

**EXECUTIVE
BOARD
MEETING**

SM/23/33
Correction 1

March 16, 2023

To: Members of the Executive Board

From: The Secretary

Subject: **Independent Evaluation Office—The IMF’s Emergency Response to the COVID-19 Pandemic.**

Board Action:

The attached corrections to SM/23/33 (2/6/23) have been provided by the IEO:

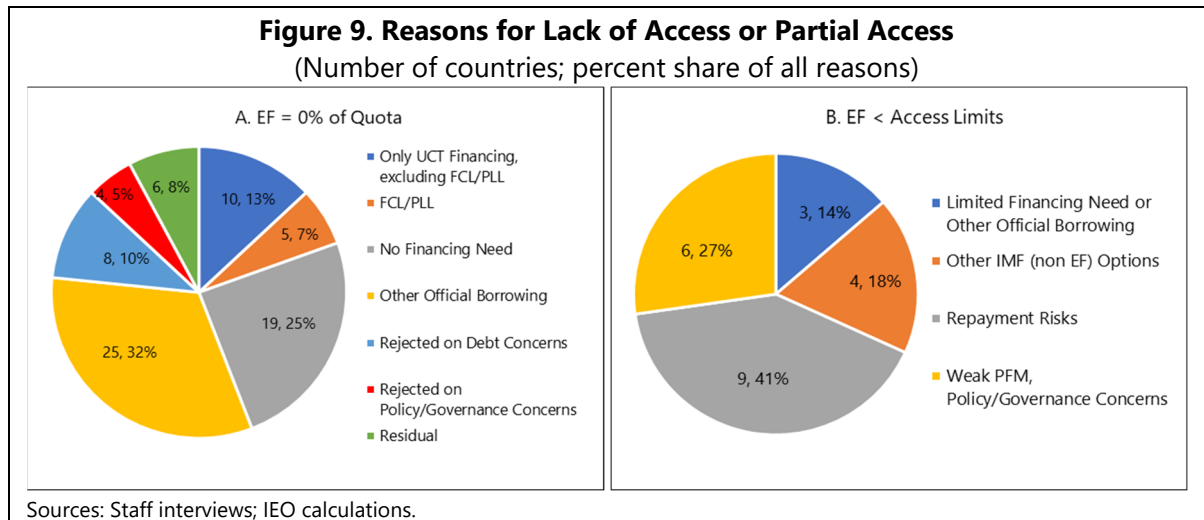
Factual Errors Not Affecting the Presentation of the IEO’s Analysis or Views:

Page 29 (subsequent footnotes renumbered)

Questions:

Mr. Loungani, IEO (ext. 37043)
Ms. Batini, IEO (ext. 35763)

reflected a variety of reasons, including policy/governance concerns (Belarus, Iran, Libya, Mauritius, Venezuela, Yemen) and concerns about debt sustainability (Antigua and Barbuda, Argentina, Republic of Congo, Eritrea, Lebanon, ~~San Marino~~, Sri Lanka, Zambia, Zimbabwe).¹³



Qualification Criteria and Letters of Intent

72. **Qualification criteria during the pandemic.** Each of the 88 staff reports for RCF or RFI assistance provided information to demonstrate that the country requesting EF faced an urgent BOP need which would be disruptive if not addressed. In 68 cases (nearly 80 percent of total requests), staff stated that the country lacked the ability to implement a UCT-quality program owing to their urgent BOP need, although several staff reports mentioned other factors that also limited policy implementation capacity (for example, due to political or security issues). In 10 cases (12 percent of total requests), staff stated explicitly that they expected the BOP need to be resolved within 12 months without any major policy adjustments being necessary, but often with limited discussion of the reasons for this judgment.¹⁴

73. **Letters of Intent.** A letter from the country authorities discussing policy commitments was attached to all 88 staff reports requesting RCF/RFI assistance during the pandemic. The staff reports themselves amplified upon the statements made by the country authorities and provided a staff assessment. For many countries, the country and the country team were able to reach quick agreement on these commitments, allowing for rapid approval. However, in some cases, more protracted negotiations on the nature of policy commitments led to delays. In the case of South Africa, for instance, discussions on fiscal policy commitments and the authorities' desire to build political consensus meant that the process took 12 weeks (instead of the typical 3-4 weeks).

¹³ [San Marino, which is classified in the WEO as an advanced economy, also did not receive financing due to concerns about debt unsustainability expressed in the 2020 Article IV consultation.](#)

¹⁴ In the case of Montenegro, staff's baseline included fiscal measures which were expected to close the BOP gap. Likewise, in South Africa staff noted that the BOP gap was expected to close within a year as "the authorities implement the intended policies," which were described in the staff report as "comprehensive."