EXECUTIVE BOARD MEETING

SM/20/137

August 17, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Policy Safeguards for Countries Seeking Access to Fund Financial Support that Would Lead to High Levels of Combined GRA–PRGT Exposure**

Board Action:	Executive Directors' **consideration** (Formal)
Tentative Board Date:	**Wednesday, September 9, 2020**
Additional Information:	A draft Board decision to implement the proposals in this paper will be circulated as a separate supplement.
Publication:	Proposed, with Press Release
Questions:	Mr. Alper, SPR (ext. 35907) Mr. McGrew, SPR (ext. 30475) Ms. Everaert, FIN (ext. 34393) Ms. Fernandez, FIN (ext. 35902) Ms. Kwak, LEG (ext. 37705) Ms. Rosenberg, LEG (ext. 37790)

INTERNATIONAL MONETARY FUND

August 17, 2020

POLICY SAFEGUARDS FOR COUNTRIES SEEKING ACCESS TO FUND FINANCIAL SUPPORT THAT WOULD LEAD TO HIGH LEVELS OF COMBINED GRA-PRGT EXPOSURE

EXECUTIVE SUMMARY

Under the Fund's lending policies, requests for access to Fund financing in excess of specified thresholds are subject to enhanced scrutiny under the Exceptional Access (EA) frameworks. The current EA policies provide for separate thresholds governing EA in the General Resources Account (GRA) and under the Poverty Reduction and Growth Trust (PRGT), respectively, that operate independently of each other.

This paper proposes safeguards broadly aligned with the GRA exceptional access policy that will apply in cases where combined GRA and PRGT credit exposure exceeds the GRA thresholds. The new safeguards would help to mitigate financial risks to the PRGT and the GRA, respectively, that arise from a member having high levels of combined credit from these two sources of funding. The proposed policy builds on the current policies on safeguards to Fund resources (both the Fund's resources in the GRA and under the PRGT as Trustee, respectively).

Under the proposal, new policy safeguards would apply to any Fund member with combined access to GRA and PRGT resources that exceeds quota-based thresholds set at the same level that triggers the exceptional access framework of the GRA. This new policy seeks to provide the same quality of safeguards to Fund resources that is provided by meeting the GRA EA criteria. Key elements of the procedural requirements applicable under the GRA EA policies would also apply to the new policy safeguards.

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INTRODUCTION[1]

1. **Application of careful scrutiny to high-access cases is an important element of the Fund's risk management framework.** Exceptional access (EA) criteria and related procedures for high levels of financing from the GRA were initially introduced in 2002 in response to concerns about the predictability of conditions under which EA would be extended, as well as the need for higher scrutiny given to Fund lending decisions that entailed very high levels of access. These criteria and procedures seek to provide greater confidence that (i) EA remains limited to cases where members experience an exceptional balance of payments (BoP) need; (ii) members will be able to overcome their BoP difficulties, and ultimately, Fund resources will be repaid and (iii) borrowers will not be faced with debt service challenges in situations where they have accumulated a large stock of non-restructurable debt. A related (but distinct) set of criteria and procedures applicable to high levels of access to Poverty Reduction and Growth Trust (PRGT) resources were introduced in 2009. These criteria have the additional aim of rationing access to the Fund's scarce concessional resources to ensure the equitable distribution among PRGT-eligible members.[2, 3]

2. **The policies governing EA in the GRA and under the PRGT, respectively, provide for separate access limits that operate independently of each other to trigger the application of the relevant EA framework.** As a result, countries that are PRGT-eligible (or that still have credit outstanding to the PRGT) can obtain access to Fund resources (from the GRA and the PRGT) that on a combined basis exceeds the annual and cumulative access thresholds that entail EA in the GRA and in the PRGT but where the amounts of PRGT resources and of GRA resources individually considered are below the respective triggers for GRA and PRGT EA. Such requests are therefore not subject to either of the exceptional access policies.

3. **Access limits in the GRA and under the PRGT were recently discussed by the Executive Board and annual access limits for the GRA and PRGT were temporarily increased** (Policy Paper No. 2020/036)**.** For financing under the GRA, the annual access limit is 245 percent of quota through April 6, 2021, after which, absent extension, it will revert to 145 percent of quota; the cumulative access limit remains unchanged at 435 percent of quota, net of scheduled repurchases. For financing under the PRGT, the normal annual access limit is 150 percent of quota through April 6, 2021, after which, absent extension, it will revert to 100 percent of quota; the normal cumulative access limit remains unchanged at 300 percent of quota, net of scheduled repayments. Access can exceed these levels when the requirements of the PRGT EA framework are met but is subject to hard caps of

[1] This topic was discussed at an Informal Board Session (to-engage) on February 28, 2020; the paper draws on the views expressed by Directors during this discussion.

[2] Specifically, the criteria rule out exceptional access in the PRGT for countries with income above a specified level or sustained past access to international financial markets.

[3] The appropriateness of access limits is regularly reviewed, most recently in 2016 (GRA) and in 2019 (PRGT).

183.33 percent of quota annual (until April 6, 2021, after which it reverts to 133.33 percent of quota), and 400 percent of quota cumulative, net of scheduled repayments.

4. **Staff sees a need to develop a new policy that requires careful scrutiny for cases where large combined GRA and PRGT credit exposures exceed a set threshold**. [4] The purpose would be to help mitigate financial risks to the PRGT and to the GRA that arise from a member having such high outstanding combined credit. The proposed policy builds on the current policies on safeguards to GRA and PRGT resources, respectively, which require stronger programs and higher scrutiny for members with higher levels of access to Fund resources.[5] It also aims to ensure a more coherent application of policy safeguards in Fund lending across the membership.[6] This policy would be particularly relevant for countries that currently already have sizeable PRGT credit outstanding and are approaching PRGT cumulative access limits. The Fund has currently 58 members that have PRGT credit outstanding: Boxes 1a and 1b provide information on the level of PRGT credit outstanding, the level of combined GRA and PRGT credit outstanding, and the projected peak levels of combined GRA and PRGT credit outstanding given arrangements in place, all as of end-July 2020.

[4] A broad reassessment of the lending policies affecting low income countries, informed by the wider context of the coronavirus pandemic, will be brought to the Board in the coming months.

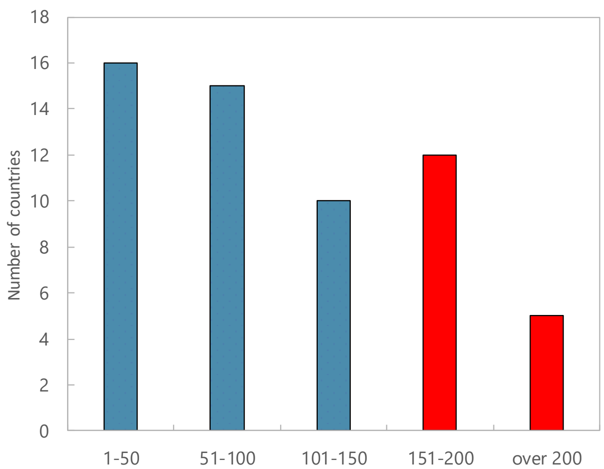
[5] Since the approval of the current PRGT lending architecture in 2009, no PRGT-eligible country has accessed (concurrently, or consecutively) a combination of GRA and PRGT resources in amounts above the quota-based thresholds equivalent to those that apply under the GRA access limits, except for combined ECF/EFF arrangement with Ethiopia in December 2019, in the combined amount of 700 percent of quota.

[6] Under current policies, a PRGT-eligible country can obtain access to a mix of GRA and PRGT resources well in excess of the GRA access limits without facing scrutiny under either exceptional access framework, whereas countries not eligible for concessional financing face such scrutiny when the GRA access limits are reached.

Box 1a. Countries with PRGT Access Approaching Normal Cumulative Access Limits*

PRGT Credit Outstanding
(Percent of quota, as of July 31, 2020)

PRGT Credit Outstanding: Overview



Sources: IMF staff calculations.

PRGT Credit Outstanding: List
(Countries with Outstanding PRGT Credit Exceeding 150 percent of quota)

Country (17)	Percent of quota
Chad	299
Cameroon	215
Mali	209
Niger	208
Ghana	200
Burkina Faso	200
Rwanda	185
Grenada	183
Central African Republic	176
Sierra Leone	176
Madagascar	175
Benin	173
Togo	171
Malawi	169
Mozambique	167
Guinea	160
Mauritania	157

* PRGT Normal Cumulative Access Limit is 300 percent of quota.

Box 1b. Countries with High Levels of Combined PRGT and GRA Credit Exposure*

Combined PRGT and GRA Credit Exposure: Current and Projected
(Percent of quota, as of July 31, 2020)

Combined Credit Exposure: Current

Country (8)	PRGT	GRA	Combined
Chad	299	0	299
Armenia [1/]	32	246	278
Cote d'Ivoire	122	133	255
Cameroon	215	0	215
Mali	209	0	209
Moldova	73	136	209
Niger	208	0	208
Ghana	200	0	200

Peak Combined Credit Exposure: Projected

Country (12)	Combined
Ethiopia	750
Armenia [1/]	302
Chad	299
Cote d'Ivoire	283
Mali	246
Cameroon	235
Central African Republic	226
Burkina Faso	221
Niger	219
Moldova	209
Malawi	201
Ghana	200

Sources: IMF staff calculations.

[1/] Armenia graduated from the PRGT-eligibility list in 2013, but still has outstanding PRGT credit of about 32 percent of quota.

[2/] Peak projected credit exposure is the sum of PRGT and GRA credit outstanding and scheduled purchases/disbursements for any existing arrangement net of scheduled repurchases/repayments over the period of the existing arrangement.

* Includes only countries with some PRGT credit outstanding.

PROPOSALS

5. **It is proposed that new policy safeguards would apply to any Fund member in situations where combined access to GRA and PRGT resources would exceed specified thresholds.** Specifically, the proposed policy safeguards would need to be satisfied for Board approval of a request for Fund financing (including augmentation) that would result, at any point, in (i) annual access to the sum of GRA and PRGT resources exceeding the equivalent to the quota-based annual limit on access to the GRA or (ii) cumulative access, net of scheduled repurchases and repayments, to the sum of GRA and PRGT resources exceeding the equivalent to the quota-based cumulative limit on access to the GRA.[7]

6. **Use of the higher GRA EA thresholds is appropriate in cases of combined access as credit exposure above these levels is considered to generate heightened credit risk for the GRA and the PRGT**.[8] These thresholds should apply irrespective of whether the credit is to the GRA only or also includes credit to the PRGT and would be adjusted to remain aligned with future changes in the GRA EA thresholds. The main elements of the procedural requirements that apply under the GRA EA policies would also apply to the new policy safeguards. Details of the procedural requirements under the new policy safeguards are provided in Annex I. This new set of policy safeguards does not change the existing GRA and PRGT EA policies (i.e., criteria and procedures) and existing PRGT high-access policies, which would continue to apply when they are triggered (see paragraph 10 below).

7. **The proposed criteria that would need to be met to support Fund financing involving a combined access to GRA and PRGT resources above the applicable thresholds are specified below and in Box 2.** These criteria would need to be met at approval, at each program review and augmentation of access under arrangements and for requests for financing under the Rapid Financing Instrument and Rapid Credit Facility where any of the thresholds are exceeded, including where this results from an augmentation or in instances of rephasing of access that would result in credit exceeding the specified thresholds.[9]

i. The member is experiencing or has the potential to experience exceptional balance of payments pressures on the current account or capital account, resulting in a need for Fund financing that

[7] The proposed policy safeguards would not apply however to a member's request for resources in the General Resources Account that exceed the above-specified thresholds for combined access to GRA and PRGT resources if such request is a request within the first credit tranche.

[8] In contrast, the lower normal access limits in the PRGT play both a rationing role and a credit risk management role.

[9] The proposed policy safeguards will apply to requests for a rephasing of the availability date of scheduled purchases or disbursements under a Fund arrangement if the rephasing would cause the threshold for annual access under the combined credit exposure thresholds to be exceeded and, prior to the rephasing, none of the thresholds for high combined GRA and PRGT credit exposure have been exceeded.

cannot be met without giving rise to a combined access to PRGT and GRA resources in amounts exceeding the thresholds that apply as limits in the GRA.

ii. Risks to the sustainability of public debt are adequately contained.[10] This is evidenced by:

a. For members for whom use of the Bank-Fund Debt Sustainability Framework for Low-Income Countries (the "LIC-DSF") is warranted:[11]

- A rigorous and systematic analysis indicates that there is a high probability that the member's public debt is sustainable in the medium term. This is generally considered to be met for countries that are assessed under the LIC-DSF to be at low or moderate overall risk of public debt distress[12]; or

- Where the member's public debt is not assessed to be sustainable with high probability[13], combined access above the proposed thresholds will only be made available if the combination of the member's policies and financing from sources other than the Fund, which may include debt restructuring[14], restores public debt sustainability with high probability (i.e., to a point where application of the LIC-DSF would yield a rating of low or moderate overall risk of public debt distress) (i) within 36 months from Board approval of the financing request[15] or within the period of a newly approved arrangement (whichever is longer) or (ii) within the remaining period of an arrangement, in cases where the Board approves an augmentation or rephasing request.[16]

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[10] This criterion applies to public (domestic and external) debt but the analysis of such public debt sustainability will incorporate any relevant contingent liabilities, including those potentially arising from private external indebtedness.

[11] PRGT-eligible countries that have access to IDA resources and all countries that are eligible for IDA grants are expected to use the LIC-DSF template. This is because concessional financing is a key source of external financing in these countries and the present value of debt plays a key role in understanding debt-related vulnerabilities, making the LIC DSF more suitable for analysis than the MAC DSA framework. See Guidance Note on the Bank-Fund Debt Sustainability Framework, December 2017.

[12] The overall risk of public debt distress, determined as one component of the LIC-DSF, may be higher than, but cannot be lower than, the assessed risk of external debt distress: see *Guidance Note on the Bank-Fund Debt Sustainability Framework*, December 2017.

[13] This covers cases where (i) the members' overall risk of public debt distress is assessed to be high or in debt distress; and/or (ii) the member's debt is unsustainable ex ante.

[14] As is the case with all debt restructurings under Fund-supported programs, a debt operation, where it is needed, should ideally be undertaken before the approval of the Fund arrangement. However, there may be circumstances under which more flexibility is warranted, so that the conclusion of the debt operation is contemplated at a later date. Against this background, it would not be necessary to hold up Fund support until there is complete clarity regarding the terms of this financing. The general practice in these matters has been that member countries should complete (or be close to completing) the relevant debt operation by the time of the first review.

[15] The financing request could take the form of a request for a new Fund arrangement or a new outright loan or purchase under the Rapid Credit Facility and/or the Rapid Financing Instrument.

[16] In situations where the remaining period under the arrangement is too short to achieve the required strengthening of the debt position, the member can request an extension of the arrangement to provide the requisite time. If the

(continued)

b. For members for whom use of the MAC DSA is warranted: the debt sustainability requirements for providing exceptional access to GRA resources are met.

iii. The policy program of the member provides a reasonably strong prospect of success, including not only the member's adjustment plans but also its institutional and political capacity to deliver that adjustment.

8. **The specification of the policy safeguard on debt sustainability for high combined credit exposure is intended to be broadly comparable with the corresponding GRA EA criterion**. Recognizing that the differences in the methodology for assessing debt risks between the LIC-DSF and the MAC DSA preclude an exact mapping,[17] staff see the specification proposed above as a pragmatic approach that seeks to balance the different metrics of the two methodologies in a manner that can be easily operationalized.[18]

9. **The proposed safeguards do not include a market access criterion analogous to that in the GRA EA framework.** The majority of PRGT-eligible members do not have significant access to international capital markets, relying more heavily on official sector financial support. In such cases, requiring establishment or resumption of market access within a timeframe and on a scale that would allow the county to meet its obligations to the Fund, or some equivalent test, would represent an unattainable bar and hence would not be appropriate.[19] The requirement that a country achieve sufficient improvement in key debt indicators over the period of the proposed arrangement (or 36 months) to warrant an assessment of low or moderate risk of debt distress provides a reasonable assurance that it will be in a position to repay the Fund when debt payments fall due—much as would resumption of access to private capital markets in countries formerly dependent on such borrowing.

10. **Cases may arise where proposed access levels would constitute EA under the GRA and/or PRGT while also meeting the thresholds for high combined credit exposure safeguards**. This arises partly because PRGT-eligible countries considering Fund support are encouraged to first meet their financing needs through the PRGT facilities (including by tapping EA in the PRGT where feasible), given the more beneficial financial terms of PRGT financing.[20] In order to avoid creating significant duplication/overlap issues, it is proposed that:

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scope for extension is limited, the member could initiate discussions with staff on the case for requesting a new arrangement, with prior cancellation of the ongoing arrangement.

[17] For instance, the gray zone scenario is not be applicable to countries using LIC-DSF.

[18] Staff work on more nuanced mappings from risk levels in one framework to the other yielded results that were complicated without providing a demonstrably superior linkage to that proposed here.

[19] For "frontier market" economies that are PRGT-eligible, it would normally be expected that program design would target restoration of access to international capital markets over the medium-term.

[20] Less than one half of PRGT-eligible countries are potentially eligible for PRGT EA, with the remainder being ineligible based on income levels and/or access to capital markets.

- when the financing request triggers GRA EA policy and the high combined credit exposure safeguards, the high combined credit exposure safeguards would not be applied because meeting the GRA EA criteria is deemed to be a sufficient safeguard.

- when the financing request triggers both the PRGT EA policy and the high combined credit exposure safeguards, both sets of safeguards would be applied: the PRGT EA criteria have to be met for access to PRGT resources in excess of the applicable PRGT access limits, while the proposed combined credit exposure safeguards would need to be met when combined access to GRA and PRGT resources would exceed thresholds equivalent to the applicable GRA access limits.[21]

- when the financing request triggers both the PRGT and GRA EA policies and the high combined credit exposure safeguards, both the GRA EA and PRGT EA policies would apply, while the combined credit exposure safeguards would be deemed to be met.

11. **It is proposed that Fund financing commitments under existing arrangements approved prior to the adoption of the new policy safeguards would be grandfathered.** The new policy safeguards for high combined credit exposure to the Fund would take effect immediately following the adoption of the Board Decision and would apply to requests for (i) a new Fund arrangement and augmentation of access or rephasing under such arrangements, (ii) an augmentation of access under an existing arrangement, or (iii) a new outright loan or purchase under the Rapid Credit Facility (RCF) and/or Rapid Financing Instrument (RFI), respectively, where such requests trigger the combined high credit exposure safeguards as discussed above. The policy would not apply to commitments already made under arrangements approved before the new policy takes effect unless the member requests augmentation of access under such arrangements or additional Fund financing, such as financing under the RCF and/or RFI, that triggers the combined credit exposure safeguards.[22]

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[21] Use of the two sets of safeguards is called for because exceptional access to PRGT resources is currently limited to supporting only poorer PRGT-eligible countries that lack market access and the PRGT exceptional access criteria are designed to ensure this result.

[22] Requests for rephasing (without augmentation) of access under commitments in Fund arrangements approved prior to the adoption of the new policy would not be subject to the new policy safeguards.

Box 2. Comparing Criteria for GRA and PRGT Exceptional Access with Proposed New Safeguards for High Combined Credit Exposures

	GRA	**PRGT**	**High Combined Credit Exposure Safeguards**
Criterion 1	The member is experiencing or has the potential to experience exceptional balance of payments pressures on the current account or the capital account, resulting in a need for Fund financing that cannot be met within the normal limits.	[Countries that] experience an exceptionally large balance of payments need that cannot be met within the normal limits.	The member is experiencing or has the potential to experience exceptional balance of payments pressures on the current account or capital account, resulting in a need for Fund financing that cannot be met without giving rise to a combined access to PRGT and GRA resources in amounts exceeding the thresholds that apply as limits in the GRA.
Criterion 2	A rigorous and systematic analysis indicates that there is a high probability that the member's public debt is sustainable in the medium term. Where the member's debt is assessed to be unsustainable ex ante, exceptional access will only be made available where the financing being provided from sources other than the Fund restores debt sustainability with a high probability. Where the member's debt is considered sustainable but not with a high probability, exceptional access would be justified if financing provided from sources other than the Fund, although it may not restore sustainability with high probability, improves debt sustainability and sufficiently enhances the safeguards for Fund resources. For purposes of this criterion, financing provided from sources other than the Fund may include, inter alia, financing obtained through any intended debt restructuring.	The member has a comparatively strong adjustment program and ability to repay the Fund. This criterion would generally not be met for countries with a high risk of debt distress or those that are in debt distress as defined under the joint Bank-Fund DSA, unless expected debt relief or restructuring is projected to reduce the risk of debt distress to a moderate level or low level (IMF Policy Paper "*A New Architecture of Facilities for Low Income Countries*" June 26, 2009, Footnote 62).	Risks to the sustainability of public debt are adequately contained. This is evidenced by • *For members for whom use of the Bank-Fund Debt Sustainability Framework for Low Income Countries (the "LIC-DSF") is warranted*: ○ A rigorous and systematic analysis indicates that there is a high probability that the member's public debt is sustainable in the medium term. This is generally considered to be met for countries that are assessed under the LIC-DSF as having low or moderate overall risk of public debt distress; <u>or</u> ○ Where the member's public debt is not assessed to be sustainable with high probability, combined access above the proposed thresholds will only be made available if the combination of the member's policies and financing from sources other than the Fund, which may include debt restructuring, restores public debt sustainability with high probability (i.e., to a point where application of the LIC-DSF would yield a rating of low or moderate overall risk of public debt distress) (i) within 36 months from Board approval of the financing request or within the period of a newly approved arrangement (whichever is longer) or (ii) within the remaining period of an arrangement, in cases where the Board approves an augmentation or rephasing request.

Box 2. Comparing Criteria for GRA and PRGT Exceptional Access with Proposed New Safeguards for High Combined Credit Exposures (concluded)

	GRA	PRGT	High Combined Credit Exposure Safeguards
			• *For members for whom use of the MAC DSA is warranted*: the debt sustainability requirements for providing exceptional access to GRA resources are met.
Criterion 3	The member has prospects of gaining or regaining access to private capital markets within a timeframe and on a scale that would enable the member to meet its obligations falling due to the Fund.	Countries that have not had sustained past access to international financial markets, and have income at or below the prevailing operational cutoff for assistance from IDA.	
Criterion 4	The policy program of the member provides a reasonably strong prospect of success, including not only the member's adjustment plans but also its institutional and political capacity to deliver that adjustment.		The policy program of the member provides a reasonably strong prospect of success, including not only the member's adjustment plans but also its institutional and political capacity to deliver that adjustment.

Annex I. Procedural Requirements for High Levels of Combined GRA-PRGT Exposure Cases

It is proposed that the main elements of the procedural requirements that apply under the GRA EA policies would also apply to the new policy safeguards. Details of the procedural requirements applicable to the new policy safeguards are given below:

- **Early Board consultation.** As soon as management determines that new or augmented access to resources in the GRA and/or in the PRGT (i.e., under a new arrangement, new RCF or RFI emergency financing, or an augmentation) exceeding the thresholds for high combined credit exposures may be appropriate, an informal Board meeting will be required. Such informal meeting will also be required for a rephasing of approved access that would cause the above thresholds to be exceeded in circumstances where neither the annual nor the cumulative threshold for combined credit exposures have been previously exceeded. In advance of the meeting, staff will circulate a note to the Board that sets out the preliminary evaluation of the three substantive criteria applying under the proposed policy safeguards. Strict confidentiality requirements will be maintained. The note will include the following elements:
    - The factors underlying the exceptional Balance of Payments need in the current or capital account, taking into account financing from donors;
    - A brief summary of main policy measures and the macro framework;
    - The assessment of a reasonably strong prospect of success under the third criterion will require, in addition to the specifications under the criterion, an assessment of capacity to repay including a capacity to repay table;
    - The impact on Fund resources, including the impact on the Fund's concessional resources;
    - An analysis of debt vulnerabilities, including a preliminary DSA assessment and typically DSA charts;
    - A discussion of any deficiencies in the quality/transparency of public debt data;
    - The likely timetable for discussion with authorities; and
    - A Selected Economic Indicators table.

- **Consultation with Executive Directors.** Additional consultations with Executive Directors will normally be expected to occur between the initial informal meeting and the Board's consideration of the staff report. The briefings will aim to keep the Board abreast of program-financing parameters, including assumed rollover rates, economic developments, progress in negotiations, any substantial changes in understandings, and any changes to the initially envisaged timetable for Board consultation.

- **Staff reports.** The case for Fund financing at levels above the thresholds for high combined PRGT and GRA credit exposures based on the proposed three substantive criteria will also be discussed in the staff reports at approval of the new financing request, and at each program review, where the financing request, if approved, would result in credit exceeding the specified thresholds. The staff report would be expected to discuss the impact of the financing request on Fund resources, including the impact on concessional resources, and credit risk exposure to the Fund where warranted, unless a separate supplement is already prepared on this.[1]

- **Ex post Evaluation.** An ex post evaluation (EPE) by the staff of arrangements that entail combined access exceeding the proposed thresholds will be expected within a year after the end of the arrangement.[2]

- **Concurrence.** In cases where the envisaged use of Fund resources also entails PRGT high access or PRGT EA, the high access/EA procedures under the PRGT (the informational requirements as set forth in Box 1 of SM/19/100 and SU/19/71) and the procedures under the proposed policy safeguards will both apply[3]. In cases where the envisaged use of Fund resources also entails GRA EA, the EA procedures under the GRA (set forth in BUFF/02/159 (9/20/02), BUFF/03/28 (3/5/03) and BUFF/05/68 (4/13/05)) and the procedures under the proposed policy safeguards will both apply.[4] In cases that entail both the PRGT high access or EA and GRA EA, only the EA procedures under the PRGT and GRA will apply. In all these concurrent cases, the early Board consultation will involve one informal Board meeting and there will be a single concise note that meets the substantive informational requirements under the applicable policies.

[1] A separate supplement would continue to be required if GRA EA procedures apply.

[2] This will be guided by "Ex Post Evaluations of Exceptional Access Arrangements—Revised Guidance Note" (February 25, 2010). An EPE will not be required where the proposed combined credit exposure safeguards are triggered by a request for an outright purchase or disbursement.

[3] Implementation of HA procedures for RCF requests is suspended through October 5, 2020 given the activation of the Pandemic Emergency Procedures (See the Chair's Summing- Up- Enhancing the Emergency Financing Toolkit – Responding to the Covid-19 Pandemic, SU/ 20/47, 4/9/2020).

[4] PRGT EA procedures also require that the staff note for the informal Board meeting include a reference to the impact on the Fund's concessional resources. GRA EA procedures also require the staff note to include an assessment of the risks to the Fund arising from the exposure and its effect on liquidity; and that program documentation include a standard table that would gauge proposed access levels against a broader set of metrics and complement quota-based metrics.