

CLASSIFICATION:

PDKAE 308

AID 1120-1 (8-88)  PAAD	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT  PROGRAM ASSISTANCE APPROVAL DOCUMENT	1. PAAD NO. 517-K-602 2. COUNTRY Dominican Republic 3. CATEGORY Cash Transfer 4. DATE
5. TO:  A/AID, M. Peter McPherson	6. OYB CHANGE NO.  6. OYB INCREASE	
FROM:  AA/LAC, Victor M. Rivera <i>SB</i>	TO BE TAKEN FROM: Economic Support Funds	
9. APPROVAL REQUESTED FOR COMMITMENT OF: \$ 45,000,000	10. APPROPRIATION - ALLOTMENT 537-65-517-00-50-51	
11. TYPE FUNDING <input type="checkbox"/> LOAN <input checked="" type="checkbox"/> GRANT	12. LOCAL CURRENCY ARRANGEMENT <input checked="" type="checkbox"/> INFORMAL <input type="checkbox"/> FORMAL <input type="checkbox"/> NONE	13. ESTIMATED DELIVERY PERIOD FY1985
14. TRANSACTION ELIGIBILITY DATE Date of Approval		18. COMMODITIES FINANCED

16. PERMITTED SOURCE

U.S. only: \_\_\_\_\_

Limited F.W.: \_\_\_\_\_

Free World: \_\_\_\_\_

Cash: \$45,000,000

17. ESTIMATED SOURCE

U.S.: \$45,000,000

Industrialized Countries: \_\_\_\_\_

Local: \_\_\_\_\_

Other: \_\_\_\_\_

18. SUMMARY DESCRIPTION

The proposed \$45 million grant will provide immediate balance of payments support to the Dominican Republic, help relieve the debt overhang by supporting a long-term rescheduling of debt service requirements, and encourage a restructuring of the economy to base it more on market forces.

In addition to satisfying the standard conditions precedent to disbursement involving the submission of a legal opinion and the designation of authorized representatives, the Government of the Dominican Republic (GODR) will agree to covenants requiring that:

- (1) spare parts, capital goods, and industrial and agricultural inputs will be imported from the U.S. in an amount equivalent to the dollar resources provided under this grant, within a period of not to exceed one year from disbursement of this grant; and
- (2) the GODR deposits in the special account established for this purpose an equivalent amount of local currency, which will be allocated in accordance with criteria and procedures jointly agreed to by the GODR and the AID mission.

19. CLEARANCES

LAC/DR: DBJohnson <i>JSB</i>	DATE
LAC/CAR: BWheeler (draft)	
LAC/DP: JOleson	
GC/LAC: RMeighan <i>R. Meighan</i>	
M/FM: CChristensen <i>CC</i>	4/22
ARA/ECP: RBeckham (draft)	
PPC/PDPR: ARosenberg <i>AR</i>	
AA/PPC: RDerham <i>RD</i>	
GC/HFry <i>GF</i>	

20. ACTION

APPROVED  DISAPPROVED

*Janet Davis* 4/24/85

AUTHORIZED SIGNATURE DATE

Counselor to the Agency

TITLE

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