

DOCUMENT OF INTERNATIONAL MONETARY FUND
AND NOT FOR PUBLIC USE

**FOR
AGENDA**

EBS/82/84
Supplement 1

CONFIDENTIAL

June 8, 1982

To: Members of the Executive Board

From: The Secretary

Subject: Kenya - Purchase Transaction - Compensatory Financing
Facility - Fluctuations in the Cost of Cereal Imports

Attached is the request from Kenya for a purchase equivalent to SDR 60.375 million referred to in EBS/82/84 which contains the staff's analysis and recommendation. This subject is scheduled for consideration tomorrow, Wednesday, June 9, 1982.

Att: (1)

ATTACHMENT

IMF WASHINGTON D.C.

2/6/82

CABLE B - GRA (CF) NO. 14

1. AS FISCAL AGENCY FOR THE GOVERNMENT OF KENYA, WE DESIRE TO PURCHASE FROM THE INTERNATIONAL MONETARY FUND SDR 25,400,000 AND THE EQUIVALENT OF SDR 34,975,000 IN U.S. DOLLARS, TOTALING THE EQUIVALENT OF SDR 60,375,000 IN ACCORDANCE WITH TERMS OF ARTICLE V, SECTIONS 3 AND 4 AND EXECUTIVE BOARD DECISION NO. 6860-(81/81), ADOPTED MAY 13, 1981. 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 KENYA'S SDR ACCOUNT WITH SDR 25,400,000 ON VALUE DATE OF PURCHASE.
4. PLEASE ARRANGE PAYMENT OF U.S. DOLLARS TO ACCOUNT OF CENTRAL BANK OF KENYA, NAIROBI WITH FEDERAL RESERVE BANK OF NEW YORK, NEW YORK ON VALUE DATE OF PURCHASE.
5. THE EQUIVALENT OF DESIRED PURCHASE NAMELY KENYA SHILLINGS 721,481,322.15 WILL BE CREDITED TO FUND'S NO. 1 ACCOUNT WITH CENTRAL BANK OF KENYA, NAIROBI ON THE VALUE DATE OF PURCHASE.
6. 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. WE FURTHER STATE THAT, IF THE AMOUNT PURCHASED ON THE BASIS OF PARTIALLY ESTIMATED DATA EXCEED THE AMOUNT THAT COULD HAVE BEEN PURCHASED FOR THE FULL 12 MONTH PERIOD UNDER PARAGRAPH 6 OF EXECUTIVE BOARD DECISION NO. 6860-(81/81), WE WILL MAKE A PROMPT REPURCHASE IN RESPECT OF THIS PURCHASE IN AN AMOUNT EQUIVALENT TO THE EXCESS.
7. REGARDING SERVICE CHARGE, PLEASE DEBIT KENYA'S SDR ACCOUNT WITH SDR 301,875 ON VALUE DATE OF PURCHASE.
8. PLEASE ARRANGE TO CREDIT ACCOUNT OF CENTRAL BANK OF KENYA, NAIROBI WITH FEDERAL RESERVE BANK OF NEW YORK, NEW YORK WITH U.S. DOLLAR EQUIVALENT OF SDR 35,000,000. WE STATE THAT THIS INTENDED USE OF SDRS IS IN ACCORDANCE WITH ARTICLE XIX, SECTIONS 2(A) AND 3(A).

TREASURY NAIROBI

Received in Cable Room June 2, 1982.