

**FOR
INFORMATION**

EBS/20/10

February 25, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Somalia—Financing Milestone on Debt Relief—Draft Press Release**

Board Action: Executive Directors' **information** following the Executive Board Decision No. 16626-(19/103) adopted on December 18, 2019 as described in EBS/19/112 (12/4/19)

Additional Information: For the information of the Executive Board, the attached press release on Somalia will be issued on Wednesday, February 26 to provide assurances to the African Development Bank and World Bank as their Boards meet to decide on their respective arrears clearance operations planned for early March.

Staff will prepare a paper to be circulated to the Executive Board, with a full list of members' formalized financing commitments, ahead of the IMF Executive Board meeting tentatively scheduled for March 24–25. This would be the basis for proceeding with Somalia's arrears clearance and the HIPC Decision Point.

Publication: Proposed, on or after Wednesday, February 26, 2020

Questions: Mr. Mumssen, FIN (ext. 35623)
Ms. Gust, FIN (ext. 36573)



INTERNATIONAL MONETARY FUND



Press Release No. 20/xx
FOR IMMEDIATE RELEASE
February [xx], 2020

International Monetary Fund
Washington, D.C. 20431 USA

IMF Managing Director Kristalina Georgieva Announces Financing Milestone on Debt Relief for Somalia

IMF Managing Director Kristalina Georgieva today announced that the International Monetary Fund has secured sufficient financing pledges to allow the Fund to provide comprehensive debt relief to Somalia. Over 100 IMF member countries have pledged to provide more than SDR 242 million (US\$334 million) in financing. Once all pledges are formalized, a process will be followed of clearance of arrears to the Fund and new Fund financing that will enable the delivery of HIPC Initiative and other debt relief to Somalia. This will help unlock significant new amounts of development assistance and pave the way for higher and more inclusive growth.

Ms. Georgieva applauded the financing breakthrough, noting, “Today’s financing milestone opens up a historic opportunity for Somalia to move toward comprehensive debt relief from the IMF and the international community. We are firmly committed to supporting Somalia in its recovery after a long period of conflict and devastation.”

The Managing Director offered her thanks to the IMF’s member countries for their generous support, adding, “I also wish to acknowledge the cooperative efforts of our member countries around the world, including many lower-income economies, as well as the strong cooperation from the World Bank, African Development Bank, Paris Club, European Commission, and other development partners, which are critical in this multilateral initiative.”

“This marks a clear recognition by our members for Somalia’s strong and sustained commitment to economic and financial reforms, despite very challenging circumstances. This takes Somalia one step closer to the HIPC Decision Point, which will significantly reduce Somalia’s total debt and enable access to new resources to jumpstart growth and begin reducing poverty,” Ms. Georgieva said.

For additional background on Fund relations with Somalia, see:

<http://www.imf.org/external/country/SOM/index.htm>