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## **IMF Executive Board Approves Doubling of Borrowing Limits for Poorest Countries**

The Executive Board of the International Monetary Fund (IMF) has agreed to double the borrowing limits of the poorest countries under the Poverty Reduction and Growth Facility (PRGF) and Exogenous Shocks Facility (ESF) arrangements to help low-income countries severely affected by the global economic downturn.

The Executive Board also began discussions this week on options for raising additional resources for concessional lending to allow the Fund to scale up its capacity to assist low-income countries (LICs) over the medium term. These discussions stem from recent proposals discussed, among others, by the leaders at the London G-20 Summit. In the lead up to these discussions, the Board agreed that doubling of access limits for low-income countries is in line with the sharp increase in demand for concessional IMF financing by LICs, and also follows upon a recent increase in access limits for lending financed from the IMF's General Resources Account (see [Press Release No. 09/85](#)).

"This reform represents a significant step up in the Fund's support for its low-income member countries—which is especially needed in this global crisis," said IMF Managing Director Dominique Strauss-Kahn. "The increased flexibility and the additional resources enable us to better meet the needs of the world's poorest countries, which have been severely hit by the global downturn."

"For most of this decade, low-income countries have been growing strongly, with declining inflation and reduced debt burdens," Mr. Strauss-Kahn said. "But, over the past two years, they have been hit by a series of shocks, beginning with the escalation in food and fuel prices and now the global crisis."

"Over the past year, the Fund has significantly increased its support to low-income countries to help them respond to these shocks—almost doubling the volume of our concessional lending last year, with a further substantial increase expected this year," he added.

For additional background on the PRGF: <http://www.imf.org/external/np/exr/facts/prgf.htm>

For additional background on the ESF: <http://www.imf.org/external/np/exr/facts/esf.htm>