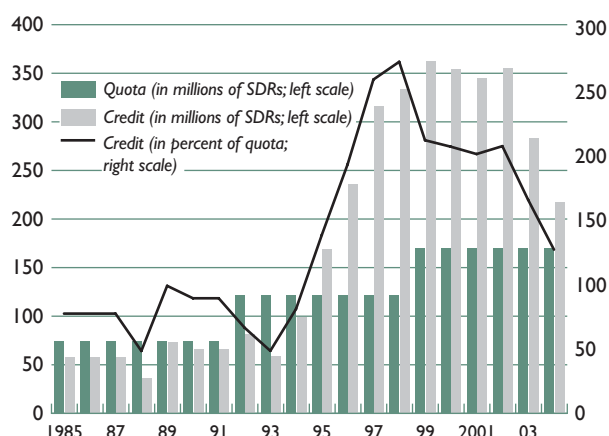


# Jordan's IMF Arrangements

Jordan has had six IMF arrangements (see Table A1.1). The first, an 18-month SBA was a key element in the authorities' effort to normalize relations with external creditors following the 1988–89 crisis. About a year after its approval, none of the envisaged program reviews had been completed and subsequent events that culminated in the 1991 war in the Middle East interrupted the program. A second SBA approved in 1992 was to assist Jordan resume its economic adjustment effort in the aftermath of the 1991 war in the Middle East. The duration of that arrangement was extended from an initial 18 months to 24 months; all the envisaged program reviews were completed, and the approved amount of financial support was fully disbursed.

A succession of three arrangements under the EFF followed. The shift from SBAs to EFFs symbolized an increased focus on structural reforms. The first EFF (approved in 1994) was cancelled some 15 months early, and replaced by a new one in 1996. The new arrangement sought to better align IMF support to a significantly changed external outlook, reflecting widespread optimism about prospects for Middle East peace and economic growth. In the event, the 1996 EFF was allowed to lapse in its third

Figure A1.1. Outstanding IMF Credit<sup>1</sup>



Source: IMF.

<sup>1</sup>The outstanding loans include Jordan's borrowings under the Compensatory Financing Facility in 1985, 1989, and 1999.

Table A1.1. Jordan's IMF Arrangements

(In millions of SDRs)

Type of Arrangement	Approval Date	Expiration/ Cancellation Date	Duration (In months)	Amount Agreed	Amount Drawn	Disbursement Ratio (In percent) <sup>1</sup>
Stand-By Arrangement	7/14/1989	1/13/1991	18	60.0	26.8	44.7
Stand-By Arrangement	2/26/1992	2/25/1994	24	44.4	44.4	100.0
Extended Fund Facility <sup>2, 3</sup>	5/25/1994	2/9/1996	21	189.3	130.3	68.8
Extended Fund Facility <sup>4</sup>	2/9/1996	2/8/1999	36	238.0	202.5	85.1
Extended Fund Facility	4/15/1999	5/31/2002	38	127.9	127.9	100.0
Stand-By Arrangement <sup>5</sup>	7/3/2002	7/2/2004	24	85.3	10.7	12.5

Source: IMF Finance Department database.

<sup>1</sup>The ratio of amount drawn to amount agreed.

<sup>2</sup>Cancelled before expiration date and replaced with a new three-year arrangement.

<sup>3</sup>The "amount agreed" includes two augmentations; the original agreed amount was SDR 127.8 million.

<sup>4</sup>The "amount agreed" includes one augmentation; the original agreed amount was SDR 200.8 million.

<sup>5</sup>Converted to a precautionary arrangement after first review.

year because of problems with the reporting of fiscal and national account data that came to light in mid-1998. The third EFF (approved in April 1999) ran its course, albeit with some delays in completing program reviews, and was fully disbursed.

The last arrangement, a 24-month SBA approved in July 2002, was mainly to facilitate a debt-rescheduling agreement with the Paris Club. Three envisaged program reviews were duly completed, but the authorities chose not to make any more drawings

after the initial disbursement, on account of significantly strengthened balance of payments and international reserves positions. At the expiration of the SBA, in July 2004, the authorities decided not to request a successor arrangement, but agreed to participate in the post-program monitoring mechanism.

At the end of 2004, Jordan's outstanding loans from the IMF amounted to SDR 217 million, equivalent to 128 percent of Jordan's quota at the IMF (Figure A1.1).