

NAVIGATING IMF DOCUMENTS

IMF documents fall into three general categories:

A. Country documents (both surveillance and loan-related)

- Article IV reports
- Poverty Reduction Growth Facility (PRGFs)
- Policy Support Instrument (PSI)
- Stand-By Arrangements (SBAs)
- Mission Concluding Statements
- Documents relating to debt relief under the Heavily Indebted Poor Country (HIPC) initiative
- Public Information Notices or Chairman's Statements relating to any of the above

* Produced by IMF staff from the Regional and Policy Departments.

B. Country Policy Intention Documents (prepared by member country)

- Letter of Intent (LOI), Memoranda of Economic and Financial Policies (MEFP), and Technical Memorandum of Understanding
- Poverty Reduction Strategy Papers (PRSPs) and Interim-PRSPs

* Produced by the Ministry of Finance in the member country. (Note that the LOI and MEFP are not autonomously generated by the national MOF—they are heavily shaped by the visiting IMF mission teams that negotiate the details of the economic policies in the LOI and MEFP in advance).

C. Policy documents

- Technical Assistance (TA) reports
- Policy review documents
- Structure, Operations, Governance, and Finance

* Produced by consultants or staff from IMF Departments such as Policy Development and Review, Fiscal Affairs and Monetary and Capital Markets.

Key documents for country-level analysis of IMF policies and programs:

Article IV Report

Under Article IV of the IMF's Articles of Agreement, the IMF assesses the economies of its 185 country members, usually each year. This assessment is the core of the Fund's surveillance work. Aspects covered are economic, monetary and fiscal policies and indicators, and issues related to the national financial and structural sectors.

Where to find it:

Article IV reports can be found in the country pages of the IMF website—the “view items by category” link will provide a list of all Article IV reports.

What to look for:

- The tables in the Article IV report, which are usually located midway through the report, provide key economic indicators such as **inflation, government revenue, fiscal balance, and balance of payments**.
- For borrowing countries, there will also be tables on the structural performance criteria and benchmarks, quantitative targets, and schedule of disbursements **under the loan arrangement**.

Publication policy:

Publication is contingent on the “explicit consent” of member countries. Currently 163 out of 185 member countries consent to publication, while 22 refuse publication.

Executive Board Meeting Minutes and Statements

Executive Board meeting minutes are literally transcripts of the meetings that would provide information regarding how the executive directors are voting and what stances they are taking. Board Statements are those made by the IMF's managing director to the Board and those that are made by a particular Executive Director to the Board.

Publication policy:

These documents are withheld from publication for 10 years. Some are classified and cannot be accessed at all, such as those relating to the Asian financial crisis.

Where to find it:

The Archives Office of the IMF.

Letter of Intent (LOI)

A short formal letter submitted by the finance minister of a member country when it requests financial assistance from the IMF. The Memorandum of Economic and Financial Policies and the Technical Memorandum of Understanding are attached to it.

Where to find it:

The country pages of the IMF website—the “view items by category” link will provide a list of all recent LOIs.

What to look for:

- The duration and total amount (in Special Drawing Rights value) of the loan program.
- A brief statement on the main economic policy objectives of the loan program.
- The dates of the first and second reviews of the loan program.

Publication policy:

Member country’s consent is required for publication on the IMF website. Of the 34 IMF members with current lending programs, there are 3 non-publishers: Kenya, Iraq and Paraguay.

Memorandum of Economic and Financial Policies (MEFP) and Technical Memorandum of Understanding

The MEFP and the Technical Memorandum of Understanding immediately follow the LOI and outlines the macroeconomic, fiscal and economic policies the country will undertake. The narrative section of the MEFP includes a detailed discussion of the conditions being agreed to.

Where to find it:

The country pages of the IMF website—the “view items by category” link will provide a list of all relevant documents.

What to look for:

- The final pages of the MEFP contains tables that outline the conditions of the IMF loan, including structural reforms in the public sector, fiscal policy and debt management (where tax reforms such as value-added tax will be included), public expenditure management, and financial sector reforms.
- Also important are the specific tables on the conditionality of the IMF loan, including the prior actions, performance criteria, and structural benchmarks.

Publication policy:

Member country’s consent is required for publication on the IMF website. Two important transparency issues to be aware of are side letters and deletions. Side letters are confidential and binding agreements between a country and the IMF on economic policy conditions and plans. Side letters are **not disclosed**, sometimes not even to the Executive Board. Side letters enable the IMF and country governments to keep controversial decisions on economic policy out of the public eye.

Deletions can be requested by country members on material that is “highly market-sensitive” and not in the “public domain.” The grounds upon which countries can request deletions are that premature disclosure would undermine the ability to implement the policy by the government or raise its cost.

Four types of policy conditions outlined in MEFPs:

(1) Prior Action: Structural and policy reforms that the borrowing country must meet before a loan can go forward. These are binding conditions.

(2) Performance Criteria (PC): Reforms the country must meet during the course of the loan in order to continue borrowing from the IMF. Performance criteria can be either quantitative or structural, and both are binding conditions.

(a) Quantitative Performance Criteria: Measurable economic targets that the country must achieve.

(b) Structural Performance Criteria: Required reforms in national economic policy, structure, and/or institutions.

(3) Indicative target: Longer-term versions of quantitative performance criteria or interim targets. Missing an indicative target can not cause a lending program to stop, but may result in the IMF converting the indicative targets into performance criteria.

(4) Structural benchmark: Longer-term versions of structural performance criteria. Missing structural benchmarks may result in the IMF converting them into performance criteria over time.

Mission Concluding Statements

These brief statements describe the preliminary findings of IMF staff at the conclusion of “missions,” or official staff visits, to member countries. Missions are undertaken as part of regular (usually annual) bilateral consultations with countries.

Where to find it:

A link to “Mission Concluding Statements” is located under the “News” tab of the IMF’s website. The exact web address is: <http://www.imf.org/external/news/default.aspx?ms>.

What to look for:

- The IMF staff’s evaluation of the country’s economic policies.
- Recommendations for structural and fiscal policy reforms.

Publication policy:

Disclosed to the public on the IMF website.

Policy Support Instrument (PSI)

A non-lending IMF program for more stable low-income countries who no longer need IMF financing, but still seek reviews or endorsement from the Fund based on economic policy conditions in order to access external donor financing and credit. Reviews occur every six months. To date, the Executive Board has approved PSIs for 5 countries, including Nigeria, Uganda, Tanzania and Mozambique.

Where to find it:

PSI documents can be found in the country pages of the IMF website—the “view items by category” link will provide a list of all PSIs concerning that country.

What to look for:

- Macroeconomic and structural policy requirements under the PSI program.
- The tables attached to the PSI document will list the indicative targets, structural benchmarks, and assessment criteria.

Publication policy:

Member country’s consent is required for publication on the IMF website.

Poverty Reduction and Growth Facility (PRGF)

The PRGF program, established in 1999, lends money to low-income countries on concessional interest rates. They are disbursed over three years and countries must undergo PRGF reviews every six months. As of August 2007, 78 low-income countries are eligible for PRGF programs based on their per capita income.

Where to find it:

PRGF documents can be found in the country pages of the IMF website.

What to look for:

- The tables attached to the PRGF document will list the quantitative and structural performance criteria, indicative targets, structural benchmarks, and assessment criteria.
- Tables on comparative government wages and salaries, disbursements under the PRGF arrangement, Millennium Development Goals, and economic indicators.
- Country requests to waive certain performance criterion.

Publication policy:

Member country’s consent is required for publication on the IMF website.

Public Information Notice (PIN)

A PIN is a summary of the discussion that takes place at the IMF executive board. It reports on the board's assessment of a program or policy, but does not identify the stance of individual executive directors.

Where to find it:

PINs can be found in the country pages of the IMF website—the “view items by category” link will provide a list of all recent PINs.

What to look for:

- A PIN for an Article IV report includes basic economic information and statistics about the country concerned.
- A PIN for a loan program will provide a basic outline of the loan conditions and details.
- A PIN outlining an Executive Board discussion will contain a summary of the Executive Directors' perspectives and recommendations on the item of discussion.

Publication policy:

PINs relating to non-administrative IMF policy matters are generally published.

* **IFI Transparency Resource** on the internet: Provides thorough information on several different aspects of the IMF and the World Bank Group.

The website is: <http://www.ifitransparencyresource.org/en/InstitutionsDetail.aspx?id=10>
