



INTERNATIONAL MONETARY FUND FACTSHEET

Post-Program Monitoring

When a member country borrows money from the IMF, its policies come under closer scrutiny. Once a country has completed its lending program, it may be subject to Post-Program Monitoring (PPM), which is an important part of the Fund's safeguard architecture. PPM is generally expected for all member countries that have substantial IMF credit outstanding following the expiration of their programs. The aim is to identify risks to such member countries' medium-term viability and provide early warnings on risks to the Fund's balance sheets. Should it become necessary, IMF staff will advise on policy actions to correct macroeconomic imbalances.

IMF financing provides member countries with the breathing space they need to correct their balance of payments problems. A policy program supported by IMF financing is designed by the national authorities in close cooperation with the IMF. Continued financial support during the program is conditional on the effective implementation of the policies. A country's return to economic and financial health during the program and in the medium term ensures that IMF funds are repaid, and can be made available to other member countries. Post-program monitoring helps support this process.

Criteria for post-program monitoring

A member country is expected to engage in post-program monitoring with the IMF after its program has expired if its outstanding credit to the IMF exceeds any of the thresholds specified below:

- 200 percent of its quota from the Fund's General Resources Account (GRA), or from the Fund as Trustee of the Poverty Reduction and Growth Trust (PRGT), or a combination thereof; or
- an amount equivalent to SDR 1.5 billion for credit from the Fund's GRA; or
- an amount equivalent to SDR 0.38 billion from the PRGT,

and it no longer has program involvement of any kind with the IMF.

In some cases, post-program monitoring might not be needed even if the country meets the criteria above. This can apply when a successor borrowing arrangement, PSI or a staff-monitored program is expected to be in place within six months of the expiration of the current program, or when the policies and external position of the member country are determined to be sufficiently strong that post-program monitoring would be unwarranted.

In other cases, post-program monitoring may be required even if the country's outstanding credit is below the above-specified thresholds. This occurs if economic developments call into question the country's progress toward external viability.

Timetable

The IMF's 24-member Executive Board can decide on post-program monitoring for a country at any time during the program or after the program expires. However, the decision is normally

taken at the time of the last program review if the country's outstanding credit is expected to exceed any of the above-specified thresholds.

How post-program monitoring works

Under post-program monitoring, countries undertake more frequent formal consultations with the IMF than is the case under the IMF's normal surveillance, with a particular focus on macroeconomic and structural policies that have implications for the country's external viability. There is normally one standalone post-program monitoring paper issued for Board consideration in a twelve-month period.

Post-program monitoring remains in effect until outstanding credit falls below the applicable thresholds above. Nonetheless, the IMF's Executive Board could agree to discontinue post program monitoring—even before outstanding credit falls below the thresholds—if strong policies are in place and the external position is sound. In cases where post-program monitoring is found to be required even though outstanding credit is below the above-specified thresholds, the monitoring will normally be carried out for an additional year.