



# IMF POLICY PAPER

## REVIEW OF THE CUMULATIVE ACCESS LIMITS UNDER THE RAPID CREDIT FACILITY

November, 2025

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its November 10, 2025 consideration of the staff report.
- The **Staff Report**, prepared by IMF staff and completed on October 12, 2025, for the Executive Board's consideration on November 7, 2025.

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



## IMF Executive Board Approves a Two-Step Reversion of the Cumulative Access Limits under the Rapid Credit Facility of the PRGT to Pre-Pandemic Levels

FOR IMMEDIATE RELEASE

- The IMF Executive Board approved a two-step reversion of the temporarily higher cumulative access limits (CALs) under the Rapid Credit Facility (RCF) of the Poverty Reduction and Growth Facility Trust (PRGT) to pre-pandemic levels.
- This phase-out provides predictability for the normalization of RCF access limits while retaining adequate borrowing space for most low-income countries (LICs) to cope with unexpected exogenous shocks that create urgent Balance of Payment needs.

**Washington, DC – November 14, 2025:** The Executive Board of the International Monetary Fund (IMF) approved on November 7, 2025, a two-step process to bring the temporarily higher cumulative access limits (CALs) under the Poverty Reduction and Growth Trust (PRGT)'s Rapid Credit Facility (RCF) back to pre-pandemic levels by 2028. For background on access to PRGT facilities, the IMF's concessional lending vehicle, see [IMF Support for Low-Income Countries](#).

The current higher CALs under the RCF exogenous shock (ES) and large natural disaster (LND) windows had been increased on a temporary basis to 150 percent (from 100 percent) and 183.33 percent (from 133.33 percent) of quota, respectively, at the time of the COVID-19 pandemic. The Executive Board agreed to maintain the CALs at these levels through end-2026. These limits will then be reduced in two equal steps: by 25 percent of quota on January 1, 2027, followed by another 25 percent of quota reduction on January 1, 2028, restoring the CALs to their pre-pandemic levels. This decision provides a clear path for the normalization of RCF access limits while retaining adequate borrowing space for most PRGT-eligible members, in the event that they face unexpected exogenous shocks and qualify for RCF financial support.

Countries that accessed the Food Shock window under the RCF will maintain the additional 25 percent of quota added to their CAL under the RCF ES window until end-2029. This is intended to align with the repayment schedule of the RCF and ensure adequate borrowing space.

The Executive Board also adopted a decision to ensure that the new access limits are adjusted once the 16th General Review of Quotas (GRQ) takes effect, in order to broadly retain the limits in SDR terms.

The Executive Board's decisions were taken on a lapse-of-time basis.<sup>1</sup>

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<sup>1</sup> The Executive Board takes decisions under its lapse-of-time procedure when the Board agrees that a proposal can be considered without convening formal discussions.



October 23, 2025

## REVIEW OF THE CUMULATIVE ACCESS LIMITS UNDER THE RAPID CREDIT FACILITY

### EXECUTIVE SUMMARY

**This paper reviews the cumulative access limits (CALs) under the Rapid Credit Facility (RCF) of the PRGT.** As part of its pandemic response in 2020, the Fund temporarily increased annual and cumulative access limits by 50 percent of quota under its emergency financing instruments, the RCF and the Rapid Financing Instrument (RFI). While most of these limits have reverted to pre-pandemic levels, the CALs applicable to the RCF exogenous shocks (ES) window and large natural disaster (LND) window remain at the levels set during the pandemic of 150 and 183.33 percent of quota, respectively. The 25 percent of quota added to the ES window CAL for past users of the now-discontinued RCF Food Shock Window (RCF-FSW) set in 2022 also remains in place.

**Absent further Executive Board action, these RCF CALs will revert to pre-pandemic levels on January 1, 2026.** This would reduce available borrowing space under the RCF to well below 50 percent of quota for most LICs, which have only recently started repaying pandemic-related emergency borrowing. As a result, the Fund would have very limited ability to provide emergency financing to LICs in cases of sudden shocks. Given the exceptional nature of the coordinated emergency response to COVID, staff sees a policy case for a transition period that preserves the Fund's ability to help members address urgent balance-of-payments needs in cases where an upper-credit-tranche (UCT) program engagement is either not feasible or not necessary.

**Staff proposes a two-step, time-bound reversion of RCF CALs to pre-pandemic levels.** Specifically, the current RCF ES and LND windows CALs would remain in place for another year, followed by a 25 percent of quota reduction on January 1, 2027, and another 25 percent of quota a year later. This would restore CALs under the RCF ES and LND windows to their pre-pandemic levels of 100 and 133.33 percent of quota by the start of 2028. This time-bound, phased approach would provide predictability for the return of RCF CALs to pre-pandemic levels while retaining adequate borrowing space for most LICs to cope with unexpected exogenous shocks. For RCF-FSW users, the additional 25 percent of quota would remain until end-2029, aligned with the timing of repayments. Staff assesses that the resource implications for the Fund would likely be minimal, given the successful post-pandemic transition of most LICs to UCT-quality arrangements. Operational risks can be managed through proactive communication, monitoring, and training. Necessary safeguards of Fund resources are in place and have proven to be effective in preventing over-reliance on the RCF.

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## BACKGROUND

**1. As part of the Fund’s Covid response, Emergency Financing (EF) access limits were temporarily raised in April 2020.** Annual and cumulative access limits (AALs and CALs) were raised by 50 percent of quota for both the PRGT’s Rapid Credit Facility (RCF) and the GRA’s Rapid Financing Instrument (RFI). The majority of LICs utilized this additional RCF borrowing space at the beginning of the pandemic to address urgent balance of payments needs, with many subsequently transitioning to upper credit-tranche quality (UCT) arrangements.

**2. While most EF access limits have reverted to pre-pandemic levels, the RCF’s CALs have remained in place, reflecting the facility’s repayment profile.** The AALs for the RCF exogenous shock (ES) window and Large Natural Disaster (LND) window—as well as the AALs for the RFI—reverted to pre-pandemic levels on January 1, 2022.<sup>1</sup> The pre-pandemic CALs under the RFI were restored on July 1, 2024.<sup>2</sup> By contrast, in October 2024, the Executive Board approved an extension of the higher RCF CALs (at 150 and 183.33 percent of quota for the EF and LND windows) through end-December 2025.<sup>3</sup> This decoupling of CAL rollback schedules between the RCF and RFI reflected their differing repayment profiles, as RCF credit carries a grace period of 5½ years and a maturity of 10 years, compared to the RFI’s grace period of 3¼ years and maturity of 5 years, which implies that RFI users would have restored emergency financing borrowing space much more rapidly than RCF users. The additional CAL of 25 percent of quota for the now-discontinued RCF Food Shock Window (RCF-FSW) set in September 2022 also remains in place.

### Box 1. The Lending Windows under the RFI and RCF

The RFI, a General Resources Account (GRA) instrument, provides rapid financial assistance with limited conditionality to qualifying members facing urgent balance-of-payments (BoP) needs where, inter alia, a UCT-quality program is not necessary or not feasible. It currently operates through two windows:

- 1. Regular Window:** For urgent BoP needs from any source, including domestic instability, fragility, or exogenous shocks.
- 2. Large Natural Disaster (LND) Window:** For urgent BoP needs from natural disasters where damage is assessed to be equivalent to or exceed 20 percent of GDP.

<sup>1</sup> <https://www.imf.org/en/Publications/Policy-Papers/Issues/2021/12/23/Review-Of-Temporary-Modifications-To-The-Funds-Access-Limits-In-Response-To-The-Covid-19-511281>

<sup>2</sup> Review of The Cumulative Access Limits Under The Rapid Financing Instrument and The Rapid Credit Facility, <https://www.imf.org/en/Publications/Policy-Papers/Issues/2023/06/30/Review-of-The-Cumulative-Access-Limits-Under-The-Rapid-Financing-Instrument-and-The-Rapid-535486>.

<sup>3</sup> During the 2024 PRGT Facilities Review, Executive Board supported staff’s recommendation that the next review of the RCF CALs would take into account the outcome of the review of the RFI CALs. The 2024 Comprehensive Review of General Resources Account Access Limits reassessed RFI access limits, together with access limits for other GRA instruments, and the Executive Board agreed that RFI access limits should remain unchanged following the July 1, 2024 reversion to pre-pandemic levels. <https://www.imf.org/en/Publications/Policy-Papers/Issues/2024/12/23/Comprehensive-Review-of-GRA-Access-Limits-559998>

**Box 1. The Lending Windows under the RFI and RCF (concluded)**

The RCF, a concessional instrument under the Poverty Reduction and Growth Trust (PRGT), provides rapid financial assistance with limited conditionality, to qualifying low-income countries (LICs) facing urgent BoP needs where, inter alia, a UCT-quality program is not necessary or not feasible. It currently operates through three windows:

- 1. Regular Window:** For urgent BOP needs arising from a broad range of circumstances, including domestic instability, emergency, and fragility. Members that received RCF financing in the previous 3 years require a track record of adequate macroeconomic policies, except if the urgent BOP need is caused by an exogenous shock.
- 2. Exogenous Shock (ES) Window:** For urgent BoP needs caused by sudden, exogenous shock.
- 3. Large Natural Disaster (LND) Window:** For urgent BoP needs from natural disasters where damage is assessed to be equivalent to or exceed 20 percent of GDP.

**Food Shock Window (FSW):** A temporary window introduced in September 2022 and expired in March 2024, available under both RFI and RCF to address urgent BoP needs arising from acute food insecurity, a sharp increase in the food or fertilizer import bill, or a shock to cereal exports. Access was capped at 50 percent of quota, with an additional 25 percent of quota added to CALs under RFI-regular and RCF-ES windows.

**Recent Usage:** Since April 2020, 42 members accessed the RFI regular window, while only Ukraine used the temporary RFI-FSW window. Under the RCF, 50 LICs received disbursements through the RCF-ES window, five accessed the temporary RCF-FSW (Burkina Faso, Guinea, Haiti, Malawi, and South Sudan), and only St. Vincent and the Grenadines received support under the RCF-LND window.

**Terms:** Each RFI purchase or RCF disbursement is made in a single tranche. Repayment under the RFI is made in eight quarterly installments, after a grace period of 3¼ years, with a final maturity of 5 years. For the RCF, repayment is made in ten semiannual installments, after a grace period of 5½ years, with a final maturity of 10 years.

For more information: please see <https://www.imf.org/en/About/Factsheets/Sheets/2023/Rapid-Financing-Instrument-RFI> for RFI and see <https://www.imf.org/en/About/Factsheets/Sheets/2023/Rapid-Credit-Facility-RCF> for RCF.

**Table 1. Evolution of the Emergency Financing Access Limits Since the Pandemic 1/**  
(In percent of quota)

	Pre-pandemic period	Pandemic period (until 12/31/2021) 2/	Extended higher CAL period (1/1/2022-6/30/2024)	Extended higher RCF CAL period (from 7/1/2024 on)	Existing Board decision (from 1/1/2026 on)
<b>RFI</b>					
Regular window 3/					
Annual Access Limit	50	100	50	50	50
Cumulative Access Limit	100	150	150	100	100
Large Natural Disaster (LND) window					
Annual Access Limit	80	130	80	80	80
Cumulative Access Limit	133.33	183.33	183.33	133.33	133.33
<b>RCF (for PRGT-eligible countries)</b>					
Regular window					
Annual Access Limit	50	50	50	50	50
Cumulative Access Limit	100	100	100	100	100
Exogenous shock (ES) window 3/					
Annual Access Limit	50	100	50	50	50
Cumulative Access Limit	100	150	150	150	100
Large Natural Disaster (LND) window					
Annual Access Limit	80	130	80	80	80
Cumulative Access Limit	133.33	183.33	183.33	183.33	133.33

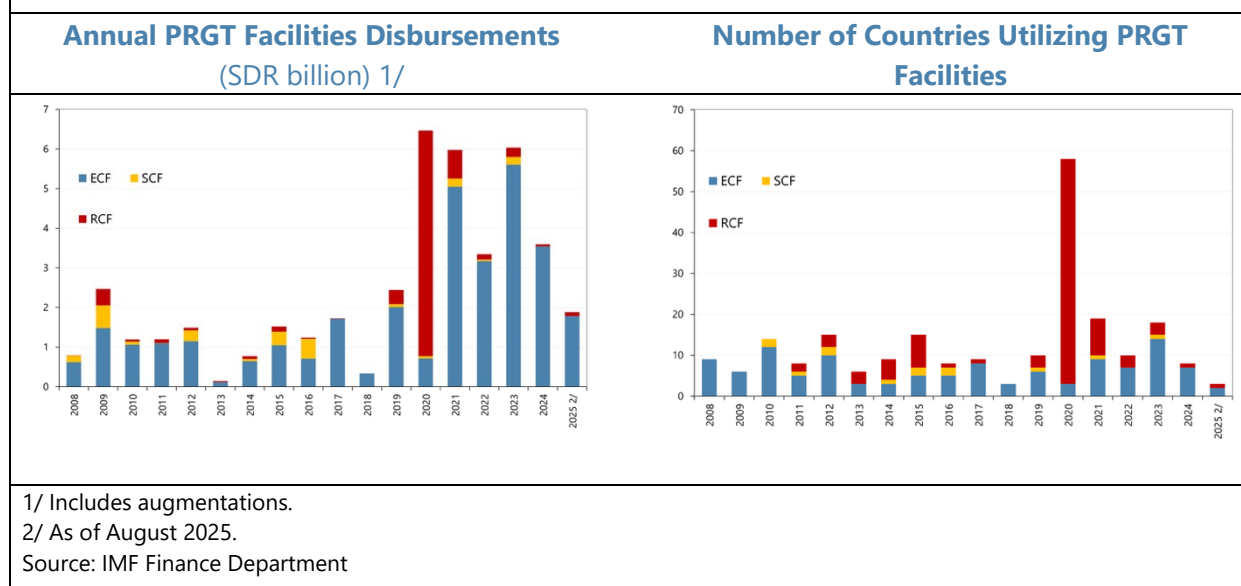
1/ Outstanding disbursements (purchases) from all other RCF (RFI) windows are included in the calculation of the annual and cumulative access.

2/ Access limits for the regular window of the RFI and the exogenous shock window of the RCF were raised in April, 2020. Access limits under the Large Natural Disaster windows of both the RFI and RCF were raised in June 2021.

3/ The CALs of members that accessed the food shock window (Burkina Faso, Guinea, Haiti, Malawi, South Sudan, Ukraine) are higher by 25 percent of quota—until end-2026 for the RFI regular window and until the end-2025 for RCF ES window.

**3. Recent experience shows that the RCF qualification framework is being applied appropriately, with most members having transitioned to upper credit tranche (UCT)-quality programs.** Following the exceptionally high recourse to RCF during the pandemic, most PRGT-eligible low-income countries (LICs) in need of Fund financing have moved to UCT-quality program engagement supported by ECF and SCF arrangements (Figure 1). Of the 50 LICs that accessed the RCF in 2020–21, 33 have transitioned to UCT-quality program engagement. Since 2022, only seven LICs have accessed the RCF, most of which have either already started or are progressing toward UCT-quality programs.<sup>4</sup> This pattern suggests that the normalization of the AAL, along with other applicable safeguards including the consistent application of the RCF qualification criteria, has been effective in ensuring the RCF is used only in deserving cases, and that extending the temporarily higher CALs under the RCF beyond 2022 has not led to increased reliance on EF.

<sup>4</sup> Seven LICs accessed the RCF after 2022. Among them, two—Burkina Faso and Malawi—already had resumed programs under Extended Credit Facility, and another four are making progress toward establishing UCT-quality programs: Guinea has initiated discussions on a UCT-quality program, Haiti and Mali are currently implementing Staff-Monitored Programs (SMPs), and South Sudan has recently reached a staff-level agreement on a SMP, following the completion of a SMP with Board involvement.

**Figure 1. PRGT Facilities Utilization: 2008–Present**

**4. The currently scheduled reversion of RCF CALs to pre-pandemic levels on January 1, 2026, would imply that many LICs would have very limited borrowing space under the RCF.** Since LICs are just starting to amortize RCF loans from 2020–21, and will not begin amortizing RCF-FSW loans from 2022–23 until 2028, almost all presumed non-blenders (i.e., the relatively poorer PRGT-eligible countries) that have accessed RCF during COVID—31 out of 38—would see their RCF borrowing space drop well below 50 percent of quota, and 22 countries would have less than 15 percent of quota in emergency financing space available in early 2026.<sup>5</sup>

## STAFF PROPOSAL

**5. Given the exceptional nature of the RCF borrowing during COVID, a phased and time-limited restoration of the pre-pandemic RCF CALs is warranted to maintain the Fund’s ability to assist LICs in the event of unexpected, urgent BoP needs.** In a global environment marked by elevated uncertainty and heightened vulnerability to shocks, LICs are particularly vulnerable. While the Fund should aim to assist countries with BoP needs through UCT arrangements, it is often not possible to do so immediately when sudden shocks hit, given the time needed to design a well-calibrated multiyear program. It is therefore desirable to maintain an RCF access buffer, ideally around 50 percent of quota (corresponding to the AAL), which would allow the Fund to meet the most urgent BoP needs at the time of a shock while transitioning to a UCT arrangement where needed.

<sup>5</sup> Presumed blenders—the higher-income LICs—have more borrowing space, as they hold limited outstanding RCF loans and have repurchased most or all of their COVID-related RFI purchases. This reflects the requirement to blend RFI (GRA) and RCF (PRGT) resources at a 2:1 ratio, with all RFI purchases counted toward RCF access limits.



**6. Staff proposes a two-step normalization of the temporarily higher CALs under the RCF.**  
Specifically:<sup>6</sup>

- *Effective January 1, 2027:* CALs under the RCF ES and LND windows would be lowered by 25 percent of quota, to 125 percent of quota and 158.33 percent of quota, respectively.
- *Effective January 1, 2028:* CALs under the RCF ES and LND windows would be lowered by an additional 25 percent of quota, bringing them to 100 percent of quota and 133.33 percent of quota, respectively.

The additional 25 percent of quota added to CAL under the RCF ES window, introduced in 2022, for the FSW of the RCF would expire on *December 31, 2029*.<sup>7</sup>

**7. The proposed path would ensure that the Fund retains the ability to support qualifying LICs facing urgent BoP needs while avoiding over-reliance on the RCF.**

- Under the proposal, most LICs would retain an adequate buffer for EF (i.e., RCF borrowing space of around 50 percent of quota throughout the transition (Figure 2)), thereby allowing most countries to access the annual RCF access limit in case of unexpected shocks,<sup>8</sup> while achieving a permanent exit from the temporarily higher CALs.
- The proposed two-year gap between the normalization of the RCF CALs and the expiration of the additional 25 percent added to the CAL for past RCF-FSW users reflects the fact that the latter was introduced about two years after the introduction of temporarily higher RCF CALs. This sequencing would avoid a premature reduction in RCF access by countries that accessed FSW during the food security crisis.
- After the transition, RCF CALs will return to pre-pandemic levels, aligning with the 2024 Comprehensive Review of General Resources Account (GRA) Access Limits (ALs) that reaffirmed the decision to maintain pre-pandemic CALs under the RFI.<sup>9</sup>

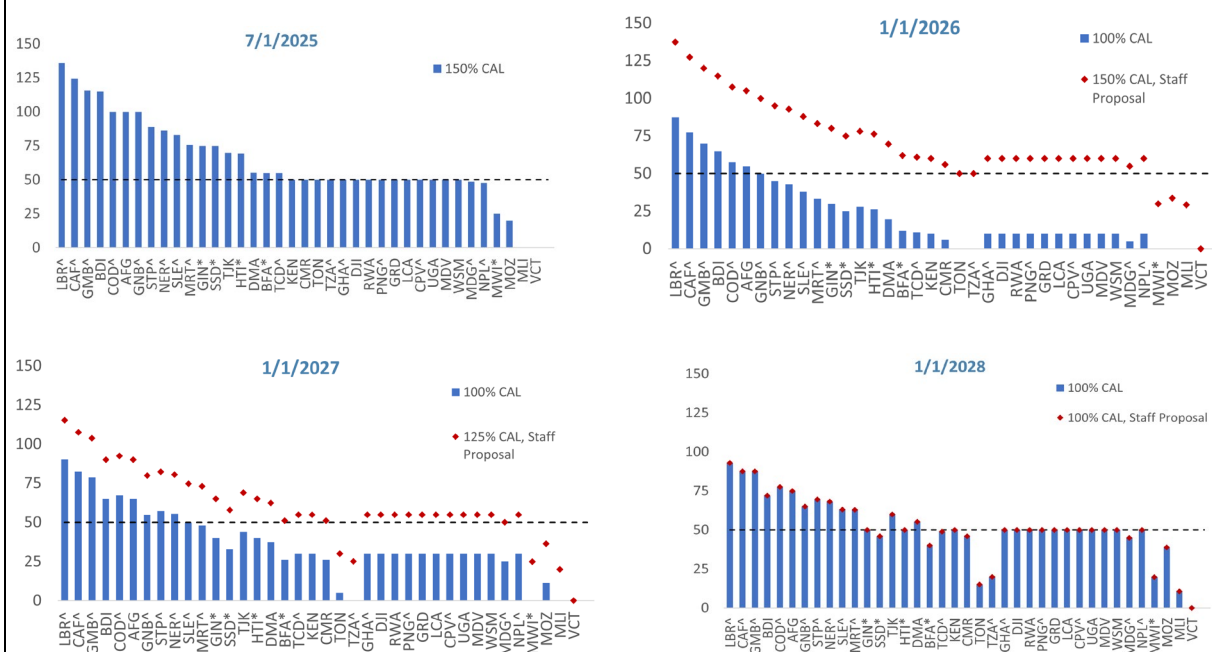
<sup>6</sup> A member's outstanding credit from RCF disbursements may exceed the RCF CALs once the CALs are reduced. Such credit will count toward the applicable PRGT access limits.

<sup>7</sup> The additional 25 percent is currently due to expire on December 31, 2025.

<sup>8</sup> Under the staff proposal, borrowing space would fall below 50 percent of quota in only a few countries, largely reflecting repeated use of RCF after 2020.

<sup>9</sup> The RFI decision reflects the 2019 adjustment to EF access limits, which increased AALs and CALs across all EF instruments by at least one-third of quota, mitigating much of the lending capacity erosion observed since 2019 as envisaged under the access limits reform. The largest increase—50 percent of quota to CAL under the LND window—is especially important for the small developing states that are vulnerable to natural disasters.

- By establishing a clear and time-bound path to complete access limit normalization, the proposed approach ensures predictability of access limits and eliminates the need for any further Executive Board decisions to achieve a durable exit from the temporarily higher EF CALs.

**Figure 2. Projected RCF Borrowing Space under Staff Proposed and Alternative Policies**


Note: Each chart illustrates the RCF borrowing space under the current policy and staff proposal for the 38 LIC—that accessed RCF during COVID and were not presumed-blenders at the time—assuming no new RCF requests. For the five former FSW users—identified with asterisks next to their country names—the borrowing space includes an additional 25 percent of quota added to CALs, assumed to remain in place through end-2029. Countries marked with ^ are currently in an SCF/ECF arrangement as of end-September 2025.

Source: IMF official lending statistics, IMF staff calculations.

**8. Staff proposes to broadly maintain RCF access limits constant in nominal SDR terms after implementation of the 16th General Review of Quotas (GRQ) reform, with some rounding up.** If the Executive Board determines that the general conditions for the effectiveness of quota increases under the Sixteenth General Review of Quotas specified in paragraph 3 of the Board of Governors Resolution No. 79-1 (December 15, 2023) have been met, the proposed RCF CALs path will be revised down accordingly to broadly preserve their level as measured in Special Drawing Rights (SDR), in line with the approach outlined in 2024 PRGT Facilities review and GRA ALs review. Specifically, the CAL and the AALs under the RCF will be divided by 1.5 (that is, reduced by one-third) and rounded up for simplification and ease of communication (see Table 2). The provisions adjusting the RCF access limits upon effectiveness of the 16<sup>th</sup> GRQ quota reform that were adopted in the 2024 PRGT Facilities review are updated to reflect the staff proposals in this paper.

**Table 2. Proposed Cumulative Access Limits for the RCF**

	Until 12/31/2026	1/1/2027-12/31/2027	1/1/2028-12/31/2029	From 1/1/2030 on
<b>Current proposal</b> (Percent of current quotas)				
<b>Regular window</b>	100	100	100	100
<b>Exogenous Shock window</b>	150	125	100	100
<i>Additional CAL for past FSW users</i>	25	25	25	0
<b>Large Natural Disaster window</b>	183.33	158.33	133.33	133.33
<b>Once the 16th GRQ becomes effective during the respective period 1/</b> (Percent of 16th GRQ quota)				
<b>Regular window</b>	70	70	70	70
<b>Exogenous Shock window</b>	105	88	70	70
<i>Additional CAL for past FSW users</i>	17.5	17.5	17.5	0
<b>Large Natural Disaster window</b>	125	107.5	90	90

1/ The conversion is consistent with the approach adopted in the Review of the PRGT Facilities and Financing and the Comprehensive Review of GRA Access Limits.

## RESOURCE IMPLICATIONS AND ENTERPRISE RISK

**9. The proposed two-step normalization is expected to have a minimal impact on PRGT resources and the projected baseline lending compared to the immediate reversal.** Specifically, the phased rollback of the temporarily higher CALs under the RCF would not be expected to increase demand for PRGT resources or increase subsidy needs beyond the baseline projections presented in the 2024 PRGT facilities review. Staff expects minimal additional demand under the RCF during the transition years compared to a scenario of reverting CALs back to pre-pandemic levels on January 1, 2026.<sup>10</sup> As assumed previously, EF would be used only sparingly in rare situations when a UCT-quality program is either not feasible or not necessary—consistent with the post-pandemic experience. Moreover, the AALs that have already reverted to pre-pandemic levels of 50 percent of quota for the RCF ES window and 80 percent for the LND window will continue to safeguard against potential resource implications.

**10. The proposed phased normalization entails low/moderate enterprise risks.**

- **The operational risk is assessed to be low/moderate and can be mitigated through early communication and close monitoring.** Human resource demands are expected to remain minimal, reflecting that the additional use of RCF credit would be rare in the baseline scenario. As with any financing request, if new RCFs are requested, enhanced monitoring and proactive

<sup>10</sup> In the decade preceding COVID-19, there was an average of three RCF requests per year. However, during the 2014–2015 Ebola crisis, the number of requests increased to five in 2014 and eight in 2015. Staff estimates that additional lending in 2026–27 under the proposal could amount to about SDR 0.1 billion, less than 2 percent of overall projected lending during the transition period. As noted, the impact on subsidy resources would be minimal.

communication and training will help ensure clarity on access limits for both country authorities and IMF staff.

- **The financial risk of members requesting RCF loans over Fund arrangements supporting UCT-quality programs remains low, due to existing policies for RCF and use of Fund resources in general:**
  - **Rigorous qualification criteria** for accessing the RCF continue to ensure that EF is used only when countries face urgent BoP needs and where a UCT-quality Fund-supported program is either not necessary (e.g., due to the transitory nature of the adjustment need and the financing) or not feasible (e.g., due to the member's lack of capacity, including in post-conflict, disaster, or other fragile situations).<sup>11</sup> As noted earlier, the use of the RCF has been very limited since 2022, and members needing financing have either already transitioned to UCT-quality programs or are in the process of doing so, where needed.
  - **Standard safeguards** on all Fund financing will continue to apply to access to the RCF, including the requirement of debt sustainability and adequate capacity to repay. Moreover, staff will continue to rigorously assess and apply all other applicable safeguards, including under the 2018 governance policy, where appropriate.
  - **Limited disbursement amounts** under the RCF, which remain constrained by the AALs—already at pre-pandemic levels—and the proposed declining CALs.
  - **Disbursement frequency limits** that restrict the RCF disbursements to two times within any 12-month period.
  - **Policy commitments** to address BoP difficulties, advance poverty reduction and avoid exacerbating the BoP problem are required from members for all RCF requests. Also, **prior actions** may be used in an RCF where the upfront implementation of specific measures is critical, including to safeguard Fund resources.

**11. Conversely, allowing the temporarily increased RCF CALs to expire in December 2025 without further action could pose greater risks, particularly given the heightened global uncertainty.** LICs continue to face a volatile external environment marked by trade tensions, geopolitical instability, commodity price fluctuations, climate-related disasters, and lingering effects of recent shocks. In such a landscape, leaving many of the poorest LICs with limited access to RCF financing could weaken the institution's ability to respond swiftly to its vulnerable members' urgent BoP needs—whether triggered by large external shocks, natural disasters, and emergencies linked to

<sup>11</sup> Also, in line with the staff's past commitment (see footnote 11 of <https://www.imf.org/en/Publications/Policy-Papers/Issues/2023/06/30/Review-of-The-Cumulative-Access-Limits-Under-The-Rapid-Financing-Instrument-and-The-Rapid-535486>), staff reports accompanying requests for emergency financing will continue to include an explicit discussion of how qualification criteria are met.

fragility and conflict. This could negatively impact the Fund's engagement with vulnerable members at critical moments, weaken crisis response capacity, and elevate enterprise risks.

## Majority Requirements

**12. The decision on the proposed phase out of the temporarily higher CAL for the RCF (Decision 1) may be adopted by the Executive Board with a majority of the votes cast.** The same majority applies for the adoption of proposed decision adjusting the access limits to broadly their value in SDR nominal terms when the general conditions for the effectiveness of the quota increase under the 16<sup>th</sup> General Review of Quotas are met (Decision 2). The changes to the PRGT Instrument do not require the consent of current contributors to the PRGT's loan and subsidy accounts.

## ISSUES FOR CONSIDERATION

**13. Do Directors support the proposed two-step time bound rollback of the temporarily higher cumulative access limits (CALs) under the RCF, returning them to pre-pandemic levels?** Specifically:

- Maintain current higher CALs under the RCF Exogenous Shocks (ES) window and Large Natural Disaster (LND) window until the end of 2026 and decrease these limits in two steps, as proposed in paragraph 6 above?
- Maintain until end-2029 the additional 25 percent of quota added to CAL under RCF ES window for members that accessed the Food Shock window (FSW) through RCF.
- Revise downward the access limits to maintain access in nominal (SDR) terms constant when the Executive Board determines that the general conditions for the effectiveness of quota increases under the Sixteenth General Review of Quotas have been met.

## Proposed Decisions

The following decisions, which may be adopted by a majority of votes cast, are proposed for adoption by the Executive Board. Decision 2 is proposed for adoption only in the event that Decision 1 is adopted by the Executive Board.

### Decision 1 – Cumulative Access Limits for the Rapid Credit Facility

The Instrument to Establish the Poverty Reduction and Growth Trust (the “PRGT Instrument”), Annex to Decision No. 8759-(87/176) ESAF, adopted December 18, 1987, as amended, shall be further amended as follows:

1. Paragraph 2(b)(i) to (iii) of Section II of the PRGT Instrument shall be amended as follows:

“(b) Subject to the provisions in subparagraphs (i) to (v) below, the access of each eligible member under the RCF shall be subject to an annual limit of 50 percent of quota, and a cumulative limit of 100 percent of quota, net of scheduled repayments, including where the assistance is requested to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock and the member’s existing and prospective policies are sufficiently strong to address the exogenous shock:

(i) each disbursement shall not exceed 25 percent of quota except where the member requests assistance under the RCF to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock (including a large natural disaster under (ii) below);

(ii) the annual and cumulative access limits under the RCF shall be 80 percent of quota and 133.33 percent of quota, net of scheduled repayments, respectively, where (a) the member requests assistance under the RCF to address an urgent balance of payments need resulting from a natural disaster that occasions damage assessed to be equivalent to or to exceed 20 percent of the member’s gross domestic product (GDP) and (b) the member’s existing and prospective policies are sufficiently strong to address the natural disaster shock. For the period from June 21, 2021 to December 31, 2026 the above cumulative access limit shall be 183.33 percent of quota, net of scheduled repayments. For the period from January 1, 2027 to December 31, 2027 the above cumulative access limit shall be 158.33 percent of quota, net of scheduled repayments;

(iii) a member’s request for assistance under the RCF to address an urgent balance of

payments need resulting primarily from a sudden and exogenous shock shall be subject to a cumulative access limit of 150 percent of quota, net of scheduled repayments for the period from April 6, 2020 to December 31, 2026. For the period from January 1, 2027 to December 31, 2027 the above cumulative access limit shall be 125 percent of quota, net of scheduled repayments;

2. The third sentence of paragraph 2(b) (iv) of Section II of the PRGT Instrument shall be amended as follows:

(iv) "...A member's access to financing under this subparagraph shall increase the cumulative access limit referred to in subparagraph 2(b)(iii) above to 175 percent of quota until December 31, 2026, to 150 percent of quota from January 1, 2027 to December 31, 2027, and to 125 percent of quota from January 1, 2028 to December 31, 2029;

3. Paragraph 2(b)(vi) of section II of the PRGT Instrument is deleted.

## **Decision 2 – Adjustments to Access Limits for the Rapid Credit Facility upon Satisfaction of General Conditions for Effectiveness of Quota Increases under the 16th General Review of Quotas**

Upon an Executive Board determination that the general conditions for the effectiveness of quota increases under the Sixteenth General Review of Quotas specified in paragraph 3 of the Board of Governors Resolution No. 79-1 (December 15, 2023) have been met (hereinafter the "Executive Board Determination"), the Instrument to Establish the Poverty Reduction and Growth Trust (the "PRGT Instrument"), Annex to Decision No. 8759-(87/176) ESAF, adopted December 18, 1987, as amended, shall be further amended as follows:

1. Paragraph 2(b)(i) to (iii) of Section II of the PRGT Instrument shall be amended as follows:

"(b) Subject to the provisions in subparagraphs (i) to (v) below, the access of each eligible member under the RCF shall be subject to an annual limit of 35 percent of quota, and a cumulative limit of 70 percent of quota, net of scheduled repayments, including where the assistance is requested to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock and the member's existing and prospective policies are sufficiently strong to address the exogenous shock:

(i) each disbursement shall not exceed 17.5 percent of quota except where the member requests assistance under the RCF to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock (including a large natural disaster under (ii) below);

(ii) the annual and cumulative access limits under the RCF shall be 55 percent of quota and 90 percent of quota, net of scheduled repayments, respectively, where (a) the member requests assistance under the RCF to address an urgent balance of payments need resulting from a natural disaster that occasions damage assessed to be equivalent to or to exceed 20 percent of the member's gross domestic product (GDP) and (b) the member's existing and prospective policies are sufficiently strong to address the natural disaster shock. For the period from June 21, 2021 to December 31, 2026 the above cumulative access limit shall be 125 percent of quota, net of scheduled repayments. For the period from January 1, 2027 to December 31, 2027 the above cumulative access limit shall be 107.5 percent of quota, net of scheduled repayments;

(iii) a member's request for assistance under the RCF to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock shall be subject to a cumulative access limit of 105 percent of quota, net of scheduled repayments for the period from April 6, 2020 to December 31, 2026. For the period from January 1, 2027 to December 31, 2027 the above cumulative access limit shall be 88 percent of quota, net of scheduled repayments;

2. The third sentence of Paragraph 2(b)(iv) of Section II of the PRGT Instrument shall be amended as follows:

"A member's access to financing under this subparagraph shall increase the cumulative access limit referred to in subparagraph 2(b)(iii) above to 122.5 percent of quota until December 31, 2026, to 105.5 percent of quota from January 1, 2027 to December 31, 2027, and to 87.5 percent of quota from January 1, 2028 to December 31, 2029"

3. Approval of new requests for loans under the Rapid Credit Facility after the above-mentioned Executive Board Determination will be subject to the respective lower access limits specified in paragraphs 1 and 2 of this Decision.



## **Annex I. Redlined Modifications to Section II, paragraph 2(b) of the Instrument to Establish the Poverty Reduction and Growth Trust (annexed to Decision No. 8759-(87/176) ESAF)**

**Text in effect upon adoption of Decision 1, and before an Executive Board Determination that the general conditions for the effectiveness of quota increases under the Sixteenth General Review of Quotas specified in paragraph 3 of the Board of Governors Resolution No. 79-1 (December 15, 2023) have been met**

**Section II, Paragraph 2(b) of the *Instrument to Establish the Poverty Reduction and Growth Trust ("PRGT Instrument")*, annexed to Decision No. 8759-(87/176) ESAF.**

"(b) Subject to the provisions in subparagraphs (i) to ~~(v)~~~~(iv)~~ below, the access of each eligible member under the RCF shall be subject to an annual limit of 50 percent of quota, and a cumulative limit of 100 percent of quota, net of scheduled repayments, including where the assistance is requested to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock and the member's existing and prospective policies are sufficiently strong to address the exogenous shock:

- (i) each disbursement shall not exceed 25 percent of quota except where the member requests assistance under the RCF to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock (including a large natural disaster under (ii) below);
- (ii) the annual and cumulative access limits under the RCF shall be 80 percent of quota and 133.33 percent of quota, net of scheduled repayments, respectively, where (a) the member requests assistance under the RCF to address an urgent

balance of payments need resulting from a natural disaster that occasions damage assessed to be equivalent to or to exceed 20 percent of the member's gross domestic product (GDP) and (b) the member's existing and prospective policies are sufficiently strong to address the natural disaster shock. For the period from June 21, 2021 to December 31, 2026<sup>5</sup>, the above cumulative access limit shall be 183.33 percent of quota, net of scheduled repayments. For the period from January 1, 2027 to December 31, 2027 the above cumulative access limit shall be 158.33 percent of quota, net of scheduled repayments;

(iii) a member's request for assistance under the RCF to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock shall be subject to a cumulative access limit of 150 percent of quota, net of scheduled repayments for the period from April 6, 2020 to December 31, 2026<sup>5</sup>. For the period from January 1, 2027 to December 31, 2027, the above cumulative access limit shall be 125 percent of quota, net of scheduled repayments;

(iv) for a period from September 30, 2022 to March 31, 2024, the Fund may approve financing of up to 50 percent of quota to help a member address an urgent balance of payments need associated with acute food insecurity, increased costs of cereal and fertilizer imports, or cereal exports shortfalls. Access under this subparagraph (iv) shall be fully additional to the annual access limits established under this subparagraph 2(b). A member's access to

financing under this subparagraph shall increase the cumulative access limit referred to in subparagraph 2(b)(iii) above to 175 percent of quota until December 31, 2026,~~5,~~to 150 percent of quota from January 1, 2027 to December 31, 2027, and to 125 percent of quota from January 1, 2028 to December 31, 2029. Before approving financing under this window, the Fund shall be satisfied that the member has an urgent balance of payments need associated with one of the following:

(1) acute food insecurity that is inflicting serious economic disruption within the member on such a scale as to warrant a concerted international effort to support the member. In assessing the qualification of members under this subparagraph (iv)(1), the Executive Board would take into account whether the member faces acute food insecurity as defined by the Food and Agriculture Organization (FAO) and World Food Programme (WFP) or a major food crisis per the United Nations Global Report on Food Crisis (UNGRFC), in both cases, based on the most recent publicly available data; or

(2) increased prices of cereal or fertilizer imports that negatively impact the member's external current account where such negative impact amounts to at least 0.3 percent of GDP over a 12-month period, as specified in more detail in SM/22/229; or

(3) cereal exports shortfalls, where the projected negative shock to cereal exports, benchmarked against the previous year, exceeds 0.8 percent of projected GDP for the compensable year; and

(v) outstanding credit by a member under the rapid-access component of the

ESF or outstanding purchases from the General Resources Account under emergency post conflict/natural disaster assistance covered by Decision No. 12341-(00/117), shall count towards the annual and cumulative limits applicable to access under the RCF. With effect from July 1, 2015, any purchases from the General Resources Account under the Rapid Financing Instrument shall count towards the annual and cumulative limits applicable to access under the RCF.

~~(vi) If the Executive Board determines that the general conditions for the effectiveness of quota increases under the Sixteenth General Review of Quotas specified in paragraph 3 of the Board of Governors Resolution No. 79-1 (December 15, 2023) have been met and this determination takes place on or prior to December 31, 2025, the following access limits shall apply:~~

~~(i) the percentage of quota referred to in Section II, paragraph (b) with regard to the annual and cumulative access limits under the RCF shall be changed, respectively, to 35 and 70 percent of quota.~~

~~(ii) the percentage of quota referred to in Section II, paragraph (b)(i) with regard to the maximum limit on a disbursement under the RCF shall be changed to 17.5 percent.~~

~~(iii) the percentages of quota referred to in Section II, paragraph (b)(ii) with regard to the annual and cumulative access limit for members experiencing~~

~~urgent balance of payments needs resulting from the natural disasters as specified in paragraph (b)(ii) shall be changed, respectively, to 55 and 125 percent of quota.~~

~~(IV) the percentage of quota referred to in Section II, paragraph (b)(iii) with regard to the cumulative access limit for members experiencing urgent balance of payments needs resulting primarily from a sudden and exogenous shock shall be changed, to 105 percent of quota.~~

~~(V) the percentage of quota referred to in Section II, paragraph (b)(iv) with regard to the cumulative access limit specified in subparagraph 2(b)(iii) above for members that have received financing under the RCF under this paragraph (b)(iv) shall be changed to 122.5 percent of quota~~

**Redlined Text showing the modifications to Section II, paragraph 2 (b) of the PRGT Instrument as approved under Proposed Decision 1, upon an Executive Board Determination that the general conditions for the effectiveness of quota increases under the Sixteenth General Review of Quotas specified in paragraph 3 of the Board of Governors Resolution No. 79-1 (December 15, 2023) have been met**

**Section II, Paragraph 2(b) of the *Instrument to Establish the Poverty Reduction and Growth Trust ("PRGT Instrument")*, annexed to Decision No. 8759-(87/176) ESAF.**

"(b) Subject to the provisions in subparagraphs (i) to (v) below, the access of each eligible member under the RCF shall be subject to an annual limit of ~~3550~~ percent of quota, and a cumulative limit of ~~70 100~~ percent of quota, net of scheduled repayments, including where the assistance is requested to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock and the member's existing and prospective policies are sufficiently strong to address the exogenous shock:

- (i) each disbursement shall not exceed ~~17.5 25~~ percent of quota except where the member requests assistance under the RCF to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock (including a large natural disaster under (ii) below);
- (ii) the annual and cumulative access limits under the RCF shall be ~~55 80~~ percent of quota and ~~90 133.33~~ percent of quota, net of scheduled repayments, respectively, where (a) the member requests assistance under the RCF to address an urgent balance of payments need resulting from a natural disaster that occasions damage assessed to

- be equivalent to or to exceed 20 percent of the member's gross domestic product (GDP) and (b) the member's existing and prospective policies are sufficiently strong to address the natural disaster shock. For the period from June 21, 2021 to December 31, 2026~~5~~, the above cumulative access limit shall be ~~125~~~~183.33~~ percent of quota, net of scheduled repayments. For the period from January 1, 2027 to December 31, 2027 the above cumulative access limit shall be ~~107.5~~ ~~158.33~~ percent of quota, net of scheduled repayments;
- (iii) a member's request for assistance under the RCF to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock shall be subject to a cumulative access limit of ~~105~~ ~~150~~ percent of quota, net of scheduled repayments for the period from April 6, 2020 to December 31, 2026~~5~~. For the period from January 1, 2027 to December 31, 2027 the above cumulative access limit shall be ~~88~~ ~~125~~ percent of quota, net of scheduled repayments;
- (iv) for a period from September 30, 2022 to March 31, 2024, the Fund may approve financing of up to 50 percent of quota to help a member address an urgent balance of payments need associated with acute food insecurity, increased costs of cereal and fertilizer imports, or cereal exports shortfalls. Access under this subparagraph (iv) shall be fully additional to the annual access limits established under this subparagraph 2(b). A member's access to financing under this subparagraph shall increase the cumulative access limit referred to in subparagraph 2(b)(iii) above to ~~122.5~~ ~~175~~

percent of quota until December 31, 2026, ~~5~~ to 105.5 percent of quota from January 1, 2027 to December 31, 2027, and to 87.5 ~~125~~ percent of quota from January 1, 2028 to December 31, 2029.

Before approving financing under this window, the Fund shall be satisfied that the member has an urgent balance of payments need associated with one of the following:

(1) acute food insecurity that is inflicting serious economic disruption within the member on such a scale as to warrant a concerted international effort to support the member. In assessing the qualification of members under this subparagraph (iv)(1), the Executive Board would take into account whether the member faces acute food insecurity as defined by the Food and Agriculture Organization (FAO) and World Food Programme (WFP) or a major food crisis per the United Nations Global Report on Food Crisis (UNGRFC), in both cases, based on the most recent publicly available data; or

(2) increased prices of cereal or fertilizer imports that negatively impact the member's external current account where such negative impact amounts to at least 0.3 percent of GDP over a 12-month period, as specified in more detail in SM/22/229; or

(3) cereal exports shortfalls, where the projected negative shock to cereal exports, benchmarked against the previous year, exceeds 0.8 percent of projected GDP for the compensable year; and

(v) outstanding credit by a member under the rapid-access component of the ESF or outstanding purchases from the General



Resources Account under emergency post conflict/natural disaster assistance covered by Decision No. 12341-(00/117), shall count towards the annual and cumulative limits applicable to access under the RCF. With effect from July 1, 2015, any purchases from the General Resources Account under the Rapid Financing Instrument shall count towards the annual and cumulative limits applicable to access under the RCF.