

**EXECUTIVE
BOARD
MEETING**

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Supplement 1

February 10, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Eligibility to Use the Fund's Facilities for Concessional Financing, 2019—
Draft Press Release**

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

Tentative Board Date: **Wednesday, February 19, 2020**

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Questions: Mr. McGrew, SPR (ext. 30475)
Mr. Weller, SPR (ext. 39312)



INTERNATIONAL MONETARY FUND



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International Monetary Fund
700 19th Street, NW
Washington, D. C. 20431 USA

IMF Executive Board Discusses “Eligibility to Use the Fund’s Facilities for Concessional Financing”

On February 19, 2020, the Executive Board of the International Monetary Fund (IMF) concluded its review of the framework for determining eligibility of IMF member countries to use concessional financial resources under the Poverty Reduction and Growth Trust (PRGT) and of the current list of PRGT-eligible countries.

Background

The PRGT eligibility framework, which was introduced in 2010, includes transparent and rules-based criteria to guide decisions on the eligibility of countries to access the Fund’s concessional resources. It is designed to ensure uniformity of treatment among members, alignment of access to concessional resources with PRGT objectives, and consistency with the self-sustainability of the PRGT’s lending capacity over time. The framework is also intended to maintain broad alignment with International Development Association (IDA) practices while allowing scope for some variance given the different mandates of the two institutions. The framework and the list of PRGT-eligible members are normally reviewed on a standard two-year cycle, with the most recent review completed on May 15, 2017.

The framework includes differentiated criteria for entry and graduation. IMF member countries enter onto the list of PRGT-eligible countries when their income per capita is below a specified threshold and they do not have the capacity to access international financial markets on a durable and substantial basis. Countries are expected to graduate from the list when they have achieved income per capita levels that exceed specified thresholds or have established the capacity to access external commercial financing on a durable and substantial basis and they do not face serious short-term vulnerabilities.

Executive Board Assessment¹

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¹ At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: <http://www.imf.org/external/np/sec/misc/qualifiers.htm>.