

**IMMEDIATE  
ATTENTION**

EBS/09/75

May 22, 2009

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Extension of the Financial Transactions Plan, SDR Designation Plan and Use of Borrowed Resources for the Period February–May 2009 to February–June 2009**

Attached for consideration by the Executive Directors is a paper on the extension of the Financial Transactions Plan, SDR Designation Plan and use of borrowed resources for the period February–May 2009 to February–June 2009.

It is not proposed to bring this matter to the agenda of the Executive Board for discussion unless an Executive Director so requests by **noon on Friday, May 29, 2009**. In the absence of such a request, the draft decisions that appear on page 2 will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

It is not intended to publish this paper on the Fund's external website.

Questions may be referred to Ms. Fennell (ext. 38341) and Mr. Hatch (ext. 37552) in FIN.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:  
Department Heads



INTERNATIONAL MONETARY FUND

**Extension of the Financial Transactions Plan, SDR Designation  
Plan and Use of Borrowed Resources for the Period  
February–May 2009 to February–June 2009**

Prepared by the Finance Department  
(In consultation with the Legal Department)

Approved by Andrew Tweedie

May 22, 2009

1. This paper proposes that the current Financial Transactions Plan (FTP) and use of Fund borrowed resources for the period February–May 2009 be further extended through end-June 2009.<sup>1</sup> It also proposes to extend the current SDR designation plan by one month in order to keep the same period for both plans. The extension of the current FTP through end-June would allow additional time to bring to the Board a staff paper on proposed guidelines for the use of borrowed resources. The extension would also allow greater clarity on the likely timing of additional bilateral borrowing agreements.

2. This paper proposes that the current FTP and authorization of the use of borrowed resources be extended without change. Transfers of currencies under the current FTP have so far amounted to about SDR 10 billion out of an authorized total of SDR 35 billion. An additional SDR 15 billion in transfers are authorized from borrowed resources under the Japan borrowing agreement and no drawings under that agreement have been made so far. Based on the latest staff estimates, purchases of about SDR 5 billion under current and prospective active Fund arrangements could be brought to the Board through end-June 2009. This leaves a margin of about SDR 35 billion to provide a contingency for possible drawings under new arrangements and current precautionary arrangements, including the recently approved FCL arrangements with Mexico, Poland and Colombia. If the proposed transfers should prove to be insufficient to meet demand during the remainder of the current plan period, staff would propose a further amendment to the FTP, which may need to be considered on short notice as on past occasions.

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<sup>1</sup> See *Enlargement and Extension of the Financial Transactions Plan, Extension of the SDR Designation Plan for the Period February–April 2009 to February–May 2009, and Use of Borrowed Resources* (EBS/09/52, 4/15/09).

## **PROPOSED DECISIONS**

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

### **A. Financial Transactions Plan**

The Executive Board decides that the Financial Transactions Plan for the period February-May 2009 (Executive Board Decision No. 14299-(09/38), adopted April 16, 2009) shall remain in effect through June 30, 2009.

### **B. Use of Borrowed Resources**

The Executive Board decides that the period for drawings under the borrowing agreement with the government of Japan authorized by the Executive Board under Decision No. 14301-(09/38), adopted April 16, 2009) shall be extended through June 30, 2009.

### **C. SDR Designation Plan**

The Executive Board decides that the SDR designation plan for the period February–May 2009 (Executive Board Decision No. 14300-(09/38), adopted April 16, 2009) shall remain in effect until June 30, 2009.