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**IMMEDIATE
ATTENTION**

EBS/89/52

CONFIDENTIAL

March 23, 1989

To: Members of the Executive Board

From: The Acting Secretary

Subject: Somalia - Settlement of Overdue Financial Obligations to the
Fund in the SDR Department and Termination of Suspension of
Right to Use SDRs

It is not proposed to bring the attached memorandum from the Managing Director to the agenda of the Executive Board for discussion unless an Executive Director so requests by noon on Monday, March 27, 1989. 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)

CONFIDENTIAL

To: Members of the Executive Board March 23, 1989

From: The Managing Director

Subject: Somalia - Settlement of Overdue Financial Obligations to the Fund in the SDR Department and Termination of Suspension of Right to Use SDRs

On March 14, 1989, Somalia made a payment to the Fund equivalent to SDR 11.5 million, which reduced the member's arrears to the Fund to SDR 57.6 million as of that date. The authorities attributed SDR 1.5 million of this payment to the full settlement of overdue obligations in the SDR Department.

In light of the full settlement of Somalia's overdue financial obligations to the Fund in the SDR Department, I propose that the suspension of Somalia's right to use SDRs, as provided in Executive Board Decision No. 8868-(88/72) G/S/TR, adopted May 6, 1988, be terminated. This would be accomplished by adoption of the decision proposed below, which provides for termination of the suspension with effect on the date on which the proposed decision is adopted.

Proposed Decision

The Fund decides that the suspension of the right of Somalia to use SDRs, as provided in Executive Board Decision No. 8868-(88/72) G/S/TR, adopted May 6, 1988, is terminated with effect on March 27, 1989.