

IMF Publication

**Interim Review of Access Limits
Under the Poverty Reduction and
Growth Trust and Initial
Considerations for Access Limits
under the General Resource
Account**



IMF POLICY PAPER

INTERIM REVIEW OF ACCESS LIMITS UNDER THE POVERTY REDUCTION AND GROWTH TRUST AND INITIAL CONSIDERATIONS FOR ACCESS LIMITS UNDER THE GENERAL RESOURCE ACCOUNT

December 2023

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its December 7, 2023 consideration of the staff report.
- The **Staff Report**, prepared by IMF staff and completed on November 14, 2023 for the Executive Board's consideration on December 7, 2023.

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International Monetary Fund
Washington, D.C.



IMF Executive Board Temporarily Increases Access Limits under the Poverty Reduction and Growth Trust

FOR IMMEDIATE RELEASE

- Annual access limit raised from 145 to 200 percent of quota.
- Cumulative access limit raised from 435 to 600 percent of quota.

Washington, DC – December 15, 2023: The Executive Board of the International Monetary Fund (IMF) agreed on December 7 to temporarily raise the PRGT normal annual access limit to 200 percent of quota and the normal cumulative access limit to 600 percent of quota until end-2024. These changes are intended to better support the Fund's low-income members in a particularly challenging and uncertain global economic environment. The Poverty Reduction and Growth Trust (PRGT) is the Fund's concessional lending arm (currently at zero percent interest rates).

In [March 2023](#), the IMF Executive Board decided that an interim review of the PRGT access limits should be carried out once substantial progress with the PRGT first stage fundraising target for subsidy resources of SDR 2.3 billion was met. This target was met in October 2023 (see [PR23/352](#)) thanks to the generosity of over 40 countries, paving the way for the interim review.

IMF's concessional lending under the PRGT is subject to normal annual and cumulative access limits. The PRGT access limits were last reviewed in [July 2021](#), setting the normal annual and cumulative access limits at 145 and 435 percent of quota respectively, aligned with then prevailing General Resources Account (GRA) access limits. Since then, the GRA access limits have been temporarily raised to 200 / 600 in March 2023 (see [PR23/60](#)).

The temporary increase in PRGT access limits will allow more flexibility in Fund's support to countries with large balance of payments needs and facilitate their implementation of strong economic programs that help maintain or restore sustainable economic positions and inclusive growth.

The forthcoming Review of the Fund's Concessional Facilities and Financing, expected to be completed in the Fall of 2024, will cover both the review of facilities, including access limits, and PRGT financing, including to ensure the long-term financial sustainability of the trust.

Executive Board Assessment¹

Executive Directors welcomed reaching the milestone of SDR 2.3 billion first-stage target for PRGT subsidy resources agreed in 2021. The Board approved the proposal to raise, on a

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>.

temporary basis until end-2024, the annual and cumulative access limits under the Poverty Reduction and Growth Trust (PRGT), as well as the per arrangement cap on the PRGT resources under the blending policy until end-2024. Directors noted that low-income countries (LICs) are facing persistent headwinds and an uncertain global economic environment, while having diminished policy buffers and facing tight financing conditions. In this context, LICs are likely to have an increased need to access the Fund's concessional financial support as they undertake the necessary macroeconomic adjustments.

Against this background, most Directors supported a temporary increase in the annual access limit under the PRGT from 145 percent of quota to 200 percent of quota and a temporary increase in the cumulative access limit from 435 percent of quota to 600 percent of quota until end-2024. Some Directors considered that the alignment of PRGT and GRA access limits is important for evenhanded treatment of members. A few other Directors stressed that the PRGT and GRA are separate and access limits do not need to align. A few Directors pointed out that many of the LICs with a high need for PRGT resources can already access the PRGT above normal access limits subject to safeguards. A number of Directors stressed the importance of maintaining the catalytic role of Fund financing. Most Directors also agreed that PRGT access norms, which provide general guidance on access to PRGT facilities, will be raised from 145 percent of quota to 200 percent of quota (for any three-year Extended Credit Facility arrangement, prorated for longer duration arrangements; for any 18-month Stand-by Credit Facility arrangement, prorated for different arrangement duration)—although a few Directors felt that this particular proposal had not been sufficiently justified. Most Directors also concurred that the per arrangement cap on the PRGT resources under the blending policy will also be raised from 145 percent of quota to 200 percent of quota until end-2024. In this context, Directors noted that access limits and norms are neither ceilings nor determinants of program access. Rather, access for individual cases should be carefully evaluated on their merits according to standard criteria, including the strength of policies under the program, the level of access sought, and debt sustainability.

Directors acknowledged that the temporary modifications of the PRGT access limits, norms, and the PRGT access cap for blended arrangements are likely to increase the volume of PRGT financing, and many Directors stressed that PRGT funding remains a concern that needs to be addressed comprehensively to reach a self-sustained PRGT. Against this background, Directors highlighted the critical importance of the comprehensive Review of the Fund's Concessional Facilities and Financing planned for 2024. In this context, Directors provided various suggestions to guide staff's review and ensure a thorough analysis and a comprehensive evaluation of options.

Most Directors noted that the increase in access limits raises the thresholds for triggering the application of higher scrutiny under the PRGT exceptional access policy and welcomed staff proposals to keep unchanged the triggers for enhanced safeguards and for high access procedures to mitigate risks. They concurred with the proposed transitional rules in case access limits were to revert to lower levels after 2024. Directors agreed that strong safeguards will help in mitigating risks arising from the temporary access limits increase in a context of pressure on PRGT resources and elevated debt vulnerabilities among LICs.

Directors discussed staff's preliminary considerations on extending the temporarily higher GRA access limits through end-2024 to allow sufficient time for staff to develop a comprehensive review of access limits that could become effective together with any quota increase that may be approved by the Board of Governors under the Sixteenth General Review of Quotas. Most Directors looked forward to staff's proposal early next year

underpinned by a thorough analysis. Some Directors stressed that an extension of the temporarily higher GRA access limits should be assessed on its own merits.



November 14, 2023

INTERIM REVIEW OF ACCESS LIMITS UNDER THE POVERTY REDUCTION AND GROWTH TRUST AND INITIAL CONSIDERATIONS FOR ACCESS LIMITS UNDER THE GENERAL RESOURCES ACCOUNT

EXECUTIVE SUMMARY

The interim review on PRGT access limits follows the call from the Executive Board in March 2023 and confirmed by the IMFC in October 2023. Low-income countries (LICs) face high economic uncertainty and pressures, while grappling with limited policy space and a funding squeeze. In March 2023, access limits under the General Resources Account (GRA) were temporarily increased for 12 months to give space for countries to face such economic pressures. The IMF Executive Board emphasized the importance of the alignment of the Poverty Reduction and Growth Trust (PRGT) access limits with those of the GRA that was achieved in 2021. The Board also agreed that, once substantial progress with PRGT fundraising toward the SDR 2.3 billion first-stage target for subsidy resources agreed in 2021 has been made—with total pledges of SDR 2 billion or more—access limits under the PRGT would be reviewed at an ad hoc interim review. This target has now been reached, paving the way for the review, also called for by the IMFC during the Annual Meetings in October 2023, in a context where the LICs' economic challenges have further increased, including due to the risk of additional negative spillovers on the global economy stemming from the current geopolitical tensions and conflicts.

In this review, staff proposes to increase PRGT access limits, norms, and per arrangement cap on access to PRGT resources under blending policy until end-2024. Staff proposes to increase the annual and cumulative access limits from 145 percent of quota and 435 percent of quota to 200/600 percent of quota respectively, in line with the temporary increase of access limits under the GRA. Staff also proposes to temporarily increase the PRGT access norm and the cap on access to PRGT resources per arrangement under the blending policy. These modifications will help LICs address near-term economic challenges, and notably avoid cases where countries need to resort to non-concessional lending in the GRA given their exhaustion of the borrowing space under the PRGT. To avoid frequent access limits changes and allow for sufficient time to review the impact of such an increase, staff proposes to increase the access limits, norms and access cap through end-2024, for a period of just over 12 months from the adoption of the proposed decisions. The 2024 Review of the Fund's Concessional Facilities and Financing, expected to be completed in the Fall of 2024, will present a

comprehensive assessment of the Fund's framework for concessional financing and provide an opportunity to formulate a suitable longer-term strategy, including on access limits, as part of the broader reflection on PRGT facilities.

The temporary increase in PRGT access limits will provide greater room to support LICs faced with a difficult economic environment while keeping risks to the Fund at a manageable level. Staff expects that the policy modifications will result in additional PRGT lending. The impact through the end of 2024 is subject to high uncertainty and could range from SDR 0.7 billion to SDR 2.8 billion. The additional subsidy cost could be between SDR 0.1 billion to SDR 0.5 billion. The 2024 Review of the Fund's Concessional Facilities and Financing will include an in-depth discussion of the second stage of the PRGT financing strategy. Access limits are a key element of the Fund's risk management framework and raising them has an impact on the safeguards to Fund resources. However, the staff's proposal includes keeping unchanged the current safeguards for requests for high access to PRGT resources and enhanced safeguards for debt sustainability and capacity to repay, which would address part of this impact. In addition, increased support from the Fund should help catalyze more financing from private and official sources, including concessional financing and grants from multilateral development banks, and further facilitate the support to LICs. On balance, staff is of the view that the proposed increase in PRGT access limits will provide greater room to support LICs while keeping risks at a manageable level.

Staff also sees merit in extending the temporarily higher GRA access limits through end-2024. The GRA access limits were raised in March 2023 in light of elevated uncertainty and challenges in the global economy. That environment persists: financing conditions remain tight and volatile, earlier shocks (e.g., Russia's war in Ukraine) are not abating, and the conflict in Gaza and Israel is the latest shock to affect the membership. Maintaining the GRA limits at current levels through end-2024 would allow sufficient time for staff to develop a comprehensive review of access limits that could become effective together with any quota increase that may be approved by the Board of Governors under the Sixteenth General Review of Quotas. Finally, it would synchronize the planned expiration of temporarily higher limits for the GRA and the PRGT. Staff seeks Board initial views on such extension to inform further work for a formal proposal of the temporarily higher GRA access limits planned for early 2024.

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INTRODUCTION

1. LICs continue to face significant challenges and large financing needs, necessitating strong support from the international community. The global economy has shown resilience despite the fallout of the COVID-19 pandemic and Russia’s war in Ukraine. However, the recovery is slow and uneven, medium-term growth prospects are weak, and there is a risk of further divergence across countries. Current geopolitical tensions and conflicts risk creating additional negative spillovers on the global economy, including through fragmented commodity markets. In this context, many LICs and Emerging Markets (EMs) are facing persistent headwinds including elevated commodity and food prices, tight financial conditions, slow growth, high inflation and elevated debt vulnerabilities. These come at a time when many LICs have diminished policy buffers and face a funding squeeze. Financing needs to maintain macroeconomic stability, foster income convergence with more advanced countries and tackle additional challenges, such as those arising from climate change, loom large.¹ These pressures call for stepped-up financial support from the international community, including the Fund, to support and complement the necessary macroeconomic adjustment.

2. The Executive Board requested an ad-hoc interim review of access limits under the PRGT, contingent on PRGT fundraising targets, which have now been met. In the context of the Board meeting on temporary modification of annual and cumulative access limits under the GRA in March 2023,² the Executive Board discussed possible changes to access limits under the PRGT. Directors emphasized the importance of the alignment of PRGT access limits with those of the GRA that was achieved in 2021. While access limits under the PRGT would be part of the expected comprehensive review of concessional facilities, Directors also agreed that, once substantial progress with PRGT fundraising toward the SDR 2.3 billion first stage target for subsidy resources agreed in 2021 has been made—with total pledges of SDR 2 billion or more—access limits under the PRGT would be reviewed through an ad hoc interim review.³ The first-stage fundraising targets—SDR 2.3 billion for PRGT subsidy resources and SDR 12.6 billion in loan resources—have been reached as of

¹ The 2022 report on macroeconomic developments and prospects in low-income countries estimated external financing needs in the amount of US\$440 billion through 2026, including US\$170 billion to deal with the legacy of the COVID pandemic and rebuild reserves. This will be updated by the forthcoming LIC report.

² GRA annual and cumulative access limits were temporarily increased to 200 and 600 percent of quota respectively. See [Temporary Modifications to the Fund’s Annual and Cumulative Access Limits](#).

³ In the context of the 2021 reforms to PRGT access limits, the Board agreed on a two-stage funding strategy to ensure a self-sustained PRGT in the medium-term. Under the first stage, SDR 2.8 billion in additional subsidy resources would be sought, including SDR 0.5 billion to be generated from internal resources and SDR 2.3 billion in the form of bilateral contributions and an additional SDR 12.6 billion in loan resources that could be facilitated by the “channeling” of SDRs. The second stage of the funding strategy will be discussed as part of the Review of the Fund’s Concessional Facilities and Financing, which is planned for 2024 and will examine, inter alia, PRGT lending policies, the appropriate longer-term lending envelope for the PRGT, and associated funding options including potential use of Fund internal resources (see Annex III for details on past PRGT reforms).

October 2023.⁴ The IMFC confirmed in October 2023 the call to carry out the interim review of PRGT access limits.⁵

3. Staff proposes to increase PRGT access limits, norms and per arrangement cap on access to PRGT resources under blending policy through end-2024. It is proposed to temporarily increase the PRGT normal annual and cumulative access limits from 145 percent of quota and 435 percent of quota to 200 percent of quota and 600 percent of quota respectively, in line with the current GRA access limits, and to temporarily increase the access norm as well as the cap on access to PRGT resources in blended arrangements. These modifications will help LICs address near-term economic challenges, and notably avoid cases where countries would need to resort to non-concessional lending in the GRA given their exhaustion of the borrowing space under the PRGT.⁶ To avoid frequent access limits changes, and allow for sufficient time to review the impact of such an increase, staff proposes to increase the PRGT access limits, norms and access cap through December 31, 2024. To help inform the Board's discussion, the review examines LIC financing needs, PRGT lending trends and outlook, the need for increasing PRGT access limits and its resource implications.

4. Staff also sees a strong case for extending current temporary GRA access limits through end-2024. The GRA access limits were temporarily raised in March 2023 in light of elevated uncertainty and challenges in the global economy. At the time, Directors agreed that an extension of the temporary increase could be appropriate, if circumstances warrant, which should be considered before the expiration of the 12-month period. The environment of elevated uncertainty and challenges in the global economy persists: global financing conditions are tighter than anticipated in March, while the conflict in Gaza and Israel is the latest shock to affect the membership, and particularly several non-PRGT countries in the region with considerable (balance of payments) BoP imbalances and needs. Extending the temporarily higher GRA access limits by just under ten months would allow the time necessary to undertake a comprehensive review of access limits that could then become effective together with the entry into effect of the proposed quota increase under the Sixteenth General Review of Quotas should it be approved by the Board of Governors. Staff will come back to the Board with a paper that will provide further analysis and formal proposal in early 2024.

5. The rest of the paper is organized as follows. The next section briefly updates the economic context. The third section provides an update of recent trends of PRGT use. The fourth section sets out staff's proposals for the PRGT, while the fifth section estimates their impact on PRGT resources and analyzes enterprise risks associated with not implementing the proposals. The sixth

⁴ [MD Statement on the Achievement of Stage 1 Fundraising Targets for the Poverty Reduction and Growth Trust.](#)

⁵ [Chair's Statement: Forty-Eighth Meeting of the IMFC.](#)

⁶ This is consistent with the fact that Executive Directors have previously underscored that, given the financial benefits, staff should continue to advise PRGT-eligible countries to use concessional financing under the PRGT up to the applicable access limits before accessing resources in the GRA (summing up in [Policy Safeguards For Countries Seeking Access To Fund Financial Support That Would Lead To High Levels Of Combined GRA-PRGT Exposure](#)).

section covers initial considerations regarding a further extension of the temporarily increased GRA access limits. The last section summarizes the next steps.

ECONOMIC CONTEXT

6. A multitude of shocks and their persistent impact are posing formidable challenges to LICs and EMs. Despite some signs of recovery, global growth remains weak, and risks continue to be tilted to the downside. Commodity and food prices have receded from their peak but remain elevated. The lingering impacts from the confluence of shocks continue to weigh on LICs, as countries notably continue to deal with the scarring impact of COVID. Inflation remains high and continues to erode households' purchasing power. Moreover, food insecurity and malnutrition have worsened, while risks have increased including from El Niño and the non-renewal of the Black Sea Grain Initiative. Over the longer term, LICs face the important challenge of overcoming long-term structural issues linked to the SDG agenda. Against this backdrop, many LICs are grappling with tight liquidity constraints as they face a sharp increase in debt servicing costs and difficulties accessing financial markets to roll over their near-term liabilities amid tighter global financial conditions. A slowdown in the Chinese economy and the resulting drop in foreign investment, and a worsening of geopolitical tensions could further constrain financial flows to LICs.⁷ On the EM side, these headwinds are further reinforced by tight global financing conditions, with reference rates for reserve currencies higher—and expected to remain higher for longer⁸—than in March 2023, when GRA access limits were temporarily raised. This is keeping private capital flows to capital markets muted for the second year running.

7. Meanwhile, policy buffers to cushion further shocks are particularly low in LICs. The multiple shocks have led to an erosion of policy buffers, including dwindling reserves and elevated debt burdens (about 15 percent of LICs are in debt distress and another 40 percent are at high risk of debt distress). At the same time, LICs continue to face large financing needs to address the more pronounced pandemic-related scarring and to accelerate development efforts to foster income convergence with higher income countries.⁹ LICs are therefore left disproportionately vulnerable in the face of high global risks.

8. Elevated vulnerabilities and financing pressures, and heightened risks will likely lead to more demand for Fund financial support. Challenges in LICs and EMs require steadfast policy adjustments to reduce macroeconomic imbalances and enhance growth prospects. Given the scale of the challenges, the support of the international community is crucial. Amid tighter global liquidity conditions and high gross financing needs, more Fund financial support is likely to be requested to help smooth the necessary adjustment process and catalyze additional financing, including

⁷ [Global Food Crisis Update \(IMF, 2023\)](#), [Regional Economic Outlook, Sub-Saharan Africa \(IMF, April 2023\)](#).

⁸ The January 2023 WEO—which provided the outlook that underpinned the access limits proposal in March 2023—expected the US and euro area three-month government bond yields rates in 2024 to average 4.1 and 3 percent respectively; these projections have been revised to 5.4 and 3.2 percent respectively in the October 2023 WEO.

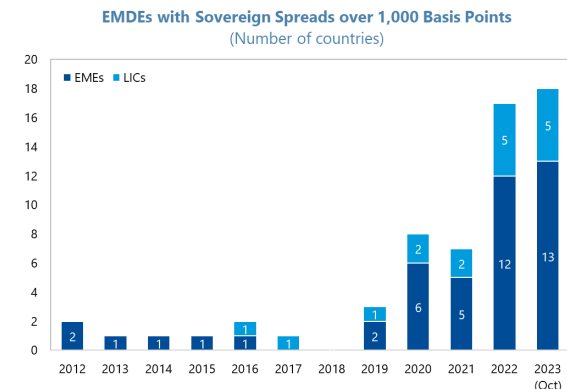
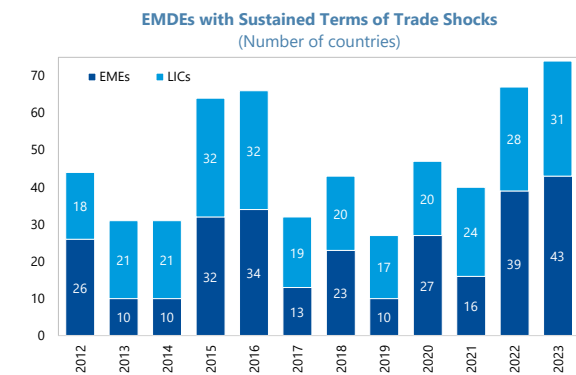
⁹ [Macroeconomic Developments and Prospects in Low-Income Countries \(IMF, 2022\)](#).

concessional financing and grants from MDBs and bilateral donors. In this context, increased access to concessional financing through the PRGT would be particularly important to help meet members' BoP needs.

Figure 1. LICs and EMs: Economic Headwinds and Vulnerability

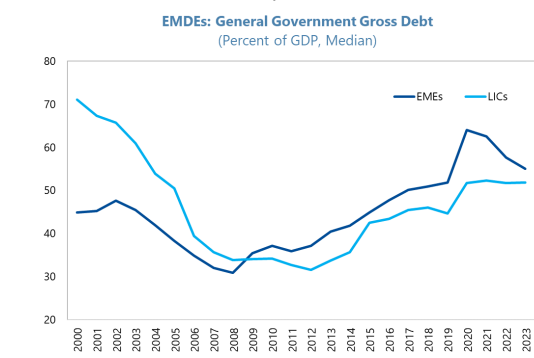
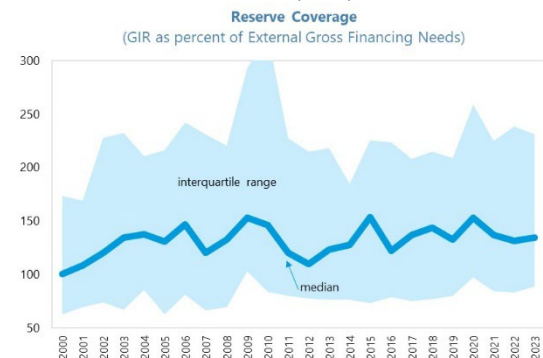
Sustained terms of trade shocks are putting pressures on EMDEs' external balances.

Meanwhile, monetary tightening in AEs and geopolitical uncertainty has pushed up EMDEs' borrowing costs.



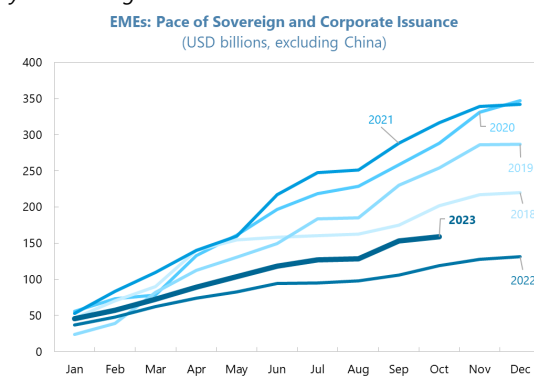
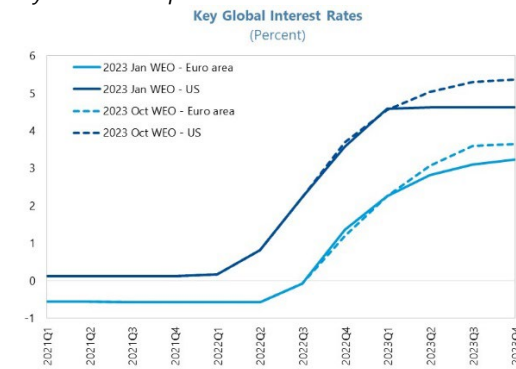
Financial buffers are reduced post-pandemic...

...and debt remains above pre-COVID levels.



Global Interest rates increased rapidly and kept rising beyond levels expected earlier in 2023 ...

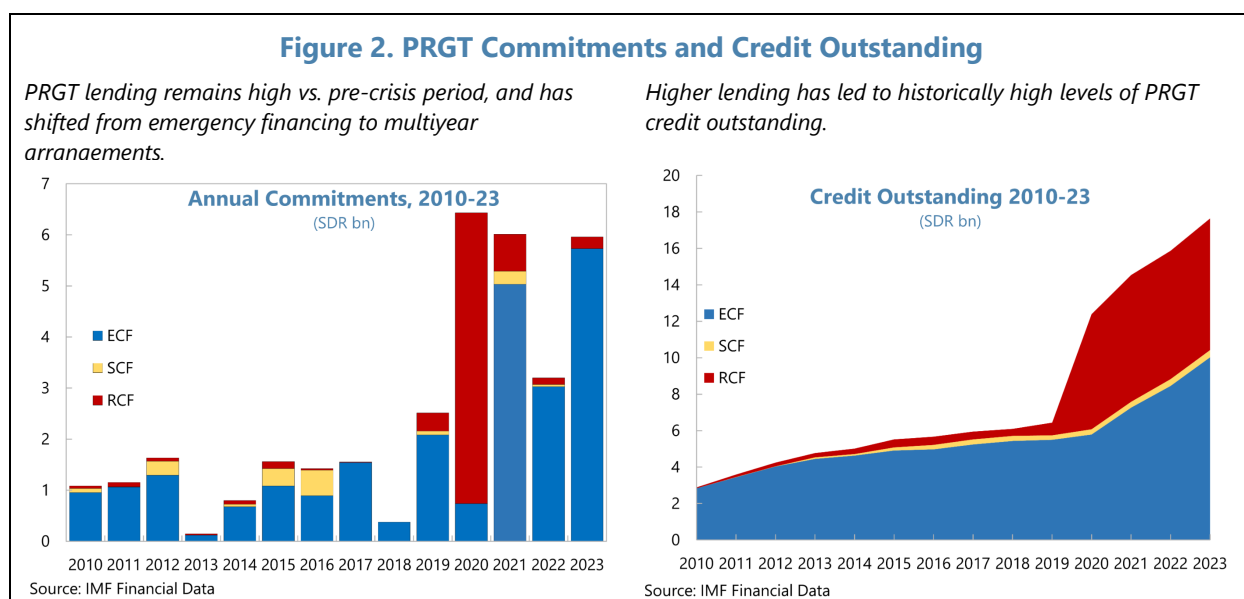
...keeping private capital flows to EMs muted for the second year running.



Sources: Bloomberg; World Economic Outlook; and IMF staff calculations.

PRGT RESOURCE USE AND FINANCIAL SITUATION

9. The projected demand for PRGT resources remains high. Staff baseline estimates are in line with the forecast presented at the time of the 2023 Review of Resource Adequacy of the PRGT¹⁰ under unchanged access policies. However, as mentioned above, risks have since tilted to the downside. This raises the likelihood of a further increase in demand. Annual lending commitments averaged SDR 5¼ billion during 2020-22, almost five times the pre-pandemic average. In 2023, new commitments reached SDR 5.8 billion through end-September. This strong demand increased total PRGT credit outstanding to SDR 17.7 billion as of September, about three times the historical average (Figure 2). In the baseline scenario staff expects further commitments of about SDR 7 billion through end-2024. This would bring total lending from the pandemic through 2024 to almost SDR 30 billion, just below the top of the range of commitments estimated in July 2021—SDR 33 billion—and significantly higher than the baseline of SDR 21.5 billion.



10. While in general countries have space for additional borrowing from the Fund, several PRGT-eligible countries could be constrained if challenges persist. Most PRGT-eligible countries have room for additional borrowing within the existing normal access limits under the PRGT. However, for some countries, the borrowing space within the existing normal access limits is very tight after considering scheduled disbursements. This situation leaves little room for new financing requests or augmentation of access under existing arrangements in the case of presumed blenders. Specifically, five countries (Benin, Cote d’Ivoire, Senegal, Kenya, and Moldova) have a borrowing space under the PRGT below 45 percent of quota, due to the cap on PRGT access per blended arrangements. In addition, several non-presumed blenders could face the need to meet the requirements under the PRGT exceptional access (EA) policy. Specifically, four countries (Ghana,

¹⁰ See [2023 Review of Resource Adequacy of the Poverty Reduction and Growth Trust, Resilience and Sustainability Trust, and Debt Relief Trusts](#)

Niger, Tanzania, and Cabo Verde) have borrowing space below 150 percent of quota at the peak or expiration of their arrangements. Two additional countries with arrangements expiring in 2024 would be constrained by borrowing space below 150 percent of quota in a successor arrangement under the current normal access limits under the PRGT (Table 1). Depending on the type and size of their BoP needs, the limited space under the PRGT normal access limits may push these countries to request an arrangement with PRGT exceptional access, or to resort to non-concessional financing under GRA financing instruments.

11. In addition, there has been some erosion of PRGT access limits in relation to key metrics (Figure 3). While the July 2021 reforms elevated the normal access limits relative to GDP and current payments above historical levels, they have declined somewhat since then. Median access in relation to GDP has fallen by about 9 percent, while access relative to current payments has fallen by about 13 percent. On the other hand, global financial tightening in 2022, and the related reduction in capital flows to PRGT-eligible countries, led to a significant increase in the median access-to-capital flows ratio. Finally, median external financing needs relative to access are expected to remain close to 2021 levels over the near term.

Table 1. Borrowing Space for Countries with Arrangements Expiring in 2024

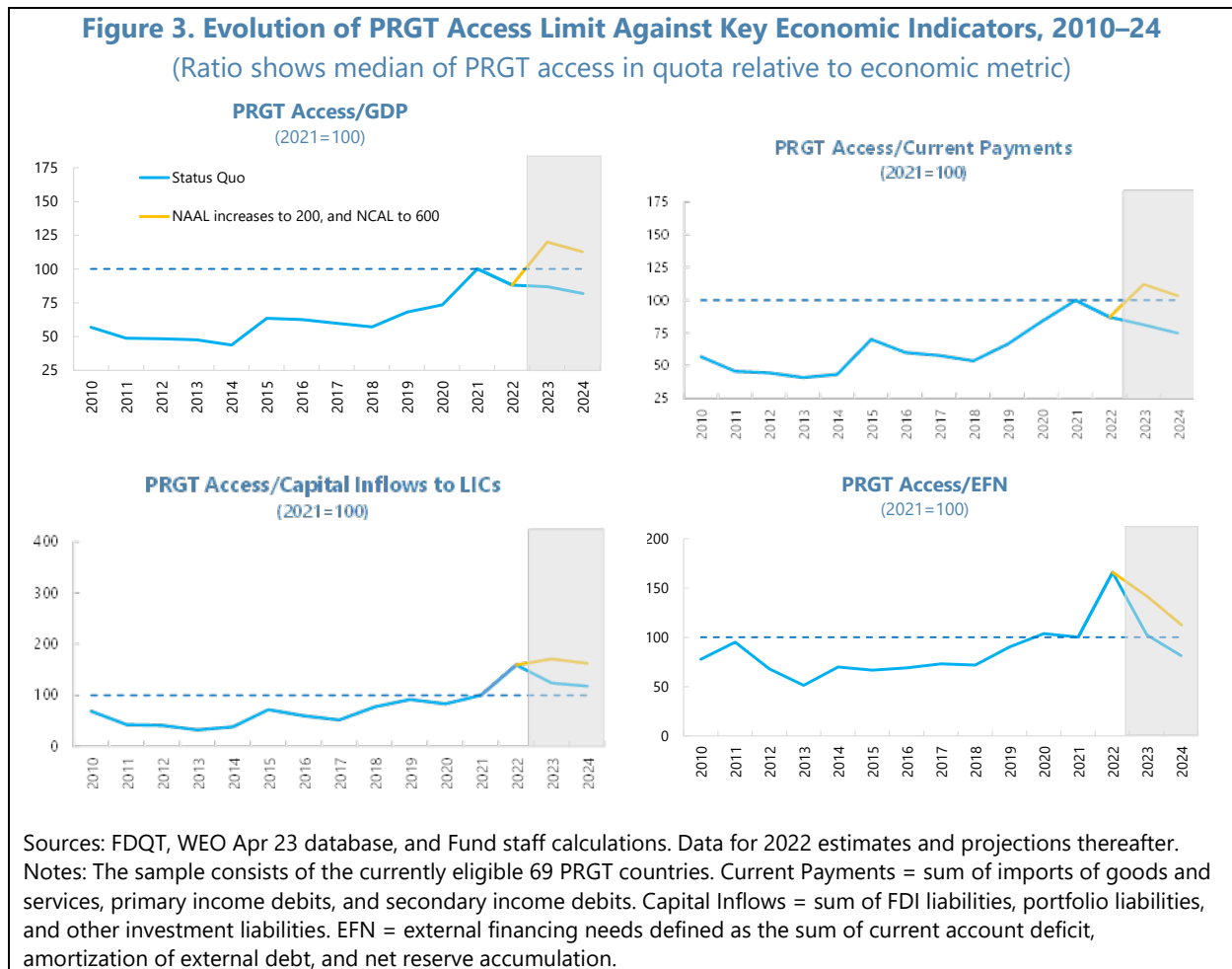
Country	Credit outstanding as of end September 2023 (in % of quota)	Current arrangement and expiration date	Credit outstanding projected as of expiration date (in % of quota)	Remaining borrowing space projected as of expiration date (in % of quota)
Cameroon	288%	ECF/EFF, July 2024	280%	155%
Chad	387%	ECF, December 2024	509%	0
Congo, Democratic Republic of	121%	ECF, July 2024	150%	285%
Madagascar	270%	ECF, July 2024	273%	162%
Uganda	250%	ECF, June 2024	300%	135%

Source: IMF data

12. In the context of persistent high demand and sharply higher interest rates, PRGT finances have been strained. A combination of sustained elevated PRGT lending and higher interest rates has increased the PRGT's subsidy needs. During the Board discussion on PRGT resource adequacy in March 2023, the Board approved a multi-pronged strategy to address these strains on PRGT finances,¹¹ focusing on a concerted push to mobilize additional subsidy contributions while starting technical work on the Review of the Fund's Concessional Facilities and Financing. The latter will entail consideration of the use of internal resources, which could play a critical role in ensuring the PRGT's long-term sustainability. The first stage fundraising target for

¹¹ See [2023 Review of Resource Adequacy of the Poverty Reduction and Growth Trust, Resilience and Sustainability Trust, and Debt Relief Trusts](#).

subsidy resources has been met. Barring any policy changes and based on the estimates presented in March 2023, additional subsidy resources of SDR 2.3 billion on top of what has already been secured are needed to reach the floor of SDR 1.65 billion for self-sustained PRGT lending from 2025 that was envisaged at the time of the Board discussion on Fund Concessional Financial Support for LICs in 2021. Moreover, the PRGT reserve coverage ratio, standing at 25.7 percent in June, is expected to fall to just above the 20 percent indicative benchmark. The 2024 Review of the Fund’s Concessional Facilities and Financing will focus on these issues.



PROPOSALS FOR TEMPORARY INCREASE OF PRGT ACCESS LIMITS, NORMS AND THE PER ARRANGEMENT ACCESS CAP UNDER THE BLENDING POLICY

13. Staff proposes a temporary increase in PRGT normal access limits at the same level as the current GRA access limits. To allow room for financial support for countries with tightly limited borrowing space under the current PRGT normal access limits, staff proposes a temporary increase in the normal annual access limits under the PRGT from 145 percent to 200 percent of quota and in the normal cumulative PRGT access limit from 435 percent to 600 percent of quota until end-2024.¹² The higher normal access limits will increase available borrowing space under the PRGT. The 2024 Review of the Fund's Concessional Facilities and Financing will present a comprehensive assessment of the Fund's framework for concessional financing including access limits and will provide an opportunity to formulate a suitable strategy as part of the broader reflection on PRGT facilities. If the Review of the Fund's Concessional Facilities and Financing were to set lower access limits than the ones under this interim review, transitional rules similar to those proposed herein are expected to apply for existing arrangements so existing commitments of PRGT resources would not become subject to the exceptional access policy only due to a lowering of the access limits.

14. Staff proposes to raise the PRGT access norm in line with the temporary increase of PRGT normal access limits. Access norms are intended to provide general guidance on access to PRGT Facilities but are neither ceilings, floors, nor entitlements. Norms can provide useful guidance in setting access in cases where it is difficult to accurately assess the BoP need. They can also play an important role in estimating the self-sustained annual level of concessional lending from the PRGT, as average access at the norm should not pose risks to the robustness of PRGT self-sustainability for projected demand under a range of plausible scenarios. It is proposed to temporarily increase the access norm, which is currently set at 145 percent of quota for any three-year ECF arrangement, to 200 percent of quota for any three-year ECF arrangement (prorated for longer duration arrangements) until end-2024. This increase is consistent with past reviews' practices to increase access norms in line with normal PRGT access limits. Moreover, the central goal of helping LICs to meet pressing financing needs will be supported by a higher access norm, including by providing more flexibility during the interim period when setting access. The role and level of access norms in PRGT facilities will be reassessed at the time of the 2024 Review of the Fund's Concessional Facilities and Financing.

¹² The transitory increase is proposed to end on a clearly specified date, as opposed to on the date when the Board will complete the review of PRGT facilities and financing, to provide greater certainty on the timing up to which the increased global PRGT access limits would remain in place, which is considered helpful for planning access, in particular, the phasing of Fund arrangements.

15. Staff also proposes to temporarily raise the per arrangement cap on PRGT resources under the blending policy. The mix of PRGT and GRA resources are currently made available to a presumed blender in a 1:2 ratio of PRGT resources to GRA resources, subject to a cap on access to PRGT resources of 145 percent of quota per arrangement and on the overall PRGT access limits. It is proposed to temporarily increase the cap of 145 percent of quota to 200 percent of quota until end-2024. This would enable presumed blenders to benefit from additional PRGT concessional financing. For countries that meet the income criterion for presumed blending at the time of the financing request, which are not eligible for exceptional access and are subject to the cap on access to PRGT resources per arrangement, it would also help keep the blending ratio of PRGT to GRA resources at 1:2.

16. Staff does not propose any change to the existing PRGT safeguards for high access requests nor to the enhanced safeguards on debt sustainability and capacity to repay. The PRGT lending framework prescribes additional procedural requirements and safeguards to enhance debt sustainability assessment for high access cases. High access procedural requirements are triggered when access to PRGT resources would bring (i) total access under all concessional facilities to more than 240 percent of quota, based on cumulative past and future scheduled disbursements in any 36-month period (the “flow” trigger) or (ii) total outstanding credit to the PRGT to above 300 percent of quota at any point over the lifetime of the existing or proposed arrangement (the “stock” trigger).¹³ In such cases, the Board would be presented with an initial assessment of the member’s BoP need, macroeconomic situation, and potential fiscal and debt vulnerabilities, as well as information on the proposed program and related impact on concessional resources. Moreover, safeguards to enhance staff’s assessment of debt sustainability and capacity to repay in LICs apply to new arrangements or augmentations of access that lead to access levels above the pre-2021 PRGT access limits reform (100/300 percent of quota) or where debt vulnerabilities are high. Under these enhanced safeguards for debt sustainability and capacity to repay, a core objective of programs for countries at high risk of, or in debt distress, must be the concrete reduction of debt vulnerabilities over the course of the program and beyond.¹⁴ Staff does not propose modification of the triggers for the above-mentioned safeguards. Given the pressure on PRGT resources and elevated debt vulnerabilities among LICs, there is a case for maintaining strong safeguards, which will mitigate risks. Staff also does not propose to modify the requirement that augmentations of access exceeding 15 percent of quota are not permitted for approval on a lapse-of-time basis.

17. Staff is of the view that the proposed increase in the exceptional access triggers is justified from a risk perspective. As key element of the Fund’s risk management framework, access limits provide important safeguards to Fund resources, help preserve their revolving nature, and support the catalytic role of Fund financing. Such limits balance the need to provide confidence to member countries and financial markets regarding the scale of possible Fund financing with the

¹³ For the list of procedural requirements, see [“Fund Concessional Financial Support for Low-Income Countries-Responding to the Pandemic”](#).

¹⁴ For detailed discussions on triggers and requirements, see Annex VI in [“Fund Concessional Financial Support for Low-Income Countries-Responding to the Pandemic”](#), and [Poverty Reduction and Growth Trust—Guidance Note on New Enhanced Safeguards for Debt Sustainability and Capacity to Repay](#).

need to preserve Fund liquidity and the revolving character of Fund resources. Access limits also reduce the risk that members become unable to repay the Fund, thereby safeguarding Fund resources. While overall access limits under the PRGT are not hard caps on the amount of PRGT financing a member can obtain—except for PRGT-eligible members that meet the income criterion for presumed blending at the time of the financing request—they act as a threshold for triggering the application of higher scrutiny under the exceptional access framework, aimed at mitigating risks. As such, raising the annual and cumulative access limits would increase the threshold for triggering the higher scrutiny, symmetrically reducing the overall risk mitigating framework. However, staff’s proposal to maintain the current safeguards for requests for high access to PRGT resources and enhanced safeguards for debt sustainability and capacity to repay introduced in 2021 (see previous paragraph) would address part of the impact on risks. While the enhanced safeguards requirement, according to which a core objective of programs for countries at high risk of, or in debt distress, must be the concrete reduction of debt vulnerabilities over the course of the program and beyond, is less stringent than the PRGT exceptional access requirement according to which the debt risk rating needs to move to moderate risk at the end of the program, it still provides important safeguards in relation to the reduction in debt vulnerabilities. On balance, staff view that keeping the existing high access safeguards at the current trigger points, coupled with the enhanced safeguards and the operation of the Fund’s multilayered risk management framework (paragraph 22) would keep risks to the Fund at a manageable level, while allowing the Fund to provide enhanced support to its members at a time of exceptional shocks and uncertainties.¹⁵

18. Staff proposes to keep the temporary increase in PRGT access limits and norms, and the per arrangement cap on access to PRGT resources under the blending policy in place until end-2024. The temporary nature of the increase would be consistent with expected heightened economic pressures and headwinds in the near term. The proposed timeline would also be consistent with the 2024 Review of Fund’s Concessional Facilities and Financing, expected to be finalized in the Fall of 2024, and which will include a review of access limits as well as financing options to ensure the long-term sustainability of the PRGT. A temporary increase for a shorter period would create unnecessary volatility in access limits and could affect the effectiveness of this temporary increase since allowing a short window for higher access limits would benefit only a handful of countries that are already in an advanced stage of preparations for an arrangement request or augmentations of access under existing arrangements.

19. Staff also proposes a limited transition rule to facilitate the exit from the proposed temporarily higher PRGT access limits in case they revert to the current access limits beyond end-2024. Should PRGT access limits revert to their current levels, members that were not subject to the exceptional access framework as of the end-2024 would not be subject to the application of the exceptional access framework triggered by the lower limits for existing arrangements. As a result, if, upon the restoration of the current normal access limits, a member’s PRGT access were to exceed such restored limits, the exceptional access framework would not apply for the remainder of

¹⁵ This is consistent with the analysis in the [Temporary Modifications to the Fund’s Annual and Cumulative Access Limits](#) (IMF, March 2023).

existing arrangements (including in the event of a rephasing at unchanged overall access).¹⁶ However, additional access from a new arrangement, outright disbursements, or an augmentation of access under an existing arrangement in an amount that would exceed the restored lower access limits¹⁷ would trigger the application of the exceptional access framework. In addition, should the cap on access to PRGT resources per arrangement under the blending policy revert from 200 percent of quota to 145 percent of quota, the reduced access cap would apply immediately but would not affect any approved PRGT commitments under existing arrangements where the PRGT portion exceeds 145 percent of quota. These transitional arrangements are consistent with previous cases of temporary access limit increases.

20. This paper sets forth two proposed decisions for adoption by the Executive Board.

Decision I proposes amendments to the PRGT Instrument to implement the proposal to temporarily raise access limits under the PRGT until end-2024. Decision II proposes amendments to the decision on blended access to financing under the PRGT and the GRA to implement the proposal to change the access limit per arrangement until end-2024. Annex I sets forth for the convenience of Executive Directors redlined texts that show revisions against the current PRGT Instrument and the decision on blended access to financing under the PRGT and the GRA.

IMPACT ON PRGT RESOURCES AND ENTERPRISE RISKS

A. Impact on PRGT Resources

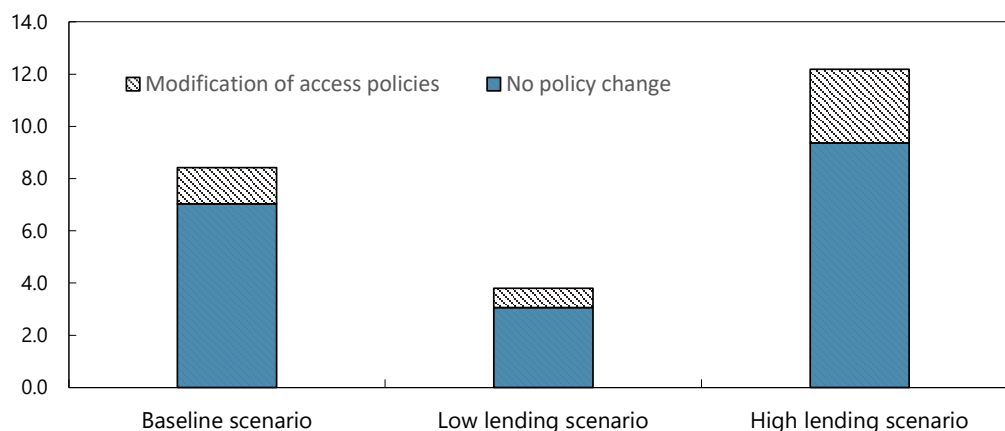
21. The proposed temporary modifications of PRGT access limits and norms, and on the cap on PRGT access per arrangement under the blending policy are likely to increase the volume of PRGT lending given high financing needs of many LICs. Access is determined on a case-by-case basis drawing on standard criteria (the size of the BoP need, the strength of the member's policies under the program, the member's capacity to repay the Fund, the track record of using Fund credit in the past, and debt sustainability) and it is difficult to know ex-ante how changes of access policies will interact with these criteria to affect PRGT lending. Historically, factors such as the global economic context, and the magnitude and frequency of shocks tend to drive demand for concessional Fund lending as much as access policies (see Annex IV). Given the current context of large BoP financing needs in LICs as well as the constraints on concessional borrowing space under existing policies for some countries, staff expects that the proposed modifications will likely increase demand for PRGT resources via higher average financing requests compared to those expected under the April 2023 baseline projection. Requests for augmentation of access may also be more likely, especially for countries with borrowing levels already close to access limits (see Annex V). While demand is driven by exogenous BoP needs rather than norms and access limits, applying a

¹⁶ For a rephasing approved during the period of temporarily higher access limits, the higher annual access limit would apply as the trigger of the exceptional access framework for the rest of the duration of the arrangement.

¹⁷ For arrangements approved before the temporarily higher access limits enter into force, any augmentation of access under the arrangement during the period of temporarily higher access limits would be subject to the higher access limits.

methodology based on these two assumptions, the near-term impact on additional demand through the end of 2024 could range from SDR 0.7 to 2.8 billion, with a baseline estimate of SDR 1.4 billion, in addition to the baseline expectation of new commitments of SDR 7 billion until end-2024.¹⁸ PRGT lending policies and the lending envelope for the period after 2024 will be discussed in the context of the Review of the Fund’s Concessional Facilities and Financing.

Figure 4. Projected new PRGT Lending Commitments Until 2024 Under Unchanged and Modified Access Policies
(in SDR billion)



B. Enterprise Risks

22. The Fund may face certain risks in the absence of the proposed modification of PRGT access limits and norms, and of the per-arrangement cap on access to PRGT resources under the blending policy. These could be particularly damaging given that the main target of the considered policy changes are the poorest members of the Fund:

- **Member engagement risk.** Failure to increase the PRGT access limits could hinder the Fund’s ability to respond to some members’ needs for concessional financial assistance in the face of unprecedented exogenous global shocks by requiring greater use of exceptional access policies and procedures.
- **Strategic risks.** An inadequate response to members’ BoP financing needs could trigger member disengagement and increased reliance on self-insurance, leading to unsustainable

¹⁸ Staff expects PRGT lending to remain commensurate with projections reported in April under existing policies (119). The April 2023 baseline projection would imply further commitments of SDR 7 billion until 2024. New commitments in a lower (higher) lending scenario would reach SDR 3.1 (9.4) billion. The high end of the estimated additional demand thus assumes new commitments through end-2024 of SDR 9.4 billion under current access policies and a high number of additional augmentations (75 percent of countries with multiyear programs that expire after July 2024 excluding countries in debt distress).

borrowing. It may also result in very large adjustment for members who do not have access to alternative sources of financing.

- **Program success.** With unchanged access limits, in a context of rising risks, the ability of LIC programs to absorb shocks could be lower, which all else equal, increases risks for program success and hence prospects of successful repayment.
- **Reputational risks.** The Fund may be perceived as lacking alignment with its members' needs, leading to a loss of trust in the institution's effectiveness.¹⁹

23. The proposed temporary modifications will further strain the PRGT's already stretched finances, elevate credit risks and may undermine the catalytic role of future Fund financing in some cases.

- **Adequacy of lending resources risk.** Staff's estimate is that temporarily modifying access limits could trigger additional PRGT lending of between SDR 0.7 and 2.8 billion through the end of 2024. Such additional demand would lead to additional subsidy costs of SDR 0.1 billion to SDR 0.5 billion, adding to the subsidy gap to reach the self-sustained PRGT lending capacity of SDR 1.65 billion. Looking forward, the Review of the Fund's Concessional Facilities and Financing will review access limits and propose options for placing the PRGT on a sustainable footing. The temporary increase of access limits and norms could set expectations for appropriate access limits beyond the period of the temporary increase. There is no historical precedent of reducing cumulative access limits outside the context of quota reviews becoming effective and it may be politically challenging to remove the link to GRA access limits in case the temporary increase of the latter is extended beyond March 2024. Finally, the higher credit outstanding would lower the PRGT reserve coverage by up to 2.2 percentage points over the next 5 years, increasing the probability that the ratio will temporarily fall short of the indicative benchmark of 20 percent.
- **Credit risks.** PRGT credit risks have increased since the onset of the pandemic by a combination of rising debt vulnerabilities amongst PRGT borrowers, largely due to the lasting impact of recent shocks, a sharp increase in the stock of outstanding RCF loans which are not subject to UCT conditionality, and elevated capacity to repay concerns reflecting a large increase in projected repayments to the Fund over the medium term.²⁰ Raising PRGT access limits would imply an increased tolerance of credit exposure compared to current access limits. However, the proposal includes maintaining at their current level the triggers for safeguards for requests for high access to PRGT resources and enhanced safeguards on debt sustainability and capacity to repay, which would mitigate the impact on risks. In addition, much of the additional PRGT

¹⁹ Differences in PRGT and GRA access limits would not give rise, as a legal matter, to a lack of evenhandedness or uniformity of treatment and hence, these concerns are not included among the enterprise risks. First, GRA financing is available to all Fund members, including PRGT-eligibility members, on the same terms. Moreover, the GRA and PRGT access limits can differ, without raising uniformity of treatment issues, given the different nature of the resources, including the greater scarcity of the PRGT concessional resources.

²⁰ See also p.12 and Figure 2 in [2023 Review of Resource Adequacy of the Poverty Reduction and Growth Trust, Resilience and Sustainability Trust, and Debt Relief Trusts](#).

lending could substitute for GRA lending and is thus neutral for overall Fund exposure, while credit risks would continue to be mitigated under the Fund's multilayered risk management framework, including the qualification requirements under lending policies, safeguards assessments, the policy on arrears prevention and resolution, as well as the de facto preferred creditor status.

- **Catalytic impact.** Fund-supported programs are designed to catalyze financing from other private and official creditors. However, the more of a countries' debt is owed to creditors with de facto preferred creditor status such as the IMF and MDBs, the higher the expected loss for other creditors in the event of a debt operation. Significant lending by the IMF therefore risks crowding out private and official sector financing, especially in cases where debt vulnerabilities are already elevated. Higher access to Fund financing could also disincentivize members from seeking alternative financing, including from MDBs. At the same time, increased support from the Fund should trigger higher financing from others, given the confidence effect provided by the Fund. Importantly, Fund financing should be part of a broader financing package, including appropriate burden sharing with other international financial institutions.

GRA ACCESS LIMITS—INITIAL CONSIDERATIONS

24. In March 2023, the Executive Board approved a temporary increase in GRA access limits. On March 6, 2023, the Executive Board adopted a decision that, for a period of 12-months, increased the annual and cumulative GRA access limits from 145 and 435 percent of quota, respectively, to 200 and 600 percent of quotas.²¹ Staff's proposal was made in light of a difficult external environment and a likelihood that Fund members would need to have increased access to Fund resources to support their pressing financing and adjustment needs. It also reflected in part the erosion of access limits against key macroeconomic aggregates.

25. An extension of the period of temporarily higher GRA access limits through end-2024 would seem appropriate and would align with the proposed increase in PRGT access limits. As set out more fully above, the challenging external environment and outlook present in March 2023 remain in place, and has for several members become even more challenging. This additional extension of the GRA access limits would allow avoiding a possible see-sawing in GRA access limits—which could undermine predictability of the Fund lending toolkit—by securing time to undertake a comprehensive review of access limits and related policies, the outcomes of which could become effective together with (or very soon after) the proposed quota increase that the Board of Governors may agree under the 16th General Review of Quotas. For these reasons, staff sees merits in extending the period of temporarily higher GRA access limits through end-2024. Staff intends to put the proposal on extending temporary GRA access limits for formal consideration in a separate discussion to take place in early 2024.

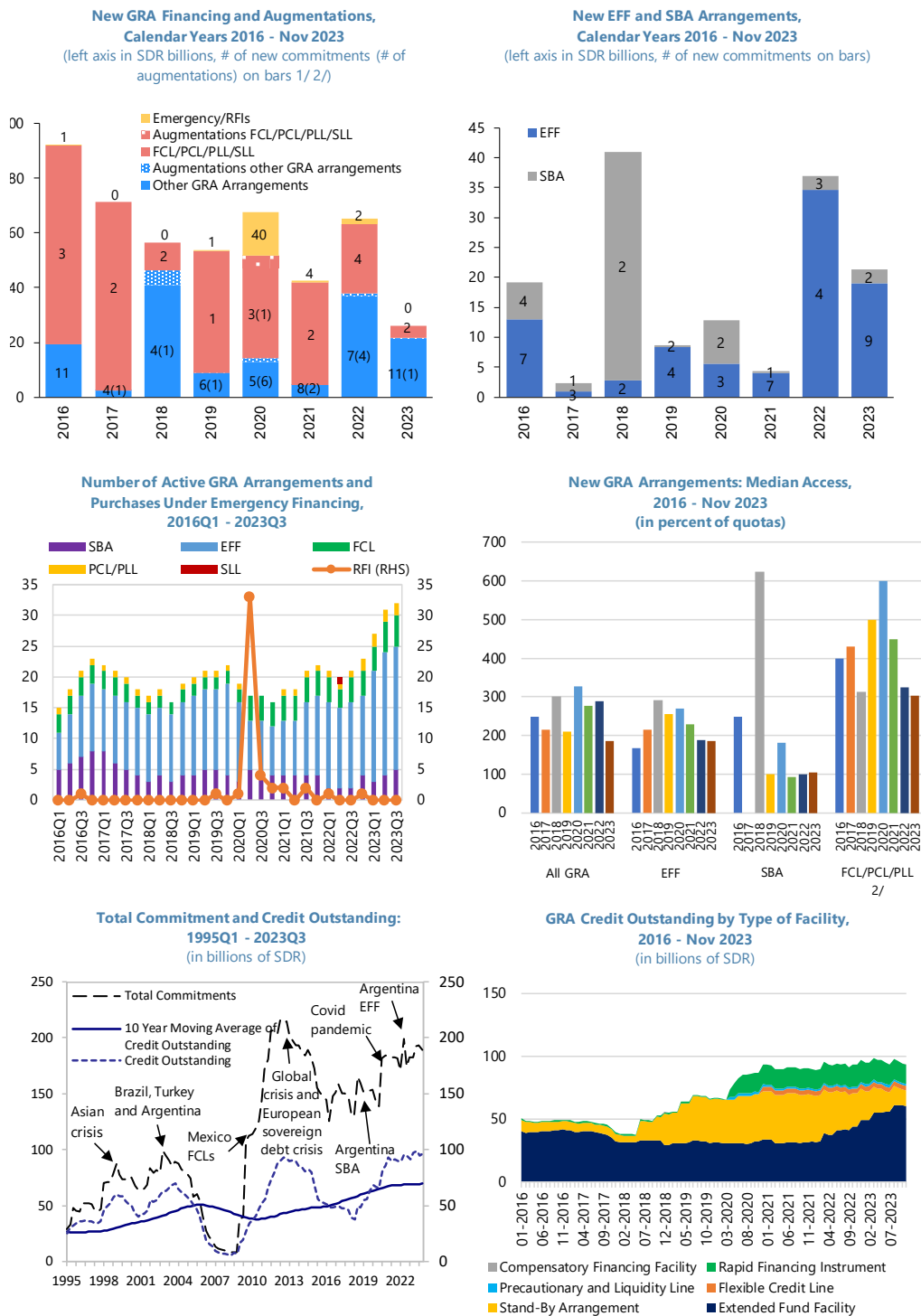
26. Staff is of the view that the analysis in the March 2023 paper pertaining to financial considerations and enterprise risks remain largely valid today, compounded by the elevated

²¹ See [Temporary Modifications to the Fund's Annual and Cumulative Access Limits](#).

uncertainty in the global environment. Staff therefore expects that the impact on GRA resources from a further extension through end-2024 would be limited on the aggregate—while potentially meaningful for select UFR engagements—and that higher risks for having temporarily higher triggers for exceptional access are appropriately mitigated. Nevertheless, these issues, as well as any other issues pertinent to the extension of temporarily higher access limits under the GRA would be revisited in full in an upcoming paper.

27. The extension of the period of temporarily higher GRA overall access limits would also apply to thresholds that trigger policy safeguards for cases involving high combined GRA and PRGT credit (HCC thresholds). These thresholds are set at the same levels as the overall GRA access limits and adjust automatically with any changes made to these limits.

Figure 5. Evolution of GRA Arrangements, 2016–Nov 2023



Source: IMF staff calculations.

1/ For each bar, there are three rows of numbers: (1) Bottom: # of other GRA arrangements (# of augmentations of other GRA arrangements). (2) Middle: # of FCL/PCL/PLL/SLL (# of augmentations of FCL/PCL/PLL/SLL). (3) Top: # of emergency assistance/RFIs.
2/ Chile's Short-term Liquidity Line arrangement (approved on May 20, 2022) was cancelled on August 29, 2022 and replaced with a Flexible Credit Line arrangement, thus was excluded in the graph.

NEXT STEPS

28. The 2024 Review of the Fund’s Concessional Facilities and Financing will take stock of the recent policy changes and their resource implications and propose a comprehensive set of reform options. The review will aim to present a comprehensive package of reform options that could ensure restoring the self-sustainability of the PRGT while maintaining strong support for LICs. On the financing side, this would require assessing the appropriate size of the longer-term PRGT lending envelope; estimating the resource needs to restore the PRGT self-sustaining capacity; and identifying potential sources for financing and viability of different options. Lending policy reforms will also cover a broad range of issues including whether to maintain the proposed temporarily increased access limits and norm, the per arrangement cap on access to PRGT resources under the blending policy, safeguards including triggers for procedural safeguards for high access cases, blending rules, and lending terms and conditions (e.g., interest rate structure); and will provide an opportunity to identify and close any potential gaps in the lending toolkit. The review will carefully consider the impact of reforms on the credit risk exposure and the catalytic role of the PRGT. In assessing the specific changes to the facilities, staff will carefully consider the consistency of any change with protected provisions in the PRGT that require PRGT contributors’ consent for their amendment. Staff will engage in extensive internal and external consultations to seek views and suggestions on reform options.²²

29. Work on the proposal for extending the GRA access limits will continue in parallel. Provided Directors endorse the approach proposed in this paper (previous section), staff would prepare a proposal with updated analysis, accompanied by corresponding decisions, pertaining to the extension of the temporarily higher access limits under the GRA through end-2024. A subsequent comprehensive review of GRA access limits would then be undertaken later in 2024 with a view to become effective together with the entry into effect of the quota increase under the Sixteenth General Review of Quotas should it be approved by the Board of Governors.

ISSUES FOR DISCUSSION

30. Staff would welcome Directors’ views and comments on the following issues:

- Do Directors agree with a temporary increase in the PRGT normal annual and cumulative access limits to 200 and 600 percent of quota respectively until end-2024?
- Do Directors agree with a temporary increase in the PRGT access norm to 200 percent of quota until end-2024?

²² In addition, following the temporary increase in GRA access limits in March 2023, a comprehensive review of access limits, tentatively planned for 2024, will assess the GRA access limits in the context of the outcome of the 16th General Review of Quotas. If circumstances warrant, staff would re-engage the Executive Board before the end of the 12-month period on a proposal to maintain for longer the higher GRA access limits.

- Do Directors agree with a temporary increase in the cap on access to PRGT resources per arrangement under the blending policy until end-2024?
- Do Directors agree to keep triggers for safeguards on requests for high access PRGT resources and for the enhanced safeguards on debt sustainability and capacity to repay at the current levels?
- Do Directors support further staff work on a formal proposal for an extension of temporarily higher access limits at current levels under the GRA through end-2024?

Proposed Decisions

The following decisions, which may be adopted by a majority of the votes cast, are proposed for adoption by the Executive Board:

Decision I: Amendment to the PRGT Instrument

Section II, paragraph 2(a) of the Instrument to Establish the Poverty Reduction and Growth Trust ("PRGT Instrument"), Annex to Decision No. 8759-(87/176) ESAF, adopted December 18, 1987, as amended, shall be further amended to read as follows:

1. A new paragraph 2(a)(B)(iii)(I) shall be added to read as follows:

"(a)(B)(iii)(I) During the period from December 7, 2023 to December 31, 2024, the overall access of each eligible member to the resources of the Trust under all facilities of the Trust specified in Section I, Paragraph 1(a) shall be subject to (i) an annual limit of 200 percent of quota; and (ii) a cumulative limit of 600 percent of quota, net of scheduled repayments."

2. A new paragraph 2(a)(B)(iii)(II) shall be added to read as follows:

"(a)(B)(iii)(II) The expiration of the temporary increase in access limits set forth in Section II, paragraph 2(a)(B)(iii)(I) above shall not cause members to be subject to the observance of the criteria for exceptional access to the PRGT after December 31, 2024 if they were not subject to such criteria as of that date, unless following December 31, 2024, the Executive Board approves access to PRGT resources under a new arrangement, or through an augmentation of access under an arrangement that was in place on December 31, 2024, or through an outright disbursement under the RCF, in an amount that would cause the member to exceed the overall annual or cumulative access limits in place at that time."

Decision II: Amendment to the decision on blended access to financing under the PRGT and the GRA

A new paragraph 3 shall be added to Decision No. 17082-(21/71), adopted July 14, 2021, to read as follows:

“3. During the period from December 7, 2023 to December 31, 2024, the cap on access to PRGT resources per arrangement specified in paragraph 2 above shall be increased to 200 percent of quota.

The expiration of the temporary increase in the per arrangement access cap set forth in this paragraph shall not affect commitments under existing arrangements that were approved prior to such expiration.”

Annex I. Redlined Modifications to the Instrument to Establish the Poverty Reduction and Growth Trust (annexed to Decision No. 8750-(87/176) ESAF) and the Decision on Blended Access to Financing Under the PRGT and the GRA (Decision No. 17082-(21/71), July 14, 2021

Instrument to Establish the Poverty Reduction and Growth Trust

Introductory Section

To help fulfill its purposes, the International Monetary Fund (hereinafter called the "Fund") has adopted this Instrument establishing the Poverty Reduction and Growth Trust (hereinafter called the "Trust"), which shall be administered by the Fund as Trustee (hereinafter called the "Trustee"). The Trust shall be governed by and administered in accordance with the provisions of this Instrument.

Section II. *Trust Loans*

Paragraph 2. *Amount of Assistance*

(a)(A) Except as specified in sub-paragraph (B) below, the overall access of each eligible member to the resources of the Trust under all facilities of the Trust as specified in Section I, Paragraph 1(a) shall be subject to (i) an annual limit of 145 percent of quota; and (ii) a cumulative limit of 435 percent of quota, net of scheduled repayments. The Trustee may approve access in excess of these limits if all of the following criteria are satisfied:

- (1) 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 resources under the Trust that cannot be met within the normal limits.

(2) Risks to the sustainability of public debt are adequately contained, which shall be evidenced by, and subject to, the standards set forth below:

I. 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 Bank-Fund Debt Sustainability Framework for Low-Income Countries (the "LIC-DSF") to be at low or moderate overall risk of public debt distress; or

II. Where the member's public debt is assessed to be sustainable but not with high probability (which includes cases where the member's overall risk of public debt distress is assessed to be high or in debt distress), or where the member's debt is assessed to be unsustainable ex ante, access to resources in excess of the normal limits 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 (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) (i) within 36 months from Board approval in the case of a new arrangement under this Trust or a loan under the RCF, or within the period of the new arrangement, whichever is longer, or (ii) within the remaining period of an arrangement, in cases where the Board approves a request for an augmentation or a rephasing of access under the arrangement;

(3) The member does not meet the income criterion for presumed blending, as set forth in paragraph 1(a) of Decision No. 17082-(21/71), adopted July 14, 2021, at the time of making a request for resources under this Trust in excess of the access limits set forth in paragraph 2(a)(A) above; and

(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.

(a)(B)(i) During the period from March 22, 2021 to December 31, 2021 (the "Applicable Period"), the annual access limit shall be 245 percent of quota for financing approved through December 31, 2021 (the "Eligible Financing"). For the computation of the annual access under the above specified "Eligible Financing", the annual access limit of 245 percent of quota shall apply for any 12-month period that includes any part of the "Applicable Period".

(a)(B)(ii) Notwithstanding the increase in access limits set forth in Paragraphs 2(a)(A) and

2(a)(B)(i) above, a member's access to PRGT resources approved under an arrangement in place prior to September 9, 2020 that was exempted from the application of Policy Safeguards for High Combined GRA and PRGT Credit set forth in Decision No. 16873-(20/91) will remain subject to observance of the access limits and criteria for exceptional access to the PRGT that were in effect at the time of approval of such arrangement; if access under such an arrangement is augmented, the provisions in paragraphs 2(a)(A) and 2 (a)(B)(i) shall apply to such an arrangement.

(a)(B)(iii)(I) During the period from December 7, 2023 to December 31, 2024, the overall access of each eligible member to the resources of the Trust under all facilities of the Trust specified in Section I, Paragraph 1(a) shall be subject to (i) an annual limit of 200 percent of quota; and (ii) a cumulative limit of 600 percent of quota, net of scheduled repayments.

(a)(B)(iii)(II) The expiration of the temporary increase in access limits set forth in Section II, paragraph 2(a)(B)(iii)(I) above shall not cause members to be subject to the observance of the criteria for exceptional access to the PRGT after December 31, 2024 if they were not subject to such criteria as of that date, unless following December 31, 2024, the Executive Board approves access to PRGT resources under a new arrangement, or through an augmentation of access under an arrangement that was in place on December 31, 2024, or through an outright disbursement under the RCF, in an amount that would cause the member to exceed the overall annual or cumulative access limits in place at that time.

(b) Subject to the provisions in subparagraphs (i) to (iv) below, the access of each eligible member under the RCF shall be subject to an annual limit of 50 percent of quota, and a cumulative limit of 100 percent of quota, net of scheduled repayments, including where the assistance is requested to address an urgent balance of payments need resulting primarily from a sudden and exogenous shock and the member's existing and prospective policies are sufficiently strong to address the exogenous shock:

Decision Blended Access to Financing Under the PRGT and the GRA

1. A member that is included in the list of members annexed to Decision No. 8240-(85/56) SAF, as amended (i.e., a member eligible for financing under the Poverty Reduction and Growth Trust

(PRGT), hereinafter “member”) is a “Presumed Blender” in accordance with the criteria set forth below:

2. A request by a Presumed Blender for access to PRGT resources shall be approved only in a blend with access to resources in the General Resources Account (GRA). The mix of PRGT and GRA resources shall be provided in a ratio of one to two of PRGT resources to GRA resources, subject to a cap on access to PRGT resources of 145 percent of quota per arrangement and subject to the overall limits on access to the PRGT set out in Section II, Paragraph 2 of this Instrument.

3. During the period from December 7, 2023 to December 31, 2024, the cap on access to PRGT resources per arrangement specified in paragraph 2 above shall be increased to 200 percent of quota.

The expiration of the temporary increase in the per arrangement access cap set forth in this paragraph shall not affect commitments under existing arrangements that were approved prior to such expiration.

Annex II. Summary of Proposed Temporary Changes in Access Limits and Safeguard Triggers (in percent of quota)

Access limits and triggers ^{1/}	Current	Proposed Temporary Changes
PRGT normal cumulative access limits	435	600
PRGT normal annual access limits	145	200
PRGT access norm		
- 3-year ECF ^{2/}	145	200
- 18-month SCF ^{3/}	145	200
Trigger for a new DSA for financing requests (total PRGT access in any 24-month period) ^{4/}	80	80
Triggers for an informal Board meeting		
- Flow trigger (total PRGT access in any 36-month period)	240	240
- Stock trigger (PRGT credit outstanding at any point during the program period)	300	300
Triggers for Enhanced Safeguards ^{5/}		
- Annual PRGT access	100	100
- Cumulative PRGT access	300	300
- Triggers related to Lapse of Time procedures	15	15

1/ Access limits and triggers indicate "global" access limits which include disbursements and credit outstanding under all PRGT facilities (i.e., ECF, SCF, RCF). The table does not show facility-specific access limits/hard caps as the paper does not propose any changes to these.

2/ The access norm for ECF arrangements longer than 3 years would be prorated upwards to maintain the norm at 145/3 per year.

3/ The access norm for SCF is set equal to that of the 3-year ECF arrangement for arrangements under 18 months, and varies proportionately with the length of the SCF arrangement, up to the amount allowable under a 2-year SCF arrangement (193.33 percent of quota).

4/ A new DSA is also required for any PRGT financing request if it involves exceptional access to concessional resources or involves a member with high risk of debt distress or in debt distress.

5/ Enhanced Safeguards are also triggered when financing requests come from countries assessed to be at high risk of debt distress or in debt distress under the LIC DSF.

Annex III. Evolution of PRGT Access Limits

This annex discusses the evolution of PRGT access limits since 2015, including the changes implemented in the context of the pandemic.

1. Limits on access to PRGT resources have served in the main to ration access to scarce concessional resources. They have also helped to mitigate credit risk in cases where LICs that are eligible for exceptional access (EA) financing in excess of normal access limits under the PRGT, given the stronger policy requirements of the EA criteria. These limits have been raised periodically to address erosion relative to established metrics—including GDP, trade, and external financing needs—and to respond to higher financing needs arising from global economic developments.

- **A member’s total access under all concessional facilities is subject to “global” annual and cumulative limits.** This includes the ECF, SCF, and RCF. The annual access limit refers to disbursements in any 12-month period, on a rolling basis. The cumulative access limit refers to total outstanding Fund concessional credit at any point in time, after accounting for projected disbursements and repayments. There are normal limits on access with EA available only to the poorest LICs.
- **In addition to global limits on access under all PRGT facilities, access to the RCF is subject to annual and cumulative sub-ceilings.** These sub-ceilings are differentiated across the “regular”, “exogenous shocks”, “large natural disasters”, and “food shock” (temporarily in place until end-March 2024) windows of the RCF. Purchases under the RFI count towards the applicable RCF annual and cumulative sub-ceilings.

2. There have been several changes to PRGT access limits since establishment of the PRGT facilities framework in 2009:

- **2015–17:¹** Annual and cumulative access limits were raised by 50 percent across all facilities (including the RCF) on July 1, 2015 to address the erosion of access limits relative to trade, capital flows, and GDP since 2009–10 and to make available additional support to the poorest LICs in the context of supporting efforts to achieve the Sustainable Development Goals (SDGs). The increases in access limits, expressed as a share of quota, were reduced by one-half in January 2016 as the 14th General Review of Quotas became effective, leaving access in SDR terms for most countries unaffected by the quota increase. Additionally, in May 2017, a large natural disaster window, allowing higher annual access levels than other windows, was created under the RCF and RFI.
- **2018–19 Review of Facilities for LICs:²** Annual and cumulative access limits and norms were raised by one-third across all lending instruments in May 2019. The increase was intended to

¹ See “Financing for Development: Enhancing the Financial Safety Net for Developing Countries,” (IMF (2015), July 2015) and “Large Natural Disasters—Enhancing the Financial Safety Net for Developing Countries,” (IMF (2017a), May 2017).

² See “2018–19 Review of Facilities for Low-Income Countries—Reform Proposals,” (IMF (2019a), June 2019).

offset access erosion and restore access limits in relation to GDP and trade to the levels achieved when generalized access increases had occurred in 2009 and 2015 and preserve the potential financing contribution of Fund program engagement in LICs. The cumulative RCF/RFI access limits for disbursements associated with large natural disasters were raised by an additional one-third to provide room to support members hit by a large natural disaster that already had significant outstanding RCF/RFI exposure.

- **2020–21 Temporary modifications to access limits in response to COVID-19:**³
 - i. In April 2020, with the onset of the pandemic, limits on annual and cumulative access under the RCF exogenous shocks window were increased from 50 percent of quota and 100 percent of quota to 100 percent and 150 percent, respectively, with similar increases introduced for the RFI. The new limits applied initially for a six-month period and were later extended through end-2021.
 - ii. In July 2020, the normal annual access limit (NAAL)⁴ on use of PRGT resources was raised from 100 to 150 percent of quota through April 6, 2021. The increase was intended to make room for higher access—without triggering the application of the EA framework—for countries that had used up much of the annual borrowing space under the NAALs due to COVID-19 related emergency financing.
 - iii. In March 2021, PRGT global annual and cumulative access limits were temporarily raised through end-June 2021: the NAAL from 150 to 245 percent of quota, the normal cumulative access limit (NCAL) from 300 to 435 percent of quota.⁵ These increases were intended to create more room to provide concessional financing to LICs—and to avoid requiring LICs with high outstanding exposure to seek Fund support through the GRA—in the uncertain environment created by the pandemic, pending a wider discussion of the Fund’s concessional finances and policies. On June 25, 2021, staff proposed a temporary extension of the increased limits to July 31, 2021.
 - iv. In June 2021, annual and cumulative access limits under the Large Natural Disaster (LND) window of the RCF and RFI were increased by 50 percent of quota, from 80 percent of quota and 133.33 percent of quota to 130 percent and 183.33 percent, respectively, until end-2021. The increase was in line with the April 2020 increase of normal and cumulative access limits under the RFI and RCF exogenous shocks window and was intended to allow for augmented access by countries vulnerable to LNDs as was the case in the pre-pandemic period.

³ See “Enhancing the Emergency Financing Toolkit—Responding to the COVID-19 Pandemic,” (IMF, (2020c), April 2020), “Temporary Modification to the Fund’s Annual Access Limits,” (IMF (2020d), July 2020), “Review of Enhanced Access Limits under the Rapid Credit Facility and Rapid Financing Instrument,” (IMF (2020f), October 2020), and “Temporary Extensions and Modifications of Access limits in the Fund’s Lending Facilities,” (IMF (2021a), March 2021).

⁴ The increase in the NAAL was accompanied by an increase in the Exceptional Annual Access Limit (EAAL) by 50 percent of quota, to 183.33 percent, for the same period.

⁵ The EAAL and the exceptional cumulative access limit (ECAL) were increased by similar absolute amounts through June 30, 2021. Access norms in the PRGT have remained unchanged since May 2019.

- **July 2021 Fund Concessional Support for Low-Income Countries:** The limits on normal access to the PRGT were set at 145/435 percent of quota, with the normal annual access limit temporarily increased to 245 percent of quota until end-2021. The review also simplified the PRGT access norm at 145 percent of quota and eliminated hard caps on exceptional access for the poorest countries. In addition, the reforms introduced changes to the blending policy, modifications to the EA criteria, and stronger safeguards to address concerns regarding debt sustainability and capacity to repay.
- **Introduction and extension of the Food Shock Window Under the Rapid Financing Instrument and the Rapid Credit Facility:** A time-bound Food shock Window (FSW) under the Rapid Financing Instrument (RFI) and the Rapid Credit Facility (RCF) was created in September 2022 for a 12-month period. The new window provides low-access emergency financing that increases the amounts available under the RFI/RCF. Members need to demonstrate urgent BOP needs and meet a set of qualification criteria related to the global food shock. Countries requesting financing under the window would also need to meet the standard qualification criteria under the RFI/RCF. Total access under the new window is capped at 50 percent of quota and is additional to the previous annual access limits under the RFI/RCF. Where a member requests an outright purchase/disbursement under the window, the cumulative limit under the RFI regular window as well as under the RCF exogenous shock window (both previously at 150 percent of quota) is increased to 175 percent of quota. Similar to the other windows, access counts toward the GRA and PRGT access thresholds and associated safeguards, including those for the high combined GRA and PRGT credit exposure. At the time of the June 2023 Review of the Cumulative Access Limits Under the RFI and RCF, the Board approved extension of the FSW until end-March 2024. The additional 25 percent of quota added to the cumulative access limits would be extended until end-2026 for countries that used the FSW through the RFI, and until the completion of the 2024 Review of the Fund's Concessional Facilities and Financing for those that accessed the FSW through the RCF.
- **Review of the Cumulative Access Limits Under the Rapid Financing Instrument and the Rapid the Credit Facility:** At the time of the June 2023 Review of the Cumulative Access Limits Under the RFI and RCF, the Board approved that the cumulative access limit (CAL) under the regular window of the RFI would be maintained at 150 percent of quota (and at 183.33 percent for the large natural disaster (LND) window) until end-June 2024, before reverting to the pre-pandemic level of 100 percent of quota on July 1, 2024. For the exogenous shock window of the RCF, the CAL would be maintained at 150 percent of quota (and at 183.33 percent for the LND window) until the date of the completion of the 2024 Review of the Fund's Concessional Facilities and Financing.

Annex III. Table 1. PRGT Global Access Limits (in percent of quota)

	Completion of 14th quota review (January 2016)	Review of Facilities for LICs (May 2019)	Temporary modification to AL until end-April 2021 (July 2020)	Temporary modification to AL until end-June 2021 (March 2021)	Review of concessional financing (July 2021)	Current
Cumulative access limits						
All PRGT facilities-normal	225	300	300	435	435	435
All PRGT facilities-exceptional	300	400	400	535	No hard cap	No hard cap
Annual access limits						
All PRGT facilities-normal	75	100	150	245	245 (until end-2021)	145
All PRGT facilities-exceptional	100	133.33	183.33	278.33	No hard cap	No hard cap
Norms						
3-year ECF - High access	90	120	120	120	145	145
- Low access	56.25	75	75	75		

Annex III. Table 2. Access Limits under Emergency Financing Instruments (in percent of quota)

	Completion of 14th quota review (January 2016)	Large Natural Disasters-Enhancing the Financial Safety Net (May 2017)	Review of Facilities for LICs (May 2019)	Review of concessional financing (July 2021)	Current
Cumulative access limits					
RCF (regular window)	75	75	100	100	100
RCF/RFI (large natural disasters window)	N.A.	75	133.33	183.33	183.33
RCF (exogenous shocks window)/ RFI (regular window) If food shock window is used	75	75	100	150	150 175
Annual access limits					
RCF (regular window)	18.75	18.75	50	50	50
RCF/RFI (large natural disasters window)	N.A.	60	80	130	130
RCF (exogenous shocks window)/ RFI (regular window)	37.5	37.5	50	100	100
RCF/RFI (food shock window) 1/					50
1/ Annual access limits under the food shock window are fully additional to the annual access limits from other windows under the RFI and RCF					

Annex IV. Historical Evidence on the Impact of PRGT Cumulative Access Limits Changes

This annex takes stock of the changes in program size before and after past modifications to PRGT access limits and examines the extent of borrowing space utilized.

1. To estimate the impact of an increase in PRGT access limits on program size¹, we focus on changes to program size before and after two cumulative access limits (CAL) increases that have occurred since 2016. While annual access limits (AAL) briefly restricted program size following the surge in emergency financing (EF) in response to the COVID-19 pandemic, AAL changes influence more phasing of access over time rather than the overall size of an arrangement, which, for blenders, is capped by CALs (and for other members depends on observance of the EA policy). The first change we considered was the increase in PRGT CAL from 225 percent of quota to 300 percent of quota following the 2018-19 LIC Facilities Review. The second was the increase to 435 percent of quota, that was first implemented in March 2021 and confirmed by the July 2021 reform of LIC facilities. Our analysis includes 54 disbursing UCT arrangements approved since 2016 that are using PRGT resources.²

2. The impact of changes to access limits on program size depends on the economic context. The analysis of average program size of PRGT-funded UCT arrangements approved before and after the two recent CAL changes shows that the change in CAL in 2019, at a time when economic conditions were relatively stable, was not associated with a marked increase in program size. Moreover, the large financing needs due to COVID-19 were initially met through emergency financing, which is not reflected in the sample, and therefore do not affect the size of arrangement requests in this period. In contrast, average and median access was larger in arrangements approved after the change in CAL in 2021 (Annex IV Figure 1), at a time when financing needs due to COVID-19 persisted and were increasingly addressed through UCT arrangements.³ This suggests that the global environment and the magnitude and frequency of shocks are the key determinants of whether an increase in access limits will lead to an increase in average access. This finding is in line with the Fund lending framework where the main criteria for access are BoP need, the strength of the program and capacity to repay the Fund, and the amount of outstanding Fund credit and the member's record of past use. There is little variation in these results depending on the country's presumed blender status and debt risk rating.

¹ The program size is defined as the level of access under a Fund arrangement in percent of quota for the purpose of this paper.

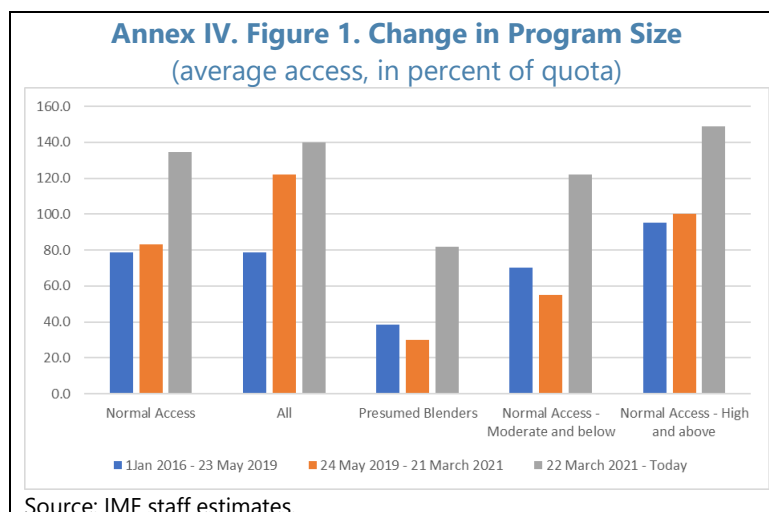
² We exclude the ECF-supported program of Madagascar that was approved in August 2016 because it relies on access based on quotas applicable before the 14th General Review of Quotas became effective.

³ When looking at average program size, we focus our analysis on normal access. If we include also exceptional access (EA) cases, the average program size increases also in the period from May 2019-March 2021. However, since EA can be approved beyond CALs subject to the EA policy, we focus our analysis on normal access cases.

3. An analysis of the 20 augmentations that took place between 2016 and 2023

reinforces the view that the global macroeconomic environment and the size of shocks drive requests for Fund financing.

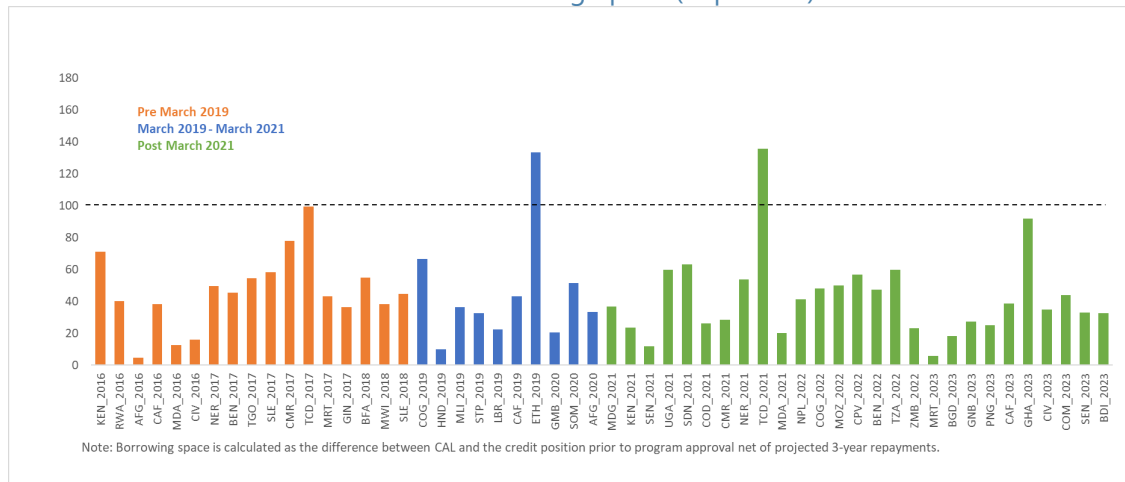
The ratio of augmentation size over initial program size increased in the aftermath of the COVID-19 pandemic and suggests that the economic context and the BoP need drove higher access to the PRGT. This ratio, which we use in our forward-looking estimate of short-term demand from PRGT resources, is 0.32 for non-blenders and 0.48 for presumed blenders.



4. As CALs increased over time since 2016, the additional borrowing space was used up only partially. A comparison of total program size with the available borrowing space⁴ for the 54 arrangements approved since 2016 shows that the average ratio between the total access under the arrangement and the borrowing space available at the time of the arrangement approval for normal access cases is estimated at between 0.33 and 0.46 depending on the period. While there is significant heterogeneity across programs (Annex IV, Figure 2), the ratio stayed well below one for most arrangements, indicating that the size of arrangements was not constrained by the borrowing space. There is a handful of cases where the borrowing needs exceeded the available space (Chad 2021 and Ethiopia 2019), or when the space was fully used (Chad 2017). Excluding these outliers, we find that the ratio decreased slightly in the period between May 2019 and March 2021, before increasing again. This suggests that the additional space provided by higher limits has been used to a lesser extent in this period, while in the later period, the increase in CAL restored borrowing space precisely when it was most needed. This underscores the conclusion that the effect of the increase in access limits crucially depends on the economic context.

⁴ The borrowing space is defined as the difference between the cumulative access limit and total PRGT credit outstanding net of expected repayments over a standard program horizon (assumed to be 36 months).

Annex IV. Figure 2. Utilization of Borrowing Space 2016–2023
Access vs. Borrowing Space (in percent)



Source: IMF staff estimates

Annex V. Estimating the Short-Term Impact of the Temporary Access Limits Increase on PRGT Lending

This annex lays out the methodology used to estimate the impact of the proposed temporary modifications to PRGT access policies on PRGT lending. The approach suggests additional lending between SDR 0.7 to 2.8 billion, with a central estimate of SDR 1.4 billion. This lending would come on top of the expected new commitments under unchanged policies until the end of 2024, which amount to SDR 7 billion in the baseline scenario. The lending envelope after 2024 as well as PRGT lending policies will be discussed in the context of the 2024 Review of the Fund's Concessional Facilities and Financing.

- 1. The proposed modifications to access policies will likely result in additional PRGT lending.** Additional demand is expected via two channels. First, average access from financing requests expected under the April 2023 baseline lending projections will be higher than under a no policy change scenario given the increase of the access norm and access limits. Second, PRGT-eligible members with an ongoing Fund arrangement will be more likely to request an augmentation of existing access as the limits increase, in the context of increasing financing needs.
- 2. Updated April 2023 demand scenarios serve as a starting point for the estimates.** The demand scenarios presented in April 2023 remain consistent with newly approved commitments in 2023 and active enquiries about financial support if access policies remained unchanged (Annex V Table 1). These projections reflect a country-by-country bottom-up approach, combining staff information about requests for Fund financial support in the pipeline with estimates of potential additional requests.¹ Staff has updated the sample of countries potentially requesting Fund financial support from the April projections to reflect newly approved commitments and changes in the current pipeline of requests.
- 3. It is assumed that the size of requests included in the baseline will be on average 55 percent of quota higher.** The sum of the quotas of the updated sample of countries is adjusted using a factor calculated based on the remaining expected commitments under the three main scenarios “baseline”, “low lending” and “high lending” divided by the expected lending assuming all countries of the updated sample were to request financing. This adjustment reflects that only a share of countries in the sample are expected to request Fund support, consistent with the assumption of the April 2023 projections. It is then assumed that average access will be 55 percent of quota higher, in line with the proposed increase of the access norm. Such an approach results in additional expected lending of SDR 1.0 billion in the “baseline”, of SDR 0.5 billion in a low lending scenario, and of SDR 1.8 billion in a high lending scenario (see Annex V Table 2).
- 4. An increased probability of augmentations of access under current Fund arrangements is expected to add to demand.** It is assumed that members with multiyear PRGT financing

¹ See Annex IV in ([“2023 Review of Resource Adequacy of the Poverty Reduction and Growth Trust, Resilience and Sustainability Trust, and Debt Relief Trusts”](#)).

arrangements that expire after July 2024, except countries in debt distress, may request augmentations of access.² In the baseline it is assumed that 1/3 of such countries may request an augmentation (1/5 in the low lending scenario and 3/4 in the high lending scenario). These probabilities are in the range of probabilities for request assumed for programs not yet in the pipeline in the April 2023 demand calculation. The size of augmentations is assumed to be in line with the historical average of augmentations to program size (32 percent for PRGT-only arrangements and 48 percent for presumed blenders). This results in expected additional demand from augmentations of SDR 0.4 billion in the baseline scenario (SDR 0.3 billion in the low lending scenario and SDR 1 billion in the high lending scenario).³

5. This methodology suggests additional lending of about SDR 1.4 billion in the baseline scenario. Estimated additional lending is the sum of the higher average access from requests expected under the baseline as well as the increased probability of augmentations. This comes on top of the additional commitments expected under unchanged access policies which range from SDR 3.1 billion (low lending scenario) to SDR 9.4 billion (high lending scenario) with SDR 7.0 billion the baseline scenario. The expected additional commitments range from SDR 0.7 billion to SDR 2.8 billion with a baseline estimate of SDR 1.4 billion through end-2024. The lending envelope after 2024 as well as PRGT lending policies will be discussed in the context of the 2024 Review of the Fund's Concessional Facilities and Financing.

Annex V. Table 1. PRGT Lending Scenarios for 2023/24 (from April 2023)

(in SDR billion)

Scenario	Approved commitments in 2023	Projected commitments in 2023/24	Remaining commitments through 2024
Baseline	5.8	12.8	7.0
Low lending scenario	5.8	8.9	3.1
High lending scenario	5.8	15.2	9.4

Source: IMF staff calculation

Annex V. Table 2. Scenarios for Additional Lending due to the Proposed Temporary Increase in Access Limits Through end-2024

(in SDR billion)

Scenario	Additional commitments from higher average access than in baseline projections	Commitments from increased probability of augmentations	Total additional PRGT commitments
Baseline	1.0	0.4	1.4
Low lending scenario	0.5	0.3	0.7
High lending scenario	1.8	1.0	2.8

Source: IMF staff calculation

² Countries with multiyear financing arrangements expiring prior to August 2024 were already included in the initial April 2023 list as countries possibly requesting a successor arrangement. Similarly, three countries have been already included in the April 2023 projections as possible seeking an augmentation and were therefore not included under possible additional augmentations due to the policy change.

³ As a robustness check, if we assume that only countries which would have been constrained by the current access limits asked for an augmentation of a typical size, the sum of this additional demand would add up to SDR 0.7 billion, which is between our baseline and high scenarios.