

**FOR
AGENDA**

EBS/87/17
Supplement 1

*(SEE SECRETARIAL FILE
FOR SUP. 2)*

CONFIDENTIAL

February 17, 1987

To: Members of the Executive Board

From: The Secretary

Subject: Argentina - Use of Fund Resources - Compensatory Financing Facility

The attached proposed decision pertains to a request expected to be received from Argentina for a purchase under the compensatory financing facility, which has been scheduled for discussion tomorrow, Wednesday, February 18, 1987.

Mr. Liuksila (ext. 7797) is available to answer technical or factual questions relating to this paper prior to the Board discussion.

Att: (1)

INTERNATIONAL MONETARY FUND

ARGENTINA

Use of Fund Resources - Compensatory Financing Facility
Proposed Decision

Prepared by the Exchange and Trade Relations Department,
the Legal Department, the Research Department, and
the Western Hemisphere Department

Approved by Manuel Guitian, François Gianviti,
Jacob Frenkel, and Eduardo Wiesner

February 17, 1987

The following draft decision is proposed for adoption by the
Executive Board:

1. The Fund expects to receive a request from the Government of Argentina for a purchase equivalent to SDR 388.7 million in accordance with the Decision on Compensatory Financing of Export Fluctuations (Executive Board Decision No. 6224-(79/135), adopted August 2, 1979, as amended).

2. The Fund approves the purchase subject to confirmation of a shortfall of at least an equivalent amount as of the effective date of this approval.

3. This approval shall become effective on the earlier of the date when the stand-by arrangement set forth in EBS/87/5, Supplement 1 and Supplement 2 becomes effective, or a date to be determined by the Executive Board.

4. The Fund waives the limitation in Article V,
Section 3(b)(iii).