

IMF Executive Board Deems South Sudan Eligible for Concessional Lending

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The Executive Board of the International Monetary Fund (IMF) has added the Republic of South Sudan, its newest member, to the list of member countries eligible for IMF concessional lending. The decision was taken on August 9, 2012, on a lapse-of-time basis.¹ Including South Sudan, 72 low-income countries are now eligible for concessional lending, which the IMF provides via the Poverty Reduction and Growth Trust (PRGT) and which currently carries a zero interest rate on its loans.

Eligibility for PRGT lending is based on a member country's annual per capita income and ability to access international financial markets on a sustainable basis. Adding South Sudan to the list of PRGT-eligible countries allows the authorities to request concessional financing from the IMF in support of their economic program; such requests are subject to separate decisions by the Executive Board.

South Sudan became the IMF's 188th member in April 2012 (see Press Release No. 12/140). The IMF has been providing technical assistance, training, and policy advice to the authorities since 2011 and is stepping up engagement in its areas of expertise, namely monetary and fiscal policies, exchange rate policy and operations, tax and customs administration, public financial management, central banking, and macroeconomic statistics. The Fund is also coordinating with key donors on a capacity building program to support South Sudan through a US\$10 million trust fund over the next three years.

Useful links:

August 2012 Staff Report: *Eligibility to Use the Fund's Facilities for Concessional Financing—Republic of South Sudan*

January 2012 Staff Report: *Eligibility to Use the Fund's Facilities for Concessional Financing*

November 2011 Staff Report: *Poverty Reduction and Growth Trust—Review of Interest Rate Structure*

South Sudan and the IMF: Press Releases and other announcements

¹ Under the IMF's lapse-of-time procedures, the Executive Board makes decisions without convening formal discussions.

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