

A Shift Toward Net Repayment?

Low-Income Countries' Changing Net Financial Relationship with the IMF

CATHERINE PATTILLO

Abstract

Low-income countries (LICs) are moving toward repaying more to the International Monetary Fund (IMF) than they receive in new disbursements. Aggregate net flows from the Poverty Reduction and Growth Trust (PRGT) to LICs are projected to turn negative around the end of the decade, as the exceptional lending of recent years comes due for repayment, while the share of borrowing countries already making net repayments on their PRGT loans looks set to reach a historic high in 2026. An obvious reaction is that this may simply reflect the normal working of a revolving lending cycle. But that interpretation sits uneasily with the historical record. Aggregate net-negative flows have been genuinely rare over the past 25 years, and many LICs have engaged with the IMF for long, repeated stretches rather than through discrete borrow-and-repay cycles.

But the projected shift is not predetermined. Sustainable PRGT lending capacity is a long-term envelope rather than a hard annual ceiling, and access policies, safeguards, and the IMF's tolerance for risk also shape the scale and pattern of future financing. With LICs facing constrained external financing, limited buffers, and renewed global pressures, the direction of this financial relationship warrants conscious consideration by the IMF's membership rather than emerging from existing framework settings by default.

A Shift Toward Net Repayment? Low-Income Countries' Changing Net Financial Relationship with the IMF

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Claude Sonnet 5.5 by Anthropic was used for data processing, calculations, and the preparation of the figures. The author reviewed all figures for accuracy and takes full responsibility for their content.

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Catherine Pattillo. 2026. "A Shift Toward Net Repayment? Low-Income Countries' Changing Net Financial Relationship with the IMF." CGD Policy Paper 407. Washington, DC: Center for Global Development.

<https://www.cgdev.org/publication/shift-toward-net-repayment-low-income-countries-changing-net-financial-relationship-imf>

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Center for Global Development. 2026.

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1. Introduction

Low-income countries (LICs) are navigating an increasingly tough and shock-prone environment. Borrowing costs have risen, aid has fallen, and cross-border private flows have thinned, reflecting a broader deterioration across most sources of external financing on which LICs rely. The current moment adds a fresh shock on top of an already strained picture. The war in the Middle East has pushed energy and fertilizer prices sharply higher, is driving food prices up, and has disrupted remittance and trade channels. And borrowing costs could rise further with a potential new monetary policy tightening cycle.

This is precisely the kind of moment the IMF's concessional lending architecture exists for. The Fund has leaned into that role repeatedly over the past several years, providing substantial financing through the Poverty Reduction and Growth Trust (PRGT) and the General Resources Account (GRA) during the pandemic, the sharp rise in global interest rates as advanced economy central banks normalized policy, and the spillovers from Russia's invasion of Ukraine.¹ That exceptional increase in Fund financing responded to extraordinary financing needs. Like any Fund lending, it must be repaid, and those repayments are now increasingly coming due.

As that exceptional lending starts to come due, this paper asks how the IMF's net financial relationship with LICs is changing, and what to make of that shift. How far is the Fund moving from being a net source of financing toward becoming a net recipient of resources from LICs? How historically unusual is the emerging pattern, and is it adequately explained by the normal working of the IMF's lending cycle? And to what extent is the path ahead shaped by policy choices within the concessional lending framework?

The question arises against an already difficult external financing backdrop for LICs.

External debt financing has become scarcer. The volume of net external debt inflows to LICs has roughly halved over recent years, to 2.1 percent of GDP in 2024, and remains well below its pre-pandemic average (IMF, 2026a). Fragile and Conflict-affected States (FCS) and commodity-exporting LICs have absorbed the bulk of that pullback.

Aid is falling sharply. What official development assistance (ODA) LICs receive looks different today than a decade ago, not merely smaller. The loan share of net ODA climbed from 3 percent in 2010 to 28 percent by 2024, and the overall envelope has shrunk from 5 percent of GDP in 2010–14 to 4.3 percent by 2023–24 (IMF, 2026a). The near-term trajectory points further down. Core bilateral aid to developing countries fell 26.3 percent in 2025 alone, the steepest drop on record (OECD, 2026).

Reserve buffers remain thin. Median LIC reserve cover has only just returned to pre-pandemic levels (3.8 months of imports in 2025) despite the 2021 SDR allocation. Many of the poorest LICs remain

1 Since March 2020, the IMF has committed SDR 39.5 billion (roughly \$54 billion) to 57 LICs through the PRGT and GRA combined; since the 2022 launch of the Resilience and Sustainability Facility (RSF), 16 LICs have received arrangements totaling SDR 5.5 billion (roughly \$7.5 billion) (IMF, 2026a).

below the recommended three-month threshold, leaving them exposed to any further shock or interruption in support (IMF, 2026a).

Together, these trends leave many LICs facing rising repayments on the exceptional Fund lending of recent years at a time of tight external financing conditions and limited buffers against further shocks.

Against this backdrop, the paper examines the IMF's net financial relationship with LICs, current, projected, and historical, and identifies the principal parameters of the concessional lending framework that shape that relationship.

The analysis points to **two main findings**. First, under current IMF lending capacity projections, the Fund's net financial relationship with LICs is moving toward net-negative territory. Aggregate PRGT net flows to LICs are projected to turn negative around the end of the decade, and the share of countries already making net repayments on their PRGT loans looks set to reach a historic high in 2026. Second, the historical record complicates a simple normal-lending-cycle interpretation. While cycles of lending to countries followed by repayment are consistent with the Fund's design as a revolving lender providing temporary balance-of-payments support, the historical pattern for many LICs has been more complex. Aggregate net-negative flows have been rare, and many LICs have engaged in sustained, repeated IMF-supported programs rather than through discrete lending and repayment cycles.

But the projected crossover is also not predetermined. Sustainable PRGT lending capacity is a long-term envelope rather than a hard annual ceiling, and future financing also depends on other settings within the concessional lending framework.

Whether the Fund *should* let its financial relationship with LICs drift toward net negative at this difficult juncture should be a choice for the Fund's membership to confront directly. The prospective shift therefore warrants conscious policy consideration about the appropriate scale and pattern of Fund engagement, rather than simply emerging from existing framework settings by default.

2. The IMF's net financial relationship with LICs is turning negative

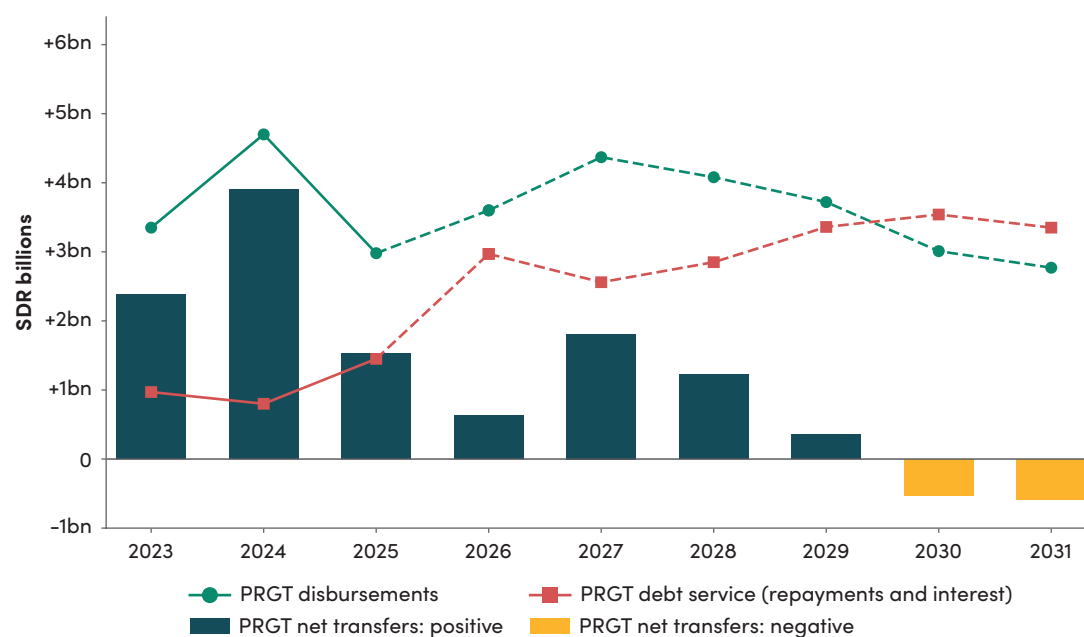
2.1 The shift is already underway

There are two complementary ways to assess the IMF's net financial relationship with LICs. Aggregate flows show how much total financing is moving between the Fund and LICs as a group, but they can be dominated by a handful of large borrowers or exceptional lending or repayment events. Country-level measures show how widespread a shift is across borrowers, and what the typical LIC is actually experiencing. The two measures answer different questions and both are needed here. A small number of large disbursements can keep aggregate flows positive even

while most borrowers are making net repayments, or a large share of countries could be making small net repayments while total net flows to the group are still large.²

Total PRGT net flows to PRGT-eligible countries³ (disbursements minus repayments of principal and interest) are projected to decline from their 2024 level and turn net negative by the end of the decade. On a PRGT-only basis, the crossover comes in 2030. Including GRA and Resilience and Sustainability Trust (RST) lending, the broader IMF relationship with the PRGT-eligible country group also turns net negative that same year. Figure 1a illustrates this for the PRGT-only measure, and Figure 1b for the broader one. The IMF's financial relationship with LICs on a PRGT-only basis is projected to turn from a net source of financing to a net drain of roughly SDR 582 million, about \$0.8 billion, at the trough in 2031, as the exceptional wave of COVID-era emergency and program lending comes due for repayment. On the broadest measure, which includes GRA and RST flows and also nets out SDR charges and assessments, the trough is considerably larger, at roughly SDR 1.4 billion, about \$1.9 billion.

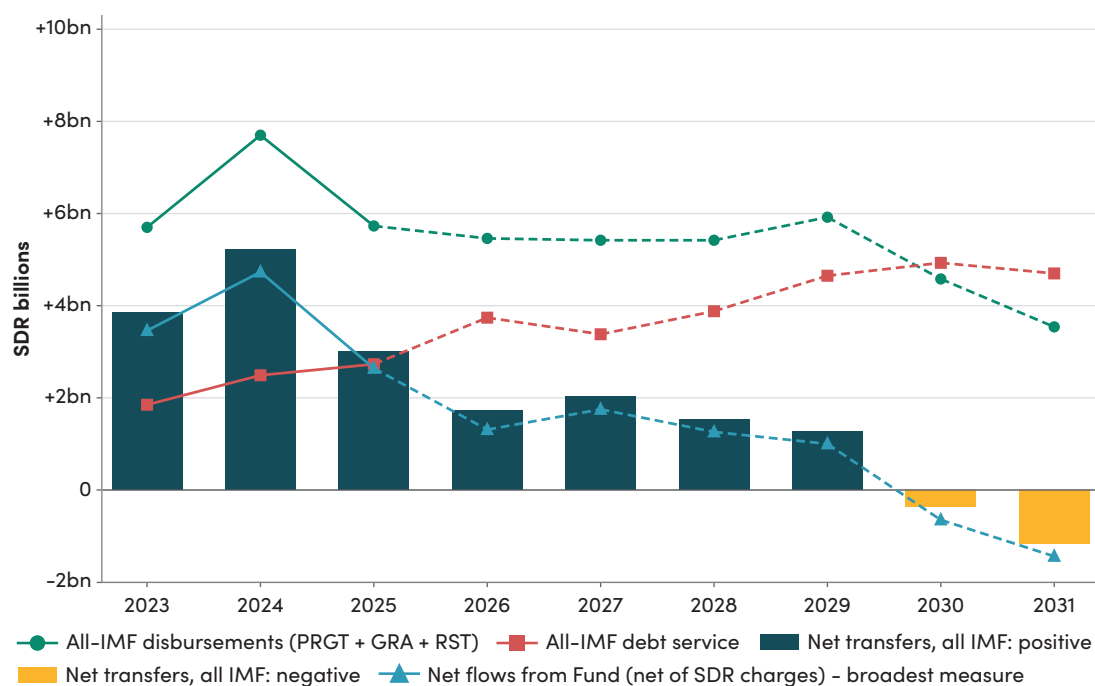
FIGURE 1a. PRGT net flows to PRGT-eligible countries, 2023–31



Notes: Solid segments are actual data; dashed are projected. Flows are counted only while a country is PRGT-eligible. 2026 blends January–August actual data with September–December projected figures. PRGT disbursement projections for 2026–31 draw on the IMF's lending capacity scenario figures. Sample: PRGT-eligible countries (69 in 2023, 70 from 2024). Source: IMF Financial Data Query Tool (2023–2026 end Aug); IMF (2026b) for projected figures, Sept 2026–Dec 2031.

- 2 The concern is somewhat mitigated as the disbursement path utilized comes from the PRGT's aggregate lending capacity envelope, not from summing up individual country level disbursement projections.
- 3 The terms LICs and PRGT-eligible countries are used interchangeably in this paper. While most of the analysis utilizes a country data sample comprising the current 70 PRGT-eligible countries (subject to data availability), some of this section utilizes a time-varying sample of the countries that are PRGT-eligible countries each year, since this is the evolving universe of countries with a concessional financing relationship with the Fund. Flows are counted only while a country is PRGT-eligible, so repayments by graduated countries after graduation are excluded. Net flows in this paper are measured after interest and charges, a concept that debt statistics call net transfers.

FIGURE 1b. Broader IMF net flows to PRGT-eligible countries, 2023–31



Notes: Solid segments are actual data; dashed segments projected. Flows are counted only while a country is PRGT-eligible. SDR charges are held at their rate of roughly SDR 273 million a year from 2027 onward. GRA repurchases and charges, RST interest and SDR charges for 2027–31 are scheduled payments as of 31 August 2026. Existing PRGT/GRA blended arrangements largely complete disbursements by 2027. The projection does not anticipate new blended arrangements, given no basis for an assumption. RST figures reflect the projected commitment trajectory for 2026–28 (IMF, 2026b, Table 9), phased using an empirical disbursement curve built from existing RSF arrangement schedules, tapering thereafter as pledged RST lending resources become fully committed. Sample: PRGT-eligible countries (69 in 2023, 70 from 2024).

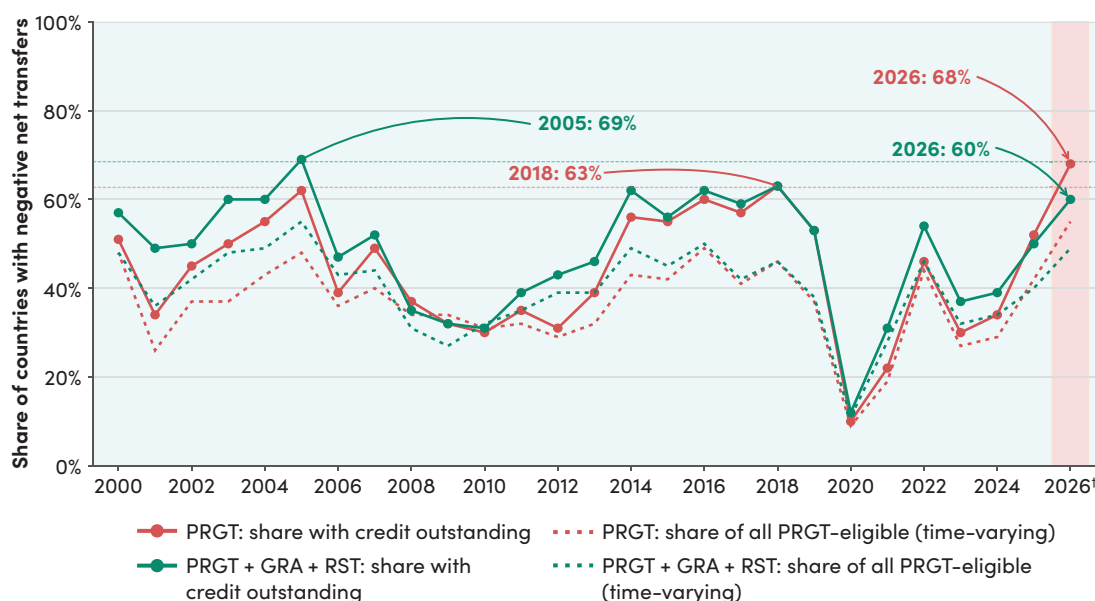
Source: IMF Financial Data Query Tool (2023–2026 end Aug); IMF (2026b) for projected figures, Sept 2026–Dec 2031.

This projection does not require an independent assumption about future Fund lending. It rests on two components drawn from the IMF's own published figures: scheduled repayments on loans already disbursed, aggregated from country-level data, and the aggregate PRGT lending commitment envelope set out by the IMF (IMF, 2024a, 2026b). The 2024 PRGT reform substantially strengthened the Trust's resource position, restoring its long-term self-sustained lending capacity to roughly SDR 2.7 billion a year (about \$3.7 billion), from a path that, absent reform, would have declined to roughly SDR 1 billion a year by 2027.⁴ Relative to the elevated commitment levels seen in 2023 and 2024 (SDR 6.3 billion and SDR 4.1 billion, respectively) the SDR 2.7 billion long-term sustainable lending capacity represents a substantial step down, although it remains more than double the pre-pandemic norm (IMF, 2024a, 2024b, 2026b).

4 The reform's centerpiece is a new framework for distributing GRA resources, including a Multi-Year Distribution Plan for up to SDR 6.9 billion in GRA net income and reserves, designed to facilitate the generation of SDR 5.9 billion (in 2025 present-value terms) in additional PRGT subsidy resources. The framework requires financing assurances from members covering at least 90 percent of the cumulative distribution amount. The reform also introduced a tiered interest rate mechanism for new PRGT lending from May 2025, preserving interest-free financing for the poorest LICs while charging higher-income LICs positive but still concessional rates.

The aggregate picture, however, understates how far the shift toward net repayment is already underway across individual borrowers. In any given year, some PRGT-eligible countries are net recipients of IMF financing and others are net repayers. That is the normal state of a lending relationship, and not itself informative. What is informative is how that share has moved over time. It has been rising sharply and looks set to reach a historic high in 2026. Figure 2 looks at the share of PRGT-eligible countries with IMF credit outstanding that are net recipients or net repayers in each year. In 2026, 68 percent of these countries (39 of 57) are projected to be net repaying on their PRGT loans. That is the highest share in the series, exceeding the previous peak of 63 percent in 2018 (32 of 51).⁵ This is not an artifact of a few large programs or repayments. It reflects a genuine broadening of which countries are net repaying the Fund, not just how much money is changing hands in aggregate.

FIGURE 2. Share of PRGT-eligible countries with net-negative transfers from the IMF, 2000–26



Notes: Solid lines: share of countries with matching credit outstanding (current 70 PRGT-eligible country basis). Dashed lines: share of all PRGT-eligible countries that year (between 69 and 79 countries a year: 77 in 2000, 70 in 2026). Net of debt relief (HIPC and MDRI cancellations, HIPC interim assistance, CCRT relief, and relief for Liberia, Haiti and Somalia—see Fig. 3a note). A country-year’s net transfer counts only flows made while the country was PRGT-eligible; a country is counted in a year if it was eligible at any time in it. Sudan’s scheduled repayments (SDR 99 million in December 2026) are counted as due. The PRGT lines count only PRGT flows; the PRGT+GRA+RST lines count all three facilities. '2026 blends actual disbursement and debt service data through August with country report projected disbursement schedule figures (PRGT, blended arrangements, RSF) and IMF Financial Data Query Tool projected debt service for September–December. Source: IMF Financial Data Query Tool (2000–2026 end Aug for disbursements, full year for debt service); most recent IMF country reports.

5 Considering the broader measure (PRGT+GRA+RST) on the same credit-outstanding basis, the 2026 share is high but not a new record: 60 percent, versus a prior peak of 69 percent in 2005. Considering instead all PRGT-eligible countries rather than only those with credit outstanding, the 2026 PRGT-only figure is 56 percent, surpassing the previous high of 49 percent in 2016. On this same all-countries basis, the broader measure reaches 49 percent in 2026 against a prior peak of 55 percent in 2005—again not a new record. The 2026 figures throughout use actual disbursements to end-August plus projected disbursements from current programs using their published disbursement schedules from country reports, and projected debt repayments from the IMF Financial Data Query Tool.

The two lenses tell a consistent story from different directions. The aggregate crossover still lies several years ahead, but across individual borrowers the shift toward net repayment is already widespread.

2.2 Isn't this simply the normal IMF lending cycle?

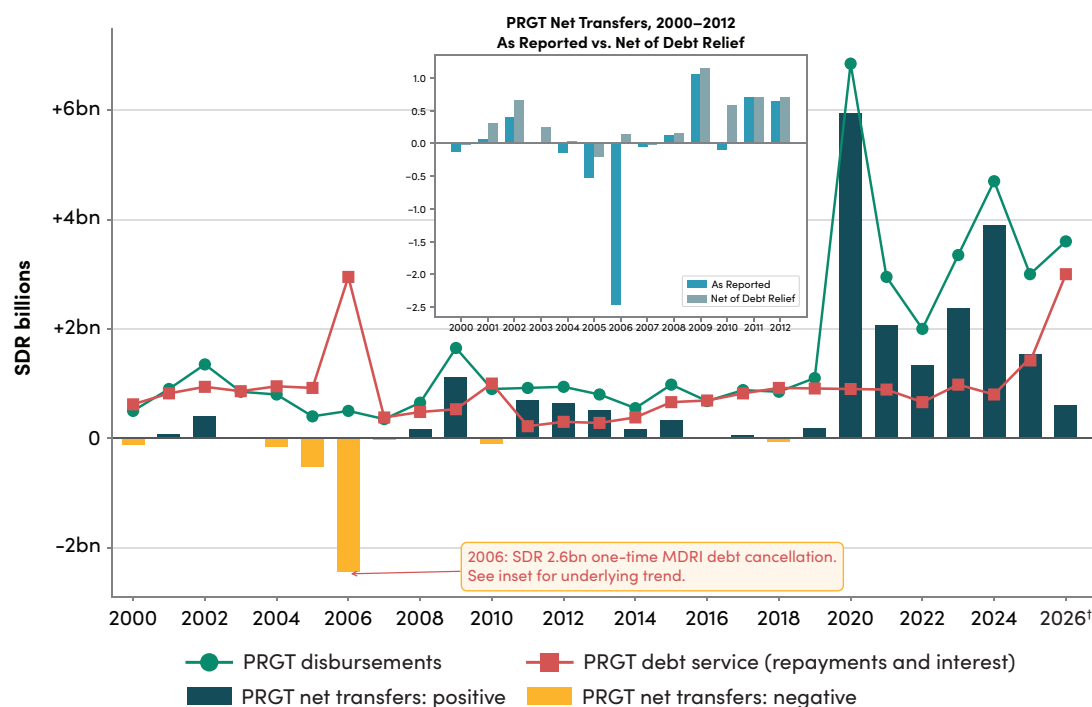
There is an obvious counterpoint. The IMF is a revolving lender. Countries borrow when they face bad times—crises, shocks or weak policies that open balance-of-payments needs—and repay when those needs ease.⁶ A period of large positive net transfers followed by declining or negative flows can therefore be exactly what one would expect. On this reading, the projected shift toward net-negative flows is simply the normal lending cycle working as intended.

Two pieces of evidence complicate that reassuring reading.

First, meaningful aggregate net-negative flows to LICs have been historically quite rare. Figure 3a extends the PRGT net-transfer series back to 2000. The few sizable net-negative years cluster tightly around the period of major multilateral debt relief for LICs. As officially reported, the years 2000, 2004, and 2005 were all meaningfully negative, reflecting the real debt service burden LICs were carrying from earlier borrowing, precisely the overhang that the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) were designed to resolve. Only 2005 remains meaningfully negative even net of debt relief. The MDRI cancelled 100 percent of eligible IMF debt for countries that had reached the HIPC completion point, which makes 2006 itself a special case. As officially reported, 2006 appears to be by far the worst year in the series with a net transfer of roughly SDR -2.5 billion. But that figure is driven almost entirely by the MDRI cancellation being recorded in the IMF's ledger as if it were a giant loan repayment, even though the borrowing countries made no payment; the relief was financed from IMF-administered trust resources. Once that cancellation is excluded, 2006 was in fact a modestly positive, unremarkable year.

6 This is expected to be still broadly true even though the PRGT's concessional lending architecture anticipates that some balance-of-payments problems are protracted rather than acute. Successor arrangements allow continued support through concessional financing, policy advice, and capacity development, implying the Fund would keep providing net financial resources in such cases.

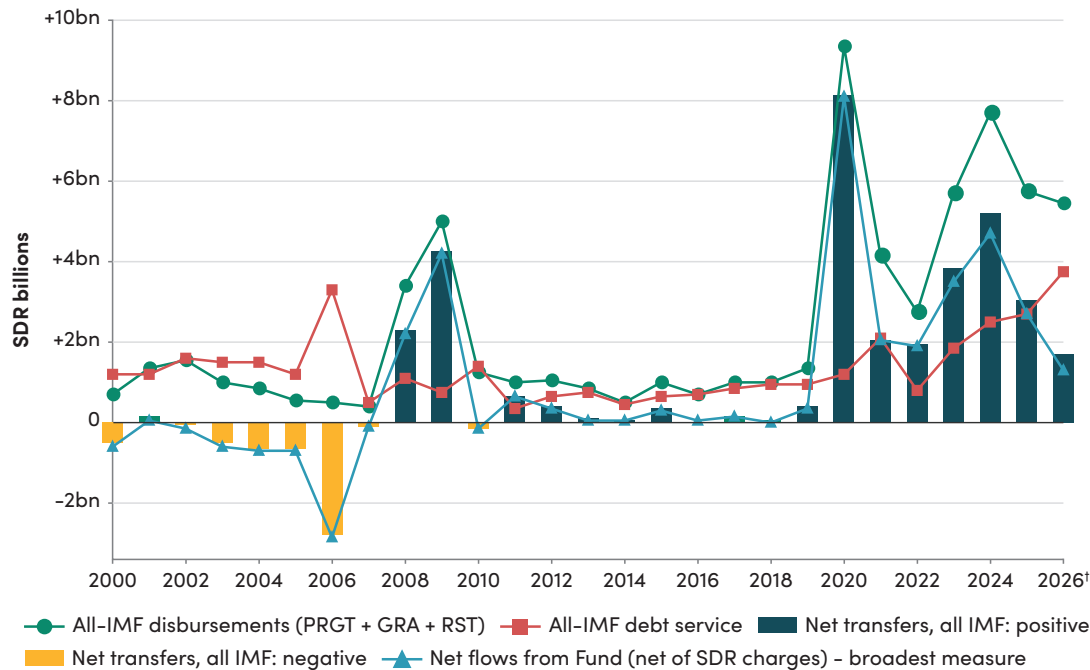
FIGURE 3a. PRGT net flows to PRGT-eligible countries, 2000–26



Notes: Shown on an ‘as officially reported’ basis, i.e., before a debt-relief adjustment. An inset panel zooms on 2000–2012, which contains every year where ‘net of relief’ changes the sign of net transfers from the as-reported series. Debt relief comprises HIPC interim assistance and HIPC/MDRI cancellations (IMF and IDA 2019, Tables AIII7A–B; IMF Annual Report 2011, Web Table 3.4), Liberia’s 2010 HIPC completion and beyond-HIPC relief (IMF Press Release 10/267), Haiti’s 2010 relief under the Post-Catastrophe Debt Relief Trust, relief under the Catastrophe Containment and Relief Trust (CCRT) for Ebola in 2015 (Press Release 15/34) and COVID-19 in 2020–22 (IMF Policy Paper 2021/074, Table 2), and Somalia’s 2023 completion-point relief (IMF 2026b, Appendix Table 12; Press Release 23/438). Sample: countries PRGT-eligible at any time in each year (69–79 a year; 85 in total, including 15 since graduated); flows are counted only while a country is PRGT-eligible. Arrears-clearance operations are left as recorded. ¹2026 blends January–August actual data with projected September–December figures; see the Figure 1a note.

Source: IMF Financial Data Query Tool (2000–2026 end Aug); IMF (2026b) for Sept–Dec 2026.

FIGURE 3b. Broader IMF net flows to PRGT-eligible countries, 2000–26



Notes: Sample: countries PRGT-eligible at any time in each year (69–79 a year; 85 in total, including 15 since graduated); flows are counted only while a country is PRGT-eligible. '2026 blends January–August actual data with projected September–December figures; see the Figure 1b note.

Source: IMF Financial Data Query Tool (2000–2026 end Aug); IMF (2026b) for Sept–Dec 2026.

Net of debt relief, only two years beyond this cluster registered any net-negative aggregate flows before 2026 (2016 and 2018), and both were under SDR 100 million, less than a tenth of that year's PRGT disbursements. They are better read as *de minimis* than as a meaningful reversal. Against this history, the projected net-negative years of 2030–31 stand out. Aggregate PRGT net transfers are projected at roughly SDR –522 million and –582 million respectively, driven by debt service coming due on the 2020–24 lending wave. No year in the 2000–2025 series was this negative net of debt relief; the largest, 2005, was about SDR –205 million (see the inset in Figure 3a). And unlike the isolated historical dips, which were never consecutive, the projected net-negative flows would span at least two consecutive years, with the projection horizon ending in 2031.

Second, the “emergency room” framing of IMF support undersells how long many countries actually stay engaged. Among PRGT-eligible countries that have had at least one IMF-supported program since 2000 (68 of 85 countries), the typical (median) country spent 63 percent of its eligible years in an IMF-supported program, and 62 percent were in a program for at least half of their eligible years. The PRGT's own design reflects this reality. Unlike the GRA's more purely cyclical balance-of-payments support, the PRGT explicitly anticipates that some countries' protracted balance-of-payments problems require sustained engagement well beyond a single program cycle.

This history sits somewhat awkwardly with the “normal lending cycle” framing. Net-repayer status can be entirely appropriate at particular points in a country’s relationship with the Fund, which provides temporary balance-of-payments or adjustment financing. But since engagement typically has not mapped neatly into completed lend-and-repay cycles, and aggregate net-negative flows to LICs have been exceedingly rare historically, it is not clear why the emerging shift to net-negative flows should be viewed as simply the normal next stage of the Fund lending cycle—particularly at a time when LICs face extremely difficult external conditions.

2.3 The projected crossover is not predetermined

PRGT lending capacity is a sustainable long-term envelope, not a hard annual ceiling. Actual lending commitments can and have temporarily exceeded it, as they did during the pandemic-era surge. If lending commitments temporarily run above SDR 2.7 billion in response to current shocks and financing needs, the aggregate resource constraint may bind less tightly than the baseline projection implies, though doing so would have implications for the PRGT’s longer-term resource position.⁷ PRGT resource adequacy is assessed annually, providing an opportunity to reassess financing needs and lending capacity, and the framework provides for contingency measures if demand substantially exceeds expectations for an extended period. Still, sustained lending materially above the sustainable envelope again would, as it did during the pandemic era, effectively draw on the PRGT’s endowment. If contingency measures proved insufficient, today’s flexibility could require a future infusion of resources, or else risk further erosion of the long-term sustainable envelope. However, if lending commitments do remain constrained by the sustainable long-term path, aggregate net flows will move to net negative and an increasing share of LICs will be net repayers.

The 2024 PRGT reform itself reflected a conscious membership judgment about sustainable concessional lending capacity. But the appropriate scale and pattern of Fund engagement should remain under consideration as external financing conditions change. Whether the Fund *should* let its financial relationship with LICs drift toward net-negative flows at this difficult time is a separate question from whether current concessional lending capacity implies it. The prospective shift should therefore be consciously considered as a choice about the appropriate scale and pattern of Fund engagement, rather than simply emerge from the existing lending framework by default.

Lending capacity, however, is only one determinant of the future path. The scale and pattern of Fund engagement with individual countries also depend on other settings within the concessional lending framework. The next section identifies those settings and how they interact.

⁷ This is also conditional on the 2024 reform’s framework for distribution of GRA reserves/net income to the PRGT reaching the 90 percent threshold of financing assurances necessary for it to come into force, which underpins the new sustainable lending capacity. (Around half that assurances level was attained as of March 2026).

3. What determines the future financial relationship?

The future scale and pattern of Fund financing to LICs, and the number of countries moving toward net repayment, will reflect how several parameters of the concessional lending framework interact. A shift toward aggregate net repayment would encompass different country experiences: some countries may have little need or demand for new Fund financing, including because they have access to other financing, while others may seek new or augmented programs. Country level financing is determined case by case, beginning with a country's request for Fund support and an assessment of its balance-of-payments need, program strength, capacity to repay, outstanding Fund credit and record of past use. The amount of financing is then guided by access norms and constrained by applicable access limits, with progressively stronger safeguards as access and exposure rise, within the Fund's broader framework for managing financial risk. These are policy settings that can influence the projected path and provide a starting point for considering whether that path remains appropriate in the financing environment LICs now face.

PRGT access, meaning how much a country can borrow, is guided by access norms, which provide an indicative benchmark rather than a floor or ceiling, and separate access limits, which cap annual and cumulative borrowing except under exceptional access. Strengthened Policy Safeguards trigger progressively greater scrutiny as access rises above set thresholds, and automatically for any country at high risk of, or already in, debt distress. These safeguards exist for important prudential reasons. They protect PRGT resources. Risk tolerance is broader, reflecting the degree of financial and other risk the Fund is prepared to accept in carrying out its mandate. Together with sustainable PRGT lending capacity, these settings help determine how the aggregate lending envelope translates into financing for individual countries.

TABLE 1. PRGT financing framework: Key parameters and policy choices

Framework Parameter	Policy Question
PRGT sustainable lending capacity	Should lending temporarily exceed the sustainable envelope again when financing needs warrant? If needs remain persistently higher, does the sustainable envelope itself need to be reconsidered?
Access norms and limits	Should existing access space be more fully used, and do norms and limits need raising?
Strengthened Policy Safeguards	Do they distinguish liquidity-risk cases from solvency-risk cases sufficiently when determining how much exposure the Fund can prudently take?
Risk tolerance	How should the Fund balance the risks associated with greater exposure against those of providing insufficient financing?

These parameters interact. Higher aggregate lending capacity could have limited effect on actual financing if country access remains low. Higher access norms and limits, in turn, may have limited effect if safeguards or the Fund's tolerance for exposure constrain its use. Conversely, greater tolerance for exposure without adequate safeguards could shift excessive risk onto the PRGT. The resulting scale and pattern of Fund financing therefore reflects how these settings operate together.

Assessing these parameters requires weighing risks on both sides. Larger Fund lending increases the Fund's exposure and can place additional pressure on concessional resources. The availability of financing also shapes a country's balance between financing and adjustment in responding to shocks. Too much financing can delay necessary adjustment, particularly where shocks are persistent. In cases where debt sustainability is uncertain, it can also delay needed debt resolution. But underfinancing carries risks of its own. Too sharp or poorly paced adjustment can weaken growth and revenues and, in turn, a country's capacity to repay the Fund. How these risks should be balanced is an important part of assessing the framework settings that will shape the Fund's future financial relationship with LICs.

4. Conclusion

The IMF's net financial relationship with LICs is entering a markedly different phase. Aggregate PRGT net flows to LICs are projected to turn negative around the end of the decade, as the exceptional lending of recent years comes due for repayment. The share of countries already making net repayments on their PRGT loans looks set to reach a historic high in 2026. The historical record complicates a simple normal-lending-cycle interpretation. Aggregate net-negative flows have been genuinely rare over the past quarter century, and many LICs have engaged with the Fund for long, repeated stretches rather than through discrete borrow-and-repay cycles.

But the projected aggregate crossover path is not predetermined. Sustainable PRGT lending capacity is a long-term envelope, not a hard annual ceiling. In addition to lending capacity, the eventual scale and pattern of Fund financing to LICs will depend on a wider set of concessional lending framework settings, including access norms and limits, safeguards, and risk tolerance. These settings reflect legitimate trade-offs. But together they mean that a shift toward a sustained net-negative financial relationship, with a large share of LICs becoming net repayers, is an outcome that can be influenced by policy choices. The direction of the Fund's financial relationship with its low-income members should therefore be a choice for the Fund's members. At a time when LICs face unusually constrained external financing and limited buffers, alongside renewed global shocks, uneven growth and heavy debt service burdens, that prospective shift warrants conscious policy consideration rather than simply emerging from existing framework settings.

Aggregate net flows, however, can only take this analysis so far. The consequences of becoming a net repayer to the Fund will differ sharply across countries depending on the size of their debt service burdens to the Fund and other creditors, financing alternatives, reserve buffers, and exposure to other external pressures. A forthcoming companion paper moves from the aggregate relationship to its incidence, examining which types of LICs are becoming net repayers to the Fund, what other financing pressures they face at the same time, and where the combination is most consequential. A third paper then turns to the policy response, asking what proposed changes to the Fund's concessional financing and risk frameworks the evidence supports. Future work will also examine how IMF-supported program design and implementation can better support stabilization and growth in this more constrained and uncertain external financing environment.

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