FOR AGENDA

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CONFIDENTIAL

June 3, 1994

To: Members of the Executive Board

From: The Secretary

Subject: The Role of the Fund in Financing the Economies in Transition - Access and Cofinancing Trust Accounts

Attached for consideration by the Executive Directors is a paper on the role of the Fund in financing the economies in transition through access and cofinancing trust accounts which, together with the statement by the Managing Director (BUFF/94/57, 6/3/94), is tentatively scheduled for discussion on Friday, June 17, 1994.

Ms. McGuirk (ext. 38363) is available to answer technical or factual questions relating to this paper prior to the Board discussion.

Att: (1)

Other Distribution:
Department Heads

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INTERNATIONAL MONETARY FUND

The Role of the Fund in Financing the Economies in Transition: Access and Cofinancing Trust Accounts

Prepared by the Policy Development and Review Department

(In consultation with other departments)

Approved by Jack Boorman

June 3, 1994

In its April 24 Communiqué, the Interim Committee stated that: "The transition to market economies by a large group of countries is a task of historic proportions deserving full and concerted support of the international community. The guiding principle must remain that where there are assurances of strong policies, there is adequate financial support. The Committee encourages the Fund to continue to play a central role in this process, including if needed through increased access to its own resources, commensurate with the strength of programs. In this endeavor, the monetary character and the catalytic role of the Fund must be safeguarded, and the Committee calls for the continued participation and support of all potential bilateral and multilateral creditors and donors in providing adequate and timely assistance, in conjunction with the Fund."

Building on the discussion of these issues by the Board in April, this paper explores ways in which the Fund could best position itself to meet the Interim Committee's call, including through increased access to Fund resources where appropriate and mechanisms to catalyze additional official financial assistance through Cofinancing Trust Accounts.

1. Access to Fund resources

The current access limits under Fund policies and facilities, which were established in November 1992 following the last quota increase 1/, were intended to provide broadly the same level of access in absolute terms as that which was previously available under the enlarged access policy and other policies (Table 1). Within the limits, the guidelines on access in

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1/ Except for the Systemic Transformation Facility, which was established in April 1993.

individual cases govern the determination of the level of access under stand-by and extended arrangements, based on the strength of the program and the associated balance of payments need, and taking into account past and prospective need for Fund credit and the member's capacity to repay the Fund. Under the current access policy, up to 68 percent of quota is available annually, and 300 percent of quota cumulatively, under stand-by and extended arrangements; higher access can be provided under the exceptional circumstances clause if warranted. Subject to the conditions for access to the special facilities, members can also draw on the compensatory and contingency financing facility and, since April 1993, the systemic transformation facility.

For the ESAF-eligible countries, access under ESAF arrangements is flexible within fairly wide margins. While 110 percent of quota is the "norm", maximum access can go to 190 percent and there is provision for "exceptional maximum access" up to 255 percent of quota. The limiting factors are the strength of the program to warrant higher access and the need to manage the fixed stock of concessional resources committed to ESAF. ESAF-eligible members also have access to STF resources, subject to STF eligibility criteria. Beyond this, it is possible to blend ESAF and EFF (or SBA) resources to enlarge total access even further, if that were warranted in appropriate cases.

Experience under the access limits since 1990, when the Fund began to provide financial support to economies in transition, and an analysis of prospective financing needs of member countries, are reviewed briefly below as a basis for considering whether additional access, where appropriate, could be provided within current limits or whether there is a need to raise those limits. The following discussion focuses on access under stand-by and extended arrangements, since the potential availability of financing for ESAF-eligible countries is already relatively large. 1/

a. Recent experience under access limits

During 1990-92, the Fund approved 51 upper credit tranche stand-by and extended arrangements with average annual access of slightly more than 50 percent of quota, compared to the then-applicable limit of 90 percent of quota (Table 2). Fund resources provided under approved arrangements and special facilities were expected to finance, on average, 12 percent of the

1/ In the limit, for countries eligible for both ESAF and the STF, GRA resources under stand-by or extended arrangements up to 204 percent of quota could be combined with ESAF resources equivalent to 190 percent of quota and STF resources of 50 percent of quota to provide over 440 percent of quota to these members over a three-year period under existing limits and without appealing to the exceptional circumstances clause for GRA resources or exceeding the maximum limit for ESAF. In most cases, of course, actual access would be limited by considerations regarding the appropriateness of the use of non concessional resources by ESAF eligible countries.

members' total ex ante financing requirement; in six cases the share of Fund financing exceeded 20 percent. Under the 26 upper credit tranche stand-by and extended arrangements approved from the beginning of 1993 through mid-May 1994, average annual access was 34 percent and 22 percent of (new) quota, respectively, compared to the new limit of 68 percent (Table 3). Fund resources were expected to finance 11 percent and 10 percent, respectively, of the member's total financing requirement under SBAs and EFFs. For FSU countries, the average share of Fund financing was 18 percent and reached as high as 30 percent in one case.

A review of the details provided in Tables 2 and 3 indicates that: 1) during 1990-92, the annual access limits were reached only in the cases of a number of economies in transition and one other member in the context of an arrears clearance operation; 2) since establishment of the STF, access under stand-by and extended arrangements has been below the annual access limit for all countries; use of the STF in conjunction with stand-by arrangements effectively lengthened the average maturity of the use of Fund resources for a particular member and in some cases the aggregate access exceeded the annual limit that applies to stand-by and extended arrangements; 3) in contrast to initial arrangements (under which access was typically quite high), access under subsequent arrangements for economies in transition was only moderately above the Fund-wide average; this reflected, in part, the need for the Fund to provide relatively more resources in the early stages of the transformation process--to help build reserves and in view of the time required for the mobilization of financing from other sources--but less as the process took hold and other sources of financing began to respond; 4) within current access limits, and taking account of the availability of the STF for eligible countries, the Fund has planned to provide a substantial proportion of the ex ante total financing requirement for both transition and other countries, exceeding one-third of total financing in a few cases; and 5) during the period reviewed, apart from the economies in transition, the access limits have rarely been reached and do not appear to have imposed a constraint on financing from the Fund.

b. Prospective financing needs

In assessing the adequacy of the access under current limits, prospective financing needs of Fund members are also relevant. Based on a review of current and prospective users of Fund resources by the staff, the current limits are not expected to impose constraints on the ability of the Fund to assist most members. However, there are cases--both within and outside the economies in transition--where potential needs are large in relation to quota and the provision of Fund resources beyond current annual limits may prove to be appropriate. In a number of countries, political and economic developments could augur well for economic liberalization on an ambitious scale, and the Fund should be in a position to provide appropriately large support in such circumstances. In addition, some countries that have already made substantial progress in stabilization and liberalization and that now rely increasingly on private capital markets could be especially vulnerable to abrupt changes in market perceptions about members' total ex ante financing requirement; in six cases the share of Fund financing exceeded 20 percent. Under the 26 upper credit tranche stand-by and extended arrangements approved from the beginning of 1993 through mid-May 1994, average annual access was 34 percent and 22 percent of (new) quota, respectively, compared to the new limit of 68 percent (Table 3). Fund resources were expected to finance 11 percent and 10 percent, respectively, of the member's total financing requirement under SBAs and EFFs. For FSU countries, the average share of Fund financing was 18 percent and reached as high as 30 percent in one case.

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Within the group of transition economies, circumstances vary greatly across countries. Some have already achieved stabilization and implemented major reforms, and their prospective needs for Fund resources are expected to diminish or disappear. Others have hardly begun the process of stabilization and transformation, and it is extremely difficult to gauge with any degree of confidence the magnitude and timing of their financing needs. During the Board discussions in April on the external financing requirements of transition economies (based on EBD/94/63), most Directors, while recognizing the illustrative nature of the exercise, felt that the staff's baseline scenario provided a reasonable framework within which to consider approaches to meeting the needs of these countries.

In the baseline scenario presented by the staff for that discussion, it was assumed that the Fund would provide about $6 billion a year--representing about 10 percent of projected gross financing requirements--through utilization of the STF and financing under arrangements, in amounts averaging 40 percent of quota for the transition economies as a group. After taking into account likely gross disbursements from multilateral lenders (including the Fund) and debt relief, financing needs on the order of about $49 billion for the three-year period 1994-96 remained. For illustrative purposes, the staff has explored the implications of raising access to Fund resources compared to the baseline scenario under two alternatives. 1/ Under the first alternative, assumed access to Fund resources was increased for the next three years to the maximum combined access available under stand-by or extended arrangements (204 percent of quota over three years) and the STF (for those with remaining access under the STF) or under ESAF arrangements (190 percent of quota over three years) and the STF for ESAF-eligible members. Under the second alternative, for countries that are not ESAF-eligible, annual access under stand-by and extended arrange-ments was raised to 85 percent of quota annually for three years and, for all countries, access under the STF was increased from 50 to 85 percent of quota (implying an increase in the annual and STF access limits, as discussed below).

These illustrative calculations indicate that, compared to the earlier exercise (EBD/94/63), the Fund could provide about $10 billion and $19 billion more under the first and second alternative scenarios, respectively; this would raise the share of Fund financing in the total to about 15 percent and 20 percent, respectively, under the two alternatives, with the share of Fund financing exceeding 50 percent for some countries

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1/ Higher access was not assumed for a few countries which were included in the baseline scenario but for which requests for the use of Fund resources are confidently expected to decline under current prospects.

under the second alternative. 1/ In each case, Russia would account for almost one-half of the increased access to Fund resources. Taking account of credit outstanding at the end of 1993, if access was increased as assumed under the second alternative, total credit outstanding at the end of 1996 under the General Resources Account would reach about $40 billion for the group of economies in transition.

The above calculations are highly mechanical in nature and meant only to illustrate the rough orders of magnitude of resources potentially available from the Fund under different assumptions concerning access limits. The implicit assumption in such calculations is that, because of insufficient financing from other sources, the Fund may be called upon to provide a relatively larger share of total financing needs. However, there is at least some prospect that for a number of the economies in transition, including some of the largest, official bilateral and private capital flows and debt relief could be expected to meet a very large share of their financing requirements in the context of programs meeting the standards of upper credit tranche arrangements, without unusually high access to resources from the Fund. It should also be noted that, even if access limits were raised as indicated in the second alternative, there would still be a few non-ESAF-eligible countries for which remaining financing needs could be substantially more than that which might be expected to be available from other sources of financing. 2/

c. How best to meet prospective financing needs

The above analysis suggests that, while the financing needs of most members could be expected to be met within existing access limits under current Fund policies and facilities, there are members--transition economies and others--whose prospective financing needs could be large in relation to current access limits, possibly for some time. If it could be confidently expected that there would be only a very few such cases, financing from the Fund in excess of existing access limits could be met by recourse to the exceptional circumstances clause. However, given the potential breath of the problem, there is a legitimate concern about the

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1/ As a rule of thumb, for every $1.4 billion increase in Fund credit, the liquidity ratio would decline by about 5 percentage points (e.g., by about 36 percentage points for an increase of $10 billion).

2/ In the two alternative scenarios described above, the illustrative amount that could be made available under ESAF arrangements is on the order of US$1 billion, representing about 14 percent of potentially available uncommitted ESAF resources. While this is not an insignificant proportion of these resources, it is expected that access within the maximum limit (190 percent of quota) would be more than adequate to meet the prospective needs of most of the ESAF-eligible countries in transition. Access above the maximum for the few remaining countries, which have relatively small quotas, could be considered where appropriate without unduly straining these resources.

possibility of having to make "routine" use of this clause, whose use has been indeed sparing in the past. There is also a need to provide confidence to members that the Fund would in fact be in a position to respond to their needs quickly and on an appropriate scale--particularly where past use of Fund resources has been limited--in support of strong measures to stabilize and liberalize their economies. In view of the uncertain and potentially large needs of some members, consideration could be given to a general increase in access limits. Such an increase would enable the Fund to help meet the exceptional financing needs of the membership at large and signal the Fund's readiness to do its part in meeting the challenges facing the international community.

For the economies in transition, the maturity of STF resources is generally more appropriate to their circumstances in the initial stages of reform. Within this group, the situation of individual countries is quite diverse. Some have been able to make rapid progress toward comprehensive programs of stabilization and reform, while others have progressed much more slowly, reflecting variously the magnitude of the adjustment, rudimentary policy capacity, a lack of consensus on approaches to the process of transition, and civil strife. A number of these countries, particularly those in the FSU, have not yet been able to qualify for a first STF purchase. Of those that have made a "stand-alone" first STF purchase, only a few have successfully moved on to a Fund arrangement; the others have experienced difficulty in maintaining momentum (Table 4). Thus, it would seem appropriate also to consider extending, augmenting, and adapting the Systemic Transformation Facility to address the circumstances and capacities of the transition economies in a way that retains the "paving" character of the facility but at the same time permits greater flexibility for the Fund, and others, to support initial efforts at reform even if those efforts would not immediately warrant support under Fund arrangements.

In considering possible increases in levels of access under stand-by and extended arrangements and the STF, relevant factors are the contribution such increases could make toward meeting perceived needs and the potential impact of higher access on the liquidity position of the Fund. The illustrative calculations described above suggest that the increases in access limits considered under the second alternative scenario could make a substantial contribution toward meeting the needs of the economies in transition. For other countries, annual access of up to 85 percent of quota under stand-by and extended arrangements would also permit significant additional access to support strong programs.

The illustrative calculations, which do not cover the full membership, also point to potential strains on the Fund's resources if larger increases in access were considered. On balance, and as a temporary policy to be reviewed in the light of experience, moderate increases--to 85 percent of quota in both cases--in the annual access limit under stand-by and extended arrangements and in access under the STF could provide sufficient scope to the Fund to meet the possible needs of the membership in the period ahead.

Since those members with potentially very large financing needs--transition countries and others--generally have little or no current exposure to the Fund, any possible need for changes in the cumulative limit under stand-by and extended arrangements could be considered on the basis of the experience under the higher annual limit in the course of regular reviews of access policy.

Along with an extension of the availability of the STF and an increase in access to support the transformation process over a longer period, 1/ greater flexibility under the facility could also be considered to permit more, but smaller, disbursements, both in the context of Fund arrangements and for stand-alone purchases. This approach would allow a smoother "phasing" of resources by reducing the present lumpiness of STF disbursements.

While the details would need to be further developed, consideration could be given to changes in the operational modalities along the following lines. 2/ To continue to make the STF available to eligible countries that have not yet been in a position to use it, the deadline for expiration of the facility could be extended from end-1994 to end-1995, with provision for purchases beyond the first one through mid-1997 and an adaptation of the 12-month rule under the present facility. Actual access to resources under the facility would continue to be based on the magnitude of the current balance of payments difficulties stemming from the systemic shock. A first purchase, in an amount up to 25 percent of quota, would be available under the same conditions as those established by the current decision. Up to four subsequent purchases in amounts up to 15 percent of quota each would be available, conditional on policy performance as described below, as well as adequate financing assurances. The pace of progress in implementing agreed policies and performance under STF-supported programs could result in differences in the number of STF purchases a member could make, and thus in actual access under the STF, over a particular period of time. Members that fully implemented STF-supported programs and moved quickly to Fund support under arrangements would, by virtue of their own performance, have higher access to Fund resources earlier than those making less rapid or steady progress.

For members qualifying for a Fund arrangement (SBA, EFF or ESAF), the Fund would decide to make available under the STF on approval of the arrangement a first purchase of 25 percent of quota if the STF had not yet

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1/ In the FSU countries, at least, the case can be made that terms of trade shocks accompanying the transition to market-based trading will continue as long as energy prices are still being raised toward world market levels.

2/ Under the current rules, members can draw up to a maximum of 50 percent of quota in two equal purchases. The first purchase must be made by the end of 1994 and the second purchase not more than 12 months after the first. Repurchase is over 4½-10 years, as under the EFF.

been used, or up to 15 percent of quota otherwise, and additional purchases of up to 15 percent of quota available at the time of subsequent purchases under the arrangement, conditional on satisfactory performance under the arrangement, and up to the remaining access available under the facility.

For members for which an upper credit tranche arrangement had not yet been approved, stand-alone STF purchases could be made in support of a 12-month program as under the current decision, but with a clearer indication of the pace of structural and institutional reform expected and a timetable of measures that would be expected to be implemented as prior actions for subsequent purchases. The second purchase would normally become potentially available six months after the first purchase, and subsequent purchases would be potentially available in intervals of, normally, not less than three months. For stand-alone purchases, each purchase would be conditional on satisfactory progress under the member's economic program and on the implementation of the established timetable of concrete policy measures and institutional reforms designed to prepare the member to move to an arrangement as soon as possible. Each purchase would be subject to a satisfactory review of the program (there would be financial benchmarks) including a review of financing assurances by the Executive Board. Reviews would also update and extend the financial and policy framework for the next twelve months on a rolling basis.

The approach outlined above would help to maintain forward momentum and Fund involvement in the crucial initial stages of reform. However, in view of the difficult and uncertain circumstances facing many of the countries concerned and their exceptional needs for financing, it would be essential to have clear understandings that other multilateral and bilateral creditors and donors would be prepared to provide support in conjunction with stand-alone STF purchases if the Fund were to proceed along these lines. The experience to date has not been fully satisfactory in this respect, despite the expressions of support and intentions at the time of the establishment of the STF. Given past difficulties in securing the necessary external financing for stand-alone STF programs, program reviews associated with stand-alone purchases would continue to have to take into consideration the sufficiency of financial support for continuation of the program.

If pursuit of an extension and enlargement of the STF is favored by Directors, the staff would prepare a detailed proposal on the STF for early consideration by the Board in light of the guidance received. Such a paper could also put forward for Board decision a specific proposal on the access limits under stand-by and extended arrangements based on Directors' guidance. As outlined above, the suggested temporary general increase in the annual limit on access under stand-by and extended arrangements would be intended to provide greater scope to the Fund to respond in particular to the large needs of the economies in transition as well as the other few cases that could arise where financing needs are large and the Fund would want to be in a position to respond rapidly and on an appropriate scale in support of strong policies. In other cases, the proposed general increase in access limits would not necessarily imply that the Fund should take on a larger share of financing than in the past. If an increase in the limit is agreed, it would be important for the staff, in proposing access in individual cases, to know the Board's view on this question.

2. Cofinancing Trust Accounts

The Interim Committee's call on the Fund to continue to play a central role in supporting the adjustment and financing efforts of the countries in transition is framed in a call on the international community at large; and specifically, for the continued participation and support of all potential bilateral and multilateral creditors and donors in providing adequate and timely assistance, in conjunction with the Fund. As has been stressed in past discussions, a higher level of Fund financing will entail risks for the institution. A similarly positive response to the Interim Committee's call by other creditors and donors will be essential to assure a balanced sharing of risks--but more importantly to foster a successful transition by the countries involved which, among other things, will in turn greatly diminish the risks for all participants.

There are, of course, a wide variety of sources and channels for official external financing, many related directly or indirectly to Fund programs and/or Fund assessments of policies and financing requirements. Some of these are now operating or beginning to operate for the first time vis-a-vis many of the economies in transition, and it should be expected that they (as well as the private markets) will become more effective in providing needed external financing as adjustment progresses and creditor/debtor relations mature. The needs are pressing, however, and development of the variety of traditional channels of financing is urgent.

At the same time, it is important to consider whether new mechanisms should be developed to provide additional resources whose availability would be keyed closely to Fund programs, thus helping to assure both needed financing for the programs and the balancing of risks that is sought. In preliminary discussions of this matter prior to the Interim Committee meeting, a number of Executive Directors expressed interest in the concept of "Cofinancing Trust Accounts" (CTAs) administered by the Fund for this purpose. 1/ Some Directors even indicated at that early stage potential interest of their authorities in providing financing through such accounts.

Based on that preliminary discussion and Directors' further comments at the meeting on the present paper, the staff would propose to prepare a detailed paper for Board consideration laying out modalities and issues and presenting a prototype of the kinds of documentation that would be needed to establish and operate CTAs. Although some Directors commented at EBM 94/36 on specific features of CTAs, it would be helpful to the staff in preparing the next paper to hear any further comments Directors may wish to make at this stage. The following outline of main features of CTAs summarizes

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1/ EBM 94/36, April 18, 1994.

points listed in the Managing Director's statement for the April 18 meeting, 1/ together with a few additional points on which Directors' guidance would be helpful.

a. CTAs would be accounts administered by the Fund, at the request of contributors, outside the General Resources Account; such accounts can be established by the Board by a majority of the votes cast.

b. The main purpose of the CTAs would be to generate additional balance of payments financing beyond the amounts that would otherwise be available, in conjunction with Fund-supported programs. Although the idea of such accounts has arisen mainly with respect to the economies in transition, they could be established for any member with a program supported by the Fund.

c. Members could contribute resources to these accounts from their reserves (including existing or newly allocated SDRs) or from other acceptable resources, it being understood that the objective would be to generate resources clearly additional to those that might be available to borrowing countries from established sources. The resources would be on-lent to a specific member by the CTA on terms at least as favorable as those provided by the Fund. Resources made available through the CTAs would not have the characteristics of concessional financing.

d. Separate CTAs could be established for different beneficiaries as appropriate, and they would be used to provide additional financing in conjunction with stand-by or extended arrangements or with programs formulated under the STF.

e. Disbursements of financial resources by the CTAs would be made pari passu with Fund disbursements and for the same limited purposes as the Fund's disbursements--namely, for balance of payments financing, including reserve accumulation.

f. Individual members would decide to which CTAs they wish to lend and in which form. All members in a relatively strong balance of payments position would be encouraged to lend resources through the CTAs. A broad-based participation would underscore the cooperative character of the Fund.

g. It would be possible for the Fund to provide contributors with certain assurances regarding repayment. While resources are not immediately available to provide the kind of security provided by the ESAF trust reserve account, other assurances similar to those provided to creditors to the ESAF trust could be considered. In the case of the ESAF Trust, "[t]he Fund is committed, if it appeared that any delay in payment by the Trust to lenders would be protracted, to consider fully and in good faith all such

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1/ Buff Statement 94/39, April 13, 1994.

initiatives as might be necessary to assure full and expeditious payment to lenders." 1/

h. It would also be possible for a degree of liquidity to be provided for claims on CTAs, again as in the case of the ESAF Trust. First, claims on CTAs (like lending to the ESAF Trust) could be considered as part of a member's official reserves by the Fund. Second, unconditional access to the Fund's general resources could be provided to members that had extended loans through CTAs in an amount not exceeding their claim, in order to meet a liquidity need. Purchases under these circumstances would be allowed if the member represented that it had such a need, because of developments in its reserves, in the sense of Article V, Section 3(b)(ii), and that the Fund agreed that the purchase was justified taking into account the amount of the requested purchase and the existence of a claim on the CTA. If the liquidity problem can be addressed on its own, there would be no need for an adjustment program to solve the balance of payments problem. Third, the Fund could use its good offices to find another creditor to purchase the claim of an original creditor to CTA in case of balance of payments need by the original creditor.

Directors' comments on these or other aspects of CTAs would be welcome.

1/ Executive Board Decision No. 8759-(87/176) ESAF as amended. See Selected Decision, Eighteenth Issue (June 30, 1993), p.26 and Chairman's Summing Up of the Discussion on the Enhancement of the Structural Adjustment Facility - Operational Arrangements (EBM/87/171, 12/15/87), Buff/87/260 (12/17/87), reproduced in Selected Decision, pp.41-47.

Table 1. Access Limits Under IMF Arrangements, Special Facilities, and in Connection with Augmentation for Debt and Debt-Service Reduction

(<u>In percent of quota</u>)

	Under Old Quotas	Under New Quotas
Access under credit tranches and the Extended Fund Facility		
Annual	90-110	68
Cumulative	400-440	300
ESAF 1/		
Expected average	150	110
Maximum	250	190
Exceptional	350	255
CCFF	122	95
Sublimits:		
Compensatory 2/	40	30
Contingency	40	30
Cereal 2/	17	15
Optional tranche	25	20
BSFF	45	35
Augmentation for debt/ debt-service reduction	40	30

1/ Access over a three-year period.

2/ If the balance of payments position, apart from the effects of the export shortfall (cereal import costs), is satisfactory, the limit was 83 percent of old quota, and the current limit is 65 percent of new quota.

Table 2. Access under Fund Arrangements Approved During 1990–92

	Effective Date of Arrange–ment	Average Annual Access 1/ (% quota)	Associated Purchases Under CF 2/ (% quota)	Associated Purchases Under STF 3/ (% quota)	Average Annual Access including CF and STF (% quota)	Gross Fund Financing as Proportion of Total Gross Financing Requirement (percent)
Upper credit tranche SBA		53	13	...	59	12
Africa	Average	**38**	**– –**	**...**	**38**	**11**
Cameroon	12/20/91	40	– –	...	40	2
Congo	08/27/90	43	– –	...	43	4
Cote d'Ivoire	09/20/91	50	– –	...	50	5
Gabon	09/30/91	26	– –	...	26	10
Nigeria	01/09/91	30	– –	...	30	36
Central Asia	Average	**45**	**– –**	**...**	**45**	**18**
India	10/31/91	45	– –	...	45	18
Europe 1	Average	**65**	**17**	**...**	**71**	**13**
Albania	08/26/92	80	– –	...	80	4
Bulgaria	03/15/91	$\boxed{90}$	30	...	$\boxed{120}$	11
Bulgaria	04/17/92	50	– –	...	50	5
Czechoslovakia	01/07/91	$\boxed{90}$	82	...	$\boxed{172}$	28
Czechoslovakia	04/03/92	40	– –	...	40	13
Hungary	03/14/90	30	– –	...	30	5
Poland	02/05/90	74	– –	...	74	6
Romania	04/11/91	73	47	...	$\boxed{120}$	33
Romania	05/29/92	72	15	...	87	11
Yugoslavia	03/16/90	50	– –	...	50	11
Europe 2	Average	**90**	**– –**	**...**	**90**	**15**
Estonia	09/16/92	$\boxed{90}$	– –	...	$\boxed{90}$	13
Latvia	09/14/92	$\boxed{90}$	– –	...	$\boxed{90}$	19
Lithuania	10/21/92	$\boxed{90}$	– –	...	$\boxed{90}$	13
Middle East	Average	**42**	**– –**	**...**	**42**	**4**
Algeria	06/03/91	58	– –	...	58	4
Egypt	05/17/91	40	– –	...	40	4
Jordan	02/26/92	40	– –	...	40	2
Morocco	07/20/90	49	– –	...	49	6
Morocco	01/31/92	26	– –	...	26	4
South East Asia	Average	**50**	**32**	**...**	**65**	**12**
Mongolia	10/04/91	$\boxed{90}$	– –	...	$\boxed{90}$	25
Papua New Guinea	04/25/90	34	65	...	$\boxed{99}$	10
Papua New Guinea	07/31/91	34	– –	...	34	5
Philippines	02/20/91	40	63	...	$\boxed{103}$	8
Western Hemisphere	Average	**48**	**12**	**...**	**60**	**12**
Argentina	07/29/91	76	– –	...	76	14
Barbados	02/07/92	53	65	...	$\boxed{118}$	17
Brazil	01/29/92	65	– –	...	65	9
Costa Rica	04/08/91	40	40	...	80	4
Dominican Republic	08/28/91	22	40	...	62	5
Ecuador	12/11/91	50	– –	...	50	35
El Salvador	08/27/90	40	– –	...	40	14
El Salvador	01/06/92	40	– –	...	40	14
Guatemala	12/18/92	28	– –	...	28	3
Guyana	07/13/90	$\boxed{101}$	– –	...	$\boxed{101}$	7
Honduras	07/27/90	42	– –	...	42	6
Jamaica	06/28/91	30	11	...	41	15
Jamaica	03/23/90	48	– –	...	48	11
Nicaragua	09/18/91	40	– –	...	40	1
Panama	02/24/92	50	36	...	86	9
Trinidad and Tobago	04/20/90	55	25	...	80	12
Uruguay	12/12/90	46	– –	...	46	22
Uruguay	07/01/92	31	– –	...	31	19
EFF arrangements		54	21	1 3/	76	13
Africa	Average	**60**	**– –**	**– –**	**60**	**16**
Zimbabwe	01/24/92	60	– –	– –	60	16
Europe 1	Average	**65**	**51**	**– –**	**82**	**13**
Hungary	02/20/91	70	66	– –	$\boxed{92}$	18
Poland	04/18/91	60	37	– –	72	9
Western Hemisphere	Average	**41**	**– –**	**...**	**45**	**12**
Argentina	03/31/92	64	– –	21 3/	71	15
Jamaica	12/11/92	18	– –	– –	18	8
Total–All arrangements		53	13	– –	61	12

Source: IMF

1/ Reflects amounts approved at the time arrangements were initially approved; excludes ECMs and augmentation for DROPs.
2/ Purchases envisaged at the time of program approval, including contingent drawings. Averages include countries without CF drawings.
3/ Augmentation for DROPs in 1993; access spread over three year period; average includes countries without DROPs.

$\boxed{}$ Indicates access at or above annual access limits.

Table 3. Access under Fund Arrangements Approved During 1993–94
(as of May 16, 1994)

		Effective Date of Arrange-ment	Average Annual Access 1/ (% quota)	Associated Purchases Under CF 2/ (% quota)	Associated Purchases Under STF 3/ (% quota)	Average Annual Access including CF and STF (% quota)	Gross Fund Financing as Proportion of Total Gross Financing Requirement (percent)
Upper credit tranche SBA			*34*	*2*	*9*	*45*	*11*
Africa	Average		**39**	**5**	--	**44**	**7**
Cameroon		03/14/94	40	--	--	40	5
Central African Republic		03/28/94	40	--	--	40	8
Chad		03/23/94	40	--	--	40	7
Gabon		03/30/94	35	30	--	65	6
Niger		03/04/94	39	--	--	39	4
Senegal		03/02/94	40	--	--	40	9
Central Asia	Average		**60**	--	**5**	**65**	**9**
Viet Nam		10/06/93	60	--	5	65	9
Europe 1	Average		**28**	--	**10**	**38**	**10**
Bulgaria		04/11/94	15	--	25	40	19
Czech Republic		03/17/93	30	--	--	30	8
Hungary		09/15/93	36	--	--	36	8
Poland		03/08/93	48	--	--	48	7
Romania		05/11/94	11	--	25	36	10
Europe 2	Average		**33**	--	**25**	**58**	**18**
Estonia		10/27/93	18	--	25	43	9
Kazakhstan		01/26/94	50	--	25	$\boxed{75}$	14
Kyrghyzstan		05/12/93	46	--	25	$\boxed{71}$	18
Latvia		12/15/93	20	--	25	45	24
Lithuania		10/22/93	18	--	25	43	12
Moldova		12/17/93	46	--	25	$\boxed{71}$	30
Middle East	Average		**35**	--	--	**35**	**9**
Pakistan		09/16/93	35	--	--	35	9
Western Hemisphere	Average		**28**	**5**	--	**33**	**6**
Costa Rica		04/19/93	21	--	--	21	4
Dominican Republic		07/09/93	27	22	--	49	11
Ecuador		05/11/94	30	--	--	30	3
El Salvador		05/10/93	33	--	--	33	7
EFF arrangements			*22*	--	--	*22*	*10*
Middle East	Average		**18**	--	--	**18**	**9**
Egypt		09/20/93	20	--	--	20	5
Pakistan		02/22/94	17	--	--	17	13
Western Hemisphere	Average		**28**	--	--	**28**	**11**
Peru		03/18/93	28	--	--	28	11
Total–All Arrangements			*32*	*2*	*8*	*42*	*10*

Source: IMF

1/ Reflects amounts approved at the time arrangements were initially approved; excludes ECMs and augmentation for DDSR operations.
2/ Purchases envisaged at the time of program approval, including contingent drawings. Averages include countries without CF drawings.
3/ Averages include countries without STF drawings.
$\boxed{}$ Indicates access at or above annual access limits.

Table 4. Systemic Transformation Facility (STF) Transactions

1993–1994

	Total Access Expected			First Purchase				Second Purchase			
	Board Date	SDRs (mill.)	In Percent of Quota	Date	SDRs (mill.)	In Percent of Quota	Related Arrangement (type, length, % of quota)	Date	SDRs (mill.)	In Percent of Quota	Related Arrangement (type, length, % of quota)
Actual Purchases											
Kyrgyzstan	5/12/93	32.250	50	5/17/93	16.125	25	SBA, 11 months, 42	9/23/93	16.125	25	SBA, 11 months, 42
Russia	6/30/93	2156.550	50	7/06/93	1078.275	25	None	4/25/94	1078.275	25	None
Kazakhstan	7/23/93	123.750	50	7/28/93	61.875	25	None	1/31/94	61.875	25	SBA, 12 months, 50
Slovak Republic	7/26/93	128.700	50	7/29/93	64.350	25	None				
Belarus	7/28/93	140.200	50	8/02/93	70.100	25	None				
Moldova	9/16/93	45.000	50	9/21/93	22.500	25	None	12/22/93	22.500	25	SBA, 15 months, 51.75
Cambodia	10/04/93	12.500	50	10/07/93	6.250	25	None	1/			
Viet Nam	10/06/93	24.160	10	10/06/93	12.080	5	SBA, 12 months, 60				
Lithuania	10/22/93	51.750	50	10/27/93	25.875	25	SBA, 17 months, 25	4/13/94	25.875	25	SBA, 17 months, 25
Estonia	10/27/93	23.250	50	11/01/93	11.625	25	SBA, 17 months, 25				
Latvia	12/15/93	45.750	50	12/20/93	22.875	25	SBA, 15 months, 25				
Macedonia, FYR of	2/11/94	24.800	50	2/14/94	12.400	25	None				
Bulgaria	4/11/94	232.450	50	4/14/94	116.225	25	SBA, 18 months, 15				
Romania	5/11/94	377.050	50	5/16/94	188.525	25	SBA, 19 months, 17.5				
Total		3418.160			1709.080				1204.650		

Memorandum: ESAF countries affected by systemic transformation

ESAF Arrangement	Date Approved	Access (% of quota)	Phasing (% of quota)
Albania	7/14/93	120	48/40/32
Mongolia	6/25/93	110	50/30/30
Cambodia	5/6/94	129	43/43/43

1/ In their LOI requesting a three year arrangement under the ESAF on March 9, 1994 (EBS/94/44), the authorities indicated their intention not to request a second purchase under the STF.