



IMF LIVE

INTERNATIONAL MONETARY FUND

Search



- ABOUT
- RESEARCH
- COUNTRIES
- CAPACITY DEVELOPMENT
- NEWS
- VIDEOS
- DATA
- PUBLICATIONS
- COVID-19

PRESS RELEASE NO. 22/56

IMF and Argentine Authorities Reach Staff-level Agreement on an Extended Fund Facility

March 3, 2022

Washington, DC: An International Monetary Fund (IMF) team, led by Julie Kozack, Deputy Director of the Western Hemisphere Department, and Luis Cubeddu, Mission Chief for Argentina, issued the following statement today:

"IMF staff and the Argentine authorities have reached a staff-level agreement on the economic and financial policies to be supported by a 30-month Extended Fund Facility (EFF) Arrangement. The EFF, with requested access of SDR 31.914 billion (equivalent to US\$ 45 billion or 1000 percent of quota), aims to provide Argentina with balance of payments and budget support to address the country's most pressing economic challenges and to enhance the prospects of all Argentines by implementing measures designed to promote growth and protect essential social programs.

"The staff-level agreement is still subject to approval by the IMF's Executive Board, which has been briefed informally on the elements of the proposed program. The Executive Board is expected to discuss the request for the IMF-supported program after the Argentine National Congress approves the economic and financial program embodied in the Memorandum of Economic and Financial Policies and related documents that will be shared with lawmakers by the authorities. This legislative consideration is required by Argentina's domestic law.

"Argentina's deep socio-economic challenges have been exacerbated by the global pandemic. IMF staff and the Argentine authorities have reached agreement on a pragmatic and realistic program, with credible economic policies to strengthen macroeconomic stability and to address Argentina's deep-rooted challenges to sustainable growth.

"Importantly, the program seeks to durably address persistent high inflation through a multi-pronged strategy involving a reduction of monetary financing of the fiscal deficit, and a new framework for monetary policy implementation to deliver positive real interest rates to support domestic financing, that combined with other measures, will help to promote a steady decline in inflation over time.

"Equally important will be the program's emphasis on credibly improving public finances. This will be based on a balanced set of revenue policies—with an emphasis on progressivity, efficiency, and compliance—and expenditure policies—reducing untargeted energy subsidies and reorienting towards more productive social and infrastructure investment—to strengthen debt sustainability while supporting the recovery.

"The program will also seek to strengthen Argentina's balance of payments through policies that support reserve accumulation and net exports, and which will pave the way to an eventual re-entry by Argentina into international capital markets. Such policies will include the prudent monetary and fiscal policies already outlined, as well as policies aimed at maintaining a competitive real effective exchange rate in the context of the crawling peg regime.

"In addition, the program will include elements to enhance growth and resilience through policies to mobilize domestic savings, further strengthen governance and transparency, and strengthen labor, gender and financial inclusion. Steps will also be taken to encourage investment in, and promote the sustainability and efficiency of, strategic economic sectors including energy. Taken together, such measures will be critical to begin to address long-standing constraints to more sustainable and inclusive growth. Lastly, the program is also expected to catalyze additional international official financial support.

"We look forward to our continuing work with the authorities to support Argentina and its people."

MEDIA RELATIONS

PRESS OFFICER: MARIA CANDIA

PHONE: +1 202 623-7100 | **EMAIL:** MEDIA@IMF.ORG

 [@IMFSpokesperson \(https://twitter.com/IMFSpokesperson\)](https://twitter.com/IMFSpokesperson)