

**EXECUTIVE
BOARD
MEETING**

EBS/22/47
Supplement 1

June 22, 2022

To: Members of the Executive Board

From: The Secretary

Subject: **Arab Republic of Egypt—Ex-Post Evaluation of Exceptional Access Under the 2020 Stand-By Arrangement—Draft Press Release**

Board Action: Executive Directors' **consideration** (Formal)

Tentative Board Date: **Monday, June 27, 2022**

Publication: Not yet decided*

Questions: Mr. Bornhorst, SPR (ext. 36120)

***The Secretary's Department has been notified by the authorities that their explicit consent is required prior to the publication of Board documents. At the time of circulation of this press release to the Board, the Secretary's Department has not received a communication from the authorities indicating that they consent to the Fund's publication of this press release; such communication may be received after the authorities have had an opportunity to read the press release.**



IMF Executive Board Discusses the Ex-Post Evaluation of Egypt's Exceptional Access Under the 2020 Stand-By Arrangement

FOR IMMEDIATE RELEASE

Washington, DC – June 27, 2022: The Executive Board of the International Monetary Fund (IMF) met today to discuss the Ex-Post Evaluation (EPE) of Egypt's Exceptional Access Under the 2020 Stand-By Arrangement.

The IMF's financial support to the Egyptian authorities' policy response to the COVID-19 pandemic in 2020 included exceptional access to Fund resources, leading to an EPE of the 2020 Stand-By Arrangement (SBA) that was approved by the Executive Board on June 26, 2020 ([Press release No. 20/248](#)). The EPE assess whether program objectives under the 12-months arrangement were achieved, whether the macroeconomic strategy, program design, and financing were appropriate to address the challenges Egypt faced at the time, and whether the program was consistent with Fund policies.

In early 2020, the Egyptian authorities launched a broad policy response to address the immediate and severe economic disruption caused by the COVID-19 pandemic, which threatened to reverse Egypt's hard-won achievements in regaining macroeconomic stability. A central element of the authorities' response to the crisis was a request for financial assistance from the IMF in April 2020 under the Rapid Financing Instrument (RFI) ([Press Release No. 20/215](#)) followed by an SBA. The overarching goal of Fund support was to maintain macroeconomic stability amid the crisis, allowing for the easing of fiscal, monetary, and financial policies to support the crisis response and for thus achieving health and social policy objectives during the pandemic. The SBA aimed at safeguarding medium-term fiscal sustainability and at keeping the momentum in selected structural reform areas, mostly building on initiatives that began during the 2016-19 Extended Fund Facility (EFF).

The report finds that the SBA achieved its primary objective of maintaining macroeconomic stability and that policy implementation was broadly in line with program objectives, even as exchange rate variability remained limited. External and domestic confidence strengthened, and quantitative program targets were comfortably achieved. Both reviews of the SBA were concluded on time and all program conditionality was met. While some of the governance commitments regarding COVID-19 related expenditures have been implemented, others remain outstanding. The focused structural reform agenda supported by the SBA was fully executed, but decisive progress on deeper reforms is needed to foster private sector development, improve governance and reduce the role of the state. Fund policies and procedures for financing under exceptional access were followed. The SBA expired on June 25, 2021.

Executive Board Assessment¹

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¹ At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: <http://www.IMF.org/external/np/sec/misc/qualifiers.htm>.