uncertainty arising from the Asian crisis, despite the quota increases under the Eleventh General Review. The annual limit remains at this level.

9. **The Fund's liquidity in the GRA has been a constraining factor at times.** This has normally been dealt with through an increase in available resources, rather than by reducing access limits. In the 1970s and 1980s, large outstanding use of Fund credit, related to the oil price shocks and the Latin American debt crisis, was met through borrowing under the Enlarged Access Policy and increases in access limits.[7] At one point, in advance of an increase in quotas under the Eighth General Review, the cumulative limit for access under the credit tranches reached 600 percent of quota and the cumulative limit was also briefly eliminated altogether.[8] The system was simplified in November 1992 when single annual and cumulative limits at 68 percent and 300 percent of quota respectively were introduced, at the time of quota increases under the Ninth General Review. In 1998, the Fund borrowed under the General Arrangements to Borrow (GAB) and the New Arrangements to Borrow (NAB) to provide financing arrangements for Russia and Brazil, respectively, prior to the quota increases under the Eleventh General Review.

10. **Under the PRGF, resource constraints have had a major impact on access policies.** The hard ceiling on total access to PRGF resources and the norms governing access in first and second arrangements reflected the scarcity of those resources and the need to allocate them fairly among member countries. In addition, access limits applying to PRGF

[7] The policy on Enlarged Access was adopted in 1981 to enable the Fund to continue using borrowed resources in conjunction with ordinary resources to provide balance of payments assistance to members facing external payments imbalances that are large in relation to their quotas.

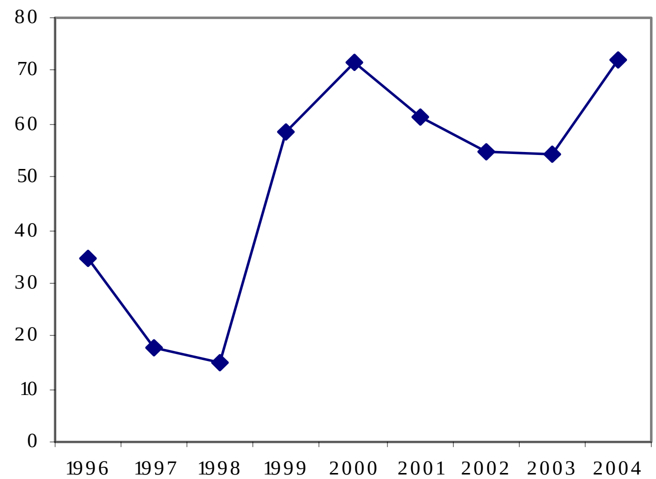
[8] Under the Eighth General Review (in 1983), the selective quota increase was distributed among all members in proportion to their calculated quotas. In 1984, the Board introduced a system of dual access limits taking into account the non-uniform increases in quotas under the Eighth General Review. A temporary suspension until December 31, 1991 of the lower access limits under the enlarged access policy was approved on November 15, 1990.

resources were revised in 1992 and 1999 so as to keep the limits broadly unchanged in terms of SDRs at the time of quota increases..

II. THE FUND'S LIQUIDITY

11. **Liquidity in the Fund's general resources account is at present satisfactory.** The Fund's one-year forward commitment capacity at end-2004 stood at SDR 72 billion and rose to SDR 82 billion in early March 2005 reflecting Russia's early repayment of its entire outstanding obligations to the Fund (SDR 2.19 billion) on January 31, 2005. The Fund could also borrow up to SDR 34 billion under the NAB and the GAB, if there were a need to supplement liquidity. At the same time, overall lending has declined from its recent peak, though it remains concentrated in arrangements with a few large borrowers, raising risk.

Chart 1. Fund Liquidity
Forward Commitment Capacity (in billions of SDR)



12. **Existing PRGF resources are likely to be sufficient to cover financing needs for the ongoing PRGF operations through 2005/06, estimated to be some SDR 1 billion per year** under current policies. Thereafter, the Fund's concessional lending could be financed from the PRGF Reserve Account via the so-called "self-sustained PRGF." Current estimates indicate that the self-sustained PRGF could maintain annual PRGF lending at about SDR 0.6 billion in perpetuity. Work is underway to review the Fund's future role in low-income countries and the associated financing needs. Additional resources might need to be mobilized, depending upon the outcome of this work, including for possible further debt relief for low income countries.

III. THE ECONOMIC OUTLOOK AND RISKS

13. **Near-term global economic prospects appear generally favorable.** During the last two years the global recovery has taken hold and worldwide growth is expected to have reached 5 percent in 2004. Although the pace of growth slowed after the second quarter of 2004, in part due to the impact of higher oil prices on consumer demand, the global expansion is expected to remain above trend in 2005 at 4.3 percent.[9] The global expansion

[9] "World Economic Outlook" (EBS/05/37, 3/1/05).

continues to be underpinned by strong corporate balance sheets, and still accommodative macroeconomic policies, including low long term interest rates.

14. **The economic prospects of emerging markets also appear to be favorable.** Growth picked up in 2004 as emerging markets were generally able to cope with higher oil prices, the rise in U.S. interest rates, and the depreciation of the U.S. dollar. In 2005, growth in emerging markets is expected to remain robust, aided by the favorable global environment, generally sound policies and improving fundamentals.

15. **However, increased levels of debt in some countries and volatility of oil prices remain sources of vulnerability.** The financial environment for emerging markets can be expected to become less easy, inasmuch as global interest rates are set to rise and credit spreads are likely to widen . Interest rates are expected to rise—albeit at a measured pace—as the global recovery proceeds. Such higher interest rates could result in a deterioration in emerging market financing conditions. While this factor by itself would in most cases be manageable, the risks would be significantly greater if it were accompanied by other adverse shocks, especially given the high and poorly structured public debt burden in some countries. The increase in oil prices, if sustained, will have an impact on members' balance of payments and could increase demand for Fund financing. This section considers how demand for Fund resources might evolve in light of these shocks, and whether any change in access policy would be indicated.

A. Implications of a Financing Drought and Poor Economic Conditions

16. A deterioration in external financing conditions for emerging market countries could give rise to additional balance of payments needs. A relatively harsh economic scenario was simulated across a group of 21 vulnerable emerging market countries. The scenario included a prolonged financing drought, increased spreads, disorderly U.S. dollar depreciation, lower growth, and lower commodity prices (Table 1). After allowing for exchange rate adjustments and a draw-down of reserves, country desks estimate that the combination of shocks could generate aggregate financing gaps of about US$33 billion.

17. **The simulations of potential financing need from the Fund in the event of possible shocks do not point to a need to change the access limits.** The simulations indicate that additional financing needs are expected to remain manageable in most cases. Although the absolute impact of some of the shocks could be large, policy adjustment, drawdown in reserves, and access to already-committed Fund resources or a small amount of new financing would cover the gap. For five members, the gaps are above the annual access limits and if entirely financed by the Fund would require exceptional access. The Fund's existing liquidity appears to be adequate to deal with needs emerging from such a scenario.

Table 1. Financing Gaps Resulting from a Financing Drought and Deterioration of Economic Conditions

(21 Emerging Market Countries with Moderate to Severe Underlying Vulnerabilities)

Shock	Aggregate financing need ($ billion)	Number of members with need in the following ranges, in percent of quota			
		0-	11-	51-100	101 and above
Contraction of international market financing by up to 30 percent, and increase in emerging market spreads raising the EMBI global spread from 370 to 655 basis points. A 30 percent depreciation of the U.S. dollar against the euro, the yen, and currencies of Asian Emerging Market countries; an increase in U.S. long-term interest rates of 200 basis points; declining interest rates in the euro area and Japan, by 75 and 25 basis points, respectively; a decline in growth by 2 percent in the U.S. and by 1 percent in the euro area and Japan; a decline in oil prices by US$5 per barrel, reflecting partially offsetting effects of weaker global demand and the falling dollar; and a 10 percent drop in non-oil commodity prices relative to the Fall 2004 WEO baseline.	33	1	2	2	5

Source: staff estimates.

B. Higher Oil Prices

18. **The rise in world oil prices has implications for the prospective BOP needs of the membership.** Based on the estimates for oil-importing member country desks, the US$11.60 per barrel increase in the WEO crude oil baseline price for 2005 over 2003 implies a potential impact on the balance of payments of approximately US$29 billion (Table 2).[10] One-third of the total is due to China and India, where the cost of higher oil imports would be expected to be absorbed by lower reserve accumulation. In remaining low-income countries and those with capital market access, much of the impact would be met by reserve drawdown or adjustment (both policy and endogenous adjustment—including exchange rate changes). In some countries the apparent adjustment is overstated, since there are offsetting improvements in commodity export prices. The aggregate residual financing gap was estimated at US$2 billion, of which only a small share—$265 million—was estimated by country desks to represent possible new financing from the Fund. Such recourse to Fund resources, entirely under the PRGF, would be expected to be manageable within the current access limits and liquidity. Nevertheless, these scenarios imply that a number of countries could face a significant loss of reserve cover, and further financing, especially in the form of grants, might be needed in later years to smooth adjustment if oil prices remain high.

[10] Based on January 10 interim WEO baseline. See also “Oil Market Developments and Issues” (SM/05/75).

Table 2: Potential Financing Needs of Oil Importers due to Higher World Oil Prices, 2005
(In billions of US$)

	Incremental Financing Gap 1/	Endogenous or Policy -Related Adjustment 2/	Reserves drawdown	Residual Financing Gap
Impact	29	6	20	2

Source: Fund staff.

1/ Financing gap resulting from the difference between the most recent program numbers or Article IV projections and the latest WEO revisions (involving for 2005 an oil price assumption of $40.50).
2/ This could include expected policy responses, exchange rate adjustments, or offsetting changes in the current account.

IV. RECENT ACCESS DECISIONS

19. **The number of stand-by and extended arrangements approved in 2003–04 was lower than in recent years, with a larger share being precautionary on approval (Table 3).**[11]

Table 3: New Stand-by and Extended Arrangements Approved, 1995–2004

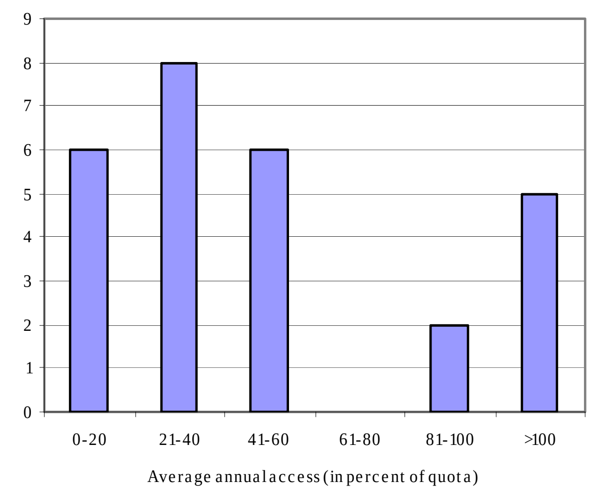
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Stand-by	21	13	10	6	7	10	8	9	10	6
of which:										
Precautionary	5	7	4	4	5	6	5	2	4	5
Exceptional access	1	1	3	2	1	1	1	2	2	0
Extended	2	6	4	4	4	2	0	1	1	0
Total	23	19	14	10	11	12	8	10	11	6

20. **Access committed under stand-by and extended arrangements shows a strong bimodal character (Chart 2).** Of all stand-by and extended arrangements in place at end-

[11] Tables showing detailed information on access trends since 1995 are presented in the annex.

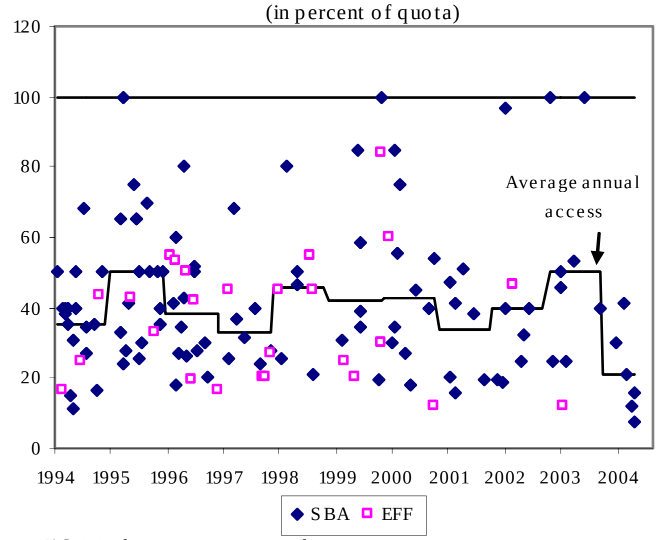
2004, average annual access was 57 percent of quota in non-exceptional cases, and 343 percent in exceptional cases (including augmentations).

Chart 2. Distribution of Average Annual Access in Stand-By and Extended Arrangements, during 2002-04 (number of arrangements)



21. **Recent stand-by arrangements have often been either precautionary or entailed exceptional access.** Total new resource commitments by the Fund during 2003–04 amounted to approximately SDR 19.6 billion, including augmentations and reductions. Of these, SDR 15.7 billion was committed in arrangements involving exceptional access and SDR 7.5 billion in precautionary arrangements, including the latter part of Brazil's stand-by arrangement which was both precautionary and exceptional. Resource commitments under arrangements that were neither exceptional nor precautionary amounted to just US$764 million over this period, significantly below the historical average.

Chart 3. Average Annual Access in Stand-By and Extended Arrangements, Excluding Exceptional Arrangements, 1994-2004 1/ (in percent of quota)



1/ Original amounts on approval

22. **Decisions on access under precautionary stand-by arrangements have reflected the purpose of the arrangement.**[12] In most cases, access under precautionary arrangements has been lower than under arrangements where the member intends to draw (Table 4). This reflects the lack of an immediate balance of payments need, and the focus on signaling in these arrangements. In upper credit tranche arrangements involving members that have not drawn any part of

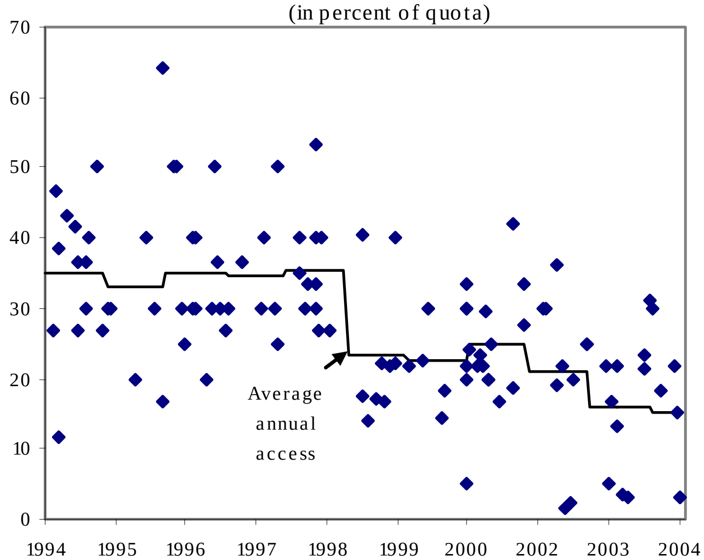
[12] The papers on Design of Fund-Supported Programs found evidence that the external adjustment in precautionary and non-precautionary was similar (SM/04/403). Follow-up work related to precautionary arrangements and signaling by the Fund more generally was outlined in a recent staff note (see SM/05/62, 2/18/05) that was informally discussed with Directors on February 25, 2005.

the first credit tranche, the first purchase under an arrangement must make available at least 25 percent of quota. Access under such precautionary arrangements tends to be slightly larger (Guatemala, 2003), and front loaded, because the entire first credit tranche must be made available. In some precautionary arrangements, the potential need was seen as larger and the financial cushion provided by the arrangement was thus more significant. Arrangements for Argentina (in 1998 and in 2000), Colombia (1999 and 2003), and the Phillipines (1998) all involved total access over 100 percent of quota, and the precautionary arrangements for Brazil (2001 and 2003) involved exceptional access.

Table 4. Average Annual Access in Non-Exceptional
Stand-by and Extended Arrangements

	Non-precautionary arrangements		Precautionary arrangements	
	Mean	Median	Mean	Median
1994-2004	40	42	32	27
Of which: 2003-04	46	44	34	25

Chart 4. Average Annual Access in PRGF Arrangements,
1994-2004 1/
(in percent of quota)



1/ Original amounts on approval

23. **The number of PRGF arrangements has remained broadly unchanged since 1998 but average access has declined.**[13] At end-2004, average three-year access for current arrangements had declined to 59 percent of quota, from 73 percent of quota at end-2001 (Chart 4, Table 5). Six countries had access equivalent to or greater than the 90 percent norm established for first time users. Four of these members were repeat users of PRGF/ESAF resources. In two cases, PRGF access replaced outstanding post-conflict emergency assistance resources. Five

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[13] A discussion of program design issues in PRGF-supported arrangements in the papers on Design of Fund Supported Programs (SM/04/403, 404, 405, 406) noted that current account deficits may have been too large to stabilize external debt ratios. Some issues on this topic will be taken up in the forthcoming review of PRGF program design.

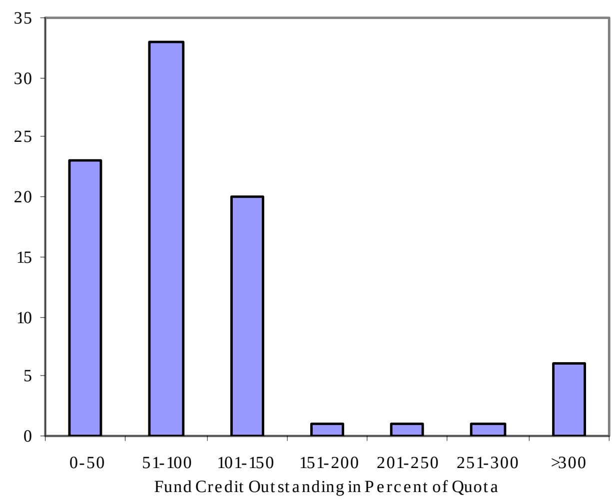
members had PRGF arrangements with three-year access of less than 10 percent (see below).

Table 5. Access under PRGF Arrangements, 1998–2004

	1998	1999	2000	2001	2002	2003	2004
Average access (in percent of quota)							
Annual	25	24	22	25	21	16	16
3-Yearly	75	72	66	75	63	48	49
Number of arrangements approved	11	9	10	13	10	10	7

24. **Although there are important exceptions, most members' outstanding use of general resources is well within the cumulative access limit that applies under the credit tranches and EFF.** At end-2004, six members had outstanding credit from the Fund in excess of 300 percent of quota, of which five members had existing or earlier arrangements with exceptional access (Argentina, Brazil, Indonesia, Turkey, and Uruguay). All five remain current on their financial obligations to the Fund, although most continue to borrow from the Fund. Liberia is the only other member with credit outstanding greater than 300 percent of quota. It has protracted arrears to the Fund, as do the only two members with credit outstanding between 200 and 300 percent of quota (Somalia and Sudan). For the rest of the borrowing membership, the ratio of cumulative access to quota is low.

Chart 5. Fund Credit Outstanding
(Number of members, as at end-2004)



25. **For low-income countries, access policies will remain important for ensuring the efficient use of the limited resources available for PRGF lending.** As agreed by the Board in March 2004,[14] the recently-established access norms in third and successive PRGF arrangements and the presumption of blended use of PRGF and EFF resources for low-income member countries with higher income levels or non-concessional financing alternatives should help ease pressures on the Fund's concessional resources.

[14] "The Fund's Support of Low-Income Members Countries—Considerations on Instruments and Financing" (SM/04/53, 2/24/04).

26. **For low-access PRGF arrangements, the recent adoption of a standard access norm should clarify the signals being sent to creditors, donors, and possibly markets.** Some low-income members have a limited balance of payments problem but Fund engagement remains desirable to provide guidance for policy implementation, address potential vulnerabilities, or provide signals to donors and creditors about the members' reform efforts. In such cases, the adoption of an access norm (10 percent of quota spread evenly over the three years of the arrangement) helps avoid unintended signals about Fund-supported programs.[15]

V. EXCEPTIONAL ACCESS

27. **The exceptional access framework remains a key pillar of the Fund's access policy.** At the time of the April 2004 review, Directors considered that the framework had lent clarity and predictability to the Fund's response to capital account crises. They also felt that the exceptional access criteria remained appropriate and, given the limited experience, no change was warranted. In order to strengthen incentives for members to repay the Fund as their balance of payments improves, most Directors reiterated the strong presumption that exceptional access should be provided on SRF terms. However, many Directors recognized that the maximum maturity of the SRF obligations may sometimes be too short relative to the duration of balance of payments need, and that the restrictive circumstances test for the SRF would, unless amended, preclude use of that facility outside of capital account crises and in precautionary settings.[16] Directors also agreed that the procedures for early Board involvement and for the provision of additional information had worked well in supporting an effective decision-making process. However, some Directors reiterated the need to define

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[15] "The Acting Chair's Summing Up: The Fund's Role in Low-Income Member Countries—Considerations on Instruments and Financing" (BUFF/04/69, 4/l7/04).

[16] Of the four members with arrangements using exceptional access (Argentina, Brazil, Turkey and Uruguay), none has active arrangements involving use of the SRF and only Brazil has SRF resources outstanding, dating from purchases prior to its recent augmentation, which did not entail the use of SRF resources. In most of these cases, the member's balance of payments need did not meet the circumstances that permit use of the SRF, since the member was not experiencing a sudden and disruptive loss of market confidence. In addition, the duration of the balance of payments need was expected to be longer than the maturity of the SRF. The length of SRF repurchase obligations was extended in March 2003 by six months. The forthcoming staff paper reviewing charges and maturities will consider the possibility of aligning charges for exceptional access across different lending facilities, as well as modifications to the SRF to allow its use in a precautionary setting.

exceptional access based on a more "economically relevant" set of metrics than a member's quota.[17] [18]

28. **Recent Fund arrangements with exceptional access involve members not experiencing capital account crises.** This reflects the high level of uncertainty surrounding the speed of reaccess to markets following earlier crises as well as some countries' desire for a degree of insurance against a possible deterioration in financial market conditions even after market access has improved. In these circumstances, the four substantive criteria set out in the framework will not all be satisfied. In particular, the first criterion requires that the member be experiencing exceptional balance of payments pressures in the capital account, and the third criterion suggests that the member does not currently have access to private capital. This language reflects the fact that the four criteria were designed to guide access decisions for members in the throes of capital account crises, and the use of exceptional access outside of capital account crises was not considered in the 2002/2003 Board discussions on exceptional access. In such cases where the member is not in a capital account crisis, the procedures for exceptional access would apply and the request would be judged "in light of the four substantive criteria," but the approval of the request would not necessarily be conditioned on meeting these criteria.[19]

29. **Thus, in the rare instances where a need for exceptional access could arise in circumstances outside a capital account crisis, Directors noted the flexibility to grant access under the exceptional circumstances clause.**[20] Frequent exceptions to the policy framework, however, reduce its value in clarifying—to members and markets—the conditions under which exceptional access would be provided. Questions have recently also been raised as to whether there might be a need to develop a framework for cases where members already have high exposure. The staff's proposals in this regard in 2004 were not

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[17] The principle of uniformity of treatment—derived from the Articles of Agreement—has been understood as calling for access limits to be determined in terms of the quotas of members. For a discussion of some of the relevant considerations, see "Review of the Policy on Access to the Fund's Resources—Legal and Policy Considerations" (SM/83/194, 8/19/83). In the 2002/03 discussions of exceptional access, the Board requested that a table showing alternative metrics be presented in staff reports proposing exceptional access. While most considered that quotas should remain the fundamental metric for access, many Directors recognized that alternative metrics, such as GDP, exports, gross reserves, and calculated quotas, could provide additional perspectives on the scale of access in individual cases (see BUFF/02/159, 9/20/02 and BUFF/03/28, 3/5/03).

[18] As noted in the summing up on program design (BUFF/05/8) in cases of capital account crises, private market financing has turned out to be less abundant than expected, resulting in current account adjustments that are both larger than envisaged and larger than required to stabilize external debt at moderate levels. Further staff analysis is underway (see SM/05/62).

[19] See "Summing Up by the Acting Chair, Review of Exceptional Access Policy" (BUFF/04/81, 4/14/04).

[20] Ibid.

accepted by the Board, and staff does not intend to pursue the matter at this stage unless there is general interest from the Board.[21]

Possible enhancements to exceptional access procedures

30. **The greater incidence of successor arrangements in recent exceptional access cases is a significant risk to the Fund** because the Fund is exposed for an extended period to a concentrated group of borrowers.[22] Such risks are compounded by the inherently high level of uncertainty surrounding the resolution of cases involving capital market vulnerability. Thus, in future cases of exceptional access, more explicit consideration of "exit strategies" from Fund financing would be appropriate. Similarly, to handle better the uncertainty surrounding exceptional access cases, greater consideration of alternative forecast scenarios to evaluate risk, including private sector forecasts, would be appropriate. These points are discussed in more detail below.

Exit strategies

31. **Transparent exit strategies help foster better communication with capital markets and permit more credible analyses of costs to the Fund.** In principle, all Fund arrangements are exit strategies, in that programs should be designed with the aim of enabling members to overcome their balance of payments problems during the period of the Fund arrangement, thus allowing them to repay the Fund and protecting the revolving nature of Fund resources. Every request for a new arrangement is thus presented together with a discussion of the member's capacity to repay. Nevertheless, evidence from recent crises indicates that it could take a member up to five years or more to regain access to international capital markets.[23] The Board too has recognized that in some instances the resolution of balance of payments problems could take longer than the duration of a single arrangement. Notably in such instances, but also more broadly, staff reports should discuss the elements of an exit strategy, including the possible need for a successor arrangement to

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[21] Against the background of recent requests for exceptional access where not all of the criteria of the exceptional access framework had been met, staff had proposed that the criteria for exceptional access to the Fund's resources be modified to provide guidance on use of exceptional access for members with pre-existing high exposure to the Fund, but that were not currently experiencing a capital account crisis. However, most Directors were not in favor of the staff proposal arguing that the proposed principles could be seen as a weakening of the exceptional access framework that could lead to an inappropriate increase in the number of exceptional access cases, with risks to the Fund's financial position. See "Review of Exceptional Access Policy" (SM/04/99, 3/23/2004) and the summing up (BUFF/04/81, 4/14/04).

[22] The April 2004 review of exceptional access took a close look at exit strategies in existing and earlier arrangements with exceptional access.

[23] See "Assessing the Determinants and Prospects for the Pace of Market Access by Countries Emerging from Crises: Further Considerations (SM/05/76, 3/2/05).

help the member address further balance of payments needs in the context of a suitable adjustment program. Recognition by the Fund that it allows for the possibility that it may have to remain engaged beyond the immediate program could help facilitate *earlier* reaccess to capital markets by the member. It may also tend to reduce the possible pressures to show an optimistic baseline adjustment path. Finally, such recognition would facilitate in-depth scenario analyses of the financial impact on the Fund of the exceptional access request under consideration, as called for in the recent review of exceptional access.[24]

32. **There are several pitfalls that need to be avoided when there is a likelihood of a follow-on arrangement.** In particular, it would be important to convey the idea that there remains uncertainty about the rate at which the policies will lead to improvements in the balance of payments, not that policies in the program are insufficient to redress imbalances. Conditionality will have to be sufficient to ensure that the recognition that one arrangement may not be enough does not lead to member countries' postponing difficult reforms until the anticipated successor program. Finally, such discussions must not be seen to commit the Fund to a further arrangement, or any particular level of access, as this would prejudge decisions that need to be made later.

33. **Analyses of exit strategies adopted in recent exceptional access cases provide guidelines for such strategies in future requests for exceptional access.**[25] In particular, arrangements with exceptional access would need to provide a full justification of the strategy to reduce Fund exposure. In this regard, important issues on which Directors' endorsement would be desirable include: the planned speed and magnitude of adjustment in the current account; the efficacy of supporting policies; the possible timing of reaccess to capital markets; and the risks to these assessments. Judgments on these issues would, in turn, bear on a determination of whether a successor arrangement is likely to be required.

34. **Alternatively, an extended arrangement might be considered.** Use of the EFF may be appropriate in cases where there is a reasonable expectation that the member's balance of payments difficulties arising from structural imbalances will be relatively long-term, including where such imbalances have limited the member's access to private capital, and where there is an appropriately strong structural reform program. However, members with meaningful access to capital markets are not normally expected to seek extended arrangements.[26] The shorter maturity of a stand-by arrangement, including with SRF resources where the SRF circumstance test is met, may also be more appropriate when there

[24] The Board requested that future requests for exceptional access contain more such analyses. See "Summing Up by the Acting Chair, Review of Exceptional Access Policy" (BUFF/04/81, 4/23/04).

[25] See "Review of Exceptional Access Policy" (SM/04/99, 3/23/04).

[26] See "Summing Up by the Acting Chairman--Review of Fund Facilities-Proposed Decisions and Implementation Guidelines" (BUFF/00/175, 11/27/00).

is uncertainty about the rate at which confidence of private financial markets and the balance of payments more generally will improve.

Private sector forecasts

35. **In addition, staff reports should continue to consider risks to the central scenario.** Staff reports for requests for exceptional access would benefit from the counterpoint of private sector forecasts of key macroeconomic variables. A recent report on Brazil provides an example in this direction.[27] Deliberations on the alternative scenarios could be initiated at the informal meetings with Directors preceding exceptional access cases, thus allowing a richer menu of options to be formulated in developing the policy framework.

VI. SUMMARY OF ISSUES

36. **Staff believe that the access framework including the existing structure of limits remains appropriate to meet the needs of the membership.** Based on recent access decisions, the Fund's satisfactory liquidity situation, and the impact of potential shocks, current access policies applying in the credit tranches and the EFF appear broadly appropriate. For the PRGF, there have been recent modifications to access policy, and staff does not see a need for further changes at this juncture.[28] For the small group of members who may require exceptional access to help adjust to such shocks or other unforeseen events, recent experience is in line with the review of policy in April 2004.

37. **The draft decision below differs from that in earlier years in light of the changes in access policy and the broader scope of this paper.** In particular, as noted above, the exceptional access framework effectively establishes a "global" limit on GRA access, as that framework is triggered once combined access under all facilities exceeds the limits applying to the credit tranches and EFF. The global limit could imply lower effective limits on the credit tranches and EFF if the member is also using Fund resources under another facility or policy.[29] Accordingly, the draft decision no longer only specifies exceptional access in terms of the limits applying under the credit tranches and EFF, but more generally in terms of any financing provided under the GRA exceeding these limits. It also cross-references provisions of the exceptional access framework that are currently set forth in various summings up of

[27] For example, the November 2003 Staff Report on Brazil (EBS/03/157) contained market analysts' views on their preference for a smooth repayment profile within the renewal of the Fund-supported program, and on the level of reserves as a buffer against potential volatility.

[28] "The Acting Chair's Summing Up, The Fund's Role in Low-Income Member Countries—Considerations on Instruments and Financing" (BUFF/04/69, 4/7/04).

[29] There are separate access limits under other GRA facilities (i.e., emergency assistance and the CFF) that are lower than (and thus may be triggered before) the global access limit.

the relevant Board discussions, thereby making more accessible and transparent the Fund's current policies concerning exceptional access in the GRA.

38. **Staff proposes the following steps to reinforce the exceptional access framework:**

- Future considerations of requests for exceptional access should involve explicit discussion of exit strategies.

- Future consideration of requests for exceptional access should involve discussion of alternative forecast scenarios.

39. **Directors may also wish to comment on whether they would want staff to develop another proposal on a separate framework for exceptional access for members with pre-existing high exposure.**

Table 6. Access Under Fund Arrangements Approved During 2002 - 2004 1/

(In percent of quota, unless otherwise indicated)

	Effective date of arrangement	Duration *(months)*	Average Annual Access 1/	Fund Credit Outstanding: Excluding special facilities 2/ Start of Arrangement	End of Arrangement	Including special facilities 2/ Start of Arrangement	End of Arrangement	GFF/GFN 3/ *(percent)*
2002								
Upper credit tranche SBA								
Bosnia and Herzegovina	08/02/02	15	32	49	65	49	65	6
Brazil	09/06/02	16	564	359	813	359	813	35
Bulgaria	02/27/02	24	19	122	131	131	132	9
Dominica	08/28/02	12	40	0	40	0	40	9
Guatemala 4/	04/01/02	12	40	0	40	0	40	8
Jordan	07/03/02	24	25	203	187	223	187	4
Peru 4/	02/01/02	25	19	48	55	48	55	4
Turkey	02/04/02	35	456	1,165	1,246	1,165	1,246	23
Uruguay	04/01/02	24	97	82	243	82	243	36
Extended arrangements								
Yugoslavia, FR.	05/14/02	36	46	43	154	68	163	8
Average SBA and EFF 5/		22	134	207	297	212	298	14
Average for "ordinary" cases 5/		22	40	68	114	75	116	10
2003								
Upper credit tranche SBA								
Argentina	01/24/03	7	170	460	517	460	517	27
Argentina	09/20/03	36	141	418	517	418	517	20
Bolivia	04/02/03	12	50	0	50	83	119	13
Colombia 4/	01/15/03	24	100	0	200	0	200	15
Croatia 4/	02/03/03	14	25	0	29	0	29	4
Domincan Republic	08/29/03	24	100	0	200	2	200	29
Ecuador	03/21/03	13	46	75	104	75	104	6
Guatemala 4/	06/18/03	9	53	0	40	0	40	7
Macedonia, FYR	04/30/03	14	26	2	31	67	68	4
Paraguay 4/	12/15/03	15	40	0	50	0	50	25
Extended arrangements								
Sri Lanka 6/	04/18/03	36	12	4	35	53	118	10
Average SBA and EFF 5/		19	69	87	161	105	178	15
Average for "ordinary" cases 5/		18	50	9	82	31	103	13
2004								
Upper credit tranche SBA								
Bulgaria 4/	08/06/04	25	7	127	106	127	106	2
Croatia 4/	08/04/04	20	16	0	27	0	27	2
Gabon	05/28/04	13	42	23	53	23	53	11
Peru 4/	06/09/04	26	21	13	47	13	47	7
Romania 4/	07/07/04	24	12	33	47	33	47	2
Ukraine 4/	03/29/04	12	30	80	104	88	103	78
Average SBA and EFF 5/		20	21	46	64	47	64	17
Average for "ordinary" cases 5/		20	21	46	64	47	64	17

Source: Executive Board documents; Finance Department.

1/ Reflects amounts and duration agreed at the time the arrangements were initially approved; excludes potential access under later augmentations. Total access divided by length of arrangement (in years), except where otherwise specified.

2/ Special facilities include Emergency Assistance, CCL, CCFF/CFF, PRGF, SAF, and STF; end positions assumes full disbursement of committed amounts; in the case of phased drawing under CCFF, the entire eligible amount estimated.

3/ Gross Fund Financing/Gross Financing Requirement; GFF includes all use of Fund resources during the period under arrangement and associated purchases that were anticipated at the time of approval. GFR is defined as the sum of the current account deficit (excluding grants), amortization of maturities in excess of one year including Fund repurchases, the targeted reduction in arrears (in cash as well as through rescheduling) and the targeted buildup in gross reserves. Figures may be estimated based on information available for the period most closely corresponding to the program period.

4/ Precautionary on approval.

5/ Simple arithmetic average.

6/ PRGF/EFF blend case.

Table 7. Access Under PRGF Arrangements Approved During 2002 - 2004 1/

(In percent of quota, unless otherwise indicated)

	Effective date of arrangement	Duration *(months)*	Average Annual Access 1/	Fund Credit Outstanding: Excluding special facilities 2/ Start of Arrangement	Fund Credit Outstanding: Excluding special facilities 2/ End of Arrangement	Fund Credit Outstanding: Including special facilities 2/ Start of Arrangement	Fund Credit Outstanding: Including special facilities 2/ End of Arrangement	GFF/GFN 3/ *(percent)*
2002								
Albania	06/19/02	36	19	5	0	125	141	2
Cape Verde	04/10/02	36	30	0	90	0	90	5
Congo, Dem. Rep. Of	06/13/02	36	36	0	109	0	109	6
Cote d'Ivoire	03/29/02	36	30	0	0	112	131	8
Gambia	07/18/02	36	22	0	0	66	126	13
Guyana	09/13/02	36	20	0	0	78	95	11
Nicaragua	12/13/02	36	25	0	0	95	140	3
Rwanda	08/12/02	36	2	2	0	79	72	1
Tajikistan	12/11/02	36	25	0	0	79	125	17
Uganda	09/13/02	36	2	0	0	111	60	0
Average PRGF 4/		36	21	1	20	74	109	7
2003								
Bangladesh	06/20/03	36	22	0	0	5	65	9
Burkina Faso	06/11/03	36	13	0	0	148	120	2
Dominca	12/29/03	36	31	36	7	36	100	4
Ghana	05/09/03	36	17	0	0	72	99	9
Kenya	11/21/03	36	21	0	0	20	74	4
Mauritania	07/18/03	36	3	0	0	118	79	1
Nepal	11/19/03	36	23	0	0	1	70	7
Senegal	04/28/03	36	5	0	0	110	68	3
Sri Lanka 5/	04/18/03	36	22	4	35	53	118	10
Tanzania	08/16/03	36	3	0	0	143	102	1
Average PRGF 4/		36	16	4	4	71	90	5
2004								
Burundi	01/23/04	36	30	0	0	19	69	13
Georgia	06/04/04	36	22	112	114	120	114	7
Honduras	02/27/04	36	18	89	107	89	107	3
Mali	06/23/04	36	3	112	69	112	69	1
Mozambique	07/06/04	36	3	117	69	117	69	0
Republic of Congo	12/06/04	36	22	13	71	13	71	9
Zambia	06/16/04	36	15	103	89	118	97	10
Average PRGF 4/		36	16	78	74	84	85	6

Source: Executive Board documents; Finance Department.

1/ Reflects amounts and duration agreed at the time the arrangements were initially approved; excludes potential access under later augmentations. Total access divided by length of arrangement (in years), except where otherwise specified.

2/ Special facilities include Emergency Assistance, CCL, CCFF/CFF, PRGF, SAF, and STF; end positions assumes full disbursement of committed amounts; in the case of phased drawing under CCFF, the entire eligible amount estimated.

3/ Gross Fund Financing/Gross Financing Requirement; GFF includes all use of Fund resources during the period under arrangement and associated purchases that were anticipated at the time of approval. GFR is defined as the sum of the current account deficit (excluding grants), amortization of maturities in excess of one year including Fund repurchases, the targeted reduction in arrears (in cash as well as through rescheduling) and the targeted buildup in gross reserves. Figures may be estimated based on information available for the period most closely corresponding to the program period.

4/ Simple arithmetic average.

5/ PRGF/EFF blend case.

Table 8. Access Under Fund Arrangements By Year Of Approval, 1995 - 2004 1/ 2/

(In percent of quota, unless otherwise indicated)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Average annual access										
SBA and EFF										
Non-exceptional 3/	50	38	33	46	43	43	33	40	50	21
Exceptional and SRF	500	53	329	172	100	60	320	510	159	...
Precautionary	27	27	27	42	21	40	30	30	55	17
Range of annual access										
Non-exceptional 3/										
SBA	24-100	18-80	24-69	20-81	20-85	18-85	16-57	19-97	25-100	7-42
EFF	33-43	17-55	20-45	45-55	21-84	12	...	46	12	...
Exceptional and SRF	500	53	163-646	144-200	100	58	320	456-564	141-170	...
Average use of Fund credit at beginning of arrangement, excluding special facilities 4/ 5/										
SBA	25	50	27	31	61	39	32	72	96	46
EFF	51	107	52	195	88	182	...	43	4	...
Average projected use of Fund credit at end of arrangement, excluding special facilities 4/ 5/										
SBA	101	85	219	107	115	93	103	109	174	50
EFF	66	145	78	217	94	224	...	154	35	...
Average projected use of Fund credit at beginning of arrangement, including special facilities 4/ 5/										
SBA	58	71	47	41	84	52	47	76	111	47
EFF	66	145	78	217	94	224	...	68	53	...
Average projected use of Fund credit at end of arrangement, including special facilities 4/ 5/										
SBA	142	103	365	116	133	103	113	109	184	47
EFF	147	230	189	317	181	237	...	163	118	...
Gross Fund Financing as percent of broad gross financing need										
SBA and EFF	16	12	12	10	10	8	7	14	15	17
Of which: Exceptional and SRF	39	17	21	10	6	8	19	29	24	...
Commitments (on approval) excluding augmentations										
In percent of total quota	14	8	19	16	6	5	6	18	6	1
In billions of SDRs	20	11	28	23	13	11	13	38	14	1
Number of arrangements approved										
SBA	21	13	10	6	7	10	8	9	10	6
EFF	2	6	4	4	4	2	0	1	1	0
SBA and EFF	23	19	14	10	11	12	8	10	11	6
Of which: Approved Precautionary	5	7	4	4	5	6	5	2	4	5
Of which: Exceptional and SRF	1	1	3	2	1	1	1	2	2	0

Source: Executive Board documents; Finance Department.

1/ Excludes arrangements blended with concessional resources. Reflects amounts and duration at the time arrangements were approved; excludes potential access under external contingency mechanisms and other augmentation.

2/ Access expressed in terms of Ninth General Review of Quotas until 1998, and in terms of the Eleventh Review of Quotas thereafter.

3/ Including first credit tranche arrangements.

4/ Special facilities include CCFF/CFF, PRGF, SAF, ESAF and STF.

5/ At the time of approval, assuming full disbursment of committed amounts and repurchases made as scheduled during the arrangement.

Table 9. Access Under Arrangements With Low-Income Members By Year Of Approval, 1995 - 2004 1/ 2/

(In percent of quota, unless otherwise indicated)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Average annual access										
SAF	50	...	...	...	...	...	...	...	...	...
ESAF/PRGF	36	35	35	25	24	22	25	21	16	16
Range of annual access										
SAF 5/	50	...	...	...	...	...	...	...	...	...
ESAF/PRGF	20-64	20-50	25-50	27-53	14-40	5-33	17-42	2-36	3-31	3-30
Average projected use of Fund credit at beginning of arrangement, including special facilities 4/ 5/										
SAF 5/	151	...	...	...	...	...	...	...	...	...
ESAF/PRGF	113	87	96	94	103	78	98	74	71	84
Average projected use of Fund credit at end of arrangement, including special facilities 4/ 5/										
SAF 5/	235	...	...	...	...	...	...	...	...	...
ESAF/PRGF	154	166	183	169	134	122	123	109	90	85
Gross Fund Financing as percent of broad gross financing need										
SAF 5/	35	...	...	...	...	...	...	...	...	...
ESAF/PRGF	12	7	7	10	7	6	6	7	5	6
Commitments (on approval) excluding augmentations										
In percent of total quota	1	1	1	1	0	0	1	1	1	0
In billions of SDRs	1	1	1	1	1	1	2	1	1	1
Number of arrangements approved										
SAF 5/	1	0	0	0	0	0	0	0	0	0
ESAF/PRGF	6	14	7	11	9	11	13	10	10	7

Source: Executive Board documents; Finance Department.

1/ Excludes arrangements blended with concessional resources. Reflects amounts and duration at the time arrangements were approved; excludes potential access under external contingency mechanisms and other augmentation.

2/ Access expressed in terms of Ninth General Review of Quotas until 1998, and in terms of the Eleventh Review of Quotas thereafter.

3/ Including first credit tranche arrangements.

4/ Special facilities include CCFF/CFF, PRGF, SAF, ESAF and STF.

5/ At the time of approval, assuming full disbursment of committed amounts and repurchases made as scheduled during the arrangement.

Table 10. Exceptional Access Under Fund Arrangements, October 1994–Present 1/
(As of December 31, 2004)

(In percent of quota at approval, unless otherwise indicated)

					Arrangement Amount					Available to Draw 3/				Annual Access 3/				Fund Credit Outstanding						
					Total			SRF		Approved/Undrawn		Augmentation						Excluding special facilities 5/			Including special facilities 5/			
			Effective	Duration 2/	(SDR mn.)	(% of quota)	(% of 12th quota)	(SDR mn.)	(% of quota)	SBA/EFF	SRF	SBA/EFF	SRF	Average per year 4/	Year 1 (in % of total access)	Year 2	Year 3	Start of Arrangement	End of Arrangement Projected	Actual 6/	Start of Arrangement	End of Arrangement Projected	Actual 6/	GFF/GFR 7/
	Circumstances	Type	date 2/	(months)																				(percent)
Mexico 8/	New Arrangement	SBA	2/1/1995	18	12,070	688	467	--	--	688	--	--	--	459	73	27		149	768	434	149	768	434	39
Russia 9/	New Arrangement	EFF	3/26/1996	36	6,901	160	116	--	--	160	--	--	--	53	41	34	25	116	238	156	166	279	223	17
Thailand	New Arrangement	SBA	8/20/1997	34	2,900	505	268	--	--	505	--	--	--	178	72	14	14	0	505	231	0	505	231	10
Indonesia	New Arrangement	SBA	11/5/1997	36	7,338	490	353	--	--	490	--	--	--	163	76	14	10	0	490	245	0	490	245	22
Korea 10/	New Arrangement	SBA	12/4/1997	36	15,500	1,938	949	9,950	1,244	694	1,244	--	--	646	91	5	5	0	694	273	0	694	273	32
Indonesia	Augmentation	SBA	7/15/1998	28	8,338	557	401	--	--	294	--	50	--	149	80	13	7	196	540	245	196	540	245	n.a.
Russia 11/	Aug. and Ext.	EFF	7/20/1998	20	15,363	356	258	3,993	93	59	--	104	93	152	91	9		198	245	156	246	346	223	n.a.
Indonesia	New Arrangement	EFF	8/25/1998	26	4,669	312	225	--	--	312	--	--	--	144	82	15	4	245	557	359	245	557	359	11
Brazil	New Arrangement	SBA	12/2/1998	36	13,025	600	429	9,117	420	180	420	--	--	200	87	7	7	0	180	136	0	180	136	8
Indonesia	Augmentation	EFF	3/25/1999	19	5,383	259	259	--	--	91	--	34	--	77	71	29		310	435	359	310	435	359	n.a.
Turkey	New Arrangement	SBA	12/22/1999	36	2,892	300	300	--	--	300	--	--	--	100	38	31	31	46	309	1165	46	309	1165	6
Indonesia 9/	New Arrangement	EFF	2/4/2000	35	3,638	175	175	--	--	175	--	--	--	60	43	29	29	359	375	...	359	375	...	8
Turkey	Augmentation	SBA	12/21/2000	24	8,676	900	900	5,784	600	231	--	--	600	416	89	11		107	338	1165	107	368	1165	n.a.
Argentina	Augmentation	SBA	1/12/2001	26	10,586	500	500	2,117	100	180	--	145	100	197	58	34	8	180	389	460	180	394	460	n.a.
Turkey	Augmentation	SBA	5/15/2001	19	15,038	1,560	1,560	5,784	600	162	330	660	--	713	94	6		445	1,088	1165	445	1,088	1165	n.a.
Argentina	Augmentation	SBA	9/7/2001	18	16,936	800	800	6,087	288	253	--	113	188	368	75	25		307	532	460	307	532	460	n.a.
Brazil 12/	New Arrangement	SBA	9/14/2001	15	12,144	400	400	9,951	328	72	328	--	--	320	97	3		97	436	359	97	436	359	19
Turkey	New Arrangement	SBA	2/4/2002	35	12,821	1,330	1,330	--	--	1,330	--	--	--	456	87	6	6	1,165	1,715	...	1,165	1,715	...	23
Uruguay	Augmentation	SBA	6/25/2002	21	1,752	572	572	386	126	154	--	252	126	304	76	24		117	531	...	117	531	...	n.a.
Uruguay 13/	Augmentation	SBA	8/8/2002	20	2,128	694	694	129	42	322	84	207	-84	322	73	27		243	701	...	243	701	...	n.a.
Brazil	New Arrangement	SBA	9/6/2002	16	22,821	752	752	7,610	251	501	251	--	--	564	75	25		359	813	...	359	813	...	35
Argentina	New Arrangement	SBA	1/24/2003	7	2,175	103	103	--	--	103	--	--	--	170	100			460	517	418	460	517	418	27
Argentina	New Arrangement	SBA	9/20/2003	36	8,981	424	424	--	--	424	--	--	--	141	60	23	17	418	517	...	418	517	...	20
Brazil 14/	Aug. and Ext.	SBA	12/12/2003	15	27,375	902	902	7,610	251	185	--	150	--	268	82	18		764	866	...	764	866	...	n.a.
Total amount 15/					173,816			68,517																
Number of arrangements		24																						
Average 16/				26		637	547		362	328	443	190	170	276	75	19	14	262	574	458	266	582	466	17

Sources: Executive Board documents, and information provided by the Finance Department.

1/ Reflects amounts and duration agreed for an arrangement at the time SRF resources were approved or the exceptional circumstances clause was invoked. Data regarding future augmentations that included SRF resources or exceptional circumstances are reported on separate rows.
2/ In the case of augmentations, the date and duration remaining at the time of approval of the augmentation, not initial approval of the arrangement.
3/ In the case of augmentations, includes previously undrawn amounts from the arrangement, as well as the new augmentation. Amounts drawn prior to augmentation are not included.
4/ Total access divided by length of arrangement (in years), except where otherwise specified.
5/ Special facilities include Emergency Assistance, CCL, CCFF/CFF, PRGF, SAF, and STF. End positions assume full disbursement of committed amounts, and in the case of phased drawing under the CCFF, the entire eligible amount is estimated.
6/ Actual Fund credit outstanding when the arrangement expired or was cancelled. This may reflect augmentations, extensions, reductions, or quota changes which occurred after approval.
7/ Gross Fund Financing/Gross Financing Requirement. GFF includes all use of Fund resources during the period under arrangement and associated purchases that were anticipated at the time of approval. GFR is defined as the sum of the current account deficit (excluding grants), amortization of maturities in excess of one year, including Fund repurchases, the targeted reduction in arrears (in cash as well as through rescheduling) and the targeted buildup in gross reserves. Figures may be estimated based on information available for the period most closely corresponding to the program period. Calculated on approval of a new arrangement so data is not available for cases of augmentations.
8/ Arrangement was approved for an amount of up to SDR 12,070.2 million, of which the initial commitment was SDR 5,259.9 million. Figures here reflect phasing and size of the arrangement as determined at the second (June) review.
9/ With two exceptions, all exceptional circumstances cases required a waiver of the annual and cumulative limits. Russia's new EFF in 1996 required only a waiver of the annual limit while Indonesia's new EFF in 2000 required only a waiver of the cumulative limit.
10/ Total amount approved on December 4, 1997 as an SBA. A portion was then converted to an SRF on December 18, 1997 after creation of the SRF.
11/ EFF amount includes 50 percent of quota approved under the CCFF along with the augmentation.
12/ Brazil's previous SBA was cancelled and replaced with this arrangement, which the authorities did not expect to draw upon; however, they drew on the arrangement two weeks after approval.
13/ The SRF approved at the previous augmentation was cancelled and the SBA augmentation was increased equivalent to the undrawn funds.
14/ Arrangement turned precautionary from this point forward.
15/ In the case of arrangements which are included on the list multiple times, only the most recent total amount is included.
16/ Simple arithmetic average.