

INTERNATIONAL MONETARY FUND

**Guidance Note on Letters and Statements Assessing Members’
Economic Conditions and Policies**

Prepared by the Strategy, Policy and Review Department
(In consultation with other departments)

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This note provides guidance on assessment letters and statements, including identifying the circumstances in which they are called for, and outlining the content, the review process, and the ground rules for circulation to the Board and for publication.¹ Such letters or statements may be prepared for countries with programs supported by the Fund through financial assistance, a Policy Support Instrument (PSI) or Policy Coordination Instrument (PCI), countries receiving Fund emergency assistance, countries with staff-monitored programs (SMPs), or surveillance-only cases.²

1. **Recipients.** *Assessment letters* are typically produced in response to requests from multilateral or bilateral donors or creditors, including the World Bank and other international financial institutions (IFIs).³ In some instances, the request for an assessment letter may come directly from the member country that is approaching these entities for financial assistance. *Statements* by Fund staff are typically prepared for donor/creditor group meetings or for staff attending Board meetings of other IFIs.

2. **Identifying the need for assessment letters.** Assessment letters should normally be prepared only when up-to-date assessments are not readily available. Responses to requests for the Fund’s assessment of a country’s macroeconomic conditions and policies should be conveyed whenever possible through the most recent press release (including the Summing Up) on Article IV surveillance; a Chair’s statement produced in the context of a Fund-supported

¹ This guidance note updates [Guidance Note on Letters and Statements Assessing Members’ Economic Conditions and Policies](#), published in 2011, which was primarily based on the Executive Board’s discussion of [Signaling Assessments of Members’ Policies](#) and [Public Information Notice No. 03/12](#).

² The guidance note also applies to assessment letters or statements concerning non-members. In these cases, the extent and nature of the staff’s involvement are circumscribed by the Board’s views on the appropriate role for the Fund, within the Fund’s legal framework.

³ The Agreement between the International Monetary Fund and the World Trade Organization (the IMF-WTO Agreement) governs the provision of Fund statements on balance of payments to the WTO. The publication regime for these statements is discussed in [SM/16/298](#).

program, or a previous assessment letter, if it remains valid.^{4,5,6} Barring any major changes in the country circumstances, the press release, Chair’s statement, or previous assessment letters, are expected to remain valid for a period of up to six months. Thus, a new assessment letter would only be called for if either (i) the most recent assessment is more than six months old, or (ii) if Fund staff considers that there have been material changes in the country’s circumstances that call for an updated assessment.⁷ New assessment letters will be subject to the review and clearance procedures outlined below.

3. **Scope of application.** The guidance on content (paragraph 4 below) applies to all assessment letters and statements, including—as relevant—to comments made by Fund staff in response to ad hoc questions at donor/creditor group meetings or at Board meetings of other IFIs.⁸ The guidance on review and circulation (paragraphs 5 and 6) applies to assessment letters and to statements by Fund staff if the statement is pre-prepared and part of the meeting agenda; however it does not extend to ad hoc comments at donor/creditor group meetings or at Board meetings of other IFIs, and to informal speaking notes for such comments.

4. **Content.** Assessment letters and statements should:

- ***Contain a clear and candid assessment of the member’s macroeconomic conditions and prospects, and of macroeconomic and related structural policies.*** This assessment should enable the recipient to form a clear view of the strengths and weaknesses of a country’s macroeconomic and related structural policies. The assessment would normally (i) identify existing macroeconomic imbalances and structural distortions; (ii) indicate to what extent current and planned policies are dealing with (or, perhaps, contributing to) these imbalances and distortions; and (iii) highlight policy areas where there are major outstanding concerns. The assessment may identify external or public sector financing gaps and indicate how inadequate coverage of financing needs would affect policies and macroeconomic conditions looking forward. Where relevant, the assessment should draw attention to conditions and policies that would likely nullify the benefits of any loan or grant.
- ***Contain a brief factual account of the Fund’s relations with the member country.*** This

⁴ See [Strengthening IMF-World Bank Collaboration on Country Programs and Conditionality-Progress Report](#).

⁵ In cases where the most recent UFR review was concluded on a lapse-of-time (LOT) basis and a factual statement in the press release is issued instead of a Chair’s statement, an assessment letter could be prepared based on the report’s staff appraisal (see [Guidance Note on the Fund’s Transparency Policy](#), Appendix XI, page 52, and [Decision A-13207](#), as amended, Attachment to Decision A, paragraph 2 on eligibility for LOT procedures for completion of program reviews).

⁶ In providing the most recent press release or Chair’s statement, staff may refer to the associated staff report for more detailed information in cases where the report is either published, or there is a transmittal arrangement in place with the recipient institution.

⁷ The decision on whether an assessment letter is called for will be made by the Area Department, in consultation with SPR.

⁸ However, comments made by Fund staff in response to ad hoc questions at donor/creditor group meetings or at Board meetings of other IFIs will typically focus on specific issues and thus are not expected to cover all the areas listed in paragraph 4.

should include, where relevant, a description of the status of an ongoing Fund-supported program (or SMP), or of the state of discussions on moving toward a Fund-supported program (or SMP). As clarified in “[Strengthening IMF-World Bank Collaboration on Country Programs and Conditionality-Progress Report](#),” letters for the World Bank should clearly identify reform priorities, Fund-supported program conditionality, and progress in program implementation.

- ***Avoid language that directly encourages other creditors or donors to provide financing in support of the policies the country is pursuing, or discourages them from doing so.*** However, the guidance on the content of assessment letters or statements outlined above should help ensure that the staff’s assessment is sufficiently candid and pointed to help creditors or donors make a judgment as to whether the provision of financial support would be consistent with their respective policies. Staff should make sure that the intended recipient is aware that assessment letters are to be candid, and will neither be necessarily supportive of the country’s policies nor endorse the provision of financial assistance to the country. Drafts of assessment letters should not be shared with country authorities or other potential recipients (see paragraph 7 for final letters).

5. **Review and management clearance.** Assessment letters and statements are subject to the same SPR review and clearance procedures as surveillance and program-related country documents, and they require management’s approval.

6. **Circulation to the Board.** Assessment letters or statements should be circulated to the Board for information prior to their dissemination to outside recipients to ensure that the Board is informed about these assessments. Staff should be aware (and, where there is a possible misunderstanding, should make it clear to the authorities and the recipient) that circulation to the Board for information does not, in any way, entail Board endorsement of the assessment presented in the letter or statement.

7. **Publication.**

- The Fund does not generally publish assessment letters, although it may do so, with the consent of the member and the authoring department.
- In some instances, assessment letters may be included in documents of the recipient institution that are intended for publication. Upon receiving a request from a recipient institution for an assessment letter, Fund staff should inquire whether the recipient institution intends to publish the assessment letter. When this is the case, staff should notify the recipient institution that the assessment letter cannot be published without explicit consent from the authorities.
- When finalized, the letter should be sent to the Board with a cover memorandum indicating that the letter may be published by the recipient institution if the authorities consent, unless the authorities have already indicated otherwise. After issuance to the Board, the authoring department should transmit the letter to the recipient institution

noting that the consent is being sought from the authorities and that the assessment letter may not be published until such consent is explicitly obtained. The letter can be transmitted to the recipient organization immediately following circulation to the Board. Staff should then seek the authorities' consent for publication, either directly or through their Executive Director, and promptly inform the recipient institution of the authorities' decision. If the authorities do not agree to publication, Fund staff should notify the recipient institution and request omission of the assessment letter from the published document of that institution.

- Although assessment letters do not fall under the scope of the Transparency Policy, request for modifications to assessment letters after their issuance and prior to their publication (e.g., by the recipient institution) should be handled in a manner consistent with the guidance for other country documents as specified in the [Guidance Note on the Fund's Transparency Policy](#). In particular, staff should bear in mind the paramount principle of non-negotiation of staff's documents with country authorities, which aims at safeguarding staff's independence.