

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

EBS/86/227
Supplement 2
Correction 1

CONFIDENTIAL

December 2, 1986

To: Members of the Executive Board
From: The Secretary
Subject: Senegal - Structural Adjustment Arrangement

The attached page 1 of EBS/86/227, Supplement 2 (11/25/86) is reissued to correct the date in paragraph No. 1.

Att: (1)

Senegal - Three-Year and First Annual Arrangements
Under the Structural Adjustment Facility

Attached hereto is a letter dated September 22, 1986 from the Government of Senegal, requesting from the Fund a three-year structural adjustment arrangement and the first annual arrangement thereunder, and setting forth

- (i) the objectives and policies of the program to be supported by the three-year arrangement, and
- (ii) the objectives and policies of the program to be supported by the first annual arrangement.

To support these objectives and policies, the International Monetary Fund grants the requested arrangements in accordance with the following provisions and subject to the Regulations for the administration of the Structural Adjustment Facility:

1. For a period of three years from November 10, 1986, Senegal will have the right to obtain three successive loans from the Fund under the Structural Adjustment Facility in a total amount equivalent to SDR 39,997,000.

2. The first loan, in an amount equivalent to SDR 17.02 million, is available for disbursement at the request of Senegal.

3. The second and third loans will be available upon approval by the Fund of the corresponding annual arrangements and will be disbursed at the request of Senegal. The amount of the second loan will be equivalent to SDR 11,488,500, and the amount of the third loan will be equivalent to SDR 11,488,500.

4. Before approving the second annual arrangement, the Fund will appraise the progress of Senegal in implementing the policies and reaching the objectives of the program supported by the first annual arrangement, taking into account primarily:

- (a) the indicators described in paragraph 23 of the annexed letter dated September 22, 1986 from the Minister of Economy and Finance,
- (b) imposition or intensification of restrictions on payments and transfers for current international transactions,
- (c) introduction or modification of multiple currency practices,
- (d) conclusion of bilateral payments agreements which are inconsistent with Article VIII,

(e) imposition or intensification of import restrictions for balance of payments reasons.

5. In accordance with paragraph 24 of the annexed letter dated September 22, Senegal will provide the Fund with such information as the Fund requests in connection with the progress of Senegal in implementing the policies and reaching the objectives supported by the first annual arrangement.

6. In accordance with paragraph 25 of the annexed letter dated September 22, Senegal will consult the Fund on the adoption of any measures that may be appropriate at the initiative of the Government or whenever the Managing Director requests consultation because he considers that consultation on the program is desirable. These consultations may include correspondence and visits of officials of the Fund to Senegal or of representatives of Senegal to the Fund.