

IMF Conditionality 1980–2014

Codebook & Uses of Data

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Abstract

The purpose of this project is to compile a systematic, comprehensive and publically available database of IMF conditionality over the 1980–2014 period. Previous studies use highly aggregated data, are restricted in program coverage or contain inaccuracies due to poor data quality. To overcome these issues, this database will provide detailed information on the conditions included in loans and their implementation sourced directly from internal IMF documents. The aim is to create a new resource for scholars that will enable more nuanced explanations of the economic, social and political determinants and implications of IMF conditionality.

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About the codebook

This codebook has been written with the aim of enabling an informed reader with only basic knowledge of the IMF’s practices to fully replicate or extend our coding. We have made every possible effort to ensure that the database is compiled in a transparent way. All coding decisions are described in detail in Sections 6-10.

How to cite the dataset

Kentikelenis, A., T. Stubbs, and L. King. 2016. “IMF Conditionality and Development Policy Space, 1985–2014.” *Review of International Political Economy* 23(4):543–82.

Abbreviations

EB	Executive Board
EBM	Executive Board Minutes
EBS	Executive Board Specials (reports submitted to the EB)
IB	Indicative Benchmarks (type of condition)
IEO	Independent Evaluation Office
LoI	Letter of Intent
MEFP	Memorandum of Economic and Financial Policies
PA	Prior Action (type of condition)
QPC	Quantitative Performance Criterion (type of condition)
SB	Structural Benchmark (type of condition)
SPC	Structural Performance Criterion (type of condition)

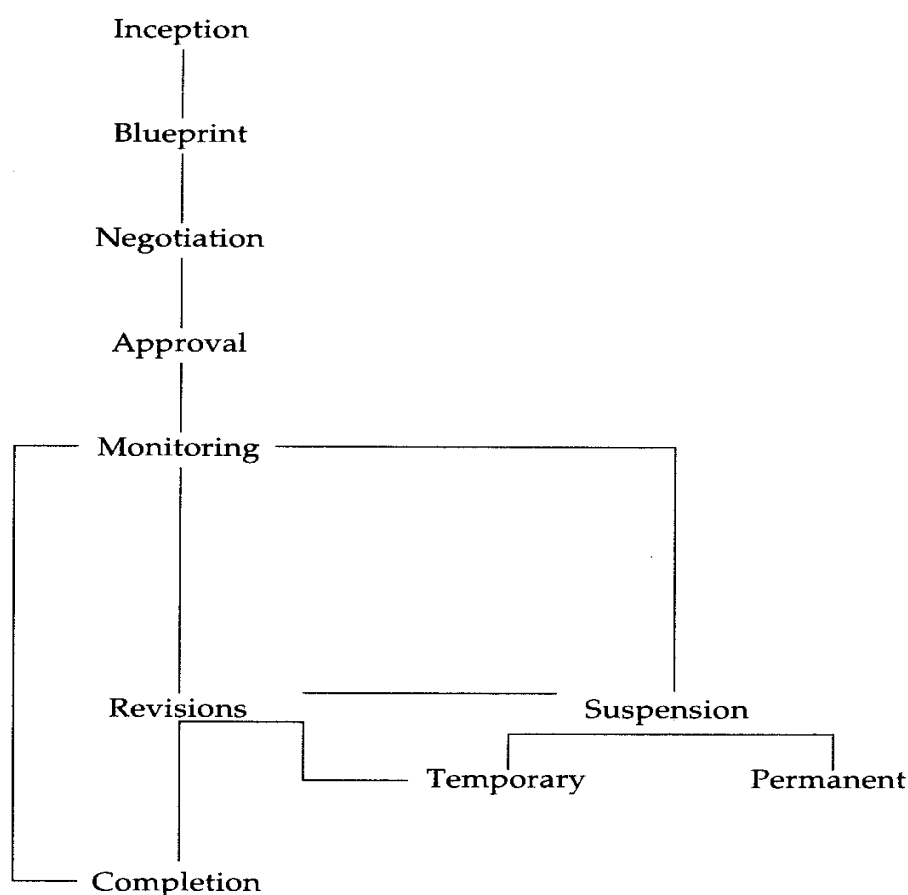
1. Introduction: IMF lending procedure & financing arrangements

The International Monetary Fund (IMF or Fund) is an international organization engaged in monitoring economic and financial policies, offering technical assistance on economic affairs, and providing loans to countries in need.¹ The IMF's membership base is composed of individual countries, and it is governed by a Managing Director and an Executive Board (EB). For the purposes of this project, we are only interested in the IMF's lending activities. Providing financial assistance to countries that request it is a key – and most controversial – activity of the IMF. This assistance is administered through different types of agreements (henceforth called ‘arrangements,’ in line with the Fund's terminology), which determine important aspects of the IMF's and the country's obligations (reviewed below).

The lending process for a member (i.e. country) proceeds as follows (see Box 1.1 below). Initially, a country requests financial assistance from the IMF. This can be for various reasons (financial crisis, natural disasters, change in the prices of oil, etc.), and the IMF has developed a variety of lending facilities to cater to such requests (see Appendix 1). After the initial request, the IMF dispatches staff to the country to negotiate with the authorities on what policies the adjustment program will include and how much money will be disbursed. These negotiations can last many months. If the national government and the IMF staff reach an agreement on what a ‘workable’ program will contain, the local authorities (with the support of IMF staff) draft a Letter of Intent (LoI) to the IMF's Managing Director. This LoI outlines the broad direction of the reforms to be pursued during the time that the arrangement will be active – which can be from a few months to a few years. The LoI is generally short (usually a few pages) and accompanied by an appendix, called the Memorandum of Economic and Financial Policies (MEFP). The MEFP spells out the policy direction in greater detail and clearly identifies the loan conditions. The LoI, the MEFP, and a staff analysis are then presented to the EB for formal approval. The funds approved for each arrangement are generally dependent on the size of a country's economy, and their disbursement is phased over the duration of the program in tranches – conditional on the implementation of specific policies outlined in the MEFP at specified dates. ‘Conditionality’ thus refers to the corpus of conditions included in arrangements that determine the disbursement of funds. Failure to implement these conditions can lead to program interruptions.

¹ This codebook offers a broad overview of the IMF's governance structure and lending practices, as well as a detailed description of the coding procedures for the creation of a comprehensive database on IMF conditionality. We cover IMF-related issues only insofar as they relate to the coding. Coverage of the full range of IMF activities is beyond the scope of this project and an introduction to the institution is available elsewhere (see Vreeland 2007).

Box 1.1. Phases of IMF Programs



Source: Mussa, M., and M. Savastano. 2000. "The IMF Approach to Economic Stabilization." *NBER Macroeconomics Annual* 1999 (14), p. 86.

Initial arrangement approval is only the first step of a long process. IMF staff review program implementation and country performance in regular intervals (usually three or six months). Once staff are satisfied with the performance of a country (either the program is on track or governments are undertaking corrective measures to bring it on track), national governments draft an updated LoI and MEFP. The subsequent LoIs outline the developments in the country's economy since the onset of the program, and the accompanying MEFPs update the conditions included in the first MEFP or contain new conditions. In other words, conditionality evolves as the program progresses. This reflects the fact that IMF programs are intended to be flexible and respond to changing conditions. After a program ends, a country can decide to enter a new arrangement or not. In all cases, repayment of the Fund's borrowed resources takes place within 3-10 years depending on the type of arrangement.

Three dimensions of these lending arrangements are relevant for this project, summarized below. Each will be explained in greater detail in subsequent parts of this codebook.

1.1. Types of arrangements

The IMF has several types of arrangements, or 'facilities', available to members/countries. These vary according to duration, interest rates charged, conditionality, frequency of reviews,

and eligibility criteria. For example, PRGF arrangements (now discontinued)² generally lasted for 3 years, provided funds at a low interest rate, were reviewed every six months, and were available only to very poor countries. By contrast, SBA arrangements last for about 1 year, charge a higher interest rate, are reviewed every three months, and are available to all countries. Appendix 1 summarizes the arrangement types in 2000 (some new arrangements were introduced in 2009). The key distinction is between **concessional arrangements** (designed for low-income countries and commonly lasting 3 years, such as the ESAF and the PRGF) and **non-concessional arrangements** (available to all members and commonly lasting 1-3 years, such as the SBA or the EFF). The vast majority of arrangements coded have been SBAs, EFFs, or ESAFs/PRGFs.

1.2. Dimensions of conditionality

The IMF's arrangements carry a number of conditions that countries need to implement for money to be disbursed. These conditions can be either **quantitative** or **structural**. The former take the form of quantitative targets that countries have to meet and often maintain throughout the program period. Structural conditions concern a wider range of reforms in the domestic economy and afford governments less flexibility. Building on the quantitative–structural divide, the IMF formally distinguishes five types of conditions, which are indicative of the relative weight it attaches to their implementation. These five types can be further grouped into **hard conditions** (those that the IMF places most weight on) and **soft conditions** (less weight attached and can relatively easily be modified as the program progresses). Box 3.1 below illustrates this assemblage and summarizes the key characteristics of each type.

1.3. Implementation of conditionality

To assess whether conditions are met, IMF staff conduct reviews of the implementation of conditionality and prepare reports that examine whether countries have implemented the agreed-upon reforms. If staff assess that a country has implemented the program satisfactorily, they decide to 'conclude the review': they inform the EB that the program is on track and recommend the disbursement of the next loan tranche. If the staff do not believe sufficient progress has been made, then they do not conclude the review until the country introduces the policies outlined in the loan agreement or other corrective measures (as a corollary of this, loan disbursement is also delayed). Conditions may be updated, modified, replaced, or cancelled as the program progresses. For soft conditions (i.e., IBs and SBs), revising them is a straightforward and frequently occurring process where line staff decide whether the country is generally moving in the appropriate direction and then propose the continuation of the program and disbursement of the next tranche. If hard conditions have not been met (i.e. PAs, QPCs, and SPCs), then continuation of the program requires a waiver or a modification of the condition by the EB. It is not uncommon for waivers to be granted, but it is not the norm. In some cases, soft conditions that have not been implemented are turned into hard conditions to induce implementation.

² Many types of facilities have evolved or been overhauled over the period covered here in response to criticisms and changing circumstances. For example, SAFs/ESAFs became PRGFs, which are now ECFs.

2. Types of arrangements

The IMF lends under different facilities (loan types) that have implications for the mode of lending and associated conditionality. The key distinction is between **concessional** and **non-concessional** loans:

- Concessional loans: Low-income countries are eligible for concessional loans, i.e. carrying very low interest rates (0–0,5%). Starting in 1986, concessional financing was provided first under the Structural Adjustment Facility–SAF, then under the Enhanced Structural Adjustment Facility–ESAF, which was replaced in 1999 by the Poverty Reduction and Growth Facility–PRGF. In 2009, the PRGF was replaced by the Extended Credit Facility–ECF. Repayment period starts at 5½ years and ends 10 years after the loan disbursement.
- Non-concessional loans: Non-low income countries can borrow through non-concessional lending facilities (commonly, Stand-By Agreements–SBAs or the Extended Fund Facility–EFF). These can also be of a precautionary character, i.e. a country agrees on a program and associated conditionality but only intends to borrow if economic conditions deteriorate. Most loans under this category take the form of SBAs or EFFs:
 - SBAs: Designed to deal with short-term balance of payments problems. They usually last 1–2 years (but no more than 3). Repayment period is 3¼–5 years; loans are at market rates and reviews are quarterly.
 - EFFs: Designed to deal with long-term imbalances due to structural problems. They usually last 3 years (up to 4). Repayment period is 4½–5 years. In addition to usual quantitative targets, these programs are structural conditionality–heavy.

There are several additional categories of IMF facilities (see Appendix 1), but the bulk of the arrangements from 1986 onwards are SBAs, EFFs or ESAF/PRGFs.

In practice, many countries enter into agreements back-to-back. As a result, even though an SBA may last 12 months on paper, it is not uncommon for a country to follow-up with another one. The reasons for back-to-back programs vary: a country's economic conditions may not have improved, a previous program may have failed and a new one put in place, a country may enter a series of precautionary arrangements to signal commitment to reforms to international financial markets, and so on. In addition, countries may have multiple agreements active at the same time (e.g. an SBA with a CFF, or an SBA with an ESAF).

→ *Coding implications*: Coding the type of arrangements (and related information, like duration, amount, etc.) is very straightforward and no coding problems are anticipated.

3. Dimensions of conditionality

As outlined above, conditionality refers to the policy reforms a country agrees to implement in exchange for the IMF's financial assistance, where non-implementation can lead to program disruptions and the non-disbursement of loan tranches. Using the definition preferred by the IMF, conditionality refers to 'those features of a member's program of economic reform whose successful implementation is expressly established by the Fund as a condition for the availability of Fund financial assistance' (Leckow 2002: 1).

Thus, a crucial distinction concerns the broad policy framework presented by governments in their agreements with the Fund (often devised in close collaboration with Fund staff) and the actual conditionality component of these agreements. When deciding on loan disbursement (i.e. concluding a program review), the IMF can only formally adjudicate on the implementation of conditionality – which have one of the forms examined in Box 3.1 below. A country may deviate from the policy framework outlined in its LoI, but – provided it implements the specific conditions outlined in the arrangements – loan disbursement can continue as initially envisaged.³ A key dimension of conditionality concerns coercion, and this project aims to carefully identify these coercive measures. Unless specific conditions to some end are included, then IMF staff cannot formally place pressure on governments by not concluding a review.

Furthermore, conditionality has an evolving nature (esp. in the case of arrangements that last more than one year). Formulating coherent reform agendas under crisis conditions for the medium term entail difficulties, so commonly countries agree upon a limited set of reforms at first, and – as the program progresses – these are fleshed out in greater detail. As an example, one policy area where the evolution of conditionality becomes apparent is SOE privatization. A country resorting to the IMF may state in its LoI that the reform program will include privatizations, but the only actual conditions concerning SOEs may be to perform audits, appoint an advisory committee, or reform the legal framework surrounding them. By the time these measures have been implemented, a year may pass and IMF staff may consider the country ready to actually privatize, and so conditions to that end will be included in an updated MEFP.

In the remainder of this section we examine three dimensions of conditionality that are relevant for our coding; we do not discuss country implementation of the conditions as this is taken up in the next section.

³ In the words of the Fund's Assistant General Counsel (Leckow 2002: 5): 'It is important to distinguish between the member's program and the Fund arrangement. The program of economic reform is the program of the member rather than the Fund. In practice, these programs are effectively negotiated by the authorities of a member country and Fund staff, but the program is put in place and implemented by the member [...]. In contrast, the arrangement supporting the program is a unilateral decision of the Executive Board. It is the Fund that sets these conditions and the Fund that determines whether these conditions are met. [...] The Fund arrangement creates legal rights for the member and provides the member with a level of certainty as to what has to be done in order to receive financial assistance. At the same time, it does not subject the member to legal obligations to meet the conditions of the arrangement. To the extent that the member fails to meet a condition under an arrangement, the only legal consequence which ensues is that the member will not be able to purchase from the Fund. To understand what a Fund arrangement is, you have to understand what it is not. As a unilateral decision of the Fund, an arrangement is not a contract between the Fund and the member. The Fund sought to avoid subjecting a member to contractual obligations to implement their programs and putting the member the unenviable position of being in breach of a legal obligation if it failed to meet a condition. To provide incentives to members, the Fund sought to minimize the legal consequences attached to failure. A member is free to walk away from its program and the arrangement at any time.'

3.1. Nature of conditions: quantitative / structural

The conditions included in IMF arrangements can be either **quantitative** or **structural**. The former take the form of quantitative targets that countries have to meet and often maintain throughout the program period. Examples include specific targets on the stock of short-term external debt outstanding, the net international reserves of the central bank, public external arrears, or the net domestic assets of the banking system. As their name suggests, these conditions are clearly quantifiable, and allow a degree of flexibility to governments in relation to how they will be met. For instance, to reduce public external arrears a government may choose to increase taxes, reduce expenditures, or a combination of both.

Structural conditions concern a wider range of reforms in the domestic economy and afford governments less flexibility. They vary in nature from the banal, such as appointing an expert panel on a certain issue or conducting and publishing an economic analysis, to much more involved processes such as privatizing a state-owned enterprise, reforming the central bank, reducing public sector employment, strengthening social safety nets, and so on. They are also designed in part to provide the means to meet the quantitative conditions. For example, while the IMF may conceive of privatizing an SOE as ‘good economics’, it can also provide the state with resources to meet a quantitative deficit target.

→ *Coding implications:* Coding the nature of conditions is generally straightforward as they are clearly identified in the Fund documents. As outlined below and in Box 3.1, quantitative and structural conditions can be included in IMF arrangements as either hard or soft types of conditions.

3.2. Type of conditions: hard / soft

Building on the quantitative–structural divide, the IMF formally distinguishes five types of conditions. These specify the relative weight the IMF attaches to the implementation of the respective conditions, and the amount of freedom countries have (i.e. whether non-implementation is likely to lead to a program interruption / delays in tranche disbursement or not). Box 3.1 below illustrates this assemblage and summarizes the key characteristics of each type.

These five types of conditions can be clustered into ‘**hard**’ or ‘**soft**’ conditions (Woods 2006: 70-71). Hard conditions are those that the Fund places greatest emphasis on. Their implementation is required for staff to conclude a review and the EB to agree on a loan tranche disbursement. In cases where these conditions have not been met, a waiver by the EB is required.⁴ There are three types of hard conditions: prior actions (PAs), quantitative performance criteria (QPCs) and structural performance criteria (SPCs). In contrast, while soft conditions are also used to track program implementation, the staff place less emphasis on them. Judging whether sufficient progress has been made on their implementation is at the discretion of staff, and no waiver is required if they have not been met. Such conditions – indicative targets (ITs) and structural benchmarks (SBs) – are easier to modify or roll over in case of non-implementation. They may also reflect uncertainty on behalf of the Fund regarding the evolution of economic conditions. Often, soft conditions are included early-on in programs, before harder conditions can be formulated in detail. In addition, it is common for staff to turn

⁴ Waivers can be granted in cases where conditions beyond a country’s control have changed, but can also be a way for ‘high politics’ to enter into otherwise bureaucratic decisions by Fund staff (Pop-Eleches 2009).

soft into hard conditions in cases where countries consistently show low implementation levels.

Debates surrounding measurement of the type of conditions (and its practical interpretation) were summarized by Bird (2009: 83): ‘Bearing in mind the instruments of conditionality (PAs, PCs and SBs), does a program that exhibits a small number of conditions, but in the form of prior actions and performance criteria, involve greater conditionality than one that involves a larger number of conditions overall but fewer prior actions and performance criteria, and more structural benchmarks? Although these issues may appear somewhat ‘institutional’, they are very important to any discussion of conditionality, and may account for the different interpretations given to a particular body of evidence. Conditionality may increase according to one measure but not according to another.’

→ *Coding implications:* Coding the type (and content) of conditions is generally straightforward as they are clearly identified in the Fund documents. We have coded all conditions regardless of whether hard or soft, and included the exact text in the database.

3.3. Breadth of conditionality: number of policy areas to be reformed

This serves as an indicator of how far-reaching conditionality is, i.e. how many policy areas it spans. The intuition here is that if a country’s loan agreement includes conditions covering many policy areas, then this reflects ‘more conditionality.’ As Bird (2009: 83) puts it: ‘the question arises as to whether a program with a relatively large number of conditions ... involves more or less conditionality than one that, while having fewer conditions, spans a wider area....’

→ *Coding implications:* Breadth was coded by classifying all conditions manually. To minimize error, all conditions were coded independently by two coders and the discrepancies verified. We elaborate on the relevant procedure and provide the classification codebook below.

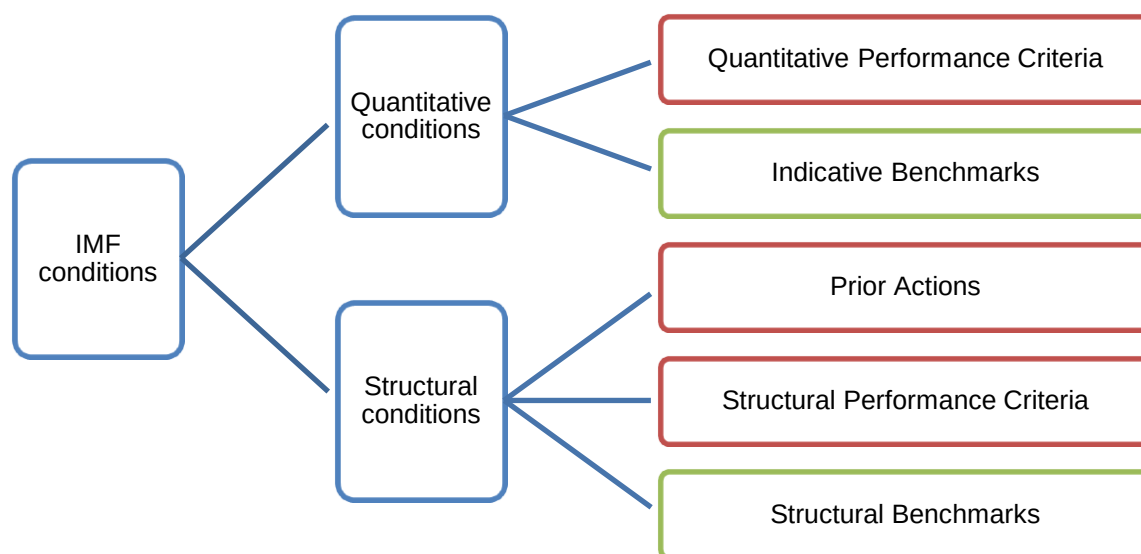
3.4. Depth of conditionality: difficulty of reforms

To get around the problems above with simply measuring categories of conditions, another approach – favoured by the IMF’s Independent Evaluation Office (IEO, 2007) – was to look at both breadth and depth. Depth can only be sensibly measured for structural conditions rather than quantitative conditions – which are merely expressed as targets, ceilings or floors in macroeconomic indicators and thus render measures of depth either redundant or impossible to judge. Structural conditions exhibit variation in content. They range from something as simple as commissioning a report or appointing an expert committee to more difficult endeavors like SOE privatization or public sector layoffs. Correspondingly, the main intuition behind measuring depth is that not all conditions are equally difficult to implement.

→ *Coding implications:* We did not follow this approach as it entails a large degree of subjectivity: what exactly is the limit between very high, high, low, and no ‘structural depth’?⁵ Should anyone wish to look into this issue in the future, the task will entail examining the raw text of the conditions in the database.

⁵ See IEO (2007) for their methodology. This emphasizes the role of parliament in approving conditions, i.e. if this is required, then the condition entails high structural depth.

Box 3.1. Categories of conditions



Note: Red boxes identify hard conditions; green boxes identify soft conditions.

Quantitative Performance Criteria (QPCs): Specific and measurable conditions that have to be met to complete a review. QPCs relate to macroeconomic variables under the control of the governments, such as monetary and credit aggregates, international reserves, fiscal balances, and external borrowing.

Indicative Benchmarks: Also known as indicative targets, these are used to supplement QPCs for assessing progress. Sometimes they are also set when QPCs cannot because of data uncertainty about economic trends (e.g. for the later months of a program). As uncertainty is reduced, these targets are normally turned into QPCs, with appropriate modifications.

Prior Actions: Conditions that a country agrees to take before the IMF's EB approves financing or completes a review. The Fund considers these conditions so important as to block access to further financing until they are implemented. They are used especially in cases where the borrowing country has not consistently implemented the program and the Fund staff doubt commitment to the program. These are the strictest conditions.

Structural Performance Criteria (SPCs): Structural measures whose implementation is regarded as crucial to the success of the program and have to be met to complete a review. These conditions often involve legislative reforms such as the enactment of a new banking or bankruptcy law.

Structural Benchmarks: These are (often non-quantifiable) reform measures that are critical to achieve program goals and are intended as markers to assess program implementation during a review. They vary across programs: examples are measures to improve financial sector operations, build up social safety nets, or strengthen public financial management.

Sources: www.imf.org and Leckow, R. (2002). Conditionality in the IMF.

4. Implementation of conditionality

As noted above, a large number of programs are not fully implemented – there is great variation in the patterns of overall implementation. Indeed, it could be no other way: implementation of conditionality depends on a host of factors, some in the control of governments and others not, which the IMF takes this into account when reviewing the implementation of conditions. Babb and Carruthers (2008:22) note: ‘Compliance is a spectrum, not a binary variable. A country that has complied with many conditions may subsequently have disbursements suspended because of the failure of others; program non-completion is not equivalent to total failure. Conversely, program completion is not necessarily equivalent to success because many governments are granted waivers despite unmet targets.’

Staff take into account that not every condition will be (or can be) implemented as laid out in the initial MEFP. The crucial distinction here concerns hard and soft conditions. As mentioned earlier, there is considerable staff discretion in the latter. In contrast, hard conditions reflect the importance that the Fund places on the implementation of certain measures and are used primarily when the Fund believes that their implementation is crucial for achieving the overall objectives of the adjustment program. Non-implementation of hard conditions means that the staff cannot conclude the review, and the loan tranche is not disbursed. The only exceptions to this are when the staff recommends to the EB to grant a waiver to the hard condition. While this can and does happen over the course of a program, it is best understood as the exception rather than the rule; the EB grants waivers on an *ad hoc* basis.

A key dimension of conditionality concerns coercion, and this project aims to carefully identify these coercive measures. Unless specific conditions to some end are included, then IMF staff cannot formally place pressure on governments by not concluding a review.

→ *Coding implications:* In examining the implementation of IMF conditions, we focus on hard conditions only. Accordingly, we code waivers to these conditions. There is a theoretical and practical rationale behind this coding decision:

- Clearly coding waivers is important for political economy questions: ‘While [...] waivers are important for program flexibility in situations where circumstances beyond the government’s control make it difficult to fulfil the original program targets, they are also potential mechanisms for political interference, as they allow unpunished deviations from IMF conditionality’ (Pop-Eleches 2009:793) .
- Data on waivers of hard conditions are complete and easy to identify. Since an EB decision is required for these, there is always a trace of such decisions in the corresponding EB minutes (see below for examples). On the contrary, soft conditions are more flexible and rely on staff discretion, thus making them much harder (if not impossible) to track. Clear and unambiguous implementation data is not always provided in the staff reports submitted to the EB (i.e. the only publically available documents that we have access to). Furthermore, as there is staff discretion, many decisions made on the ground do not necessarily make it onto the official documents. To be sure, some documents do include details on implementation of soft conditions, but that is done in a haphazard way that precludes systematic coding of such data.

5. Database creation

The objective of this project is to create a disaggregated dataset of all conditions included in IMF programs *per calendar year*, and provide information on their implementation. The end product enables generating measures of the magnitude of adjustment required of a country in a given year, and correcting for implementation. Our data sources are solely IMF Executive Board documents, which provide the most comprehensive and accurate source of the following information: the original and updated list of **all** conditions, and whether **hard** conditions were granted waivers by the EB.

A small number of required documents were unavailable via the IMF Archives. We identify these documents and the implications for our coding in Appendix 6.

5.1. Raw dataset: conditionality

Our key consideration was to extract as much information as possible from the Fund documents.⁶ To this end, the text of all conditions (commonly one sentence) has been copied to the dataset. By including the raw text in the dataset, we have retained the most information possible (no information is lost by restricting coding to a set of predetermined categories) and ensured the transparency and replicability of this coding. Appendix 3 examines the exact coding steps and provides examples.

A break in the dataset exists for IMF arrangements initiated from 01/01/2009 as a result of changing source documents.⁷ At the time of project development and coding, complete IMF archival data beyond 2008 was unavailable, so we instead collected the relevant information from the letters of intent and staff reports available on the IMF's website. These documents contain all the conditions applicable over the programme years, allowing a smooth continuation of most coding practices described above and in the variable list section below.

Two substantive discrepancies exist between the pre- and post-01/01/2009 coding. First, the post-01/01/2009 data do not include information on waivers, as we did not have access to Executive Board minutes to extract waivers (unavailable at the time of data collection due to access limitations on archival material).⁸ Second, the post-01/01/2009 coding makes use of information reported by the IMF on implementation status of structural conditions, which was only scarcely available on earlier years and therefore not recorded in the pre-01/01/2009 data. Availability of implementation status across the two datasets can thus be summarized as follows:

- For quantitative conditions: Information on implementation is available until 2008 via Executive Board waivers, but not for 2009-2014.
- For structural conditions:
 - Prior actions (PAs): Information on implementation is available for 1980-2008 via Executive Board waivers, and for 2009-2014 via letters of intent and staff reports.

⁶ The raw dataset contains information on all conditions between 1980 and 2014 and all arrangements initiated between 1980 and 2014. In order to capture all conditions from 1980, we also coded arrangements initiated prior to 1980 that continued into 1985 and beyond. As a corollary of this, the raw dataset includes some conditions falling on years prior to 1980.

⁷ The break does not affect active arrangements prior to 2009 that continued into 2009 and beyond; we still use IMF archival data for these.

⁸ Information on waivers is also unavailable for conditions that apply to 2009 and beyond in arrangements that began prior to 2009 and continued into 2009 and beyond.

- Structural performance criteria (SPCs): Information on implementation is available for 1980-2008 via Executive Board waivers; SPCs were discontinued in 2009, so they are no longer relevant for 2009-2014.
- Structural benchmarks (SBs): Information on implementation is unavailable until 2008, but is available for 2009-2014 via letters of intent and staff reports.

Some additional minor discrepancies are noted in the variable list below.

5.2. Auxiliary dataset: program reviews

The second stage of the coding process concerned program reviews. We collected detailed information on the scheduled and actual dates of reviews to IMF-supported programs. This data is essential for identifying interruptions in programs and adjusting the burden of conditionality accordingly. The variables collected are described in Section 7.

5.3. Condition classification

The third stage of the coding process concerned classifying conditions under mutually-exclusive policy areas, to be used for fine-grained quantitative analyses of conditionality. To do so, we built on the classification structure developed by the IEO and the IMF's MONA database. We examine these coding decisions and discuss their limitations in Section 8.

5.4 Main dataset

The final stage of the coding process entailed creating composite indicators of conditionality at the country-year level, described in Section 9. The main dataset is available in Stata format and described in Section 10.

6. Raw dataset: Conditionality variable list

Unit of analysis is country–year–condition. An example of the code is provided in Appendix 4.

Country Name	Country name.
Country Code	World Bank 3-letter country code.
Arrangement-related indicators	
Arrangement Date	Date of approval (exact date in the ‘01-Jan-2001’ format). This is the original approval date, i.e. the date of the EB meeting that approved the specific arrangement. This never changes throughout the coding of the arrangement. For example, if a country has an arrangement in place for three years, then this variable will have the same value for all three years.
Arrangement ID	Original EBM reference number (e.g. EBM/97/27). This refers to the Minutes of the EB meeting that approved the specific agreement. This never changes throughout the coding of the arrangement. In repeat arrangements, where conditions falling within the same year are transferred over to a new arrangement, a new condition is coded with the approval EBM of the most recent arrangement. For post-01/01/2009 data, this is the unique number assigned by the IMF in the MONA dataset to identify each Fund-supported arrangement. A "*" indicates an ongoing arrangement.
Arrangement Type	Specific arrangement type. This takes one of the following values (see Appendix 1): SBA, EFF, SAF, ESAF, PRGF, SRF, CCL, CCFF, EAND, EAPC, EFM, STF, ESF, ESF-RAC, FCL, PLL, RFI, ECF, SCF, RCF. Type never changes throughout the coding of the arrangement. If a country cancels an SBA and replaces it with an EFF, then that is a new arrangement and is coded as such (taking care to ensure the conditionality overlap between the two arrangements is appropriately treated). On rare occasions, there may be two co-existing arrangements for a single country that draw from the same MEFP conditionality tables. Where this occurs, both types are coded here, separated by a comma (e.g. ‘SBA, CCFF’); this is also done for Arrangement Duration and Arrangement Amount (where applicable).
Arrangement Duration	Duration in months of the initial agreement (regardless of extensions). This never changes throughout the coding of the arrangement.
Arrangement Amount	Total amount of loan agreed upon for all years at program initiation measured in million SDR (does not include loan augmentations). This never changes throughout the coding of the arrangement.
Conditionality-related indicators	
Year	Conditionality year (as separate from the year the agreement was signed). If an agreement was signed in 2000, but the MEFP also includes conditions that are to be implemented in 2001, then these conditions are coded under 2001. Note that it is likely that some conditions are actually implemented earlier (e.g. if implementation is for early January 2000,

	then the reform may be introduced in December 1999). Here, we assume that countries implement conditions at the latest possible time (which is not an unreasonable assumption and no consistent data can be found on the exact dates each reform was introduced). For quantitative conditions: - They are almost always applicable multiple times across the year (i.e. targets are set for several dates across the year on a particular condition). For example, a common quantitative condition stipulates ceilings in a country's wage bill for a number of months in a given year. For coding purposes, we treat this as a single condition ('wage bill'), but also include a variable to capture the amount of times the condition appears across the year (see Number Applicable). - In the common scenario where the quantitative condition also has targets that fall on subsequent years, it is coded as a new condition in the subsequent years. For example, if a country enters a one-year SBA in mid-2000 that lasts until mid-2001, and a quantitative condition is both active for the remaining months of 2000 and the arrangement months of 2001, then this condition is coded under both years separately. For structural conditions: - If a structural condition rolls over into a new year (i.e. when a deadline has been missed), then it is coded once more for the new year (see Implementation Status). - Sometimes the timeframe attached to a structural condition is 'throughout'. Here it is coded separately on all relevant years; and the condition is not classified as being rolled over on the additional years (see Implementation Status). For example, in Tajikistan's ESAF a structural performance criterion states that 'all National Bank of Tajikistan credits from November 1998 onwards to be issued through credit auctions' (EBS/98/210, p. 54).
Month	<u>Only applies to post-01/01/2009 data.</u> Month the condition is scheduled for implementation. - If coded "Quarterly" then the condition applies on a quarterly implementation schedule for the year. - If coded "Continuous" then the condition applies constantly throughout the year. - Conditions that do not specify a date are coded as "n/a" (usually Prior Actions). - Structural conditions with "Quarterly" or "Continuous" schedules are coded as a single condition (rather than four); this is a conservative coding decision. Where the month is delayed within the same year, a comma is used to separate changes. For example, if a benchmark is due February and is subsequently pushed back to April then it is changed from "February" to "February, April".
Text	Text of the condition (typically one sentence), copied and pasted from the PDF document of each loan arrangement. Given the quality (resolution)

	of these documents, the text of the conditions was not always pasted without typographical errors. Common examples include showing the letter “i” as “l” or “1”, additional spacing within words, or showing numbers as letters (e.g. “150 percent” may appear as “ISO percent”). In all cases where understanding the exact meaning of the condition was not compromised, we did not correct these errors as it would entail great time commitment. For quantitative conditions: - Since the range of quantitative conditions typically included is narrow, we adopt a standardized typology comprising the most commonly appearing quantitative conditions as a system for coding Text (see Appendix 5). Conditions that do not fall within these values are copied verbatim. Where two conditions correspond to the same value, the most closely corresponding is assigned to the standardized value for Text while the other is copied verbatim. - If a QPC or IB contains sub-clauses or sub-targets (usually related to different maturities or timeframes of the main clause or ‘stub’) then these are coded as separate conditions. For example, Cameroon had an SBA in 1995 with a condition on ‘Ceilings on new nonconcessional external loan contracted or guaranteed by the Government’ split into two sub-clauses: 1 to 10 years and 1 to 15 years. The former was coded as ‘Subceiling on medium/long-term external debt’ and the latter as ‘Medium/long-term debt’. This practice follows the approach of the IMF’s MONA database. For structural conditions: - If an SPC or SB contains sub-clauses or sub-targets then these are included as separate conditions only where a date for completion is specified for a particular sub-clause. For example, Nicaragua had a PRGF beginning in 2002 that included an SPC with the stub ‘Asset Recovery Plan’ that was broken down into three sub-clauses: ‘i) Signature of a contract with an international firm to implement asset recoveries. (End-December 2002),’ ‘ii) End of the asset recovery process. (End-June 2003),’ ‘iii) Conclude implementation of asset recovery plan for assets received from intervened banks. (End-September 2003).’ All three of these sub-clauses were coded as separate conditions. On rare occasions where sub-clauses without separate dates were of a substantially different flavour or were particularly demanding, discretion was applied in whether to code them as separate conditions. - Sub-clauses on PAs are coded as separate conditions (by definition they apply for the year that the agreement comes up for Board approval). - If a stub subsequently splits in a later review into two or more sub-clauses with dates for completion then the text of the original condition (i.e. the stub) is changed into the first sub-clause, and the remaining sub-clauses are coded as new conditions. Correspondingly, the first / amended sub-clause retains its original EBS document reference, while the new sub-clauses are classified under the new EBS
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	document number (see Condition Source Document). - If a new sub-clause with a date for completion is subsequently added to the stub then it is coded as a new condition. - If a structural condition that has been waived reappears in a subsequent EBS, regardless of whether this occurred in the same year or in a new year, then it is coded as a new condition (see Implementation Status).
Type	Type of condition (see Box 3.1 in this codebook). This is clearly mentioned in the Memorandum of Economic and Financial Policies (MEFP) conditionality table and can take the following values: PA, QPC, SPC, PC, IB, SB. For quantitative conditions: - A single condition usually appears as both QPCs and IBs within the same year, where generally the QPCs apply in upcoming months and IBs apply in later months. Where a single condition contains both IBs and QPCs, we always code as the hardest possible type (i.e. a QPC). Since IBs are commonly converted into QPCs as the Fund program progresses, this is an uncontroversial decision. - Where a QPC is converted to a PA, we keep the condition as a QPC. This is done because the switch from QPC to PA is commonly applicable to only one appearance of the QPC per year, while the condition remains a QPC for the other months of the year. This is a conservative coding decision. For structural conditions: - Where a soft condition is transformed into a harder condition <u>within the same year</u>, then it is coded as an entirely new condition (i.e. coded once as an SB and once as an SPC) (see Implementation Status). - Where a soft condition is transformed into a harder condition that <u>rolls over into a new year</u>, then it is coded as a new condition (see Implementation Status). For example, assuming a country's program for year 2000 includes an SB for the introduction of specific civil service reforms, if the country does not implement this and the Fund staff place sufficient weight on the introduction of these reforms, then the condition can be turned into an SPC for year 2001. - On rare occasions, the MEFP does not clearly specify whether a structural condition is a PA, SPC or SB. In such instances, the entire EBS is scanned to determine type. If the status of the condition cannot reasonably be inferred, we code as IB or SB for quantitative and structural conditions respectively; i.e. as soft conditions. This is a conservative coding decision.
Policy Area (short)	Short code of policy area of condition as coded by the researchers. For full listing of policy areas, see Section 8.
Policy Area	Policy area of condition as coded by the researchers. For full listing of policy areas, see Section 8.
Number Applicable	Number of times the quantitative condition is applicable per year. Unlike structural conditions, quantitative conditions are often applicable for

	several months per year. For example, a quantitative condition setting a ceiling to the accumulation of external arrears can be active on a bi-monthly basis. So, for an agreement approved in the beginning of a year, the condition would appear six times. Usually, quantitative conditions appear on a quarterly schedule – but there are numerous instances where it appears more often. We distinguish between four possibilities: - A quantitative condition appears four times or less <u>in an arrangement that covers the entire relevant year</u>: this is straightforwardly coded as the number of appearances of the condition per year, with a minimum value of 1 and a maximum of 4 (e.g. a QPC on external arrears appears for end-March, June, September, and December; Number Applicable = 4). - A quantitative condition appears five times or more <u>in an arrangement that covers the entire relevant year</u>: Where the condition appears more than four times in an arrangement that covers the entire relevant year, then it is capped to the value of 4 (e.g. a QPC on external arrears appears for end-February, April, June, August, October and, December; Number Applicable = 4). This is a conservative coding decision. - A quantitative condition appears four times or less <u>in an arrangement that does not cover the entire relevant year</u>: It must be determined whether the condition appears on a quarterly schedule (i.e. end-March, end-June, end-September, and end-December). If it appears on a quarterly schedule, then it is straightforwardly coded as the number of appearances of the condition per year (e.g. a QPC on external arrears appears for end-September, and December; Number Applicable = 2). - A quantitative condition appears five times or more <u>in an arrangement that does not cover the entire relevant year</u>: If the condition appears more frequently than it would on a quarterly schedule, then we discount the value based on <u>how many times it would appear under a quarterly schedule</u>. For example, if a QPC on external arrears appears for end-August, September, October, November, December then it would be coded as Number Applicable = 2 despite appearing five times. This is because <u>if this condition were under a quarterly schedule</u> then it would appear only twice within the timeframe of concern – end-September and December. This is a conservative coding decision.
Condition Source Document	Original EBS source (e.g. ‘EBS/97/35’). This refers to the number for the EB document containing the LoI and MEFP where the specific condition first appears within the context of the particular arrangement (i.e. the one approved at Arrangement ID). Where a structural condition rolls over to a new year or is upgraded then it is coded as the EBS where the roll-over or upgrade takes place. Where the same condition is re-included in a repeat arrangement (i.e. a new Arrangement ID source), it is coded as an entirely new condition with a new EBS source. In a new arrangement, all conditions are always coded anew regardless of whether or not they appeared in a previous arrangement covering the same year. We adjust for this double-coding using the Implementation Status variable.

	On rare instances, some PAs are mentioned in the EBM but not the corresponding EBS. Here Condition Source Document is coded as the original EBM source. In post-01/01/2009 data, this is coded as the Letter of Intent where the condition first appears within the context of the particular arrangement (e.g. "ARM_20090306_a"). These codes refer to our file names and follow the following convention: 3-letter country code, date of agreement, review. For example, the source document at the time of approval ends with “_a”, the first review ends with “_b”, the second review with “_c”, a joint third and fourth review as “_d”, a fifth review as “_e”, etc.
Implementation Status	<u>Not applicable to quantitative conditions.</u> For entire data: Status of implementation for structural condition: Condition has been rescheduled to a new year (Rescheduled); Condition has been converted into a 'harder' type (Upgraded); Condition has been converted into a 'softer' type (Downgraded); Condition has been rescheduled to a new year and upgraded (Rescheduled, Upgraded); Condition has been withdrawn from relevant arrangement (Withdrawn); Condition has been withdrawn from relevant arrangement but included on a subsequent year in a subsequent arrangement (Withdrawn, Rescheduled). For post-01/01/2009 data: Status of implementation for structural condition: Condition has been implemented (Met); Condition has been partially implemented (Partly Met); Condition has not been implemented (Not Met); Condition has been rescheduled to a new year (Rescheduled); Condition has no available implementation information (No Info). Additional notes: all prior actions are coded as “Met” unless explicitly stated otherwise; delayed implementation is coded as “Met”; continuous structural benchmarks are coded as “Partly Met” if met for most but not all of the year and “Not Met” if missed for most or the entire year. Exceptional case affecting 92 conditions in the late-1980s / early-1990s: When two arrangements run in parallel, do not have the same originating EBM, but include quantitative conditions on the same months, then the softest duplicate is coded as withdrawn.
Waiver	Number of waivers granted to a condition. The source for this indicator is always an EBM. For quantitative conditions: – Where a waiver is granted by the EB (i.e., a formal waiver event) to a QPC then it is coded as a single waiver (Waiver = 1) on the earliest year that the waiver applies, regardless of how many instances the same QPC appears within that year or if it rolls over to the next year. In other words, if in one waiver event two instances of the same QPC are waived, then it is still coded as 1. The rationale is that if we wish to examine possible political determinants of waivers, we model a country’s bargaining power being expended in negotiating a waiver event, rather than a waiver for an exact number of instances of the same condition. For example, if a QPC stipulates a ceiling on the

	public sector wage bill, is applicable four times per year and the country misses two of these targets, we will model the country as bargaining to obtain a waiver to the condition rather than waivers for the number of times the condition was missed. – Subsequent formal waiver events to the same QPC within the same year are coded as an additional waiver (Waiver = 2). For example, if a waiver is granted by the EB to a QPC for the end-March target then a waiver is coded (Waiver = 1); if a waiver is then granted by the EB later that year to the same QPC but for the end-September target then another waiver is coded on the condition (Waiver = 2). – The waiver is always coded to the year of the condition being waived rather than the year that the waiver was granted. For example, if a waiver is granted in 1998 to a QPC for end-December 1997 then the waiver is coded at the 1997 QPC rather than at the appearance of the QPC in 1998. Waivers granted to structural conditions cannot exceed the value of 1 because, as mentioned above, reappearances of waived structural conditions are treated as new conditions (but see Implementation Status). Waivers can also be given on four ‘standard performance criteria’ included in every IMF arrangement (not coded above); namely, a country must not: - Impose or intensify restrictions on payments and transfers for current international transactions, - Introduce or modify multiple currency practices, - Conclude bilateral payments agreements which are inconsistent with Article VIII, or - Impose or intensify import restrictions for balance of payments reasons. Where this occurs, a new condition is created and then coded with the waiver and appropriate source details, where Text = ‘STANDARD’ and Type = ‘PC’. This coding approach is designed specifically to capture waivers. The four standard performance criteria above are not coded in the dataset for reasons of parsimony (as they are always included in arrangements, their inclusion would mean simply increasing the condition count of every country-year by four).
Waiver source	EBM reference number where waiver approved. If a subsequent waiver event occurs within the same year (i.e., Waiver = 2) then both EBM reference numbers are coded, separated by a comma (e.g. ‘EBM/00/17, EBM/00/83’). Waivers are generally granted for non-observance of conditions, but on some occasions they are given due to the non-availability of data. This is usually stated at the end of the EBM discussion of a country’s program. For example, the EBM document granting waivers to some conditions in Djibouti’s SBA arrangement stated ‘The Fund decides that, <u>notwithstanding the non-availability of data for end-September 1998 performance criteria</u>, Djibouti may make purchase...’ (EBM/98/111). In this scenario, an exclamation mark is placed after the EBM reference number (e.g. ‘EBM/98/111!’).

Additional Notes	Any relevant additional information (e.g. a condition had the number applicable in a year reduced). For quantitative conditions we always code notes in the following scenarios: - “Included in replacement arrangement” signifies that it falls on the same year in a subsequent arrangement on different months. - “Number applicable reduced from #; Included in replacement arrangement” signifies that it falls on the same year in a subsequent arrangement on some of the same and some different months. While reductions of number applicable occur for all data, it is explicitly noted in the dataset only for post-01/01/09 data.
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7. Auxiliary dataset: Program reviews variable list

**** ONLY AVAILABLE UPON REQUEST ****

Prefix a_* indicates information on the specific arrangement; prefix r_* indicates information on the review. Unit of analysis is country–arrangement–review (cname–a_ebm [a_type]–r_n).

cname	Country name.
ccode	World Bank 3-letter country code
a_appr	Date of approval, i.e. date of EB meeting that approved the specific arrangement (in the ‘01-Jan-2001’ format).
a_ebm	Original EBM reference number (e.g. EBM/97/27). This refers to the Minutes of the EB meeting that approved the specific agreement.
a_type	Specific arrangement type. This takes one of the following values: SBA, EFF, SAF, ESAF, PRGF. Some arrangement types do not have reviews and thus were not coded: CCFF, EAND, EAPC, STF. See Appendix 1 for details on the different types of arrangements. - When a reviewable agreement is combined with a non-reviewable agreement, we code the reviewable agreement only (e.g. for ‘SBA, CCFF’, we code the reviews on the SBA). - When two reviewable agreements run in tandem (usually a SAF reviewed annually combined with an SBA reviewed twice a year) then code as completely separate blocks in the review codebook (i.e. list in consecutive rows the reviews pertaining to a single arrangement at a time) (but see a_par).
a_dur	Duration in months of the initial agreement, regardless of extensions. Since many agreements are extended, review dates may fall beyond the original duration.
a_amou	Total amount of loan agreed upon for all years at program initiation measured in million SDR (does not include loan augmentations).
a_par	Dummy variable: = 1 if agreement runs in parallel with another reviewable agreement (e.g. if an SBA occurs for any period during a SAF then we code both with a_par ==1). We consulted the IMF Lending Arrangements website to determine whether agreements overlapped.
r_s	EBS source (e.g. ‘EBS/97/35’). Refers to the number of Executive Board Special discussing the current review where the date of the next review is specified.
r_n	Review number. The first EBS document in an agreement should always be coded as 0. The review number should always be coded in increments of one (i.e. the next review document would be coded r_n==1, then r_n==2). - For sub-‘arrangements’ on single ESAFs, each new arrangement is coded as a separate review. For example, an ESAF on a standard review schedule would be coded as follows: ESAF approval r_n==0; mid-term review r_n==1; second sub-arrangement r_n==2; mid-term review of the second sub-arrangement r_n==3; third sub-arrangement r_n==4; mid-term review of the third sub-arrangement r_n==5.

	- Combined reviews are coded as a single review. For example, if the second and third reviews are combined then it would be coded as <code>r_n==2</code>; and the subsequent (“fourth”) review as <code>r_n==3</code>.
<code>r_ebm</code>	EBM source. Refers to the number of the Executive Board meeting where the review is concluded.
<code>r_ebmdate</code>	Decision date of review specified in EBM (exact date in the ‘01-Jan-2001’ format). This is the date of the EB meeting that approves the current review (i.e. the date of <code>r_ebm</code>). For post-2000 agreements in HIPC countries, an arrangement commencement review is sometimes ‘officially’ passed or concluded in a subsequent EBM without discussion following World Bank agreement of PRSP, despite being unofficially concluded in an earlier EBM containing the discussion. In this scenario, code the earlier date.
<code>r_nxtrev</code>	Proposed date of the next review (exact date in the ‘01-Jan-2001’ format). This is left blank if there are no more reviews in the arrangement. - When months but not exact dates are given for proposed reviews (e.g. “to be completed by March 2000”), the following coding rules apply: - o “by” month coded as end-month (“by March 2000” = 31-Mar-00) - o “for” month coded as end-month (“for March 2000” = 31-Mar-00) - o “in” month coded as mid-month (“in March 2000” = 15-Mar-00) - <u>If there is another review required but no date has been given</u> then we deduce the review schedule from other information (e.g. if it had mentioned reviews would be “quarterly”) or from the pattern of previous reviews and estimate the date of the next review accordingly. For example, if there is mention that there will be a mid-term review but no specific date is given then we assume the next review is scheduled for six months from the current review (but see <code>r_nxttest</code>). When even the review schedule information is not given, then if reviews have been on a quarterly schedule so far in the arrangement then the next review is recorded three months from the current review (see <code>r_nxttest</code>). Note that review schedules can change during an arrangement. Usually, but not always, arrangements follow these schedules: - o SAF – reviewed once a year - o ESAF – reviewed twice a year (total of five reviews) - o PRGF – reviewed twice a year (total of six reviews) - o EFF – reviewed twice a year (total of five or six reviews) - o SBA – variable (reviewed from zero to up to twelve a year), but the most common schedules are midterm and quarterly - It may be difficult to identify if the current review is the final for the arrangement. The original port of call were EBS documents, which generally specify how many reviews remain in the program. The IMF Lending Arrangements website was helpful for determining when an agreement officially ended and thus how likely it is there was another review (the <code>a_dur</code> variable is not always a good indicator here because arrangements can be extended); the amount disbursed is also a good indication of whether all reviews were completed.
<code>r_nxttest</code>	Dummy variable: =1 if <code>r_nxtrev</code> was estimated (rather than identified from an EBS).
<code>r_notes</code>	Any additional notes.

8. Classification of conditions

The conditions extracted from the loan arrangements were grouped under 13 mutually exclusive categories (i.e. no condition is coded twice). The table below presents these categories, what they include, and a few examples of conditions classified thereunder. The classification was designed taking into account the future uses of the data and the potential for miscoding. This is particularly relevant for conditions that we would have justification to code under a number of different categories. For example, the category ‘Financial sector, monetary policy and Central Bank’ was created because distinguishing the limits between these three headings in a number of conditions made it difficult to agree upon a common classification. A similar example concerns labour policy: very often distinguishing between conditions that concern private and public sector employees was difficult; we have included both categories of employees under the single category of ‘Labour issues.’⁹

As we still retain the raw text of the conditions; should we or someone replicating our work want to re-classify the conditions, it will still be possible.

We have made two major coding decisions vis-à-vis condition classification:

1. Distinguishing between the instruments of policy and the ends of policy: We always code the instrument, and not the policy objective. So, if a condition states ‘privatize X SOE with the objective of raising \$100 million to finance the fiscal deficit,’ the instrument in this case is privatization and the end-goal is a reduction of the budget deficit. Correspondingly, this condition is coded under SOE privatization and not fiscal policy.
2. Coding ambiguous conditions: Based on our intended uses of data and *only* in the case of ambiguous conditions, we favour certain coding categories.
 - Social policy is favoured over other categories. In addition to standard policy areas like health and education, policies that *directly* affect households (e.g. raising household electricity prices) are also classified as social policy. Labour issues that pertain to these policy areas are also classified here (e.g. ‘cut health personnel by 1000,’ ‘reduce unqualified teachers,’ etc.).
 - Various overlaps arise in the classification of SOE privatization, SOE reform, revenues policy, and fiscal policy. We give precedence to the SOE privatization or reform coding, as appropriate.
 - In cases of ambiguities between ‘External sector’ coding and ‘Revenues and tax policy,’ we favour the former. For example, import tariffs are always classified as ‘External sector.’
 - Pricing policies, unless explicitly related to basic need goods (falling under social policy), are classified under ‘SOE Reform and Pricing.’

⁹ In general, we have opted not to split conditions. For example, if a single condition stipulated the introduction of expenditure-reducing and revenue-generating measures, it was not split. In some exceptional cases we have decided to split conditions if the policy content was substantially heterogeneous and the originating IMF document was ambiguous as to whether this was a single or more conditions (this occasionally occurred in the earlier documents used). For example, if a single condition stipulated ‘raise VAT by 4%, and privatize 10 SOEs’, this was split into two.

FP Fiscal issues

Includes conditions on:

- Expenditure policy and administration (incl. single treasury account)
- Expenditure audits, accounting, and financial controls
- Fiscal transparency (publication, parliamentary oversight, posting data online)
- Audits of ministries
- Budget-related issues (preparation, submission to parliament, or approval)
- Domestic government borrowing or debt
- Public investment decisions
- Public sector arrears (incl. to SOEs)
- Wage and non-wage arrears
- *Quantitative component*: Domestic arrears, fiscal deficit, budgetary deficit, cash balance / deficit of the central government, government spending, central government primary balance, combined deficit of the nonfinancial public sector and the Central Bank

Examples:

- Submit to parliament a draft budget for 2003.
- Complete implementation of the pilot project to enhance expenditure commitment control.
- All privatization receipts accruing to the central governments of the RS and the Federation, and to the Cantons in the Federation will be placed in escrow accounts alongside all succession monies pending a comprehensive strategy to clear arrears
- Expenditure (government; budget; total; etc.)
- Balance (government; budget; fiscal; total; primary; etc.)
- Float (treasury float; floating debt; budget float; government float)

RTP Revenues and tax issues

Includes conditions on:

- Revenue issues
- Audits of private enterprises
- Tax policy, legislation and administration
- Customs administration
- User fees (excl. those falling under SP)
- *Excludes*: trade-related tax (see EXT).

Examples:

- Adopt specific excise taxes based on volume for tobacco, alcohol and petroleum products.
- Increase the power and authority of the Large Taxpayer Unit over local tax authorities.
- Government to adopt and implement measures addressing key sources of tax evasion.
- Adopt the value-added tax (VAT) legislation.
- Cabinet approval of draft Income Tax Law; and tabling it in Parliament.
- Revenue (government; budget; total; etc.)

FIN Financial sector, monetary policy, and Central Bank issues

Includes conditions on:

- Financial institutions (Legal reforms, regulation, & supervision; Corrective actions in problem banks; Privatization of financial institutions; Bankruptcy proceedings of financial institutions; Audits of financial institutions; Policies related to insurance companies)
 - Treasury bill issuance and auctions
 - Government securities
 - Monetary policy (Reserve money; Interest rates; Base money)
 - Central Bank (Legal reforms, regulation, supervision; Auditing, transparency,
-

financial controls)

- *Quantitative component:* Net domestic assets; credit to government; credit to public sector;

Examples:

- Issue new prudential regulations for banks.
 - Government approval of the terms and conditions of bank recapitalization bonds that are fiscally sustainable and recapitalize the banks in stages as planned.
 - Present new central bank law to Parliament to strengthen central bank independence and limit central bank credit to Government.
 - Complete first stage of recapitalization of the Bank of Uganda through transfer of interest bearing securities.
 - Invite bids through merchant bank to sell the Uganda Commercial Bank.
 - Broad money, base money, and reserve money (quantitative conditions)
-

SOE SOE Reform and Pricing

Includes conditions on:

- Restructuring of public enterprises, pricing policies and subsidies
- Transference of SOE management to the private sector
- Regulatory reforms in utilities, price controls and marketing restrictions
- Audits of SOEs
- Marketing board-related conditions
- Corporatization, rationalization, etc.
- Clearance of arrears to the public sector, other SOEs, or elsewhere
- *Excludes:* financial sector (see Financial Policy)

Examples:

- Transform Al Watwan, Radio Comores, the SNI, the public works teams, and the secondary airports into financially autonomous entities.
 - Publish a roadmap indicating annual targets on SOE reform by type of reform action through 2004.
 - Adopt state enterprise action plan.
 - Introduce new accounting rules for state enterprises.
 - Reform of export crop marketing boards.
 - Corporatization of at least 100 additional (i.e. cumulatively 150 during 1998) medium and large-scale companies.
 - Pricing of domestic fuels
 - Liberalization of the wholesale price for crude oil
-

PRI SOE Privatization

Includes conditions on:

- All activities related to the privatization of non-financial SOEs (incl. joint stock companies, tenders, etc.)
- Liquidation of SOEs (under the rationale that government is relinquishing ownership)
- Bankruptcy proceedings of SOEs
- *Excludes:* financial sector (see Financial Policy)

Examples:

- Reach understandings with staff of the World Bank on privatization.
 - Eliminate the minimum sale price for such enterprises.
 - Privatization of at least 25 medium or large-scale companies.
 - Divestiture of 23 enterprises in 1997/98, including at least 7 with asset values of U.Sh. 5 billion or more.
 - Prepare a list for cash privatization of public enterprises and a timetable for their sale, with the intention of yielding at least Tug 2 billion for the 1995 budget.
 - Agree with the World Bank and Fund on annual targets for a three-year state-owned enterprise
-

DEB External debt issues

Includes conditions on:

- Debt management
- External arrears (if unclear whether arrears are domestic or external, they are assumed to be external)
- Public debt, guarantees, and contingent liabilities
- *Quantitative component*: Medium/long-term external debt; subceiling on medium/long-term external debt; short-term debt; no new arrears; ceilings on external arrears

Examples:

- Ensure that all external payments arrears are cleared, in particular, those pertaining to two government-guaranteed loans from two German banks.
 - Initiate discussions with Turkmenistan on reconciling and, if necessary, rescheduling mutual indebtedness.
 - Adopt resolution on foreign borrowing/lending.
-

EXT External sector (trade and exchange system)

Includes conditions on:

- Trade-related issues (Trade liberalization; Tariffs / quotas changes; Custom duties changes)
- Exchange system (Foreign exchange rate regime; Exchange rate policy)
- Capital account liberalization
- Foreign direct investment
- Surrender requirements
- *Excludes*: customs administration reforms (see Revenue and Tax Policy)
- *Quantitative component*: Net international reserves; gross foreign reserves

Examples:

- Reduction in import permits to five commodities.
 - Simplification of customs tariff regime.
 - Adopt a uniform import duty of 5 percent with minimum exemptions.
 - Removal of import ban on cigarettes.
-

LAB Labour issues (public and private sector)

Includes conditions on:

- Wage and employment limits
- Pensions
- Social security institutions
- Any other measures affecting labour
- *Excludes*: conditions that are beneficial to labour (e.g. payments of wage arrears, see Fiscal Policy).
- *Excludes*: measures related to personnel in social sectors (if concerning reductions in numbers, then Social Policy; if concerning increases in numbers, then Redistributive Policies)
- *Excludes*: Salary, wage and income taxes (see Revenue and Tax Policy)

Examples:

- Reach understandings with staff of the World Bank pension reform.
 - Reduce number of civil servants through attrition.
 - Demobilize 10,000 soldiers.
-

	- The size of the "number-limited" civil service on the payroll (excluding new primary school teachers) will be 62,100. - Formulate a medium-term strategy and reform program for the civil service end-June 2000 entailing annual phasing for downsizing. - Wage bill
SP	Social policy Includes conditions on: - Changes in any social policy (health, housing, education, etc.) as long they are restrictive (e.g., introduction of user fees, closures of hospitals or schools, etc.) or neutral (e.g. agree with the World Bank on X plan) - Increases in prices or removal of consumer subsidies for food, water, public transport, or other basic needs goods (incl. electricity and gas only in cases where they explicitly target households) - Restructuring of health, education or housing (etc.) ministries - Changes in any social policy that contain both restrictive and redistributive measures or are ambiguous Examples: - Matching policies on invalid and survivor benefits to available revenues. - Maize-meal to be sold at a controlled retail price no lower than Z\$393 per 50 kilo bag. - Agreement with the European Union on the specific measures for the reform of the ministries of education and health. - Increase bread/flour prices to cost-recovery levels. - Set households' electricity tariffs to at least 25 percent of the full cost recovery level.
POV	Redistributive policies Includes conditions on: - All measures of a clearly redistributive nature, incl. poverty reduction measures, increases in social sector spending, Poverty Reduction Strategy Paper development and implementation, minimum employment in health and education sectors, social safety nets, etc. - <i>Excludes:</i> changes in any social policy that contain both restrictive and redistributive measures or are ambiguous, i.e. that could be either restrictive or redistributive (instead coded as SP) - <i>Excludes:</i> conditions that refer to collection on spending data for monitoring 'priority sectors' (instead coded as FP). For example, Preparation of monthly fiscal operations table fully consistent on a cash and commitment basis and a monthly table on a functional basis to monitor spending for priority sectors Examples: - Develop and implement an effective compensation mechanism for mitigating the effects of energy sector reforms on poor households. - Submit a PRSP preparation status report to the Bank and the Fund. - Minimum nonwage budgetary Priority Program Areas expenditures on health and education: U\$H 28 billion. - Completion of output-oriented work plans for all districts for absorption of the Poverty Action Fund conditional grants for 2000/01. - Development of a strategic communication plan to disseminate information on the respective roles and responsibilities of communities, local government authorities, and the central government in accounting for and monitoring the Poverty Action Fund resources.
INS	Institutional reforms Includes conditions on: - Legal reforms (e.g. new civil code, bankruptcy laws, judicial system reforms)

-
- General anti-corruption measures (e.g. declarations of income sources for politicians, publishing tenders online)
 - Combating economic crimes (e.g. anti-money laundering laws, reforms against the financing of terrorism)
 - Enhancing competition (e.g. granting new licenses for telephone companies, abolishing monopoly sectors)
 - Private sector development (e.g. reducing barriers to entry, procedures to register business, governance/regulation of private sector enterprise, business registry)
 - Devolution, decentralization or restructuring of ministries
 - Sectoral policies

Examples:

- Establishment of a new settlements system for electricity that discourages barter.
 - Adopt a time-table for reform of the Apparat of the Cabinet of Ministers, in line with recommendations provided by the World Bank staff
 - Establishment of two separate entities for post and telecommunications, respectively, under the supervision of the Ministry for Post and Telecommunications (PTT).
 - Establishment of a commercial chamber in the High Court
 - Submission of new bankruptcy legislation to Parliament by April 30, 1996
 - Congressional approval of modifications to the General Electricity Law, to include, inter-alia, provisions to criminalizing electricity fraud and theft.
-

ENV Land and environment

Includes conditions on:

- Land issues (incl. privatization of land, land registries, granting property rights; excl. taxation, see Revenue and Tax Policy)
- Environmental issues (incl. environmental regulations, access to the commons)

Examples:

- Passage by Parliament of amendments to Land Reform Law
 - Issue a decree making land certificates marketable through the Land Reform Committee.
 - Transfer of 2,000 hectares of arable land from the Government to the World Bank diversification project for rehabilitation and redistribution
 - Collection of fines levied on fishing violators and increasing the collection to 80 percent of the amount of fines recorded during 1995
 - Start land reform (with technical assistance from IDB/DFID)
-

OTH Residual category (OTH)

- Statistical or national accounts issues (e.g. national accounts framework, balance of payments measuring / reporting, consumer price index, establishing statistical authorities, household surveys)
- Standard conditions only if they are waived (see description of **Waiver** in the raw variable list above)

Examples:

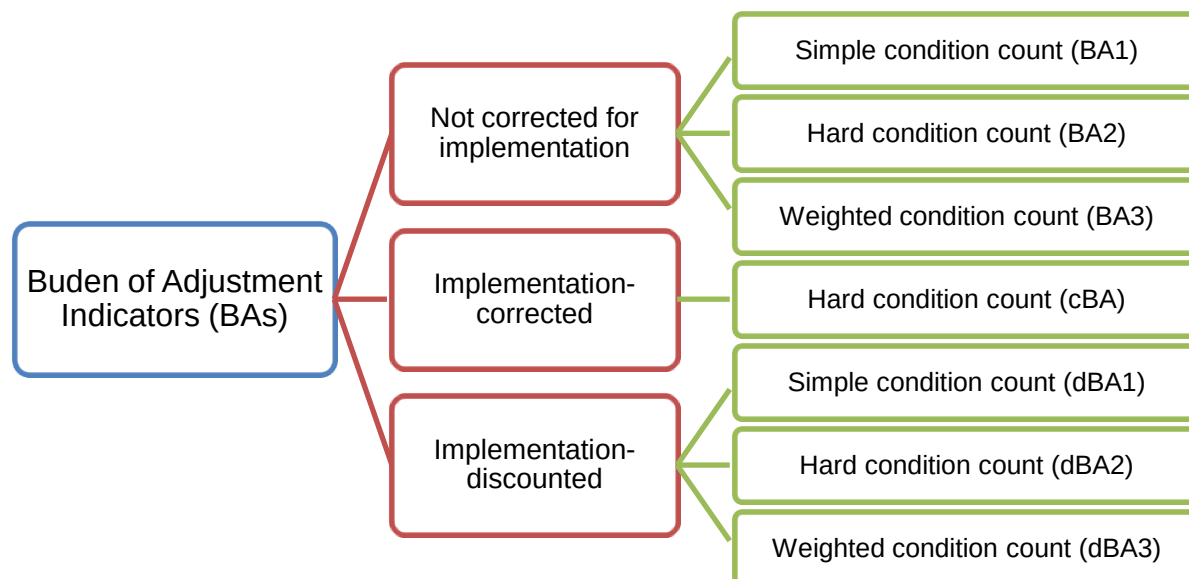
- Carry out the Population Census.
 - Provide the Fund staff with summary information on the methodology used to compile national accounts.
 - Proposal of an action plan for statistical improvements that will permit Brazil's subscription to the Special Data Dissemination Standard (SDDS).
-

9. Creating composite indicators

What is the ‘burden’ of conditionality in countries with IMF-supported programs? How many policy areas does conditionality span? How strict is it (see hard vs. soft conditions)? And to what extent are conditions implemented? Composite indicators need to capture these different dimensions of conditionality (see Section 3 and Bird, 2009). The ultimate aim of this database is to allow systematic examination of IMF-mandated adjustment policies for each country in every year.

We have constructed various composite indicators of the magnitude of adjustment required of borrowing countries (but see Section 11 on limitations). The three broad types of indicators we develop are burden of adjustment indicators (BAs), implementation-corrected BAs, and implementation-discounted BAs (see below). These capture different aspects of conditionality depending on the method employed for aggregating and weighting conditions, thus enabling in-depth testing for robustness of results (see Box 9.1). On the basis of actual country experiences, we also present a summary table of these indicators for selected countries and years in order to highlight their respective sub-variations. In addition, we construct separate indicators of waivers to conditions granted by the Executive Board. The unit of observation in all cases is country – year.

Box 9.1 Burden of Adjustment Indicators



Source: Authors.

9.1. Burden of Adjustment Indicators (not corrected for implementation)

Burden of Adjustment indicators (BAs) can be estimated as a simple condition count, a hard condition count, or a weighted condition count. We describe these variations in turn.

(A) Simple Condition Count (BA1)

This indicator measures the total number of conditions applicable in a given policy area in a given year for a country. Here, we present examples using the financial and monetary policy area (FIN) indexed by country and year (i and t), but identical procedures apply to all other policy areas. A *simple condition count* of a policy area takes the following form:

$$BA1_{i,t}^{FIN} = \sum PA_{i,t}^{FIN} + \sum \tau QPC_{i,t}^{FIN} + \sum SPC_{i,t}^{FIN} + \sum \tau IB_{i,t}^{FIN} + \sum SB_{i,t}^{FIN}$$

where $PA_{i,t}^{FIN}$, $QPC_{i,t}^{FIN}$, etc. refer to the type of conditions in the FIN policy area and coefficient τ is the number of times a quantitative condition is applicable in a given year (taking the value of the **Number Applicable** variable described in the variable list).¹⁰

This indicator can also be used to measure the *total* number of conditions applicable in a given year by aggregating the policy area counts above. Given that conditionality is assigned here into 13 policy areas, the total BA1 indicator takes the following form:

$$BA1_{i,t}^{TOT} = BA1_{i,t}^{DEB} + BA1_{i,t}^{ENV} + BA1_{i,t}^{EXT} + BA1_{i,t}^{FIN} + BA1_{i,t}^{FP} + BA1_{i,t}^{INS} + BA1_{i,t}^{LAB} \\ + BA1_{i,t}^{OTH} + BA1_{i,t}^{POV} + BA1_{i,t}^{PRI} + BA1_{i,t}^{RTP} + BA1_{i,t}^{SOE} + BA1_{i,t}^{SP}$$

where $BA1_{i,t}^{DEB}$, $BA1_{i,t}^{ENV}$, etc. are the simple condition counts of respective policy areas.

(B) Hard Condition Count (BA2)

An alternative BA measure considers only hard conditions. The IMF attaches greater importance to their implementation and requires formal waivers if they are missed in order for loan disbursement to occur. Given that they are binding, hard conditions therefore carry greater coercive power than soft conditions. Again using the financial policy area as an example, a *hard condition count* takes the following form:

$$BA2_{i,t}^{FIN} = \sum PA_{i,t}^{FIN} + \sum \tau QPC_{i,t}^{FIN} + \sum SPC_{i,t}^{FIN}$$

where $PA_{i,t}^{FIN}$, $QPC_{i,t}^{FIN}$, $SPC_{i,t}^{FIN}$ refer to the type of hard conditions in the FIN policy area and coefficient τ is the number of times a quantitative condition is applicable in a given year.

As a measure of the total number of hard conditions applicable in a given year, the total BA2 indicator can be specified as follows:

$$BA2_{i,t}^{TOT} = BA2_{i,t}^{DEB} + BA2_{i,t}^{ENV} + BA2_{i,t}^{EXT} + BA2_{i,t}^{FIN} + BA2_{i,t}^{FP} + BA2_{i,t}^{INS} + BA2_{i,t}^{LAB} \\ + BA2_{i,t}^{OTH} + BA2_{i,t}^{POV} + BA2_{i,t}^{PRI} + BA2_{i,t}^{RTP} + BA2_{i,t}^{SOE} + BA2_{i,t}^{SP}$$

where $BA2_{i,t}^{DEB}$, $BA2_{i,t}^{ENV}$, etc. are the hard condition counts of respective policy areas.

(C) Weighted Condition Count (BA3)

¹⁰ An alternative strategy would be to set τ at 1, effectively ensuring that each quantitative condition is only counted once per year. While this may be a plausible test for robustness of results, we note that in practice it does not correspond with the actual conditionality process. In general, a quantitative condition is applicable several times throughout the year, with each iteration entailing various policy commitments to reach the target.

Another useful BA measure reflects the greater coercive power of hard conditions while also incorporating soft conditions. In line with recent work (Caraway et al., 2012), we create a *weighted condition count* for policy areas specified formally as follows:

$$BA3_{i,t}^{FIN} = 2 \left(\sum PA_{i,t}^{FIN} \right) + 2 \left(\sum \tau QPC_{i,t}^{FIN} \right) + 2 \left(\sum SPC_{i,t}^{FIN} \right) + \sum \tau IB_{i,t}^{FIN} + \sum SB_{i,t}^{FIN}$$

where $PA_{i,t}^{FIN}$, $QPC_{i,t}^{FIN}$, etc. refer to the type of conditions in the FIN policy area and coefficient τ is the number of times a quantitative condition is applicable in a given year. In this indicator, conditions are assigned a weighting according to the importance that the IMF attaches to their implementation. Hard conditions – PAs, QPCs, and SPCs – are assigned a weight of 2, while soft conditions – IBs and SBs – are assigned a weight of 1.

As a measure of the total weighted condition count applicable in a given year, the total BA3 indicator can be specified as follows:

$$BA3_{i,t}^{TOT} = BA3_{i,t}^{DEB} + BA3_{i,t}^{ENV} + BA3_{i,t}^{EXT} + BA3_{i,t}^{FIN} + BA3_{i,t}^{FP} + BA3_{i,t}^{INS} + BA3_{i,t}^{LAB} + BA3_{i,t}^{OTH} + BA3_{i,t}^{POV} + BA3_{i,t}^{PRI} + BA3_{i,t}^{RTP} + BA3_{i,t}^{SOE} + BA3_{i,t}^{SP}$$

where $BA3_{i,t}^{DEB}$, $BA3_{i,t}^{ENV}$, etc. are the weighted condition counts of respective policy areas.

9.2. Implementation-Corrected Burden of Adjustment Indicators

The above indicators do *not* correct for implementation of conditionality. There are four ways of addressing issues of implementation – two direct approaches outlined here and two indirect approaches introduced in the subsequent section – each with its own set of limitations.¹¹ First, the simplest way of correcting for implementation entails subtracting waived conditions from the total conditions applicable. Only hard conditions have such data available, where non-implementation necessitates a waiver to be granted by the Executive Board (EB), thereby ensuring there is always a trace of this in the relevant EB decisions. In contrast, soft conditions are modified by Fund staff without requiring approval from the Board and no systematic data on the implementation of these is available. In addition to inevitably discarding soft conditions, this method does not capture the case where a Fund program is off-track and reviews are not concluded (i.e. it does not even reach the Board for review and waiver requests). Subtracting waivers from total conditions may also be an inappropriate inflection of the burden a condition carries given that waivers reflect not only non-implementation of a condition but also partial or delayed implementation.

Second, correcting for implementation can be achieved by deploying data from the IMF's MONA database, which reports implementation of conditionality for both hard and soft conditions. Mercer-Blackman & Unigovskaya (2004) conduct innovative work using this measure. However, this database only covers programs that came up for review, thereby excluding conditions that may have been included in cancelled or interrupted programs. As we show elsewhere, MONA also contains important inconsistencies. We therefore do not use this method to correct for implementation.

¹¹ See Arpac et al. (2008) for a more detailed nonpartisan assessment of the relative merits and pitfalls of each measure.

An implementation-correction for waivers entails a straightforward extension of the hard condition count (BA2) above. The Implementation-Corrected Burden of Adjustment indicator takes the following form:

$$cBA_{i,t}^{FIN} = \left(\sum PA_{i,t}^{FIN} - \sum WPA_{i,t}^{FIN} \right) + \left(\sum \tau QPC_{i,t}^{FIN} - \sum WQPC_{i,t}^{FIN} \right) + \left(\sum SPC_{i,t}^{FIN} - \sum WSPC_{i,t}^{FIN} \right)$$

where $PA_{i,t}^{FIN}$, $QPC_{i,t}^{FIN}$, $SPC_{i,t}^{FIN}$ refer to the type of hard conditions in the FIN policy area, $WPA_{i,t}^{FIN}$, $WQPC_{i,t}^{FIN}$, $WSPC_{i,t}^{FIN}$ refer to the waivers of hard conditions and coefficient τ is the number of times a quantitative condition is applicable in a given year.

The total cBA indicator can be specified as follows:

$$cBA_{i,t}^{TOT} = cBA_{i,t}^{DEB} + cBA_{i,t}^{ENV} + cBA_{i,t}^{EXT} + cBA_{i,t}^{FIN} + cBA_{i,t}^{FP} + cBA_{i,t}^{INS} + cBA_{i,t}^{LAB} + cBA_{i,t}^{OTH} + cBA_{i,t}^{POV} + cBA_{i,t}^{PRI} + cBA_{i,t}^{RTP} + cBA_{i,t}^{SOE} + cBA_{i,t}^{SP}$$

where $cBA_{i,t}^{DEB}$, $cBA_{i,t}^{ENV}$, etc. are the implementation-corrected burden of adjustment indices of respective policy areas.

9.3. Implementation-Discounted Burden of Adjustment Indicators

The above indicator offers a direct method of correcting for condition implementation. There are also two indirect approaches that overcome some of the shortcomings of direct methods, such as the inability to track implementation when a program does not make it to review. First, an indirect way to estimate implementation entails examining the proportion of the loan disbursed as a proxy for program interruptions. Countries can only receive the agreed-upon loan tranches from the IMF insofar as they implement the associated conditionality. Failure to do so leads to countries being unable to draw subsequent loan tranches. Therefore, the burden of conditionality can be discounted by the proportion of the loan actually disbursed (see Killick, 1995:58-66). Two main problems exist with this strategy: countries can opt to borrow less despite meeting all the conditionality attached to their program, and – more importantly – there is a more accurate and direct way to estimate interruptions, which we adopt instead.

The second approach to correcting for implementation entails an assessment of whether or not a program was interrupted, before discounting conditions during the interruption period. Program interruptions can be directly measured by examining borrowing countries' failure to complete reviews. An interruption can be temporary, lasting a few months, or permanent. They are measured as the time lag between the initially agreed-upon review dates and the actual review dates (see Mecagni, 1999). However, a limitation of this approach is that it tells us little about what actually caused the review delay. While program interruptions most often occur as a result of failing to meet conditions, they can also be due to events that are extraneous to conditionality, such as administrative delays or changes in political leadership. Given that this scenario is uncommon and no better alternatives exist, we adopt this strategy.

Following the approach adopted by Fund staff analyses (Mecagni 1999, Ivanova et al. 2006, Nsouli et al. 2006), we coded *temporary interruptions* – a deviation from program implementation that is subsequently corrected (i.e. the country gets back on-track with the program) – and *permanent interruptions*. An interruption is formally defined as a program review for an SBA delayed by more than 90 days or not completed at all; or a program review

for an EFF, ESAF, SAF or PRGF program delayed by more than 180 days or not completed at all. The exception to this rule is programs that are cancelled and replaced with another, in which case non-completed reviews are not counted as interruptions. A permanent interruption occurs if the program does not resume (i.e. there is no subsequent review after the interruption event).

Because our unit of analysis is the country–year rather than country–program, a further transformation on interruptions is required. We discount *each condition in a given year within the relevant arrangement* by a coefficient determined by the *number of quarters interrupted in a given year within the relevant arrangement*. An interruption is coded from the quarter where the program review was original scheduled up until, but not including, the quarter where the next review actually occurred. For a permanent interruption, all quarters following the interruption are coded as interrupted. Conditions in interrupted quarters for a given arrangement are discounted by the following coefficients: 1 for no interruptions; 0.75 if one quarter is interrupted; 0.50 if two; 0.25 if three; and 0 if four. As with our non-corrected measures, our Implementation-Discounted Burden of Adjustment Indicators (dBA1) can be estimated as a simple condition count, a hard condition count, or a weighted condition count, described below.

(A) Simple Condition Count (dBA1)

This indicator measures the total number of conditions discounted for implementation in a given policy area in a given year for a country. It is estimated as follows:

$$dBA1_{i,t}^{FIN} = \sum \delta PA_{i,t}^{FIN} + \sum \delta \tau QPC_{i,t}^{FIN} + \sum \delta SPC_{i,t}^{FIN} + \sum \delta \tau IB_{i,t}^{FIN} + \sum \delta SB_{i,t}^{FIN}$$

where $PA_{i,t}^{FIN}$, $QPC_{i,t}^{FIN}$, $SPC_{i,t}^{FIN}$ refer to the type of hard conditions in the FIN policy area, coefficient τ is the number of times a quantitative condition is applicable in a given year and δ is the discount coefficient for each condition.¹²

The total dBA1 indicator can be specified as follows:

$$\begin{aligned} dBA1_{i,t}^{TOT} = & dBA1_{i,t}^{DEB} + dBA1_{i,t}^{ENV} + dBA1_{i,t}^{EXT} + dBA1_{i,t}^{FIN} + dBA1_{i,t}^{FP} + dBA1_{i,t}^{INS} \\ & + dBA1_{i,t}^{LAB} + dBA1_{i,t}^{OTH} + dBA1_{i,t}^{POV} + dBA1_{i,t}^{PRI} + dBA1_{i,t}^{RTP} + dBA1_{i,t}^{SOE} \\ & + dBA1_{i,t}^{SP} \end{aligned}$$

where $dBA1_{i,t}^{DEB}$, $dBA1_{i,t}^{ENV}$, etc. are the simple condition counts of respective policy areas discounted for implementation.

(B) Hard Condition Count (dBA2)

This indicator measures the number of hard conditions discounted for implementation in a given policy area in a given year for a country. It is estimated as follows:

¹² It is worth noting that we cannot factorize this equation for δ because its value can vary even within a given year, such as where two separate arrangements occur within the same year for a single country. In this case, it is possible for one of the arrangements to be interrupted but not the other (e.g. a permanently interrupted arrangement that finishes in February followed by an uninterrupted arrangement beginning in November).

$$dBA2_{i,t}^{FIN} = \sum \delta PA_{i,t}^{FIN} + \sum \delta \tau QPC_{i,t}^{FIN} + \sum \delta SPC_{i,t}^{FIN}$$

where $PA_{i,t}^{FIN}$, $QPC_{i,t}^{FIN}$, $SPC_{i,t}^{FIN}$ refer to the type of hard conditions in the FIN policy area, coefficient τ is the number of times a quantitative condition is applicable in a given year and δ is the discount coefficient for each condition.

The total dBA2 indicator can be specified as follows:

$$\begin{aligned} dBA2_{i,t}^{TOT} = & dBA2_{i,t}^{DEB} + dBA2_{i,t}^{ENV} + dBA2_{i,t}^{EXT} + dBA2_{i,t}^{FIN} + dBA2_{i,t}^{FP} + dBA2_{i,t}^{INS} \\ & + dBA2_{i,t}^{LAB} + dBA2_{i,t}^{OTH} + dBA2_{i,t}^{POV} + dBA2_{i,t}^{PRI} + dBA2_{i,t}^{RTP} + dBA2_{i,t}^{SOE} \\ & + dBA2_{i,t}^{SP} \end{aligned}$$

where $dBA2_{i,t}^{DEB}$, $dBA2_{i,t}^{ENV}$, etc. are the hard condition counts of respective policy areas discounted for implementation.

(C) Weighted Condition Count (dBA3)

This indicator employs a weighted condition count discounted for implementation in a given policy area in a given year for a country. It is estimated as follows:

$$\begin{aligned} dBA3_{i,t}^{FIN} = & 2 \left(\sum \delta PA_{i,t}^{FIN} \right) + 2 \left(\sum \delta \tau QPC_{i,t}^{FIN} \right) + 2 \left(\sum \delta SPC_{i,t}^{FIN} \right) \\ & + \sum \delta \tau IB_{i,t}^{FIN} + \sum \delta SB_{i,t}^{FIN} \end{aligned}$$

where $PA_{i,t}^{FIN}$, $QPC_{i,t}^{FIN}$, etc. refer to the type of conditions in the FIN policy area, coefficient τ is the number of times a quantitative condition is applicable in a given year and δ is the discount coefficient for each condition.

The total dBA3 indicator can be specified as follows:

$$\begin{aligned} dBA3_{i,t}^{TOT} = & dBA3_{i,t}^{DEB} + dBA3_{i,t}^{ENV} + dBA3_{i,t}^{EXT} + dBA3_{i,t}^{FIN} + dBA3_{i,t}^{FP} + dBA3_{i,t}^{INS} \\ & + dBA3_{i,t}^{LAB} + dBA3_{i,t}^{OTH} + dBA3_{i,t}^{POV} + dBA3_{i,t}^{PRI} + dBA3_{i,t}^{RTP} + dBA3_{i,t}^{SOE} \\ & + dBA3_{i,t}^{SP} \end{aligned}$$

where $dBA3_{i,t}^{DEB}$, $dBA3_{i,t}^{ENV}$, etc. are the weighted condition counts of respective policy areas discounted for implementation.

9.4 Comparison of Burden of Adjustment Indicators

To illustrate the differences between these indicators, we present a table utilizing specific country experiences. We have purposefully selected ten cases of country-year conditionality where countries have a very similar number of conditions applicable: in all cases the simple annual conditionality count is between 49 and 51 conditions. Table 9.1 traces how these indicators change depending on the split between hard and soft conditions and the adjustment for implementation described above. That is to say, countries that rank similarly when examining the BA1 indicator start showing discrepancies when adjusting for the strictness of conditionality (BA3), and end up ranking very differently when adjusting for implementation.

Table 9.1. Total Burden of Adjustment Indicators for Selected Country-Years

	BA1	BA2	BA3	cBA	dBA1	dBA2	dBA3
Afghanistan, 2007	49	35	84	34	49	35	84
Armenia, 1997	51	39	90	35	51	39	90
Bulgaria, 1996	49	46	95	46	24.5	23	47.5
Côte d' Ivoire, 2002	51	41	92	41	25.5	20.5	46
Congo (Rep.), 1996	51	34	85	34	38.25	25.5	63.75
Congo (Rep.), 1998	51	11	62	11	51	11	62
Djibouti, 1997	50	35	85	29	25	17.5	42.5
Laos, 2002	50	44	94	42	50	44	94
Laos, 2003	50	38	88	36	25	19	44
Uganda, 2003	50	32	82	24	50	32	82

9.5. Waiver-Related Indicators

This database enables examining the determinants of waivers on conditions. Past research has made the claim that borrowing countries' political alliances with more powerful nations may in some way drive preferential treatment by the Fund (i.e. Fund management and/or staff are pushed by wealthier countries with more voting power to be more lenient on non-complying countries). Similarly, waivers may be granted with greater frequency to developing countries with greater rich country debt holdings, whereby waivers ensure that the program continues and that loan tranches are disbursed so that Fund credit can immediately exit borrowing countries in order to service foreign debt. In other words, waivers may be granted independent of economic considerations or the relative importance and policy area of the condition.

We envisage three possible indicators of waivers to capture the various political economic determinants. Given that our dataset examines IMF-mandated policies on a per country-year basis, the first indicator looks at the total number of waivers granted per year (see Pop-Eleches 2009):

$$W1 = \sum Waivers$$

However, an issue with this indicator is that countries with very few conditions are essentially capped on the number of waivers they can possibly receive, whereas countries with a lot of conditions can get more waivers simply because they have more conditions. Thus, the second indicator normalizes the measure by the number of conditions; it looks at total waivers as a share of total hard conditions per year (see Ivanova et al. 2006):

$$W2 = \frac{\sum Waivers \times 100}{\sum PAs + \sum QPCs + \sum SPCs}$$

One weakness of this indicator is that there may be several waivers granted in a single review. This may skew results as it masks details on how actor behavior is modeled in the waiver process. For example, if France has large debt holdings of Djibouti, then France may use its leverage within the Fund to ensure that IMF credit continues to be extended to Djibouti, irrespective of poor implementation status of conditionality. Correspondingly, the leverage that France will use may not necessarily be reflected on the number of waivers, but rather on the conclusion of the review, i.e. the act of granting the waivers. To address such a possible

scenario, where a review contains any waiver – whether on one, two, or eight conditions (and so on) – we refer to this as a ‘waiver event’. Correspondingly, a third indicator measures the total number of waiver events per year.

$$W3 = \sum WaiverEvents$$

There is a final issue concerning waivers that are granted due to non-availability of data rather than non-observance of a condition. Where the expectation of IMF staff conducting program reviews is that the conditions will in fact be met, this is likely to be a procedural task that occurs independently of political influence. To control for this scenario, we exclude waivers granted due to non-availability of data.

10. Main dataset

Data is available in Stata format. Unit of analysis is country–year.

cname	Country Name
ccode	Country Code World Bank
cid	Country Identification Number
year	Year
DEB_IB	External debt issues [DEB] indicative benchmarks
DEB_IB_W	External debt issues [DEB] indicative benchmarks waivers
DEB_PA	External debt issues [DEB] prior actions
DEB_PA_W	External debt issues [DEB] prior actions waivers
DEB_QPC	External debt issues [DEB] quantitative performance criteria
DEB_QPC_W	External debt issues [DEB] quantitative performance criteria waivers
DEB_SB	External debt issues [DEB] structural benchmarks
DEB_SB_W	External debt issues [DEB] structural benchmarks waivers
DEB_SPC	External debt issues [DEB] structural performance criteria
DEB_SPC_W	External debt issues [DEB] structural performance criteria waivers
ENV_IB	Land and environment [ENV] indicative benchmarks
ENV_IB_W	Land and environment [ENV] indicative benchmarks waivers
ENV_PA	Land and environment [ENV] prior actions
ENV_PA_W	Land and environment [ENV] prior actions waivers
ENV_QPC	Land and environment [ENV] quantitative performance criteria
ENV_QPC_W	Land and environment [ENV] quantitative performance criteria waivers
ENV_SB	Land and environment [ENV] structural benchmarks
ENV_SB_W	Land and environment [ENV] structural benchmarks waivers
ENV_SPC	Land and environment [ENV] structural performance criteria
ENV_SPC_W	Land and environment [ENV] structural performance criteria waivers
EXT_IB	External sector (trade and exchange system) [EXT] indicative benchmarks
EXT_IB_W	External sector (trade and exchange system) [EXT] indicative benchmarks waivers
EXT_PA	External sector (trade and exchange system) [EXT] prior actions
EXT_PA_W	External sector (trade and exchange system) [EXT] prior actions waivers
EXT_QPC	External sector (trade and exchange system) [EXT] quantitative performance criteria
EXT_QPC_W	External sector (trade and exchange system) [EXT] quantitative performance criteria waivers
EXT_SB	External sector (trade and exchange system) [EXT] structural benchmarks
EXT_SB_W	External sector (trade and exchange system) [EXT] structural benchmarks waivers
EXT_SPC	External sector (trade and exchange system) [EXT] structural performance criteria
EXT_SPC_W	External sector (trade and exchange system) [EXT] structural performance criteria waivers
FIN_IB	Financial sector, monetary policy, and Central Bank issues [FIN] indicative benchmarks
FIN_IB_W	Financial sector, monetary policy, and Central Bank issues [FIN] indicative benchmarks waivers
FIN_PA	Financial sector, monetary policy, and Central Bank issues [FIN] prior actions
FIN_PA_W	Financial sector, monetary policy, and Central Bank issues [FIN] prior actions

	waivers
FIN_QPC	Financial sector, monetary policy, and Central Bank issues [FIN] quantitative performance criteria
FIN_QPC_W	Financial sector, monetary policy, and Central Bank issues [FIN] quantitative performance criteria waivers
FIN_SB	Financial sector, monetary policy, and Central Bank issues [FIN] structural benchmarks
FIN_SB_W	Financial sector, monetary policy, and Central Bank issues [FIN] structural benchmarks waivers
FIN_SPC	Financial sector, monetary policy, and Central Bank issues [FIN] structural performance criteria
FIN_SPC_W	Financial sector, monetary policy, and Central Bank issues [FIN] structural performance criteria waivers
FP_IB	Fiscal issues [FP] indicative benchmarks
FP_IB_W	Fiscal issues [FP] indicative benchmarks waivers
FP_PA	Fiscal issues [FP] prior actions
FP_PA_W	Fiscal issues [FP] prior actions waivers
FP_QPC	Fiscal issues [FP] quantitative performance criteria
FP_QPC_W	Fiscal issues [FP] quantitative performance criteria waivers
FP_SB	Fiscal issues [FP] structural benchmarks
FP_SB_W	Fiscal issues [FP] structural benchmarks waivers
FP_SPC	Fiscal issues [FP] structural performance criteria
FP_SPC_W	Fiscal issues [FP] structural performance criteria waivers
INS_IB	Institutional reforms [INS] indicative benchmarks
INS_IB_W	Institutional reforms [INS] indicative benchmarks waivers
INS_PA	Institutional reforms [INS] prior actions
INS_PA_W	Institutional reforms [INS] prior actions waivers
INS_QPC	Institutional reforms [INS] quantitative performance criteria
INS_QPC_W	Institutional reforms [INS] quantitative performance criteria waivers
INS_SB	Institutional reforms [INS] structural benchmarks
INS_SB_W	Institutional reforms [INS] structural benchmarks waivers
INS_SPC	Institutional reforms [INS] structural performance criteria
INS_SPC_W	Institutional reforms [INS] structural performance criteria waivers
LAB_IB	Labor issues (public and private sector) [LAB] indicative benchmarks
LAB_IB_W	Labor issues (public and private sector) [LAB] indicative benchmarks waivers
LAB_PA	Labor issues (public and private sector) [LAB] prior actions
LAB_PA_W	Labor issues (public and private sector) [LAB] prior actions waivers
LAB_QPC	Labor issues (public and private sector) [LAB] quantitative performance criteria
LAB_QPC_W	Labor issues (public and private sector) [LAB] quantitative performance criteria waivers
LAB_SB	Labor issues (public and private sector) [LAB] structural benchmarks
LAB_SB_W	Labor issues (public and private sector) [LAB] structural benchmarks waivers
LAB_SPC	Labor issues (public and private sector) [LAB] structural performance criteria
LAB_SPC_W	Labor issues (public and private sector) [LAB] structural performance criteria waivers
OTH_IB	Residual category [RES] indicative benchmarks
OTH_IB_W	Residual category [RES] indicative benchmarks waivers

OTH_PA	Residual category [RES] prior actions
OTH_PA_W	Residual category [RES] prior actions waivers
OTH_PC	Residual category [RES] performance criteria
OTH_PC_W	Residual category [RES] performance criteria waivers
OTH_QPC	Residual category [RES] quantitative performance criteria
OTH_QPC_W	Residual category [RES] quantitative performance criteria waivers
OTH_SB	Residual category [RES] structural benchmarks
OTH_SB_W	Residual category [RES] structural benchmarks waivers
OTH_SPC	Residual category [RES] structural performance criteria
OTH_SPC_W	Residual category [RES] structural performance criteria waivers
POV_IB	Anti-poverty [POV] indicative benchmarks
POV_IB_W	Anti-poverty [POV] indicative benchmarks waivers
POV_PA	Anti-poverty [POV] prior actions
POV_PA_W	Anti-poverty [POV] prior actions waivers
POV_QPC	Anti-poverty [POV] quantitative performance criteria
POV_QPC_W	Anti-poverty [POV] quantitative performance criteria waivers
POV_SB	Anti-poverty [POV] structural benchmarks
POV_SB_W	Anti-poverty [POV] structural benchmarks waivers
POV_SPC	Anti-poverty [POV] structural performance criteria
POV_SPC_W	Anti-poverty [POV] structural performance criteria waivers
PRI_IB	SOE privatization [PRI] indicative benchmarks
PRI_IB_W	SOE privatization [PRI] indicative benchmarks waivers
PRI_PA	SOE privatization [PRI] prior actions
PRI_PA_W	SOE privatization [PRI] prior actions waivers
PRI_QPC	SOE privatization [PRI] quantitative performance criteria
PRI_QPC_W	SOE privatization [PRI] quantitative performance criteria waivers
PRI_SB	SOE privatization [PRI] structural benchmarks
PRI_SB_W	SOE privatization [PRI] structural benchmarks waivers
PRI_SPC	SOE privatization [PRI] structural performance criteria
PRI_SPC_W	SOE privatization [PRI] structural performance criteria waivers
RTP_IB	Revenues and tax issues [RTP] indicative benchmarks
RTP_IB_W	Revenues and tax issues [RTP] indicative benchmarks waivers
RTP_PA	Revenues and tax issues [RTP] prior actions
RTP_PA_W	Revenues and tax issues [RTP] prior actions waivers
RTP_QPC	Revenues and tax issues [RTP] quantitative performance criteria
RTP_QPC_W	Revenues and tax issues [RTP] quantitative performance criteria waivers
RTP_SB	Revenues and tax issues [RTP] structural benchmarks
RTP_SB_W	Revenues and tax issues [RTP] structural benchmarks waivers
RTP_SPC	Revenues and tax issues [RTP] structural performance criteria
RTP_SPC_W	Revenues and tax issues [RTP] structural performance criteria waivers
SOE_IB	SOE reform and pricing [SOE] indicative benchmarks
SOE_IB_W	SOE reform and pricing [SOE] indicative benchmarks waivers
SOE_PA	SOE reform and pricing [SOE] prior actions
SOE_PA_W	SOE reform and pricing [SOE] prior actions waivers
SOE_QPC	SOE reform and pricing [SOE] quantitative performance criteria

SOE_QPC_W	SOE reform and pricing [SOE] quantitative performance criteria waivers
SOE_SB	SOE reform and pricing [SOE] structural benchmarks
SOE_SB_W	SOE reform and pricing [SOE] structural benchmarks waivers
SOE_SPC	SOE reform and pricing [SOE] structural performance criteria
SOE_SPC_W	SOE reform and pricing [SOE] structural performance criteria waivers
SP_IB	Social policy [SP] indicative benchmarks
SP_IB_W	Social policy [SP] indicative benchmarks waivers
SP_PA	Social policy [SP] prior actions
SP_PA_W	Social policy [SP] prior actions waivers
SP_QPC	Social policy [SP] quantitative performance criteria
SP_QPC_W	Social policy [SP] quantitative performance criteria waivers
SP_SB	Social policy [SP] structural benchmarks
SP_SB_W	Social policy [SP] structural benchmarks waivers
SP_SPC	Social policy [SP] structural performance criteria
SP_SPC_W	Social policy [SP] structural performance criteria waivers
QPCsTOT	Quantitative performance criteria - Total
IBsTOT	Indicative benchmarks - Total
PAstOT	Prior actions - Total
SPCsTOT	Structural performance criteria - Total
SBsTOT	Structural benchmarks - Total
BA1DEB	BA1 indicator - DEB
BA1ENV	BA1 indicator - ENV
BA1EXT	BA1 indicator - EXT
BA1FIN	BA1 indicator - FIN
BA1FP	BA1 indicator - FP
BA1INS	BA1 indicator - INS
BA1LAB	BA1 indicator - LAB
BA1OTH	BA1 indicator - OTH
BA1POV	BA1 indicator - POV
BA1PRI	BA1 indicator - PRI
BA1RTP	BA1 indicator - RTP
BA1SOE	BA1 indicator - SOE
BA1SP	BA1 indicator - SP
BA1TOT	BA1 - Total
BA2DEB	BA2 indicator - DEB
BA2ENV	BA2 indicator - ENV
BA2EXT	BA2 indicator - EXT
BA2FIN	BA2 indicator - FIN
BA2FP	BA2 indicator - FP
BA2INS	BA2 indicator - INS
BA2LAB	BA2 indicator - LAB
BA2OTH	BA2 indicator - OTH
BA2POV	BA2 indicator - POV
BA2PRI	BA2 indicator - PRI
BA2RTP	BA2 indicator - RTP

BA2SOE	BA2 indicator - SOE
BA2SP	BA2 indicator - SP
BA2TOT	BA2 - Total
BA3DEB	BA3 indicator - DEB
BA3ENV	BA3 indicator - ENV
BA3EXT	BA3 indicator - EXT
BA3FIN	BA3 indicator - FIN
BA3FP	BA3 indicator - FP
BA3INS	BA3 indicator - INS
BA3LAB	BA3 indicator - LAB
BA3OTH	BA3 indicator - OTH
BA3POV	BA3 indicator - POV
BA3PRI	BA3 indicator - PRI
BA3RTP	BA3 indicator - RTP
BA3SOE	BA3 indicator - SOE
BA3SP	BA3 indicator - SP
BA3TOT	BA3 - Total
QCsDEB	Quantitative conditions - DEB
QCsENV	Quantitative conditions - ENV
QCsEXT	Quantitative conditions - EXT
QCsFIN	Quantitative conditions - FIN
QCsFP	Quantitative conditions - FP
QCsINS	Quantitative conditions - INS
QCsLAB	Quantitative conditions - LAB
QCsOTH	Quantitative conditions - OTH
QCsPOV	Quantitative conditions - POV
QCsPRI	Quantitative conditions - PRI
QCsRTP	Quantitative conditions - RTP
QCsSOE	Quantitative conditions - SOE
QCsSP	Quantitative conditions - SP
QCsTOT	Quantitative conditions - Total
SCsDEB	Structural conditions - DEB
SCsENV	Structural conditions - ENV
SCsEXT	Structural conditions - EXT
SCsFIN	Structural conditions - FIN
SCsFP	Structural conditions - FP
SCsINS	Structural conditions - INS
SCsLAB	Structural conditions - LAB
SCsOTH	Structural conditions - OTH
SCsPOV	Structural conditions - POV
SCsPRI	Structural conditions - PRI
SCsRTP	Structural conditions - RTP
SCsSOE	Structural conditions - SOE
SCsSP	Structural conditions - SP
SCsTOT	Structural conditions - Total

cBADEB	cBA indicator - DEB
cBAENV	cBA indicator - ENV
cBAEXT	cBA indicator - EXT
cBAFIN	cBA indicator - FIN
cBAFP	cBA indicator - FP
cBAINS	cBA indicator - INS
cBALAB	cBA indicator - LAB
cBAOTH	cBA indicator - OTH
cBAPOV	cBA indicator - POV
cBAPRI	cBA indicator - PRI
cBARTP	cBA indicator - RTP
cBASOE	cBA indicator - SOE
cBASP	cBA indicator - SP
cBATOT	cBA - Total
cQCsTOT	cQCs - Total
cSCsTOT	cSCs - Total
dBA1DEB	dBA1 indicator - DEB
dBA1ENV	dBA1 indicator - ENV
dBA1EXT	dBA1 indicator - EXT
dBA1FIN	dBA1 indicator - FIN
dBA1FP	dBA1 indicator - FP
dBA1INS	dBA1 indicator - INS
dBA1LAB	dBA1 indicator - LAB
dBA1OTH	dBA1 indicator - OTH
dBA1POV	dBA1 indicator - POV
dBA1PRI	dBA1 indicator - PRI
dBA1RTP	dBA1 indicator - RTP
dBA1SOE	dBA1 indicator - SOE
dBA1SP	dBA1 indicator - SP
dBA1TOT	dBA1 - Total
dBA2DEB	dBA2 indicator - DEB
dBA2ENV	dBA2 indicator - ENV
dBA2EXT	dBA2 indicator - EXT
dBA2FIN	dBA2 indicator - FIN
dBA2FP	dBA2 indicator - FP
dBA2INS	dBA2 indicator - INS
dBA2LAB	dBA2 indicator - LAB
dBA2OTH	dBA2 indicator - OTH
dBA2POV	dBA2 indicator - POV
dBA2PRI	dBA2 indicator - PRI
dBA2RTP	dBA2 indicator - RTP
dBA2SOE	dBA2 indicator - SOE
dBA2SP	dBA2 indicator - SP
dBA2TOT	dBA2 - Total
dBA3DEB	dBA3 indicator - DEB

dBA3ENV	dBA3 indicator - ENV
dBA3EXT	dBA3 indicator - EXT
dBA3FIN	dBA3 indicator - FIN
dBA3FP	dBA3 indicator - FP
dBA3INS	dBA3 indicator - INS
dBA3LAB	dBA3 indicator - LAB
dBA3OTH	dBA3 indicator - OTH
dBA3POV	dBA3 indicator - POV
dBA3PRI	dBA3 indicator - PRI
dBA3RTP	dBA3 indicator - RTP
dBA3SOE	dBA3 indicator - SOE
dBA3SP	dBA3 indicator - SP
dBA3TOT	dBA3 - Total
dQCsTOT	dQCs - Total
dSCsTOT	dSCs - Total
dQPCsTOT	dQPCs - Total
dIBsTOT	dIBs - Total
dPAsTOT	dPAs - Total
dSPCsTOT	dSPCs - Total
dSBsTOT	dSBs - Total
W1	Total number of waivers
W2	Normalized number of waivers
W3	Total number of waiver events

11. Limitations

Before examining in some possible uses for the data, we elaborate on the limitations of this coding as well as proposed remedies where applicable.

11.1. On the measurement of conditionality

As examined earlier, the purpose of this database is to systematize formal conditions included in IMF programs. By definition, this restricts us to coding only prior actions, performance criteria, and benchmarks. We are thus not capturing parts of adjustment programs that are not formal conditions (e.g. recommendations, policy statements, and so on). Even so, countries borrowing from the IMF will design – in close consultation with Fund staff – economic policy frameworks that are applicable for the duration of the loan arrangement. These give detail on a number of policy issues and are taken into consideration when the program is up for approval by the EB. However, the policies included there are not part of conditionality, i.e. non-implementation cannot affect loan tranche disbursement. In other words, while a country may agree on an economic reform program that includes privatizations, public sector layoffs, etc., as long as these are not conditions then the country is not contractually obliged to implement them. This is not to say that Fund staff will not place pressure on the government to bring such reforms forward, but the coercive aspect of conditionality (i.e. delays or cancellations of tranches) is absent.

We appreciate that coding conditionality alone possibly underestimates the amount of pressure governments are under, however there is no alternative way to code that is consistent with our purposes. One alternative follows the work of Caraway et al. (2012) who coded all conditions and all other mentions of labour policy reforms in IMF agreements and then weighted them in a way that non-condition reforms in loan agreements were given low weights. Such an approach is promising, but only feasible when the main interest is in a specific policy area.¹³ At a later stage (in a related but separate project), we can consider whether we should extend this methodology to other policy areas; for example, privatizations, social safety nets, health policy, housing, etc.

11.2. On the measurement of implementation

Issues arising that concern the measurement of implementation and proposed remedies were examined in Section 9. Our coding strategy is in line with research on the issue (Mecagni 1999, Ivanova et al. 2006, Nsouli et al. 2006).

11.3. On the interpretation of quantitative conditions

As described in the variable list above, we do code quantitative conditions but cap them at four per year (even though they may be applicable for every month of the year). While having detailed data on the number of these conditions is essential to assess the burden of adjustment required by the loan agreement, interpretation of these conditions is difficult. For example, if a country has a quantitative performance criterion specifying the ceiling of the public sector wage bill, without further information it is unclear how to interpret this (i.e. we do not know whether this reflects a 5, 10 or 20 percent reduction in the overall size of the public sector wage

¹³ These authors searched the documents for reforms and conditions relating to wages, layoffs, privatizations, collective bargaining decentralization, etc.; i.e. all policies that would have a direct effect on the labour force.

bill). Another example concerns the very common ‘elimination of arrears’ condition: without knowledge of how big those arrears were in the first place as a share of GDP, we cannot assess whether this reflects a tough condition to meet or not. Similar considerations apply for many other quantitative conditions as well. There is no remedy for this.¹⁴

11.4. On the interpretation of structural conditions

Sometimes there is a barrage of structural conditions that refer to the same intended end-result. For example, the privatization of a state-owned enterprise may be phased in over the duration of a programme, starting with a condition to “appoint audit firm”, then “launch tender”, and finally “sign contract with successful bidder.”

11.5. Other

- There is sometimes an element of subjectivity when coding across EBSs in determining whether a structural condition is the same or a new one because the wording of the condition can change even if the action required is still substantively the same. Discretion needs to be used in this situation. If in doubt, where a condition has not been rolled over into a new year then we do not create a new condition, i.e. we have assumed that it is the same condition. Where a structural condition has rolled over to a new year and there is doubt on whether it is the same condition or a new one, we have assumed that it is the same condition. This is a conservative coding strategy.
- If a program goes irreversibly off-track, it is generally because of the non-implementation of conditionality, and we will take that into consideration when analyzing the data (conditionality applicable on years with off-track programs will be heavily discounted or voided). However, it is possible that a country did implement part of the program conditionality between reviews before the program went off-track. Lacking a concluded review, we will be unable to code what exactly a country implemented over that period. This issue cannot be remedied, and our discount strategy will likely underestimate the conditionality implemented in the off-track year (i.e. it is a conservative coding strategy).
- Our indicators measure the burden of adjustment as expressed in IMF programs, which is not to say that countries do not have to implement conditionalities of other international organizations in parallel. This is common for African countries (in parallel IMF-World Bank programs) and in Eastern European countries in the 1990s (in parallel IMF-EBRD programs). Therefore, our indicators likely understate the true burden of adjustment as a result of conditional lending by international organizations.

¹⁴ Data on wage bills, public sector spending, specific policy area spending, etc. will be impossible to find. But even if it were possible, this would entail a discretionary judgment on our part on what constitutes a ‘tough’ condition, which would jeopardize the validity of our findings.

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Appendix 1. IMF financial facilities and policies

Financial assistance provided by the IMF is made available to member countries under a number of policies, or facilities, the terms of which reflect the nature of the balance of payments problem that the borrowing country is experiencing. In the following paragraphs, reference is made to country quotas¹⁵. Each member country of the IMF is assigned a quota, based broadly on its relative position in the world economy. A member country's quota determines its maximum financial commitment to the IMF, its voting power, and has a bearing on its access to IMF financing. Generally, countries can borrow up to 25% of their quota with little conditionality (see below). Prior to the current global financial crisis, members could usually only borrow up to 100 percent of the quota annually and up to 300 percent of the quota cumulatively (Pop-Eleches, 2009).

Regular Lending Facilities

IMF credit is subject to different conditions, depending on whether it is made available in the first credit “tranche” (or segment) of 25 percent of a member's quota or in the upper credit tranches (any segment above 25 percent of quota). For drawings in the first credit tranche, members must demonstrate reasonable efforts to overcome their balance of payments difficulties. Upper credit tranche drawings are made in instalments (“phased”) and are released when performance targets are met. Such drawings are normally associated with Stand-By or Extended Arrangements.

- **Stand-By Arrangements (SBAs)** are designed to deal with short-term balance of payments problems of a temporary or cyclical nature, and must be repaid within 3¼–5 years. Drawings are normally made quarterly, with their release conditional upon borrowers' meeting quantitative performance criteria—generally in such areas as bank credit, government or public sector borrowing, trade and payments restrictions, and international reserve levels—and not infrequently structural performance criteria. These criteria allow both the member and the IMF to assess progress under the member's program. Stand-By Arrangements typically cover 12–18 month periods (although they can extend for up to three years).
- Financial assistance provided through **Extended Arrangements under the Extended Fund Facility (EFF)** is intended for countries with balance of payments difficulties resulting primarily from structural problems and has a longer repayment period, 4½–10 years, to take account of the need to implement reforms that can take longer to put in place and have full effect. A member requesting an Extended Arrangement outlines its goals and policies for the period of the arrangement, which is typically three years but can be extended for a fourth year, and presents a detailed statement each year of the policies and measures to be pursued over the next 12 months. The phasing of drawings and performance criteria are like those under Stand-By Arrangements, although phasing on a semiannual basis is possible.

¹⁵ This Appendix draws (often verbatim) from the following sources:

- IMF 2000 Annual Report, <http://www.imf.org/external/pubs/ft/ar/2000/eng/pdf/file3.pdf> (p. 66-67)
- IMF quota description, <http://www.imf.org/external/np/exr/facts/quotas.htm>
- IMF web document 5A on the STF, <http://www.imf.org/external/pubs/ft/history/2012/pdf/5a.pdf>
- On quotas see also: Pop-Eleches, G. (2009). Public Goods or Political Pandering.

- **Precautionary arrangements** are used to assist members interested in boosting confidence in their economic management. Under a Stand-By or an Extended Arrangement that is treated as precautionary, the member agrees to meet the conditions applied for such use of the IMF's resources but expresses its intention not to draw on them. This expression of intent is not binding; consequently, as with an arrangement under which a member is expected to draw, approval of a precautionary arrangement signifies the IMF's endorsement of the member's policies according to the standards applicable to the particular form of arrangement.

Special Lending Facilities and Policies

- The **Supplemental Reserve Facility (SRF)** was introduced in 1997 to supplement resources made available under Stand-By and Extended Arrangements in order to provide financial assistance for exceptional balance of payments difficulties owing to a large short-term financing need resulting from a sudden and disruptive loss of market confidence, such as occurred in the Mexican and Asian financial crises in the 1990s. Its use requires a reasonable expectation that strong adjustment policies and adequate financing will result in an early correction of the member's balance of payments difficulties. Access under the SRF is not subject to the usual limits but is based on the financing needs of the member, its capacity to repay, the strength of its program, and its record of past use of IMF resources and cooperation with the IMF. Financing is committed for up to one year, and repayments are expected to be made within 1 to 1½ years, and must be made within 2 to 2½ years, from the date of each drawing. For the first year, the rate of charge on SRF financing is subject to a surcharge of 300 basis points above the usual rate of charge on other IMF loans; the surcharge then increases by 50 basis points every six months until it reaches 500 basis points.
- **Contingent Credit Lines (CCLs)** were established in 1999. Like the Supplemental Reserve Facility, the CCL is designed to provide short-term financing to help members overcome exceptional balance of payments problems arising from a sudden and disruptive loss of market confidence. A key difference is that the SRF is for use by members already in the midst of a crisis, whereas the CCL is a preventive measure solely for members concerned with their potential vulnerability to contagion but not facing a crisis at the time of the commitment. In addition, the eligibility criteria confine potential candidates for a CCL to those members implementing policies considered unlikely to give rise to a need to use IMF resources; whose economic performance—and progress in adhering to relevant internationally accepted standards—has been assessed positively by the IMF in the latest Article IV consultation and thereafter; and which have constructive relations with private sector creditors with a view to facilitating appropriate private sector involvement. Resources committed under a CCL can be activated only if the Board determines that the exceptional balance of payments financing needs faced by a member have arisen owing to contagion—that is, circumstances largely beyond the member's control stemming primarily from adverse developments in international capital markets consequent upon developments in other countries. The repayment period for and rate of charge on CCL financing are the same as for the SRF.

- The **Compensatory Financing Facility (CFF)**, formerly the Compensatory and Contingency Financing Facility (CCFF), provides timely financing to members experiencing a temporary shortfall in export earnings or an excess in cereal import costs, as a result of forces largely beyond the member's control. In January 2000, the Executive Board decided to eliminate the contingency element of the CCFF since it had rarely been used.
- The IMF also provides **emergency assistance** to a member facing balance of payments difficulties caused by a **natural disaster (EAND)**. The assistance is available through outright purchases, usually limited to 25 percent of quota, provided that the member is cooperating with the IMF to find a solution to its balance of payments difficulties. In most cases, this assistance has been followed by an arrangement with the IMF under one of its regular facilities. In 1995, the policy on emergency assistance was expanded to include well-defined **post-conflict situations (EAPC)**: where a member's institutional and administrative capacity has been disrupted as a result of conflict, but where there is still sufficient capacity for planning and policy implementation and a demonstrated commitment on the part of the authorities; and where there is an urgent balance of payments need and a role for the IMF in catalyzing support from official sources as part of a concerted international effort to address the post-conflict situation. The authorities must state their intention to move as soon as possible to a Stand-By, Extended, or Poverty Reduction and Growth Facility Arrangement.
- The **Emergency Financing Mechanism (EFM)** is a set of procedures that allow for quick Executive Board approval of IMF financial support to a member facing a crisis in its external accounts that requires an immediate IMF response. The EFM was established in September 1995 and was used in 1997 for the Philippines, Thailand, Indonesia, and Korea, and in 1998 for Russia.
- The **Systemic Transformation Facility (STF)** provides assistance to countries facing balance of payments difficulties arising from the transformation from a planned to a market economy. The STF was established in 1993 and was first used by the Kyrgyz Republic. The lending facility was terminated in 1995.

Concessional Lending Facility

In 1999, the **Enhanced Structural Adjustment Facility (ESAF)** —the IMF's concessional financial facility to assist poor countries facing protracted balance of payments problems—was renamed the **Poverty Reduction and Growth Facility (PRGF)** and given a more explicit antipoverty focus. PRGF-supported programs are expected to be based on country-designed poverty reduction strategies, and formulated in a participatory manner involving civil society and developmental partners. The strategy, to be spelled out in a Poverty Reduction Strategy Paper produced by the borrowing country in cooperation with the World Bank and the IMF, should describe the authorities' goals and macroeconomic and structural policies for the three-year program to be supported by PRGF resources, as well as the associated external financing needs and major sources of financing. PRGF loans carry an interest rate of 0.5 percent a year and are repayable over 10 years with a 5½ -year grace period on principal repayments.

Appendix 2. Classification of reform categories by IEO and MONA

Table 1. Classification of Reform Categories by IEO

Sector Number	Reform Categories	Description
1	Tax Policy and Tax Administration	Revenue issues; tax legislation and regulation; tax policy issues; and tax and customs administration.
2	Public Expenditure Management	Expenditure policy and administration, fiscal reviews (audits, public expenditure reviews), domestic arrears, public debt, guarantees, and contingent liabilities.
3	Financial Sector Reforms and Development	Laws and regulations of the financial sector. Also banking supervision and corrective actions in problem banks.
4	SOE Reform	Restructuring of public enterprises, pricing policies, regulatory reforms in utilities.
5	Privatization	All activities related to the privatization of non-financial SOEs.
6	Civil Service Reform	Wage and employment limits, other measures affecting employment in the public sector.
7	Social Policies	Design of policies in social sectors such as education, health, and pensions.
8	Other Fund Core	Foreign exchange rate regime; exchange rate policy; some aspects of trade policy; capital account issues; monetary policy; macroeconomic and statistics issues; and safeguard assessments issues.
9	Other World Bank Core	Trade liberalization, governance and corruption; poverty reduction and social sector spending; social safety nets; design of sector policies in agriculture, land and roads; marketing and pricing reforms; decentralization; labor market policies; and natural resource management.
<u>Source:</u> IEO. (2007). <i>Structural Conditionality in IMF-Supported Programs – Background Documents</i>. Washington DC: IMF Independent Evaluation Office, p. 25.		

Table 2a. Classification of Reform Categories in MONA: Quantitative Criteria

Total domestic credit
Credit to Government/Public Sector
BOP/Reserve Test
Medium/Long-Term External Debt
Subceiling on Medium/Long-Term External Debt
Short-Term Debt
No new arrears/default (continuous injunction)
Ceilings on external arrears
Fiscal Deficit
Domestic Arrears
Source: http://www.imf.org/external/np/pdr/mona/glossary.aspx

Table 2b. Classification of Reform Categories in MONA: Structural Criteria (or other quantitative criteria)

1. General government
1.1. Revenue measures, excluding trade policy
1.2. Revenue administration, including customs
1.3. Expenditure measures, including arrears clearance
1.4. Combined expenditure and revenue measures
1.5. Debt Management
1.6. Expenditure auditing, accounting, and financial controls
1.7. Fiscal transparency (publication, parliamentary oversight)
1.8. Budget preparation (e.g., submission or approval)
1.9. Inter-governmental relations
2. Central Bank
2.1. Central bank operations and reforms
2.2. Central bank auditing, transparency, and financial controls
3. Civil service and public employment reforms, and wages
4. Pension and other social sector reforms
4.1. Pension reforms
4.2. Other social sector reforms (e.g., social safety nets, health and education)
5. Public enterprise reform and pricing (non financial sector)
5.1. Public enterprise pricing and subsidies
5.2. Privatization, public enterprise reform and restructuring, other than pricing
5.3. Price controls and marketing restrictions
6. Financial sector
6.1. Financial sector legal reforms, regulation, and supervision
6.2. Restructuring and privatization of financial institutions
7. Exchange systems and restrictions (current and capital)
8. International trade policy, excluding customs reforms
9. Labor markets, excluding public sector employment
10. Economic statistics (excl. fiscal and central bank transparency & similar measures)
11. Other structural measures
11.1. Private sector legal and regulatory environment reform (non financial sector)
11.2. Natural resource and agricultural policies (excl. public enterprises and pricing)
11.3. PRSP development and implementation
11.4. Anti-corruption legislation/policy
Other - Total domestic credit
Other - Credit to Government/Public Sector
Other - BOP/Reserve Test
Other - Medium/Long-Term External Debt
Other - Subceiling on Medium/Long-Term External Debt
Other - Short-Term Debt
Other - No new arrears/default (continuous injunction)
Other - Ceilings on external arrears
Other - Fiscal Deficit
Other - Domestic Arrears
Source: http://www.imf.org/external/np/pdr/mona/glossary.aspx

Appendix 3. Raw data and coding

Coding entails shifting through two kinds of documents: Executive Board Minutes (EBMs) and Executive Board Specials (EBSs).¹⁶ These contain all the information needed for this project. We first examine these documents in relation to the **initial approval** of the arrangement, and then in relation to the **updating** of that arrangement. Since the process for coding updates to the arrangements is essentially the same as it is for the initial approval (the structure of the data is nearly identical), we condense our explanatory guide to relevant additions only. For illustrative purposes, we draw on the documents referring to programs of four countries – Indonesia, Hungary, Algeria, and Guinea. The documents of all other arrangements have similar formats.

The EBMs are the main source of data for aggregate data on each arrangement (like the date of initial approval, duration, size and type of the arrangement, etc.). The key components we are concerned with in these documents are as follows:

- The cover page identifies what issues the executive directors are discussing in that particular meeting. There are generally between 120 and 160 such meetings per year, where various issues are discussed in each meeting. We are only interested in country-specific discussions about arrangements, which are clearly a small subset of the overall discussions. In each EB meeting, a variety of topics are addressed and the Minutes reflect that. All topics are stated on the first page of the EBM in the table of contents, and this directs us to a page within the EBM to consult.
- Once at the page for the country-specific discussion we are interested in, the first paragraph clearly identifies the main parameters of the discussion and provides references for the supporting documents that we will need to code. It is possible that two or more issues are discussed per country (often an Article IV consultation together with the discussion over the arrangement), but this has no effect on the data that we are interested in extracting. For example:

“3. INDONESIA -- EXTENDED ARRANGEMENT

The Executive Directors considered a staff paper on Indonesia’s request for an Extended Arrangement in an amount equivalent to SDR 3,638.0 million (EBS/00/8, 1/20/00; Sup. 1, 1/20/00; Sup. 2, 2/1/00; and Sup. 3, 2/3/00).” (Source: EBM/00/12, p. 49)

“1. HUNGARY -- 1993 ARTICLE IV CONSULTATION AND STAND-BY ARRANGEMENT

The Executive Directors considered the staff report for the 1993^[1] Article IV consultation with Hungary and its request for a 15-month stand-by arrangement in an amount equivalent to SDR340 million (EBS/93/138,^[1]8/20/93). They also had before them a statistical annex (SM/93/196,^[1]8/25/93).” (Source: EBM/93/131, p. 3)

“2. ALGERIA -- 1994 ARTICLE IV CONSULTATION; STAND-BY ARRANGEMENT; AND PURCHASE TRANSACTION – COMPENSATORY AND CONTINGENCY FINANCING FACILITY - FLUCTUATIONS IN EXPORTS AND COST OF CEREAL IMPORTS

The Executive Directors considered the staff report for the 1994 Article IV consultation with Algeria together with its requests^[1] 12-month stand-by arrangement in an amount equivalent to SDR 457.2 million^[1] and for a purchase in an amount equivalent to SDR 274.32 million under the compensatory and contingency financing facility (EBS/94/99,

¹⁶ The documents are freely available on a lag of five years from the IMF Archives Catalog website (http://www.imf.org/EXTERNAL/ADLIB_IS4/DEFAULT.ASPX).

5/12/94; Cor. 1, 5/23/94; and Sup. 1, 5/26/94). They also had before them the authorities' letter of intent (EBS/94/80, 4/12/94; and Sup. 1, 5/23/94) as well as a background paper on recent economic developments in Algeria (SM/94/124, 5/23/94)." (Source: EBM/94/48, p. 3)

"4. GUINEA -- 1996 ARTICLE IV CONSULTATION; AND ENHANCED STRUCTURAL ADJUSTMENT ARRANGEMENT

The Executive Directors considered the staff report for the 1996 Article IV consultation with Guinea and Guinea's request for arrangements under the Enhanced Structural Adjustment Facility (ESAF) (EBS/96/204, 12/27/96). They also had before them a policy framework paper for the period 1996-99 (EBD/96/165, 12/27/96) and a statistical annex (SM/96/305, 12/27/96)." (Source: EBM/97/2, p. 25-6)

- Between the first paragraph (above) and the last paragraphs stating the decision (below) there are several pages of discussion by the Executive Directors. We are not interested in this, and it has no bearing on the project.¹⁷
- The last page of the discussion gives the summary of what has been decided. We extract the relevant data for our coding from here. For example:

On Indonesia:

"The Executive Board took the following decision:

1. Indonesia has requested an Extended Arrangement from the Fund, in an amount equivalent to SDR 3,638.0 million, through December 31, 2002.
2. The Fund approves the Extended Arrangement set forth in EBS/00/8, Supplement 1.
3. The Fund waives the limitation in Article V, Section 3(b)(iii) of the Articles of Agreement. (EBS/00/8, 1/20/00)" (Source: EBM/00/12, p. 109)

On Hungary:

"The Executive Board took the following decisions:

1. Hungary has requested a 15-month stand-by arrangement in an amount equivalent to SDR 340 million.
2. The Fund approves the stand-by arrangement set forth in EBS/93/138, Supplement 1.
3. The Fund waives the limitation Section 3(b)(iii)." (Source: EBM/93/131, p. 50)

On Algeria:

"The Executive Board took the following decisions: ...

Stand-By Arrangement

1. The Government of Algeria has requested a 12-month stand-by arrangement in an amount equivalent to SDR 457.2 million.
2. The Fund approves the stand-by arrangement set forth in EBS/94/99, Supplement 1.
3. The Fund waives the limitation in Article V, Section 3(b).

Purchase Transaction - Compensatory and Contingency Financing Facility – Fluctuations in Exports and Cost of Cereal Imports

1. The Fund has received a request by the Government of Algeria for a purchase in an amount equivalent to SDR 274.32 million for the compensatory financing of a shortfall in export earnings under Section II and an excess in the cost of cereal imports under Section IV of the Decision on the Compensatory and Contingency Financing Facility (Decision No. 8955-(88/126), adopted August 23, 1988, as amended.
2. The Fund approves the purchase in accordance with the request." (Source: EBM/94/48, p. 49-50)

¹⁷ The exception to the rule is discussions on prior actions. Since 2000, IMF staff have been required to describe the status of PAs in the corresponding EBSs, but this was not always done before 2000 (IEO, 2007a: 4). We therefore conduct text searches of the EBM for any discussion of PAs, in case they were not in the EBS.

On Guinea:

“The Executive Board took the following decisions: ...

Enhanced Structural Adjustment Arrangement

- 1. The government of Guinea has requested a three-year arrangement under the Enhanced Structural Adjustment Facility and the first annual arrangement thereunder.*
- 2. The Fund notes the policy framework paper for Guinea set forth in EBD/96/165.*
- 3. The Fund approves the arrangements set forth in EBS/96/204, Supplement 1.”* (Source: EBM/97/2, p. 41-2)

Two things can be seen in the above excerpts of the initial EBMs approving arrangements. First, the format that is followed is identical throughout the period under study, thus making it straightforward to extract the relevant information. Second, the conditionality attached to the arrangement is not clearly identified in the EBM, but it refers to relevant EBS documents. These are our main source of information for the conditionality data, and we turn to these next.

The EBSs are the documents that provide the basis for the EB discussion, as clearly identified in the opening sentences of EBMs above. These are often long and technical documents. Unlike the EBMs, they do not always follow an identical format. Also, there is some inconsistency in how the documentation is filed: often there is a single EBS containing all relevant information, but sometimes the same information is divided between a ‘core’ EBS and one or more supplements. The only implication of this is that we should examine all documents to locate the information we need. The structure of EBSs loosely follows the following format:

- A cover page notes that this is the ‘Staff Report / Appraisal on X Country’s Request for a Stand-by Arrangement’, etc. Often this is followed by a table of contents.
- Subsequent segments include the following:
 - An overview of the challenges facing individual countries;
 - A contextualisation of the requested arrangement;
 - An overview of the policy program to be pursued by the country while under the IMF arrangement;¹⁸
 - An appraisal for the proposed program and other related information; and
 - A presentation of tables and figures on relevant statistical indicators and policies.
- Finally, and most importantly, they include some documents of direct interest for our project (commonly as attachments or annexes to the EBS): the country Letter of Intent (LoI), and the accompanying Memorandum of Economic and Financial Policies (MEFP) that **clearly identifies conditionality**. At the end of the MEFP, two tables are commonly included identifying quantitative and – if applicable – structural conditionality.¹⁹ These take the following form:

¹⁸ As mentioned above, this is **not** the same as conditionality: it outlines the broad policy direction a country indicates it intends to move towards – this is generally done with input from IMF staff, but it is not overall subject to conditionality (a few aspects might be, but these are clearly identified in the individual conditions – see below).

¹⁹ As noted earlier, not all agreements include structural conditions. The arrangements that contain most structural conditions are either EFFs or ESAF/PRGFs.

Indonesia

Table 2. Indonesia: Quantitative Performance Criteria and Indicative Targets Under Extended Arrangement, January-December 2000 1/

	2000						
	Jan.	Feb.	Mar.	Apr.	Jun.	Sep.	Dec.
Monetary targets							
Net domestic assets of Bank Indonesia 2/	-28.2	-27.8	-27.4	-27.2	-25.5	-23.6	-21.5
Base money 2/	85.4	85.8	86.2	86.4	88.1	90.0	92.1
Fiscal targets							
Overall central government balance 3/	-24.8	-40.9	-56.9	-6.0	-18.1	-28.2	-45.4
External targets							
Net international reserves of Bank Indonesia 4/	16.2	16.2	16.2	16.2	16.2	15.2	16.2
Contracting or guaranteeing of new nonconcessional external debt 5/	2.8	3.1	3.5	0.5	0.5	1.1	1.5
Stock of short-term external debt outstanding 2/	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Public external arrears 2/	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1/ Definitions are contained in Annexes I-IV of MEFP, January 20, 2000. The data for net domestic assets, overall central government balance, net international reserves, the contracting or guaranteeing of new nonconcessional external debt (original maturity greater than one year), and the stock of short-term external debt for February and April are performance criteria. The non-accumulation of external arrears is a continuous performance criterion throughout the program. The figures for base money are indicative targets. Base money, NIR and NDA are measured as the average of their value on the last day of the month, the four preceding days, and the five following days. The monetary targets are calculated at constant exchange rate.

2/ Outstanding stocks (program limits).

3/ Cumulative balances from beginning of fiscal year (floor) (i.e., end-March 1999 for June 1999-March 2000 and end-March 2000 for other months).

4/ Outstanding stocks (floor).

5/ Cumulative amounts from beginning of fiscal year (ceilings).

Source: EBS/00/8, p. 34

Table 3. Structural Performance Criteria and Benchmarks, March-June 2000

End-March 2000

- Launch the share offer for BCA bank.
- Adopt a new governance framework for IBRA.

End-April 2000

- Submit legislation to Parliament to bring under government audit the activities and accounts of private foundations.
- Publish audited IBRA accounts for December 1999.¹

End-June 2000

- Complete and publicize the special audits on the national airline, the toll road operator, and the domestic telecommunications company.¹

¹ Performance criterion.

Source: EBS/00/8, p. 35

Hungary

Table 1. Hungary: Quantitative Limits on Domestic and External Financial Indicators

	<u>Estimate</u> June 1993	<u>Performance</u> <u>Criteria</u>		<u>Indicative</u> <u>Target</u> Dec. 1994
		<u>End-</u>	<u>End-</u>	
		<u>Sept.</u> 1993	<u>Dec.</u>	
Domestic financial indicators <u>1/</u>				
Net domestic assets of banking system	3,119	3,185	3,290 <u>2/</u>	3,665 <u>2/</u>
Net bank credit to the state budget including specified extrabudgetary funds and budgetary institutions <u>3/</u>	1,245	1,327	1,349 <u>2/</u>	1,535 <u>2/</u>
Consolidated deficit of state budget and extrabudgetary funds <u>4/</u>	...	...	264	284
External financial indicators				
External liabilities out- standing in convertible currencies <u>5/</u>				
Total	20,456	21,500	21,100	21,800
Amortization obligations falling due in the period ending end-1997	12,463	12,200	11,250	12,250
Short-term	1,075	1,300	1,300	1,300
Floor for net international reserves in convertible currencies <u>6/</u>	2,753	3,550	3,300	3,600

1/ In billions of forint; net foreign assets valued at end-March 1993 exchange rates.

2/ Excludes advances from central government to local governments with respect to expenditures for the next year; these advances are included in credit to government and NDA in the banking survey.

3/ Excludes state bonds issued to recapitalize banks during 1993, and issued to securitize NBH foreign exchange losses during 1993 and 1994; these bonds are included in net credit to government in the banking survey.

4/ Hungarian presentation.

5/ In millions of U.S. dollars, at end-March 1993 exchange rates. Public and publicly-guaranteed debt only. Excludes use of Fund credit.

6/ In millions of U.S. dollars, net of short-term liabilities in convertible currencies and use of Fund credit (valued at end-March 1993 exchange rates).

Source: EBS/93/138, p. 49

Note: this agreement did not include structural conditionality.

Algeria

Table A1. Algeria: Performance Criteria and Indicative Targets Under the Proposed Arrangement, April 1994–March 1995.

	Act. Dec. 1993	Est. Mar. 1994	June 30	Sept. 30 1994	Dec. 31	Mar. 31 1995
A. Performance criteria ^{1/} (In billions of dinars)						
1. Treasury balance ^{2/ 3/}	-100.6	-14.0	-48.2	-70.4	-82.7	16.7
2. Net domestic assets of Bank of Algeria ^{4/ 5/}	234.3	224.1	245.7	252.7	260.6	268.1
3. Net bank credit to Government ^{4/ 5/}	522.2	516.5	509.5	482.3	479.0	424.3
4. Bank credit to "23" public enterprises	48.0	52.0	58.5	65.5	76.0	93.0
(In millions of U.S. dollars)						
5. External borrowing of the Government						
a. Outstanding short-term debt ^{6/}	--	--	--	--	--	--
b. Contracting of new non-concessional borrowing 1–12 years ^{7/}	...	...	1,830.0	2,650.0	3,270.0	4,350.0
Of which: 1–5 years	...	...	1,280.0	2,050.0	2,600.0	3,130.0
6. Outstanding external arrears	...	480.0	480.0	--	--	--
7. Floors on net international reserves ^{8/}	...	689.0	869.0	1,039.0	1,209.0	1,349.0
B. Indicative targets (In billions of dinars)						
1. Net domestic assets of the banking system	601.3	642.1	660.1	681.2	700.8	727.9
2. Net central bank credit to Government	270.9	261.1	279.1	261.4	268.1	237.4
3. Wages and salaries in the budget ^{9/}	126.0	32.5	71.9	111.1	150.0	39.0

Source: Fund staff estimates and projections.

^{1/} Performance criteria have been specified for end-June and end-September 1994; indicative targets defined for end-December 1994 and end-March 1995 will be reassessed and established as performance criteria at the time of the first review of the arrangement. Except for the three items—treasury balance, wages and salaries in the budget and outstanding short-term debt—all performance criteria and indicative targets represent ceilings for the end of each quarter indicated.

^{2/} Including the Rehabilitation Fund. The ceilings for June, September and December 1994 refer to the cumulative Treasury balance from April 1, 1994 to the end of the relevant quarter. The ceiling for March 1995 refers to the balance over the first quarter of calendar 1995.

^{3/} In case of a cumulative excess of hydrocarbon revenues, the Treasury balance will be increased by the amount of such cumulative excess. In case of a cumulative shortfall in hydrocarbon revenues, the performance criterion on the Treasury balance will be reduced accordingly, up to a dinar amount equivalent to US\$308 million. Any shortfall greater than US\$308 million will trigger consultations with Fund staff in order to formulate corrective policies to adjust performance criteria subject to Fund approval.

^{4/} Includes all types of borrowing by the Government from the whole banking system. In the case of a cumulative excess of hydrocarbon export receipts, the performance criterion on net bank credit to the Government and the indicative target on net central bank credit to the Government will be adjusted downward by the full amount of the cumulative excess defined in Footnote 3 above. The performance criterion on net domestic assets of the Bank of Algeria and the indicative target on net domestic assets of the banking system will however be adjusted downward by 50 percent of the cumulative excess defined in Footnote 3 above. In case of a cumulative shortfall in hydrocarbon receipts, the performance criteria on (i) net bank credit to the Government and on (ii) net domestic assets of the Bank of Algeria, as well as the indicative targets on (i) net central bank credit to the Government and on (ii) net domestic assets of the banking system will be adjusted upward up to a DA amount equivalent to US\$308 million.

^{5/} Adjustments will also be effected on the four criteria and targets mentioned in Footnote 4 in case the terms of the rescheduling of external debt service obligations by official and commercial creditors are more favorable than those assumed in the baseline scenario. In the case of a cumulative excess on this account, the two performance criteria and the two indicative targets mentioned above will be adjusted downward by 75 percent of the excess, but there will not be any adjustment in case there is a cumulative shortfall (Footnote 8).

^{6/} The stock of short-term debt outstanding (defined as original maturities of up to one year) of any public sector entity with the exception of normal import-related financing will not exceed at any time during the program period the zero-ceilings indicated.

^{7/} Cumulative over the program period. The contracting or guaranteeing by any public sector entity of medium- and long-term borrowing on nonconcessional terms. The concessionality of the borrowing will be determined on the basis of the financing costs and repayment terms as defined by OECD's DAC criteria on concessionality.

^{8/} Net international reserves have been defined to include gold holdings, foreign exchange reserves in foreign currency, SDR holdings minus short-term foreign liabilities of the monetary authorities excluding Fund position. The floors on net international reserves will be adjusted upward by 50 percent of the cumulative excess of hydrocarbon export receipts over and above the amount assumed in the baseline scenario. The deviations of hydrocarbon receipts from the levels of the baseline scenario will be computed on the basis of the volumes assumed in the baseline scenario. In case of a cumulative shortfall of hydrocarbon receipts, the floors will be adjusted downward by 50 percent of the cumulative shortfall, but the reduction of the floor will not exceed US\$175 million. The floors on net international reserves will also be adjusted upward by 75 percent of any cumulative excess of debt relief obtained from rescheduling of external debt service obligations by official and commercial creditors over and above the total amount assumed in the baseline scenario. There will be no adjustment to the floors in case there is a shortfall relative to baseline scenario.

^{9/} The ceilings for June, September, and December 1994 refer to budgetary expenditure on wages and salaries for each quarter cumulatively from April 1, 1994. The ceiling for March 1995 covers expenditure on wages and salaries for the first quarter of 1995.

Source: EBS/94/99, p. 40

Note: this agreement did not include structural conditionality.

Guinea

Table 1. Guinea: Quantitative Performance Criteria and Benchmarks Under the First Annual ESAF Arrangement, October 1996 – September 1997

	1996		1997		
	Sept. Est.	Dec. Benchmark	Mar. Performance criteria	June Indicative benchmarks	Sept.
(In billions of Guinean francs; end of period)					
Central government primary balance (floor) 1/ 2/	...	45	76	116	144
Net bank credit to the government (ceiling) 3/	119	141	134	131	123
Reserve money (ceiling) 4/	183	195	199	204	209
(In millions of U.S. dollars)					
Net foreign assets of the central bank (floor) 5/	71	48	62	80	97
New nonconcessional external loans contracted or guaranteed by the government or the central bank (ceiling) 2/	...	--	--	--	--
Short-term external debt outstanding contracted or guaranteed by the government or the central bank (ceiling) 6/	41	35	25	15	6
Outstanding external payments arrears (ceiling)	619	610	--	--	--
(In billions of Guinean francs)					
Central government nonmining revenue 2/ 7/	...	83	172	273	364
Central government non interest current expenditure 1/ 2/ 7/	...	61	141	222	303
Of which: central government wage bill 1/ 2/ 7/	...	41	85	129	178

1/ On a commitment basis (primary balance defined as revenue minus noninterest current expenditure and domestically financed capital expenditure).

2/ Cumulative from October 1, 1996.

3/ To be adjusted downward/upward for any lower/higher reduction in government domestic payments arrears from October 1, 1996, relative to program projections. The program projects a cumulative net reduction in government domestic payments arrears of GF 15 billion by end-1996; GF 20 billion by end-March 1997; GF 25 billion by end-June 1997; and GF 25 billion by end-September 1997.

4/ To be adjusted upward/downward to the extent of any increase/decrease in the effective required reserve ratio from the level observed at end-September 1996, times the projected deposit base.

5/ To be adjusted upward/downward for the new accumulation/cash settlement of external payments arrears, relative to program projections.

6/ Including short-term liabilities of the central bank; excluding commercial credits.

7/ These benchmarks will not constitute performance criteria for end-March 1997.

Source: EBS/96/204, p. 59.

Table 2. Guinea: Structural Performance Criteria and Benchmarks in the Context of the First Annual Arrangement Under the ESAF, October 1996-September 1997

Measures	Test date
Structural performance criteria	
1. Complete survey of government domestic payments arrears as of end-1996 by creditor and by date.	March 31, 1997
2. Convert the permanent advance of the central bank to the government into treasury bills.	March 31, 1997
3. Complete ongoing revision of the legal basis of customs and indirect tax exemptions as described in paragraphs 13 and 14 of the Memorandum of Economic and Financial Policies	March 31, 1997
Structural benchmarks	
1. Require the posting of collateral in return for the BCRG guarantee of money market operations.	January 31, 1997
2. Select an independent audit firm to conduct an audit of the National Social Security Fund (CNSS).	February 28, 1997
3. Admit foreign exchange bureaus to the interbank foreign exchange market.	March 31, 1997
4. Decide on the role of the VAT in the taxation of the mining sector.	June 30, 1997
5. Complete an audit of the government employee pension system.	June 30, 1997
6. Complete the audit of the CNSS (see Item 2 above).	June 30, 1997
7. Complete a draft uniform accounting plan for commercial banks.	June 30, 1997
8. Complete a detailed survey of cross debts and of direct and indirect subsidies and transfers between public enterprises and the government.	September 30, 1997
9. Complete a comprehensive review of trade policies with a view to harmonizing them with WTO rules in a regional perspective.	September 30, 1997

Source: EBS/96/204, p. 60

Thus far, we have examined two types of documents that we will need to consult to extract relevant information concerning the initial approval of an IMF arrangement: EBMs, which provide basic data on the date of approval, type of arrangement, and amount approved; and EBSs, which provide details on the conditionality component of that given arrangement.

As explained above, the initial LoI / MEFP approval is only the first step in the life-cycle of an IMF program. They are updated and/or enriched in subsequent reviews. Essentially, all subsequent arrangements/revisions follow a similar format as the one we have examined above. Each time the IMF staff conducts a program review they prepare another EBS tracking the country's progress and – if applicable – recommend granting waivers to the EB, which is then submitted to the EB for approval of disbursement of the next loan tranche. Those EBSs have the same structure as the initial EBS and they also contain the updated LoI and MEFP that spell out the remaining conditions and – if applicable – add new ones. We take two examples from the arrangements containing structural conditionality (Indonesia and Guinea) examined above. Both were updated in their first review and these new conditionality tables are presented below. Similar updating happened throughout the duration of the arrangement, however these tables are not presented here as their structure is identical to the ones below. Note that:

- In the case of Guinea, structural benchmarks 8 and 9 in the original agreement (EBS/96/204) presented above are identical to structural benchmarks I.3 and III.1 in the updated agreement (EBS/97/143) presented below. A high degree of vigilance is required to ensure these conditions are not counted twice in the same year.
- In the case of Indonesia, the updated agreement (EBS/00/86) presented below clearly identifies which conditions have been added (i.e. the ones in italics).

Our objective is to create an accurate database with all conditions required of a country in a given year. If a country's structural benchmarks are not met or delayed, they can be rolled over. As long as their content does not change and they are rolled over in the same year, they are only coded once. If they are transferred over to the following year, they are coded anew.

As noted above, when hard conditions have not been met, but Fund staff believe that a country is overall making progress towards the aims of the program, it recommends the EB for the condition to be waived in order for the review to be concluded and the next tranche to be disbursed. Whenever the EB waives a condition, this is indicated in the decision part of the discussion presented in the EBM. The language commonly used is as follows: “The Fund decides that the second review contemplated in paragraph 3(c) of the Stand-By Arrangement as amended is completed and that, *notwithstanding the performance criteria specified in paragraphs 3(a)(i), (ii), (iii), (iv), (v), (vi), and 3(b) of the Stand-By Arrangement*, the Republic of Yemen may continue to make purchases under the arrangement” (from EBM/97/42, emphasis added).

Guinea

Table 2. Guinea: Structural Benchmarks under the First Annual ESAF Arrangement,
October 1996-September 1997

Measures	Test date (end of month)
I. Public Finance	
1. Strengthen the collection capacity of the tax department, notably by the creation of a tax appeal commission.	September 1997
2. Submit to the National Assembly for adoption a supplementary budget consistent with the revised macroeconomic framework.	September 1997
3. Complete a comprehensive review of cross debts, and of direct and indirect subsidies and transfers between public enterprises and the government at end-1996.	September 1997
4. Conduct a study on lowering the VAT threshold for non service companies, in preparation for the 1998 budget.	September 1997
5. Compile a full expenditure report for the month of August through the new computerized system.	September 1997
6. Complete an audit of the government employee pension system.	September 1997
II. Monetary sector	
1. Conclude audits for all three banks in difficulties.	August 1997
2. Approve credible restructuring plans for the two illiquid banks, accompanied by financing schemes.	September 1997
3. Assist the banks in difficulties in recovering a minimum of GF 5 billion of nonperforming loans, for which court decisions have already been issued.	August 1997
4. Finalize the uniform accounting plan for commercial banks.	December 1997
III. External sector	
1. Complete a comprehensive review of trade policies with a view to harmonizing them with WTO rules in a regional perspective.	September 1997

Source: EBS/97/143, p. 32

Indonesia

Table 2. Structural Performance Criteria and Benchmarks, May-December 2000

End-May 2000

- Launch the share offer for BCA bank.¹

End-June 2000

- Adopt a new governance framework for IBRA.¹
- Publish audited IBRA accounts for December 1999.^{2,3}
- *Publish Bank Indonesia's audited financial accounts for end-1999.*

End-July 2000

- *Submit to BPK an interim balance sheet and income statement for end-June 2000 by Bank Indonesia*

End-September 2000

- *Complete operational merger of eight BTO banks with Bank Danamon.*

End-December 2000

- *Finalize resolution plan for Bank Niaga.*
- *Complete and publicize the special audits on the national airline, the toll road operator, and the domestic telecommunications company.^{2,4}*

¹ Delayed from March.

² Performance criterion.

³ Delayed from April.

⁴ Delayed from June.

Italics denote newly set or modified benchmarks.

Source: EBS/00/86, p. 70

Appendix 4. Sample coding

Country Name	Country Code	Arrangement Date	Arrangement ID	Arrangement Type	Arrangement Duration	Arrangement Amount, \$B	Year	Month	Text	
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Fiscal revenue	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Currency in circulation	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Credit to government	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Net international reserves	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Medium/long-term debt	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Short-term debt	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		No new arrears	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Fiscal deficit	I
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Submit to parliament the core budget's audited financial statements for 2005/06.	S
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Appoint a new Board of Directors at Bank Pashtany.	S
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Adopt long-term restructuring plans for Bank Milli and Bank Pashtany.	S
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Publish a public statement announcing the liquidation of Export Promotion or its merger with another licensed commercial bank, and finalize the transfer of its deposits.	S
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Establish appeals process for customs and tax administrations.	S
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Submit to parliament the 2004/05 and 2005/06 external audits of DAB.	S
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Process gold held in the palace vaults into a form that qualifies as a reserve asset.	S
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Establish a certified monthly payroll system.	S
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2006		Submit to parliament legislation to eliminate nuisance taxes and introduce an excise tax on selected goods from the start of 2007/08.	S
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2007		Fiscal revenue	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2007		Currency in circulation	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2007		Credit to government	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2007		Net international reserves	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2007		Medium/long-term debt	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2007		Short-term debt	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2007		No new arrears	Q
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2007		Fiscal deficit	I
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2007		Adopt a comprehensive restructuring/divestment plan for the public entities and government agencies engaged in commercial activities but not covered by the SOEs law.	S
Afghanistan	AFG	26-Jun-2006	EBM/06/58	PRGF	36	81	2007		Develop a monthly monetary survey in line with international standards.	S

Appendix 5. Coding typology of quantitative conditions

Standardized text	Additional notes
Net domestic assets	Includes: • Total domestic credit; • Net domestic assets of the banking system. • Domestic credit of the banking system • (and so on).
Credit to government	Includes: • Borrowing requirement of the government; • Net borrowing by the general government from the banking system; • Ceilings on financial institutions' net credit to the government; • Net bank credit to government; • Overall borrowing requirement of the government; • Net domestic financing of the government • Net claims on the government by the banking system • (and so on).
Credit to public sector	Includes: • Borrowing requirement of the public sector; • Ceiling on net credit to the selected public enterprises; • Bank credit to selected public enterprises • Limit on net claims on the nonfinancial public sector; • Net domestic financing of the combined public sector; • (and so on).
Net international reserves	Includes: • Net international reserves in convertible currencies; • Gross official reserves; • Net foreign assets of the central Bank; • (and so on).
Medium/long-term debt	Often the agreement states that the government is limited in 'contracting or guaranteeing any new external non-concessional borrowing.' The agreement may or may not specify that it refers to debt of 1-12 years maturity.
Subceiling on medium/long-term external debt	This generally refers to contracting or guaranteeing of any new external debt of 1-5 years maturity, where medium/long-term external debt is already coded.
Short-term debt	This refers to contracting or guaranteeing of any new external debt of up to and including 1 year maturity.
No new arrears	Refers only to external arrears. Where 'no new external arrears' is a standard performance criterion (i.e. included in every IMF arrangement for some years), we treat it as a QPC on a quarterly schedule.
Ceilings on external arrears	Includes: • Limit on the accumulation by the government of external payments arrears; • Stock of outstanding external arrears; • Increase in external arrears payments; • (and so on).
Fiscal deficit	Includes: • Budget deficit;

	• Budget balance; • General government deficit; • Cash deficit of the General Government; • Consolidated deficit financing; • Consolidated deficit of the central government; • Overall deficit on Treasury operations; • Minimum balance on Treasury operations; • Treasury balance; • Balance of the central government on a cash basis; • (and so on).
Domestic arrears	Includes: • Ceiling on domestic arrears; • No new domestic arrears; • Reduction in domestic arrears; • Budgetary arrears; • (and so on).

Appendix 6. Unavailable documents

Unavailable EBSs		
EBS code	Missing subject	Conditionality status
EBS/87/103 Mexico	SBA 1 st review	Likely all obtained
EBS/95/14 Mexico	SBA 0 th review	Likely all obtained
EBS/99/189 Jordan	EFF 1 st review (unknown extra)	All obtained
EBS/99/225 Turkey	SBA 0 th review (contract)	Likely all obtained
EBS/00/75 Turkey	SBA 1 st review	Not obtained
EBS/00/115 Turkey	SBA 2 nd review	Not obtained
EBS/00/273 Turkey	SBA 3 rd & 4 th review	Not obtained
EBS/01/8 Turkey	SBA 5 th review	Not obtained
EBS/03/111 Turkey	SBA 5 th review	All except PAs obtained
EBS/90/215 Czech & Slovak Rep	SBA 0 th review (main, s1, s2)	Likely all obtained
EBS/84/226 Philippines	SBA 0 th review	Not obtained
EBS/85/109 Philippines	SBA 1 st review	Not obtained
EBS/85/261 Philippines	SBA 2 nd review	Not obtained
EBS/98/172 Philippines	SBA 1 st & 2 nd review	All except PAs obtained
EBS/04/139 Iraq	EAPC	All except PAs obtained
EBS/97/222 Korea	SBA 0 th review	Not obtained
EBS/97/237 Korea	SBA 1 st biweekly review	Not obtained
EBS/98/1 Korea	SBA 2 nd biweekly review	Not obtained
EBS/98/20 Korea	SBA 1 st quarterly review	SPCs & QPCs likely obtained
EBS/98/86 Korea	SBA 2 nd quarterly review (main)	SPCs & QPCs obtained
EBS/98/90 Korea	SBA 3 rd quarterly review (s1)	SPCs & QPCs obtained
EBS/98/190 Korea	SBA 4 th quarterly review (s1)	SPCs & QPCs obtained
EBS/99/38 Korea	SBA 5 th quarterly review (s1)	SPCs & QPCs obtained
EBS/99/216 Korea	SBA 6 th quarterly review	SPCs & QPCs obtained
EBS/97/195 Indonesia	SBA 0 th review	All except PAs obtained
EBS/94/225 Moldova	SBA 2 nd review (main)	Likely all obtained
EBS/83/227 Brazil	EFF 1 st review	Likely all obtained
EBS/88/130 Brazil	SBA 0 th review	QPCs obtained
EBS/91/205 Brazil	SBA 0 th review	Not obtained
EBS/98/189 Brazil	SBA 0 th review	PAs obtained only
EBS/99/30 Brazil	SBA 1 st & 2 nd review (s2)	All except PAs obtained
EBS/99/115 Brazil	SBA 3 rd review pt.1	Not obtained
EBS/99/128 Brazil	SBA 3 rd review pt.2	Not obtained
EBS/99/205 Brazil	SBA 4 th review	Not obtained
EBS/00/82 Brazil	SBA 5 th review	All except PAs obtained
EBS/83/143 Argentina	SBA 1 st review	Likely all obtained
EBS/84/251 Argentina	SBA 0 th review	Likely all obtained
EBS/85/177 Argentina	SBA 1 st review	Likely all obtained
EBS/86/131 Argentina	SBA waivers	Likely all obtained
EBS/87/5 Argentina	SBA 0 th review (s2)	Likely all obtained
EBS/87/155 Argentina	SBA 1 st review	Not obtained
EBS/87/234 Argentina	SBA amendment	Not obtained
EBS/88/41 Argentina	SBA 2 nd review (s1)	Likely all obtained

EBS/97/223 Argentina	EFF 0 th review	Not obtained
EBS/03/82 Argentina	SBA 2 nd review	Not obtained
EBS/03/108 Argentina	SBA 3 rd review	Not obtained
EBS/03/124 Argentina	SBA waivers	All obtained
EBS/03/130 Argentina	SBA 0 th review (main, s1, s2, s3)	Not obtained
EBS/97/148 Thailand	SBA 0 th review	Not obtained
EBS/97/211 Thailand	SBA 1 st review	Not obtained
EBS/98/26 Thailand	SBA 2 nd review	Not obtained
EBS/98/88 Thailand	SBA 3 rd review	Not obtained
EBS/98/151 Thailand	SBA 4 th review	Not obtained
EBS/98/204 Thailand	SBA 5 th review	Not obtained
EBS/99/48 Thailand	SBA 6 th review	Not obtained
EBS/99/86 Thailand	SBA 7 th review	Not obtained
EBS/99/182 Thailand	SBA 8 th review	Not obtained
EBS/00/79 Thailand	SBA 9 th review	Not obtained
EBS/08/119 Hungary	SBA 0 th review	Likely all obtained
EBS/80/11 Central African Republic	SBA 0 th review (main)	All obtained
Missing Lols/Staff Reports		
Country arrangement	Missing Lols	
Djibouti EBM/08/81 [raw dataset]	2R3R	
Maldives 624	R0	
Seychelles 626	R8	
Malawi 632	R1	
Grenada 636	R1	
Antigua and Barbuda 644	R1, R8, R9, R10	
Honduras 654	R2	
Undocumented EB discussions		
EBM where discussion should have been included	Missing discussion	Rationale
EBM/00/37 Bosnia & Herzegovina	2 nd & 3 rd review, augmentation	Subsequent EBSs note review and augmentation completion on 31-Mar-00
EBM/96/91 Azerbaijan	2 nd review	Subsequent EBSs note review completion on 28-Jun-96
EBM/93/93 Estonia	3 rd review	Subsequent EBSs note review completion on 2-Jul-93