

EBS/83/242
Supplement 1
Correction 1

CONFIDENTIAL

December 15, 1983

To: Members of the Executive Board
From: The Secretary
Subject: Mali - Stand-By Arrangement

The following correction has been made in EBS/83/242, Supplement 1 (12/12/83):

Page 1, para. # 3, line 2: for "until total purchases"
read "until purchases"

line 3: for "SDR 30,375,000"
read "SDR 27,560,000"

A corrected page is attached.

Att: (1)

Mali - Stand-By Arrangement

Attached hereto is a letter, with annexed memorandum, dated September 19, 1983, from the Minister of Finance and Commerce of Mali requesting a stand-by arrangement and setting forth (a) the objectives and policies which the Government of Mali intends to pursue for the period of this arrangement; and (b) understandings of Mali with the Fund regarding reviews that will be made of progress in realizing the policies and measures of the program. To support these objectives and policies, the International Monetary Fund grants this stand-by arrangement in accordance with the following provisions:

1. For the period from December 9, 1983 to May 31, 1985, Mali will have the right to make purchases from the Fund in an amount equivalent to SDR 40.5 million, subject to paragraphs 2, 3, 4 and 5 below, without further review by the Fund.

2. a. Purchases under this arrangement shall not, without the consent of the Fund, exceed the equivalent of SDR 10 million until December 31, 1983, SDR 16 million until March 31, 1984, SDR 22 million until June 30, 1984, SDR 28 million until September 30, 1984, and SDR 34 million until December 31, 1984.

b. None of the limits in (a) above shall apply to a purchase under this stand-by arrangement that would not increase the Fund's holdings of Mali's currency in the credit tranches beyond 25 per cent of quota or increase the Fund's holdings of that currency resulting from purchases of borrowed resources beyond 12.5 per cent of quota.

3. Purchases under the stand-by arrangement shall be made from borrowed resources until purchases under this arrangement reach the equivalent of SDR 27,560,000 and thereafter from ordinary and borrowed resources in the ratio of 1 to 1.2, provided that any modification by the Fund of the proportions of ordinary and borrowed resources shall apply to amounts that may be purchased after the date of modification.

4. Mali will not make purchases under this stand-by arrangement that would increase the Fund's holdings of Mali's currency in the credit tranches beyond 25 per cent of quota or increase the Fund's holdings of that currency resulting from purchases of borrowed resources beyond 12.5 per cent of quota:

a. during any period of this arrangement in which the data for the preceding calendar quarter within the period of the arrangement indicate that:

- (i) the limits on net bank credit to the Government specified in the table attached to the policy memorandum (Annex); or
- (ii) the performance criteria for the reduction of payments arrears specified in the table attached to the policy memorandum; or
- (iii) the ceiling on contracting and guaranteeing new non-concessional external borrowing with a maturity of between 1 and 12 years described in paragraph 34 of the same memorandum

are not observed; or

b. during any period until December 31, 1984 in which the upper limits on bank credit to the economy specified in the table attached to the policy memorandum are not observed; or

c. during any period after July 1, 1984, until understandings have been reached with the Fund on appropriate policies as indicated in paragraph 3(a), (b), (c), (d), and (e), of the attached letter, and a schedule for the reduction of arrears of Air Mali has been established in consultation with the Fund as contemplated by paragraph 3(g), or, after such performance criteria have been established, while they are not being observed; or

d. during any period after December 31, 1984 until suitable performance criteria for credit to the economy at end-December 1984 have been established in consultation with the Fund as contemplated by paragraph 3(f) of the attached letter, or, after such performance criteria have been established, while they are not being observed; or

e. during the entire period of the stand-by arrangement, if Mali:

- (i) imposes or intensifies restrictions on payments and transfers for current international transactions; or
- (ii) introduces or modifies multiple currency practices; or
- (iii) concludes bilateral payments agreements which are inconsistent with Article VIII; or
- (iv) imposes or intensifies import restrictions for balance of payments reasons.

When Mali is prevented from purchasing under this arrangement because of this paragraph 4, purchases will be resumed only after