

EBS/87/40
Supplement 1

CONFIDENTIAL

May 12, 1987

To: Members of the Executive Board
From: The Secretary
Subject: External Adjustment, Financing, and Growth -
Issues on Conditionality

Attached for the records of Executive Directors is the Secretary's understanding of the decision relating to external adjustment, financing, and growth - issues on conditionality adopted at EBM/87/72 on May 8, 1987.

Att: (1)

INTERNATIONAL MONETARY FUND

External Adjustment, Financing, and Growth; and Issues
on Conditionality

Executive Board Decision - May 8, 1987

1. Pursuant to Decision No. 8192-(86/13), adopted January 27, 1986, the Fund has reviewed the experience with recent programs supported by stand-by and extended arrangements, and decides that the provisions of the extended Fund facility and the guidelines on conditionality will remain in force in the present circumstances.

2. The Fund will again review the experience relating to programs supported by stand-by and extended arrangements at an appropriate time pursuant to paragraph 12 of the guidelines on conditionality. At that time, the Fund will also review the provisions of the extended Fund facility.

3. In the light of forthcoming discussions by the Executive Board on issues relating to conditionality, the Executive Board will decide when it may be appropriate to have the next comprehensive review of conditionality.