

**FOR
AGENDA**

EBS/08/114
Correction 1

November 4, 2008

To: Members of the Executive Board

From: The Secretary

Subject: **Ukraine—Request for Stand-By Arrangement**

The attached correction to EBS/08/114 (11/3/08) has been provided by the staff.

Page 32, Proposed Decision, para. 1: brackets removed from dates.

Questions may be referred to Ms. Pazarbasioglu (ext. 35967) and Mr. Flanagan (ext. 36724) in EUR.

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Department Heads

exposure manageable. In the absence of Fund financing, capital account shortfalls would drive Ukraine's reserves to low levels, making roll over of external debts difficult, especially in the present environment of global deleveraging. The proposed level of access would leave external debt sustainable, and a resumption of market access is considered very likely by 2010. Through prior actions the authorities have shown their ability to deliver on their commitments. The Fund's exposure to Ukraine would remain under 50 percent of reserves.

50. In view of Ukraine's balance of payments financing needs and the strong policies proposed by the authorities, the staff supports the authorities' request for an arrangement in the amount of SDR 11 billion.

V. PROPOSED DECISION

The following decision, which may be adopted by a majority of the votes cast, is proposed for adoption by the Executive Board:

1. Ukraine has requested a Stand-By Arrangement in an amount equivalent to SDR 11,000 million for a period from November 5, 2008 through November 4, 2010.
2. The Fund approves the Stand-By Arrangement for Ukraine set forth in EBS/08/114, 11/03/2008 and decides that purchases may be made under the arrangement on the condition that the information provided by Ukraine on the implementation of the measures specified as prior actions in Table 3 of the Memorandum of Economic and Financial Policies attached to the letter from the Minister of Finance, the Governor of the National Bank, the Prime Minister and the President of Ukraine dated October 31, 2008 is accurate.
3. The Fund waives the limitation in Article V, Section 3(b)(iii).