



EXPERIENCE WITH EA PROGRAM DESIGN AND OUTCOMES³²

As noted, the Fund’s lending guidelines require that higher access be accompanied by stronger safeguards, notably through program design. Under the EAP, in EA cases the EACs and procedures are intended to provide higher safeguards and an additional layer of scrutiny, including robust ex ante assessments of EAC4 that ideally involve clear justifications for proposed policies, discussions of trade-offs, and realistic projections.

In practice, these higher safeguards were not apparent based on the experience during the evaluation period with 38 GRA EA arrangements. The arrangements cover a diverse set of countries and used a variety of lending instruments, comprising mainly SBAs but also, since 2010, EFFs and PCL/PLLs (Table 2). Except with respect to debt sustainability, where EAC2 sets a higher threshold than is required for NA programs, the EACs do not appear to have noticeably influenced EA program design. Several interviewees indicated, however, that there should be linkages. For example, they indicated that program design should try to address previous vulnerabilities associated with market access so that regaining market access after the program avoids re-creating previous problems.

Policy choices across EA programs were broadly similar despite differing initial conditions and challenges. Countries’ challenges differed, ranging from those with moderate adjustment needs to those with multiple simultaneous crises, while the policy choices were broadly similar and characterized by fiscal adjustment, monetary tightening, greater exchange rate flexibility (where applicable), and structural reforms. Debt restructuring was relatively rare, as were capital flow management measures (CFMs), and macro-prudential changes. Only 5 of the 38 programs considered in the evaluation incorporated debt restructuring in program design.³³ No member used the reprofiling option to secure EA. The extent of adjustment varied with the size of the problems, for example programs dealing with multiple crises tended to involve larger fiscal consolidation than others (Figure 1). However, it is hard to draw conclusions about evenhandedness from these observations as staff reports generally did not articulate fully the reasons for particular policy choices or how they managed related trade-offs. Programs sought increasingly to protect the vulnerable, relying on social spending floors as the primary form of quantitative conditionality to do so.

³² The following evaluation assessments are based on the evaluation background paper by Montiel, Cohen-Setton, and Li (2024).

³³ These were Argentina (2003), St. Kitts and Nevis (2011), Greece (2012), Ukraine (2015), and Ecuador (2020). Greece (2010), Ireland (2010), and Portugal (2011) had debt that was sustainable but not with high probability and they were approved for EA under the systemic exemption.

TABLE 2. EXCEPTIONAL ACCESS PROGRAMS, 2002-23

COUNTRY	PROGRAM PERIOD	PROGRAM TYPE	AMOUNT APPROVED (SDR MILLIONS)	AMOUNT DISBURSED (SDR MILLIONS)	USE OF EAP OR ECC ¹
Brazil	Sep 2002 - Mar 2005	SBA	27,375	17,200	ECC*
Argentina	Jan 2003 - Aug 2003	SBA	2,175	2,175	ECC*
Argentina	Sep 2003 - Jan 2006	SBA	8,981	4,171	ECC*
Türkiye	May 2005 - May 2008	SBA	6,662	6,662	ECC
Uruguay	Jun 2005 - Dec 2006	SBA	766	264	ECC*
Georgia	Sep 2008 - Jun 2011	SBA	747	577	EAP
Ukraine	Nov 2008 - Jul 2010	SBA	11,000	7,000	EAP
Hungary	Nov 2008 - Oct 2010	SBA	10,538	7,637	EAP
Iceland	Nov 2008 - Aug 2011	SBA	1,400	1,400	EAP
Pakistan	Nov 2008 - Sep 2011	SBA	7,236	4,936	ECC
Latvia	Dec 2008 - Dec 2011	SBA	1,522	982	EAP
Belarus	Jan 2009 - Mar 2010	SBA	2,270	2,270	ECC
El Salvador	Jan 2009 - Mar 2010	SBA	514	0	ECC*
Serbia	Jan 2009 - Apr 2011	SBA	2,619	1,368	EAP
Armenia	Mar 2009 - Jun 2010	SBA	534	350	EAP
Mongolia	Apr 2009 - Oct 2010	SBA	153	123	EAP
Costa Rica	Apr 2009 - Jul 2010	SBA	492	0	EAP
Guatemala	Apr 2009 - Oct 2010	SBA	631	0	EAP
Romania	May 2009 - Mar 2011	SBA	11,443	10,569	EAP
Sri Lanka	Jul 2009 - Jul 2012	SBA	1,654	1,654	EAP
Greece	May 2010 - Mar 2012	SBA	26,433	17,542	EAP
Ukraine	Jul 2010 - Dec 2012	SBA	10,000	2,250	EAP
Ireland	Dec 2010 - Dec 2013	EFF	19,466	19,466	EAP
Macedonia, FYR	Jan 2011 - Jan 2013	PCL	413	197	EAP
Romania	Mar 2011 - Jun 2013	SBA	3,091	0	EAP
Portugal	May 2011 - Jun 2014	EFF	23,742	22,942	EAP
St. Kitts and Nevis	Jul 2011 - Jul 2014	SBA	53	47	EAP
Greece	Mar 2012 - Jan 2016	EFF	23,785	10,225	EAP
Jordan	Aug 2012 - Aug 2015	SBA	1,364	1,364	EAP
Morocco	Aug 2012 - Jul 2014	PLL	4,117	0	EAP
Romania	Sep 2013 - Sep 2015	SBA	1,751	0	EAP
Ukraine	Apr 2014 - Mar 2015	SBA	10,976	2,973	EAP
Morocco	Jul 2014 - Jul 2016	PLL	3,235	0	EAP
Ukraine	Mar 2015 - Dec 2018	EFF	12,348	6,178	EAP
Argentina	Jun 2018 - Jul 2020	SBA	40,714	31,914	EAP
Egypt	Jun 2020 - Jun 2021	SBA	3,764	3,764	EAP
Ecuador	Sep 2020 - Dec 2022	EFF	4,615	4,615	EAP
Panama	Jan 2021 - Jan 2023	PLL	1,884	0	EAP

Sources: IMF Fund Arrangements since 1952 dataset; IEO calculations.

¹ Program approval was based on use of exceptional circumstances clause (ECC) or exceptional access policy (EAP).

* Indicates use of ECC for capital account crises.

FIGURE 1. INITIAL CONDITIONS AND PROGRAM DESIGN

(Average)



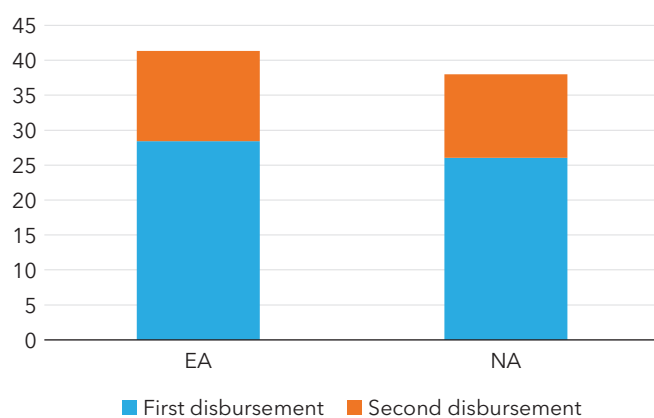
Sources: Monitoring of Fund Arrangements (MONA) database; program documents; IEO calculations.

Note: The chart shows average planned annual adjustment (calculated by dividing total programmed change by program duration) by analytical groups, based on program projections at program approval. The outer (inner) grid indicates the maximum (minimum) of program group averages for each indicator. The numbers in parentheses indicate the range of program group averages for each indicator. Frontloading is defined as the first two disbursements out of total financing at program approval. BOP needs are calculated following 2018 ROC methodology and only available for drawing arrangements. Reduction in real broad money supply is not applicable for euro area programs. For some arrangements, data are incomplete in MONA.

Program design often assumed strong confidence effects of program policies. This assumption may have reflected the original logic of the EAP whereby liquidity support in capital account crises—featuring, for example, front-loaded disbursements—could help to restore confidence and catalyze inflows. Indeed, EA programs were relatively frontloaded in terms of financing (Figure 2). However, the expected confidence effects relied more on assumption than on analytical explanation. For example, where programs involved large frontloaded fiscal adjustment, it was assumed that this would work better than alternative options, such as gradual adjustment accompanied by restructuring, to generate investor confidence. The assumed impact of adjustment on confidence was sometimes overstated.³⁴ In fact, the catalytic effect of EA financing on private inflows was negligible overall, and even negative at times. Separately, as illustrated by the cases of Argentina (2018) and Ecuador (2020), frontloading of disbursements can carry high risks for programs, especially if not accompanied by frontloaded adjustment.³⁵

While overoptimism in program growth and fiscal assumptions has long been a feature of IMF forecasts, it was more pronounced in EA programs than NA

FIGURE 2. FRONTLOADING OF DISBURSEMENTS
(Percent of total)



Sources: Monitoring of Fund Arrangements (MONA) database; IEO calculations.

Note: Frontloading is measured as share of first two disbursements out of total scheduled disbursement at program approval.

³⁴ IMF (2010b) and Krugman (2012) express skepticism about these effects.

³⁵ See de Las Casas and Pérez-Verdía (2024) and Alfaro and de Las Casas (2024) for a discussion of the Argentina (2018) and Ecuador (2020) programs, respectively.

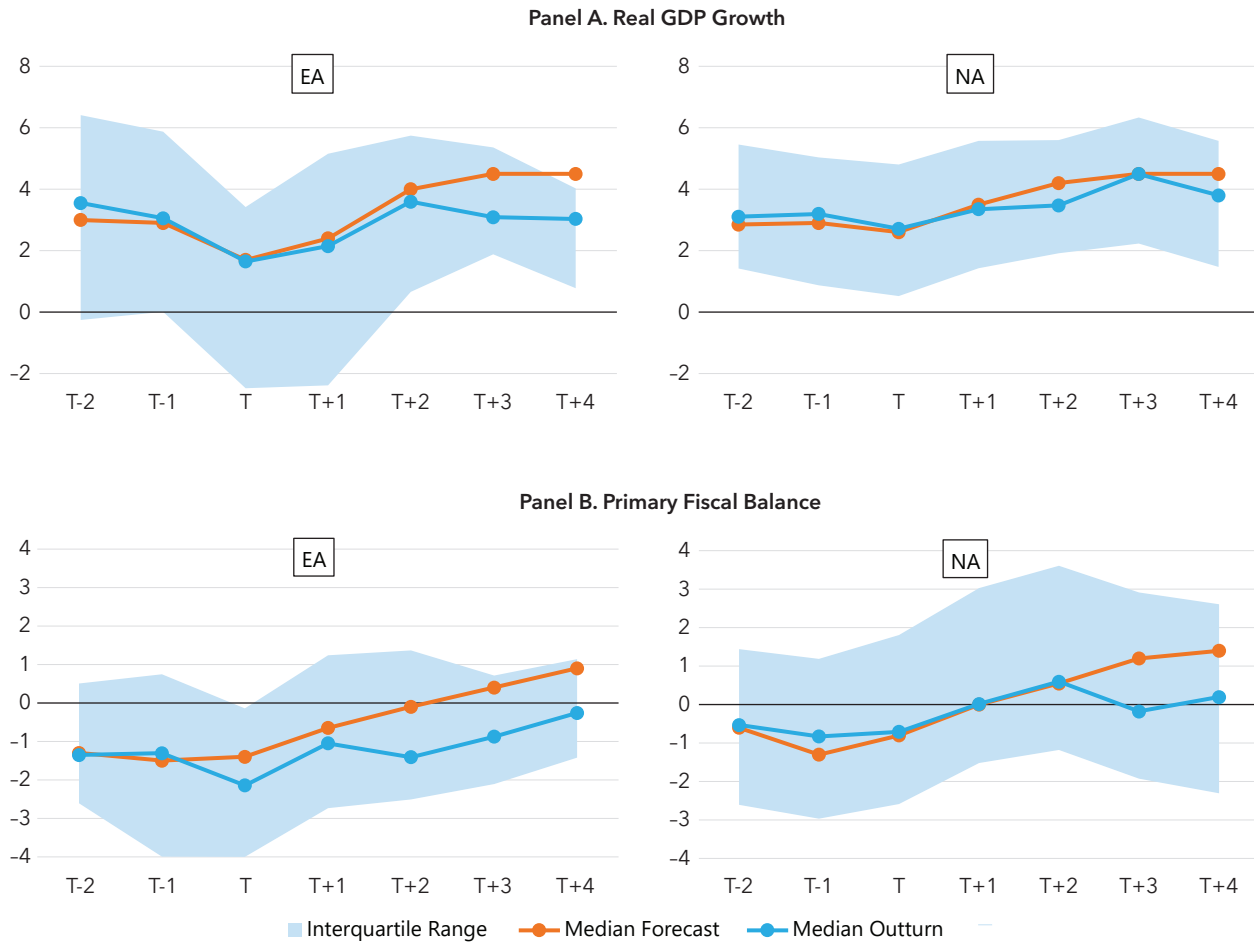
³⁶ Montiel, Cohen-Setton, and Li (2024) provide further discussion.

programs (Figure 3, and Lane and Saveikyte, 2024). The fact that forecasts exceeded outcomes more starkly in EA cases may also reflect the relatively difficult challenges that EA programs had to deal with. More conservative assumptions would also, all else equal, imply even larger ex ante financing gaps that would need to be filled with more financing or adjustment. Across program cases, there may have been pressures on staff to reach a satisfactory agreement, as the IEO has previously found (for example, IEO, 2021). Overoptimistic assumptions help to improve the consistency of DSAs with EAC2, reducing the need for debt restructuring before EA could proceed. Interviewees characterized overoptimistic assumptions as “the opposite of higher safeguards.” Erce (2024) notes, “IMF programs entail finding the correct combination of policy adjustment, financing, and (if needed) debt restructuring. If macroeconomic projections and DSAs are optimistic, Fund access effectively becomes a substitute for necessary restructuring.” As noted, debt operations were relatively rare in EA cases. Contingency plans for instances when outturns fell short of projections were prepared only in some cases and typically discussed only internally among staff and management.

EA program completion and compliance rates were comparable to those of NA programs (Table 3).

Completed EA programs accounted for 45 percent of total EA programs, and largely implemented programs for another 11 percent. These rates are roughly the same as for NA programs. A large fraction of quantitative performance criteria (90 percent) were met and nearly the same proportion of structural conditions were met, some with a delay. Using the 2018 Review of Program Design and Conditionality (ROC) definition of program success—where success is defined in terms of no successor disbursing program nor high remaining vulnerabilities—the success rates of EA and NA programs were broadly similar during the period at around one-third of all programs. Social outcomes were broadly similar in EA and NA programs with health and education spending protected as a percent of GDP and, on average, no significant increases in inequality or unemployment.³⁶

FIGURE 3. PROGRAM FORECASTS AND OUTCOMES
(Median; percent of GDP)



Sources: Program documents; World Economic Outlook; IEO calculations.
Note: Interquartile range is calculated using outcomes.

The significance of program outcomes needs to be interpreted carefully, as EAP is about ensuring adequate safeguards ex ante, including through program design, while program outcomes reflect these and a host of other factors. The EAP itself is not clear about the relative expected outcomes of EA versus NA programs. Indeed, all GRA programs are expected to help resolve the member's BOP problem. Some interviewees thought the stronger safeguards provided by the EAP should contribute to stronger program outcomes. Others noted that EA countries often start from more difficult initial conditions,

and program outcomes cannot be reasonably expected to be better despite stronger safeguards.

The catalytic effect of EA financing on private inflows was relatively weak. It was weaker for EA than for NA programs.³⁷ Some of the country evidence suggests that, beyond a point, the provision of large Fund and other official financing may have deterred private creditors by exacerbating their concerns about the subordination of private claims to the large volume of preferred official credit—concerns that were only amplified by high debt

³⁷ Bal Gündüz (2024), Box 2; and Montiel, Cohen-Setton, and Li (2024) discuss further the related literature and empirical evidence.

TABLE 3. COMPLETION OF REVIEWS AND OBSERVANCE OF CONDITIONALITY

(Percent of total)

	ALL NA	ALL EA	MODERATE ADJUSTMENT	CURRENT ACCOUNT CRISIS	MULTIPLE EQUILIBRIA	MULTIPLE CRISIS
Completion of program						
Completed	42	45	50	27	60	50
Largely implemented	11	11	21	9	0	0
Off-track	47	45	29	64	40	50
Observance of QPCs						
Met	88	90	94	88	87	89
Not met	12	10	6	12	13	11
Observance of SCs						
Met	72	75	74	67	78	76
Met with delay	13	13	11	29	9	14
Not met	15	12	16	5	13	11

Sources: Monitoring of Fund Arrangements (MONA) database, IMF Finance Department; Program documents; IEO calculations. Note: EA = Exceptional Access; NA = Normal Access; QPC = Quantitative Performance Criteria; SC = Structural Conditions. Program completion rates are calculated using the 2018 ROC methodology and data from the MONA database. The data and calculations are therefore comparable between EA and NA cases. In Montiel, Cohen-Setton, and Li (2024), the MONA data for EA cases are adjusted further to reflect information on review cancellations and rephasing identified through desk review of program documents and Ex Post Evaluations. Observance rates only reflect the observance of completed reviews; they do not reflect programs that went off-track because of unobserved QPCs or SCs.

levels and optimistic DSAs. Accordingly, EA programs were not accompanied by a significantly lower need for the repeated use of Fund resources than NA programs. In fact, the repeated need for Fund resources was broadly comparable between EA and NA cases.³⁸ The repeated use of Fund resources does, however, in some cases reflect countries' vulnerability to recurring shocks, including geopolitical shocks.

No presumption emerges regarding the optimal type of instrument to use in EA cases. EA program instruments and durations have varied. Until 2010, all EA programs were SBAs, reflecting the relatively short-run presumption in the capital account crises that informed the adoption of the EAP. Subsequently, after the GFC, they have included EFFs (starting with Ireland, 2010)—given the need to address structural problems that may

take longer—and PCL/PLLs. Durations have varied, with EFFs naturally being longer than the other programs. Success rates have not been systematically different by type of instrument.

However, some cases suggest that when program duration is short relative to the problems being addressed, programs have not successfully resolved BOP needs and have been followed by successor programs. Recent examples have included Ecuador (2020) and Egypt (2020),³⁹ with the latter being an SBA of just one year in duration (in the specific context of COVID-19). Both were followed by successor programs. A related issue with short programs is that large purchases in a concentrated period of time result in correspondingly large, bunched repurchase obligations in future whose implications for medium-term BOP stability need to be carefully considered.

³⁸ Lane and Saveikyte (2024) provide further discussion of repeated use of Fund resources in the context of EA. Furthermore, during 2002–July 2023 about one-half of members with NA programs, and only slightly less than half of members with EA programs, had successor Fund arrangements within three years after the end of the previous arrangement.

³⁹ Giugale and Bal Gündüz (2024) analyze the 2020 SBA and RFI with Egypt from the perspective of the EAP.