

**EXECUTIVE  
BOARD  
MEETING**

SM/21/58  
Supplement 1

April 23, 2021

To: Members of the Executive Board

From: The Secretary

Subject: **Post Financing Assessment—Proposed Decision on Countries**

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

Tentative Board Date: **Friday, May 7, 2021**

Additional Information: The decision on page 3 is proposed for adoption only in the event that the proposed decision contained in SM/21/58 is adopted by the Executive Board.

Proposed Decision: Page 3

Publication: Not proposed, owing to the sensitivity of the content

Questions: Ms. Velculescu, SPR (ext. 37728)  
Mr. Andritzky, SPR (ext. 36417)  
Ms. Schauer, SPR (ext. 38517)





April 23, 2021

## POST FINANCING ASSESSMENT: PROPOSED DECISION ON COUNTRIES

Approved By  
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**Rhoda Weeks-Brown**

Prepared by the Strategy, Policy and Review Department, Finance Department, and Legal Department.

**1. This paper is a companion to the Board Policy Paper entitled “Post Program Monitoring During the Pandemic: Proposal to for Temporary Streamlining of Procedures and Renaming of the Policy.”** The Policy Paper proposes temporary modifications to the Post Program monitoring (PPM) framework to ensure that the objective of PPM to safeguard Fund resources and members’ capacity to repay through closer monitoring of the circumstances and policies of members with substantial outstanding credit from the Fund are met, while taking into account the challenges posed by the pandemic until conditions normalize. The proposals are to: (i) maintain the existing PPM application criteria with respect to the absolute and quota-based thresholds, as well as the broad coverage under PPM of all financing instruments; (ii) temporarily modify the specific implementation modalities of the PPM policy by suspending the annual standalone PPM report and instead, conducting the PPM discussions at the time of the Article IV consultation, with the Article IV report for members subject to PPM to include all the elements of the PPM discussion; (iii) rename the policy from Post Program Monitoring (PPM) to Post Financing Assessment (PFA); and (iv) apply the new streamlined modalities in all (existing and future) PPM (PFA) cases until end-2022, after which the standard modalities, including the stand-alone report on PPM (PFA), will resume. This paper contains proposals to operationalize the new proposals.

**2. Four members have already initiated and are subject to PPM.** These members are Albania, Cote d’Ivoire, Ghana, and Greece (Table 1, Group 1). PFA for these members will continue under the temporarily streamlined modalities until end-2022, after which the standard modalities will resume.

**3. Four other members have credit outstanding above the relevant thresholds and have no program relationship.** These members are Bangladesh, Mongolia, Nigeria, and South Africa (Table 1, Group 2). The Managing Director proposes initiation of PFA for these members, given that their access meets the relevant thresholds and taking into account the continued difficult economic circumstances, high risks, and need to strengthen their policies to address vulnerabilities.<sup>1</sup> These members will be subject to the temporarily streamlined PFA modalities until end-2022, after which the standard modalities will resume.

**4. A further ten members have credit outstanding in excess of the relevant thresholds but have indicated an interest in a successor arrangement/program relationship.** These members are: Argentina, Benin, Burkina Faso, Cameroon, Chad, Congo DR, Gabon, Malawi, Niger, and Tunisia (Table 1, Group 3). For these countries, PFA is not proposed at this time, given the expectation that a new program will be in place within the next six months, although there is some uncertainty regarding the timing of the new program for some of these members. The Managing Director will reconsider periodically the case for PFA for all these members, including by assessing the expectation that a program is agreed quickly. In the event that agreement on a program is no longer expected, the Managing Director would bring to the Board a proposal for initiation of PFA for the relevant countries. In such cases, PFA would be initiated and implemented at the time of the next Article IV consultation if a new program relationship is not in place at that time, unless Management decides that the process is unwarranted in accordance with the policy.

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<sup>1</sup> Bangladesh: [RCF/RFF request May 2020](#); Mongolia: [RFF request June 2020](#); Nigeria: [Article IV staff report January 2021](#); South Africa: [RFF request July 2020](#).

## Proposed Decision

The following draft decision, which may be adopted by a majority of the votes cast, is proposed for adoption by the Executive Board:

Bangladesh, Mongolia, Nigeria, and South Africa are expected to engage in Post Financing Assessment with the Fund in accordance with Decision No. 13454-(05/26), as last amended by Decision No. [Proposed decision contained in SM/21/58 (4/23/21)].

**Table 1. Countries Exceeding PFA Thresholds**

|  | Exposure 1/        |                     |                     | Most recent/current arrangement 2/ |            |            | Most recent emergency financing |            |                                  |
|--|--------------------|---------------------|---------------------|------------------------------------|------------|------------|---------------------------------|------------|----------------------------------|
|  | GRA<br>SDR billion | PRGT<br>SDR billion | Percent<br>of quota | Type                               | Approval   | Expiration | Type                            | Approval   | >PFA treshold<br>due to RFI/RCF? |
| <b><i>Group 1: Members with no program relationship and with PFA initiated</i></b>   |                    |                     |                     |                                    |            |            |                                 |            |                                  |
| Albania  | 0.4                | 0.00                | 271                 | EFF                                | 2/28/2014  | 2/24/2017  | RFI                             | 04/10/2020 | Yes                              |
| Cote d'Ivoire  | 1.0                | 0.80                | 276                 | EFF/ECF                            | 12/12/2016 | 12/11/2020 | RFI-RCF                         | 04/17/2020 | Yes                              |
| Ghana  | 0.0                | 1.44                | 195                 | ECF                                | 4/3/2015   | 4/2/2019   | RCF                             | 04/13/2020 |                                  |
| Greece   | 1.5                | 0.00                | 62                  | SBA                                | 7/20/2017  | 8/31/2018  |                                 |            |                                  |
| <b><i>Group 2: Members with no program relationship, no indication regarding follow-up program, and no PFA initiated</i></b> |                    |                     |                     |                                    |            |            |                                 |            |                                  |
| Bangladesh   | 0.4                | 0.59                | 89                  | ECF                                | 4/11/2012  | 10/31/2015 | RFI-RCF                         | 05/29/2020 | Yes                              |
| Mongolia   | 0.2                | 0.00                | 317                 | EFF                                | 5/24/2017  | 5/23/2020  | RFI                             | 06/03/2020 |                                  |
| Nigeria  | 2.5                | 0.00                | 100                 | SBA                                | 8/4/2000   | 10/31/2001 | RFI                             | 04/28/2020 | Yes                              |
| South Africa   | 3.1                | 0.00                | 100                 |                                    |            |            | RFI                             | 07/27/2020 | Yes                              |
| <b><i>Group 3: Members with no program relationship and interest in follow-up program</i></b>                                |                    |                     |                     |                                    |            |            |                                 |            |                                  |
| Argentina  | 31.9               | 0.00                | 1,001               | SBA                                | 6/20/2018  | 7/24/2020  |                                 |            |                                  |
| Benin  | 0.1                | 0.25                | 268                 | ECF                                | 4/7/2017   | 5/19/2020  | RFI-RCF                         | 12/21/2020 | Yes                              |
| Burkina Faso   | 0.0                | 0.27                | 221                 | ECF                                | 3/14/2018  | 11/17/2020 | RCF                             | 04/14/2020 | Yes                              |
| Cameroon   | 0.0                | 0.70                | 255                 | ECF                                | 6/26/2017  | 9/30/2020  | RCF                             | 10/21/2020 | Yes (1st RCF)                    |
| Chad   | 0.0                | 0.42                | 298                 | ECF                                | 6/30/2017  | 7/22/2020  | RCF                             | 07/22/2020 |                                  |
| Congo, Democratic Republic of  | 0.0                | 0.54                | 50                  | ECF                                | 12/11/2009 | 12/10/2012 | RCF                             | 04/22/2020 | Yes                              |
| Gabon  | 0.6                | 0.00                | 274                 | EFF                                | 6/19/2017  | 6/18/2020  | RFI                             | 07/31/2020 | Yes                              |
| Malawi   | 0.0                | 0.30                | 216                 | ECF                                | 4/30/2018  | 9/24/2020  | RCF                             | 10/02/2020 | Yes                              |
| Niger  | 0.0                | 0.28                | 215                 | ECF                                | 1/23/2017  | 10/31/2020 | RCF                             | 04/14/2020 | Yes                              |
| Tunisia  | 1.7                | 0.00                | 310                 | EFF                                | 5/20/2016  | 3/18/2020  | RFI                             | 04/10/2020 |                                  |

Source: IMF staff. As of April 6, 2021.

1/ Blue font indicates PFA threshold exceeded.

2/ Refers to arrangements since 2000.