



INTERNATIONAL MONETARY FUND

The Extended Credit Facility (ECF)

The Extended Credit Facility (ECF) provides medium-term financial assistance to low-income countries (LICs) with protracted balance of payments problems. The ECF is one of the facilities under the Poverty Reduction and Growth Trust (PRGT).

Purpose	<p>Assist PRGT-eligible countries with a protracted balance of payments problem to implement economic programs that make significant progress toward a stable and sustainable macroeconomic position consistent with strong and durable poverty reduction and growth.</p> <p>Help catalyze foreign aid.</p>
Eligibility	<p>All PRGT-eligible countries facing a protracted balance of payments problem (resolution of underlying macroeconomic imbalances is expected to extend over the medium or longer term).</p>
Conditionality	<p>Economic programs should include policies to make progress toward a stable and sustainable macroeconomic position consistent with strong and durable poverty reduction and growth. Programs should be aligned with the country's own development strategy and aim to advance the country's poverty reduction and growth objectives.</p> <p>Conditionality is focused on policy actions that are critical to achieving the program's objectives. It normally consists of prior actions, quantitative conditions (performance criteria and indicative targets) and structural benchmarks. See more on conditionality.</p> <p>A Poverty Reduction and Growth Strategy (PRGS) should be issued to the IMF's Executive Board for completion of the second and subsequent reviews. A PRGS describes macroeconomic, structural, and social policies that support growth and poverty reduction, associated external financing</p>

	<p>needs and major sources of financing. In cases where the country has limited institutional capacity that prevents meeting the PRGS requirements by the second ECF review, such as in cases of fragility, the country may request an extension.</p>	
Review modalities	<p>Progress of the program, in particular against quantitative conditions and structural benchmarks, is reviewed by the IMF's Executive Board usually six months apart.</p>	
Terms	Duration	3-5 years, with an overall maximum duration of 5 years.
	Repayment	Grace period of 5½ years, and a final maturity of 10 years.
	Interest rate	Currently zero
	Access	<p>Total access to PRGT-facilities is limited to 145 percent of quota per year, and total cumulative concessional credit, net of scheduled repayments, to 435 percent of quota. These limits can be exceeded in exceptional circumstances, with no hard caps on annual or cumulative access, provided the PRGT exceptional access criteria are satisfied.</p> <p>Following expiration, cancellation, or termination of an ECF arrangement, additional ECF arrangements may be approved.</p>