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**FOR  
AGENDA**

EBS/84/133  
Correction 1

CONFIDENTIAL

June 27, 1984

To: Members of the Executive Board  
From: The Acting Secretary  
Subject: Madagascar - First Review of the Stand-By Arrangement

The following corrections have been made in EBS/84/133 (6/19/84):

Page 15, para. (iv), lines 3 and 4: for "in the sixth subparagraph of  
paragraph 4"  
read "in paragraph 5(f)"

para. (v), lines 3 and 4: for "in the seventh subparagraph of  
paragraph 4"  
read "in paragraph 5(g)"

A corrected page is attached.

Att: (1)

August 31, 1984. Madagascar will not make any purchases under the stand-by arrangement after August 30, 1984 until these performance criteria have been established, or after such performance criteria have been established, while they are not being observed.

4. The letter dated June 8, 1984, from the Minister at the Presidency of Madagascar in charge of Finance and Economy shall be attached to the stand-by arrangement as representing further understandings reached with the Fund, and the letter dated November 21, 1983, attached to the stand-by arrangement as modified and supplemented by the letter and memorandum of February 23, 1984, is further modified and supplemented by the letter dated June 8, 1984. Accordingly:

(a) Paragraph 4(a) of the stand-by arrangement shall be amended to include the following additional performance clauses:

- "(iv) the target for the reduction of external payments arrears through net cash payments as described in paragraph 5(f) of the letter dated June 8, 1984, or
- (v) the target for the elimination by the Government of domestic payments arrears as described in paragraph 5(g) of the letter dated June 8, 1984,".

(b) Paragraph 4(d) of the stand-by arrangement shall be amended to read as follows:

"(d) during the entire period of this stand-by arrangement, while Madagascar has any overdue financial obligation to the Fund, or if Madagascar  
...."

5. The Fund finds that no additional understandings are necessary because of the inability to establish certain performance criteria during the present review of the program for the remaining period of the stand-by arrangement and that Madagascar may make purchases under the stand-by arrangement until August 30, 1984.