Corrigendum

The following material was inadvertently omitted from Annex II of “Conditionality: Past, Present, and Future,” by Manuel Guitián, which appeared in the December 1995 issue of *Staff Papers*.

Annex II

Access to Resources Based on Need, Strength of Adjustment Effort¹

The rules governing access to the IMF’s general resources—that is, its holdings of the currencies of member countries and SDRs, as well as borrowed resources—apply uniformly to all members. Access is determined primarily by the member’s balance of payments need and the strength of its adjustment policies, and may be permitted up to limits that are defined in relation to the member’s quota. The access limits may be exceeded in exceptional circumstances.

The Executive Board reviewed policies on access to IMF resources on several occasions in 1994, weighing the organization’s experience since 1990 and the prospective financing needs of member countries and its own liquidity position. Guided by the principle that strong programs deserve strong support and by the need to safeguard the monetary character and catalytic role of the IMF, the Board decided that, for a three-year period beginning on October 24, 1994, the annual limit for access to the IMF’s general resources under the credit tranches and extended arrangements would be increased to 100 percent of quota from 68 percent of quota. This higher annual access limit under stand-by and extended arrangements would permit increased actual access to the IMF’s resources commensurate with the strength of programs. The cumulative access limit was left unchanged at 300 percent of quota, net of scheduled repayments. These limits exclude drawings under the compensatory and contingency financing facility (CCFF), the buffer stock financing facility, the enhanced structural adjustment facility (ESAF), and the systemic transformation facility (STF).

The current overall access limit under the CCFF is set at 95 percent of a member’s quota. Sublimits provide maximum access equivalent to 30 percent of quota under the external contingency element; 30 percent of quota for the export-shortfall element; 15 percent of quota for the excess cereal import element; plus an “optional” 20 percent of quota, which may be used to supplement any of the three elements of the CCFF. When a member has a satisfactory balance of payments position—except for the effect of an ex-

¹Excerpted from *IMF Survey* (September 1995).

port earnings shortfall or an excess in cereal import costs—a maximum access of 65 percent of quota applies to either the export or cereal element of the CCFF. Under the buffer stock financing facility, the access limit is 35 percent of quota. The maximum access under the STF is equal to 50 percent of a member's quota.

Access under ESAF arrangements differs according to members' balance of payments needs and the strength of their adjustment efforts. An eligible member country may borrow a maximum of 190 percent of its quota under a three-year arrangement, although this limit may be increased, under exceptional circumstances, up to a maximum of 255 percent of quota. ESAF access is expected to average about 110 percent of quota for first-time users. The maximum access under the STF is equal to 50 percent of a member's quota.

The IMF's access limits are reviewed annually in light of many elements, including the magnitude of members' payments problems and developments in the IMF's liquidity.

Access Limits (percent of member's quota)	
Under stand-by and extended arrangements¹	
Annual	100
Cumulative	300
Under special facilities	
<i>Compensatory and contingency financing facility (CCFF)</i>	
Export earnings shortfall ²	30
Excess cereal import costs ²	15
Contingency financing ³	30
Optional tranche ⁴	20
Combined ⁴	95
<i>Buffer stock financing facility</i>	35
<i>Systemic transformation facility</i>	
Cumulative	50
Under SAF and ESAF arrangements	
<i>Structural adjustment facility</i>	
First year	15
Second year	20
Third year	15
Cumulative	50
<i>Enhanced structural adjustment facility¹</i>	
Three-year access ⁵	190
¹ Under exceptional circumstances, these limits may be exceeded.	
² When a member has a satisfactory balance of payments position—except for the effect of an export earnings shortfall or an excess in cereal import costs—a limit of 65 percent of quota applies to either the export earnings shortfall or the excess cereal import costs, with a joint limit of 80 percent.	
³ A sublimit of 25 percent of quota applies on account of deviations in interest rates.	
⁴ May be applied to supplement the amounts for export earnings shortfalls, excesses in cereal imports costs, or contingency financing.	
⁵ Average access expected at 110 percent of quota for first-time ESAF users.	