



INTERNATIONAL MONETARY FUND

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IMF Mission Reaches Agreement in Principle on a \$750 million Stand-By Arrangement with Georgia

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Following a request by the Georgian authorities for IMF financial support, an IMF mission visited Tbilisi August 23-September 3 and has reached an agreement in principle on a \$750 million financial package in the form of an 18-month Stand-By Arrangement. The proposed arrangement requires the approval of the IMF Executive Board, which is expected to consider Georgia's request in mid-September.

The IMF Stand-By Arrangement is intended to support the economic policies of the Georgian authorities and to help mitigate the adverse economic and financial consequences of the recent conflict. Georgia's strong record of reform and sound macroeconomic policies has strengthened the resilience of the economy and bodes well for a solid recovery from this shock. The main objectives of the Stand-By Arrangement are to cover part of the expected temporary external financing gap, and to help sustain the confidence of markets and investors by supporting policies that will ensure continued macroeconomic stability and promote the recovery of private sector investment and economic growth.