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International Monetary Fund (IMF)

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PRESS RELEASE NO. 20/363

Colombia Draws on IMF Flexible Credit Line to Address the COVID-19 Pandemic

December 3, 2020

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- The Colombian government has made a drawing of US\$ 5.4 billion under the Flexible Credit Line (FCL) arrangement in the context of the pandemic. The authorities will use the drawing to help meet higher financing needs whilst maintaining strong external buffers in a context of heightened global uncertainty.
- With access under the FCL arrangement raised on September 25, 2020, the remaining amount available to Colombia under the credit line stands at US\$ 12.2 billion (SDR 8.517 billion) after the drawdown. The authorities intend to treat this remaining amount under the FCL as precautionary.
- Combined with the comfortable level of international reserves that Colombia has, the FCL provides added insurance against external downside risks

Washington, DC: Colombia drew yesterday on its Flexible Credit Line (FCL) arrangement with the International Monetary Fund (IMF) in the amount of SDR 3.75 billion (about US\$5.4 billion, or 183 percent of quota, or about 2 percent of GDP). Access to IMF resources will help meet balance of payments needs and provide support for the budgetary response to the COVID-19 pandemic while at the same time allowing Colombia to maintain sufficient international liquidity to insure against heightened external risks. This is the first time Colombia has drawn on funds available under the credit line.

As the result of the augmentation of access under the FCL arrangement on September 25, 2020, to US\$17.6 billion (SDR 12.267 billion), Colombia retains access to about US\$ 12.2 billion (SDR 8.517 billion) under the existing two-year arrangement after today's drawing. The authorities intend to treat this remaining amount as precautionary. [1] [\(file:///Q:/COM/MR/Press%20Releases/2020/PR20363%20-%20Colombia%20-%20Colombia%20Draws%20on%20IMF%20Flexible%20Credit%20Line%20to%20Address%20the%20COVID-19%20Pandemic.docx#_ftn1\)](#)

The FCL was established on March 24, 2009, as part of a major reform of the Fund's lending framework (see Press Release No. 09/85). The FCL allows its recipients to draw on the credit line at any time and is designed to flexibly address both actual and potential balance of payments needs to help boost market confidence. Disbursements are not phased nor tied to compliance with policy targets as in regular IMF-supported programs. This large, upfront access with no ongoing conditions is justified by the very strong policy fundamentals and institutional policy frameworks and sustained track records of countries that qualify for the FCL, which gives confidence that their economic policies will remain strong. Reflecting its very strong policy frameworks and track record, Colombia has maintained access to the FCL instrument since 2009.

The IMF remains closely engaged with the authorities to help them mitigate the impact of COVID-19 in Colombia.

[1] (file:///Q:/COM/MR/Press%20Releases/2020/PR20363%20-%20Colombia%20-%20Colombia%20Draws%20on%20IMF%20Flexible%20Credit%20Line%20to%20Address%20the%20COVID-19%20Pandemic.docx#_ftnref1) US dollar amounts have been updated and calculated using the exchange rate at the time of the disbursement on December 2, 2020 of 1 USD= 0.698311 SDR

IMF Communications Department

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