



INTERNATIONAL MONETARY FUND FACTSHEET

The IMF's Rapid Financing Instrument (RFI)

The Rapid Financing Instrument (RFI) provides rapid financial assistance to all member countries facing an urgent balance of payments need. The RFI was created as part of a broader reform to make the IMF's financial support more flexible to address the diverse needs of member countries. The RFI has replaced the IMF's emergency assistance policy and can be used in a wide range of circumstances.

Rapid support for urgent balance of payments needs

The RFI provides rapid and low-access financial assistance to member countries facing an urgent balance of payments need, without the need to have a full-fledged program in place. It can provide support to meet a broad range of urgent needs, including those arising from commodity price shocks, natural disasters, conflict and post-conflict situations, and emergencies resulting from fragility. As a single, flexible, mechanism with a broad coverage, the RFI replaced the IMF's previous policy that covered Emergency Natural Disaster Assistance (ENDA) and Emergency Post-Conflict Assistance (EPCA).

The RFI is similar to the [Rapid Credit Facility](#) (RCF) for PRGT-eligible member countries. The RFI is available to all member countries (although low-income countries are more likely to use the concessional RCF) and designed for situations where a full-fledged economic program is either not necessary (for instance, because of the transitory and limited nature of the shock) or not feasible (for instance, because the need is urgent or policy implementation capacity is limited, including due to fragilities).

Access under the RFI is limited to 37.5 percent of quota per year and 75 percent of quota on a cumulative basis. The annual access limit is raised to 60 percent of quota if a member faces balance of payments needs arising from a large natural disaster (that is, a natural disaster that causes assessed damage of 20 percent of GDP or more). The level of access in individual cases depends on the country's balance of payments need. Financial assistance provided under the RFI is subject to the same financing terms as the [Flexible Credit Line](#) (FCL), the [Precautionary and Liquidity Line](#) (PLL) and [Stand-By Arrangements](#) (SBA), and should be repaid within 3¼ to 5 years.

Financial assistance under the RFI is provided in the form of outright purchases without the need for a full-fledged program or reviews. A member country requesting RFI assistance is required to cooperate with the IMF to make efforts to solve its balance of payment difficulties and to describe the general economic policies that it proposes to follow. Prior actions may be required where warranted.

Broader IMF engagement

While financing under the RFI is often a one-off purchase in the case of an urgent balance of payments need of limited duration, there is scope for repeat use. A repeat use of the RFI within any three-year period is possible if the balance of payments need is caused primarily by an exogenous shock, or the country has established a track record of adequate macroeconomic policies, including through a staff monitored program.

As under the RCF, in addition to the provision of emergency assistance under the RFI, the Fund may also provide [technical assistance](#) to build the country's capacity to implement

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comprehensive macroeconomic policies. Areas of focus may include building statistical capacity and establishing and organizing fiscal, monetary, and exchange institutions to help build tax and government expenditure capacity, payment, credit, and foreign exchange operations.