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**IMMEDIATE  
ATTENTION**

EBD/82/163

June 29, 1982

To: Members of the Executive Board

From: The Secretary

Subject: The Gambia - Extension of Approval of Exchange Restriction

It is not proposed to bring the attached memorandum to the agenda of the Executive Board for discussion unless an Executive Director so requests by the close of business on Friday, July 2, 1982. In the absence of such a request, the draft decision will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Att: (1)

Other Distribution:  
Department Heads

INTERNATIONAL MONETARY FUND

THE GAMBIA

Extension of Approval of Exchange Restriction

Prepared by the African Department and the Exchange  
and Trade Relations Department

(In consultation with the Legal Department)

Approved by Oumar B. Makalou and S. Kanesa-Thasan

June 28, 1982

In concluding the 1981 Article IV consultation with The Gambia, the Executive Board granted approval, until June 30, 1982, for the restriction arising from The Gambia's external payments arrears (Decision No. 6872-(81/84) adopted June 3, 1981). This restriction, as described in the documents for the 1981 Article IV consultation (SM/81/113 (5/13/81) and SM/81/124 (5/26/81)), was granted temporary approval in light of the intentions of the authorities to collaborate with the Fund to reduce gradually the restriction and to eliminate it as soon as the foreign exchange situation permits.

A staff mission visited Banjul during May/June 1982 to conduct the mid-term review of the 1982 stand-by arrangement. The mission was informed that the outstanding arrears had been reduced during 1981 and the first quarter of 1982, and that they were expected to be reduced further during the remainder of the stand-by arrangement. A report on the mid-term review, including a fuller discussion of the progress being made in reducing The Gambia's outstanding external arrears, is expected to be placed on the Executive Board's agenda during the next two months. In the meantime the staff recommends an extension of the Fund's approval of the restriction arising from these arrears until September 30, 1982 or completion of the mid-term review, whichever is earlier. The following decision is therefore proposed for adoption by the Executive Board:

The approval of The Gambia's restriction arising from  
arrears on external payments under Decision No. 6872-(81/84) is  
extended until September 30, 1982 or completion of the mid-term  
review of the 1982 stand-by arrangement with the Fund, whichever  
is earlier.