

**LAPSE OF
TIME**

SM/21/202

December 6, 2021

To: Members of the Executive Board

From: The Secretary

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

Board Action: Executive Directors' **consideration** on a lapse of time basis

Deadline to Request a Board Meeting, after which Proposed Decision Deemed Approved: **Monday, December 13, 2021
12:00 (noon)**

Proposed Decision: Page 3

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

Questions: Mr. Chabert, SPR (ext. 37371)
Ms. Schaechter, SPR (ext. 37791)
Ms. Schauer, SPR (ext. 38517)



December 3, 2021

POST FINANCING ASSESSMENT: PROPOSED DECISION ON COUNTRIES

Approved By
Ceyla
Pazarbasioglu

Prepared by the Strategy, Policy and Review Department in consultation with other departments.

1. This paper provides an overview of members that have credit outstanding in excess of the relevant Post Financing Assessment (PFA) thresholds and are currently not in a program relationship or under PFA (see Table 1). At the May 7, 2021 Board meeting on Post Program Monitoring During the Pandemic, the Executive Board was informed that PFA initiation was not recommended for ten members meeting the PFA credit outstanding threshold given the expectation that a new program would be in place in the following six months (see paragraph 4 in [SM/21/58, Sup.1](#)). Since then, three of these members (i.e., Cameroon, Congo DR and Gabon) have entered into a new program relationship and one member (Malawi) has initiated PFA. Chad and Niger are set to enter into a new program relationship by the end of the year, while program negotiations are in their finalization stage with Burkina Faso and ongoing with Argentina, for which staff recently briefed the Board during an informal meeting. For the remaining two countries which were discussed in May, Benin and Tunisia, program requests have been received but formal negotiations have yet to start. In addition, since May two additional countries, Egypt and Tanzania, have reached credit outstanding in excess of PFA thresholds while not being in a program relationship with the Fund. Egypt completed its Fund-supported program in late-June 2021 and is currently assessing options, including a possible successor program. Tanzania crossed the PFA threshold very recently due to an RCF disbursement in November 2021 and is currently considering options, including a possible program relationship. The time that has elapsed since a member's credit outstanding exceeded the relevant PFA threshold, while the member was not in a program relationship or under PFA, ranges from 19 months (Tunisia) to one week (Tanzania) as of November 19, 2021 (Table 1).

2. **The Managing Director proposes initiation of PFA for Benin and Tunisia.**¹ While program requests have been received from these countries, the timeline for completion of negotiations is not clear, with formal program negotiations yet to start. Hence, the Managing Director proposes initiation of PFA for these members.² PFA discussions will be reported in the next Article IV consultation staff report in line with the [temporary modification](#) of the Framework for PFA through December 31, 2022, after which the standard modalities, including the stand-alone report on PFA, will resume. PFA terminates automatically should a new Fund-supported program be approved by the Board and would also not be implemented if a program request is approved jointly with the next Article IV consultations (prior to end-2022).

3. **A further six members have credit outstanding in excess of the relevant thresholds and are currently not in a program relationship or under PFA.**³ For these members the Managing Director is not yet recommending initiating PFA as they are expected to enter into a new program relationship within the next six months. The Managing Director will reconsider periodically the case for PFA for all these members in line with the policy, particularly with the expectation to implement PFA at the time of the next Article IV consultation prior to end-2022, in accordance with the temporary modification of the Framework for PFA that combines Article IV consultation and PFA staff reports.

¹ See the PFA framework Decision No. 13454-(05/26), as amended.

² For latest assessments of these members' economies see Benin: [RCF/RFI request January 2021](#); Tunisia: [Article IV staff report February 2021](#).

³ Argentina, Burkina Faso, Chad, Egypt, Niger and Tanzania.

Proposed Decision

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

Benin and Tunisia 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. 17037-(21/44).

Table 1. Members Exceeding PFA Thresholds That Are Not Currently in a Program Relationship and For Which PFA Has Not Been Initiated

	Exposure 1/			Most recent/current arrangement			Most recent emergency financing			Comments	
	GRA SDR billion	PRGT SDR billion	Percent of quota	Type	Approval	Expiration 2/	Type	Approval	> PFA threshold due to RFI/RCF?	Months above PFA threshold and not in a program	Last AIV report
Group 1: Members initiating PFA											
Benin	0.1	0.24	262	ECF	4/7/2017	5/19/2020	RFI-RCF	12/21/2020	Yes	10	6/21/2019
Tunisia	1.7	0.00	306	EFF	5/20/2016	3/18/2020	RFI	04/10/2020		19	2/17/2021
Group 2: Members not yet initiating PFA											
Argentina	30.6	0.00	960	SBA	6/20/2018	7/24/2020				15	12/18/2017
Burkina Faso	0.0	0.25	204	ECF	3/14/2018	11/17/2020	RCF	04/14/2020	Yes	12	12/21/2018
Chad	0.0	0.41	292	ECF	6/30/2017	7/22/2020	RCF	07/22/2020		15	7/3/2019
Egypt	14.1	0.00	691	SBA	6/26/2020	6/25/2021	RFI	05/11/2020		4	7/23/2021
Niger	0.0	0.27	204	ECF	1/23/2017	10/28/2020	RCF	04/14/2020	Yes	12	6/26/2019
Tanzania	0.0	0.40	100	SCF	7/6/2012	4/30/2014	RCF	11/12/2021	Yes	0	3/18/2019

Source: IMF staff. As of November 19, 2021.

1/ Blue font indicates PFA threshold exceeded.

2/ Date at which the arrangement ended, either due to expiration, cancellation or termination.