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### **IEO Releases Evaluation of The IMF's Exceptional Access Policy**

The Independent Evaluation Office (IEO) of the International Monetary Fund (IMF) released today its new evaluation of the IMF's Exceptional Access Policy (EAP), which was discussed by the Executive Board on December 5. The EAP regulates the approval of IMF lending from the General Resources Account (GRA) above normal access limits and comprises three elements: (i) four exceptional access criteria (EAC) that need to be fulfilled—relating to the size of BOP needs, debt sustainability, market access, and prospects for program success; (ii) enhanced decision-making procedures; and (iii) ex post evaluations (EPEs). The evaluation covers the experience with the 38 exceptional access (EA) arrangements during the period 2002–23 and draws on a series of thematic background papers and case studies, including of the three largest recent arrangements with Argentina (2018), Ecuador (2020), and Egypt (2020).

The evaluation finds that while the EAP has improved upon the Fund's previous more discretionary approach, it has not fully met its objectives. Specifically:

- The EAP has provided guardrails to systematically consider key aspects of EA programs, enhanced decision-making procedures, and contributed to institutional learning. However, the EAP has not provided substantively higher safeguards for EA programs compared with normal access (NA) programs, and it has not clarified expectations about the Fund's lending and assumption of risk.
- The way the EAP was implemented gave rise to perceptions of lack of evenhandedness. In some cases, the staff's assessments of the EAC have been perceived as having an optimistic bias, eroding the credibility of programs and of the Fund.
- There is scope to update and enhance the timing and content of the procedures for consultation with the Board, the effectiveness and independence of EPEs, and the integration of the EAP with the Fund's enterprise risk management policy.

To address these issues, the evaluation proposes five main recommendations, seeking to place a greater emphasis on the strength of program design, the standards and clarity of the criteria, and the consideration of risks in EA cases, while at the same time providing the Fund with adequate flexibility and transparency in the decision-making process. The recommendations focus on:

1. Reviewing the EAP, taking due account of strategic considerations, including the adequacy of existing access limits and the balance between rules and flexibility within the policy;
2. Clarifying the fundamental role of sound program design in providing higher safeguards in EA cases;

3. Addressing technical gaps in the EAC;
4. Strengthening the application of the EAP's enhanced procedures and adopting measures to better leverage EPEs for risk mitigation, accountability, and learning; and
5. Reinforcing coherence between the EAP and the IMF's enterprise risk management policy.

In discussing the report, Executive Directors supported all the recommendations. A management implementation plan will now be prepared for Board endorsement by mid-2025.