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**Statement by Mr. De Lannoy, Mr. Tsur, and Mr. Cools on Sudan
(Preliminary)
Executive Board Meeting
March 26, 2021**

We thank staff for the preliminary document on Sudan's HIPC process and Ms. Mannathoko and Mr. Ismail for their candid Buff statement. The transitional government of Sudan has achieved a breakthrough in the peace process, is pursuing an ambitious reform program and has implemented important parts of its agenda. **A satisfactory performance track record under the SMP will be essential for the HIPC decision point, and the HIPC is the key to put the Sudanese recovery on a more sustained path.**

We agree that Sudan is eligible under the enhanced HIPC initiative, and that the Decision Point could be reached by June 2021, provided that Sudan meets all requirements. Recent steps by the Sudanese authorities indicate their commitment to reaching the HIPC Decision point. We are particularly encouraged by the statement in the Buff that the PRSP is expected to be finalized by end-April 2021. We invite the authorities to enhance their efforts to launch the social safety net program according to this ambitious plan. External support and especially debt relief will be most effective if accompanied by strong commitment to social development and poverty reduction.

Several characteristics of Sudan's HIPC case require building strong buffers before the decision point. Some of these characteristics are the country's large arrears, a fragile peace agreement after 17 years of conflict, vulnerability to climate shocks and the global economic and health uncertainty. Hence, we welcome staff's sensitivity analysis of two alternative scenarios. Particularly, the "limited progress in strengthening the business climate" scenario highlights the risk to the HIPC process that could result from slow improvement in the business climate. We urge the authorities to adopt the anti-corruption national commission law as soon as possible and to publish the full list of state-owned enterprises to create a level playing field towards the private sector.

We welcome the Completion Point trigger areas that are mentioned in the document. We view the proposed set of triggers as ambitious yet achievable. They include a comprehensive policy package towards inclusive governance and fiscal sustainability. While we view all mentioned triggers as important to Sudan's path to stability, we particularly support strong triggers on debt management,

transparency, and capacity, as well as triggers on the management of SOEs, AML/CFT and electricity policy.

With that, we look forward to a successful continuation of the HIPC process and wish the Sudanese authorities and the Sudanese people the best in their endeavors.