

DOCUMENT OF INTERNATIONAL MONETARY FUND
AND NOT FOR PUBLIC USE

**FOR
AGENDA**

EBS/82/212
Supplement 1

CONFIDENTIAL

December 10, 1982

To: Members of the Executive Board

From: The Secretary

Subject: Zambia - Purchase Transaction - Compensatory Financing Facility

Attached is the request from Zambia for a purchase equivalent to SDR 34,000,000 referred to in EBS/82/212 which contains the staff's analysis and recommendation. This subject is scheduled for consideration on Monday, December 13, 1982.

Att: (1)

THE MANAGING DIRECTOR
INTERFUND
WASHINGTON, D.C.
U.S.A.
12/6/82 AND 12/10/82

071

(1) AS FISCAL AGENCY FOR THE GOVERNMENT OF ZAMBIA, WE DESIRE TO PURCHASE FROM THE INTERNATIONAL MONETARY FUND SDR 34,000,000 IN ACCORDANCE WITH TERMS OF ARTICLE V, SECTIONS 3 AND 4 AND EXECUTIVE BOARD DECISION NO. 6224-(79/135), ADOPTED AUGUST 2, 1979. IN THIS CONNECTION WE STATE THAT WE WILL COOPERATE WITH THE INTERNATIONAL MONETARY FUND IN AN EFFORT TO FIND APPROPRIATE SOLUTIONS FOR THE BALANCE OF PAYMENTS DIFFICULTIES.

(2) WE DO HEREBY REPRESENT THAT THIS PURCHASE IS NEEDED IN ACCORDANCE WITH THE PROVISIONS OF FUND AGREEMENT.

(3) PLEASE CREDIT ZAMBIA'S SDR ACCOUNT WITH SDR 34,000,000 ON VALUE DATE OF PURCHASE.

(4) THE EQUIVALENT OF DESIRED PURCHASE NAMELY ZAMBIAN KWACHA 34,824,968.68 WILL BE CREDITED TO FUND'S NO. 1 ACCOUNT WITH OURSELVES, ON THE VALUE DATE OF PURCHASE.

(5) WE STATE THAT REPURCHASE IN RESPECT OF THIS PURCHASE SHALL BE MADE IN ACCORDANCE WITH ARTICLE V, SECTION 7 AND THE FUND'S POLICIES AND PRACTICES AT THE TIME OF REPURCHASE.

(6) REGARDING SERVICE CHARGE, PLEASE DEBIT ZAMBIA'S SDR ACCOUNT WITH SDR 170,000 ON VALUE DATE OF PURCHASE.

(7) PLEASE ARRANGE TO CREDIT OUR ACCOUNT WITH FEDERAL RESERVE BANK OF NEW YORK, NEW YORK WITH U.S. DOLLARS EQUIVALENT TO SDR 19,330,000, ON VALUE DATE OF PURCHASE.

(8) WE STATE THAT ANY USE OF SDRS AT THIS TIME UNDER ARTICLE XIX, SECTION 2(A) IS IN ACCORDANCE WITH SECTION 3(A) OF THIS ARTICLE.

(9) HOWEVER, WE AUTHORIZE YOU TO ARRANGE ON OUR BEHALF FOR ALL OR PART OF THIS AMOUNT TO BE SOLD TO PARTICIPANTS OR PRESCRIBED HOLDERS THAT AGREE TO ACQUIRE THEM UNDER ARTICLE XIX, SECTION 2(B).

B R KUWANI
GOVERNOR
BANK OF ZAMBIA, LUSAKA

Received in Cable Room December 6, 1982 and December 10, 1982.