

INTERNATIONAL MONETARY FUND

Minutes of Executive Board Meeting 84/145

10:00 a.m., October 1, 1984

J. de Larosière, Chairman
R. D. Erb, Deputy Managing Director

Executive Directors

Alternate Executive Directors

A. Alfidja
J. de Grootte
B. de Maulde
A. Donoso

w. B. Tshishimbi
H. G. Schneider
X. Blandin

H. Fujino
G. Grosche

D. C. Templeman, Temporary
M. B. Chatah, Temporary
T. Yamashita

A. Kafka

Jaafar A.
L. Leonard
C. Robalino
I. Angeloni, Temporary
A. S. Jayawardena
J. E. Suraisry
T. de Vries

R. N. Malhotra
Y. A. Nimatallah
J. J. Polak
A. R. G. Prowse

O. Kabbaj
E. I. M. Mtei
J. E. Rodríguez, Temporary
A. Lindø
T. A. Clark
Wang E.

F. Sangare
M. A. Senior

N. Wicks

L. Van Houtven, Secretary
R. S. Franklin, Assistant

1. Chad - Overdue Financial Obligations - Report
and Complaint Under Rule K-1 and Notice of
Failure to Repay Trust Fund Loans Page 3
2. Approval of Minutes Page 12

Also Present

E. Romba, Minister of Finance and Procurement, Chad; A. Madji, National Director, Bank for Central African States; M. A. Adoum, Ambassador of Chad to the United States. African Department: J. B. Zulu, Director; L. M. Goreux, Deputy Director; O. B. Makalou, Deputy Director; F. d'A. Collings, E. A. Calamitsis, S. E. Cronquist, C. J. Hoban, S. N'guiamba, S. M. Nsouli, M. Sidibé, A. Tahari. Exchange and Trade Relations Department: N. E. Weerasinghe. Fiscal Affairs Department: E.-A. Conrad. Legal Department: G. P. Nicoletopoulos, Director; G. F. Rea, Deputy General Counsel; P. L. Francotte, Ph. Lachman, S. A. Silard. Secretary's Department: J. W. Lang, Jr., Deputy Secretary. Treasurer's Department: W. O. Habermeier, Counsellor and Treasurer; D. Williams, Deputy Treasurer; D. Berthet, D. K. Gupta, T. B. C. Leddy, G. Wittich. Personal Assistant to the Managing Director: S. P. Collins. Advisors to Executive Directors: H. A. Arias, L. K. Doe, D. Hammann, J.-C. Obame, D. I. S. Shaw, E. M. Taha, A. Vasudevan. Assistants to Executive Directors: E. M. Ainley, J. R. N. Almeida, J. Bulloch, L. E. J. M. Coene, C. Flamant, V. Govindarajan, G. D. Hodgson, H. Kobayashi, M. Lundsager, J. A. K. Munthali, K. Murakami, E. Olsen, J. K. Orleans-Lindsay, G. W. K. Pickering, J. Reddy, D. J. Robinson, A. A. Scholten, S. Sornyanontr.

1. CHAD - OVERDUE FINANCIAL OBLIGATIONS - REPORT AND COMPLAINT
UNDER RULE K-1 AND NOTICE OF FAILURE TO REPAY TRUST FUND LOANS

The Executive Directors considered the complaint of the Managing Director, dated July 25, 1984, regarding Chad's overdue financial obligations to the Fund (EBS/84/141, Sup. 1, 7/25/84) in the light of a paper on the current status of those obligations (EBS/84/193, 9/7/84; Cor. 1, 9/10/84; and Sup. 1, 9/26/84; EBM/84/144, 9/27/84) and a paper on the timing of Executive Board procedures and related matters pertaining in general to overdue obligations to the Fund (EBS/84/206, 9/28/84).

Mr. Elie Romba, Minister of Finance and Procurement for Chad and Fund Governor, and Mr. M. A. Adoum, Ambassador of Chad to the United States, were also present.

The Chairman recalled that the Executive Board had first considered the matter of Chad's overdue financial obligations to the Fund at EBM/84/115 (7/27/84). It had been agreed at that meeting that the complaint and notice of failure to repay Trust Fund loans would be placed on the agenda of the Executive Board for October 1, 1984 and that, on September 12, the Executive Board would review a staff paper on the then current status of Chad's overdue obligations to the Fund (EBS/84/193, 9/7/84). The Board had decided at the September 12 meeting (EBM/84/142) that it would meet again during the week of the Annual Meetings to consider what progress had been made on the matter of Chad's overdue obligations to the Fund; that meeting (EBM/84/144) had taken place on September 27, 1984 on the basis of additional information contained in EBS/84/193, Supplement 1 (9/26/84).

The staff representative from the Treasurer's Department added that, on September 28, 1984, the Managing Director had received a telex from the Governor of the Bank for Central African States (BEAC) confirming that the matter of Chad's overdue obligations to the Fund had indeed been placed on the agenda of the Board of Directors of the BEAC for November 2, 1984.

Minister Romba noted that, from the time it had joined the International Monetary Fund in 1963 until the beginning of 1984, the Republic of Chad had never failed to meet its obligations to the Fund. It was only following a series of tragic events suffered by Chad between February 1979 and June 1982 that the overdue payments had begun to occur. The drought and the insecurities created by the civil disturbances during that period had led to a deterioration in Chad's economic infrastructure and financial situation and had made it nearly impossible for the authorities to keep up payments.

The scope of the economic and financial difficulties experienced by Chad were well known to the Executive Board, which had discussed those matters on several occasions since November 1983, Minister Romba continued. He wanted to assure Directors that the Government of Chad would fully meet its financial responsibilities to the Fund, despite the obvious

difficulties. He himself had met with the Managing Director on September 20, 1984, and members of the Chad delegation to the Annual Meetings had held discussions with various area and operational departments of the Fund. In those meetings, it had been made clear that Chad attached priority to the settlement of its obligations. All the staff's suggestions and recommendations for settling the arrears problem had thus been carefully studied, including the interesting proposal whereby the BEAC would, on an exceptional and temporary basis, grant additional credit in CFA francs sufficient to enable Chad to use its reserves held for it by the BEAC to pay off its financial obligations to the Fund.

During the September 18 meetings of the BEAC and of the Finance Ministers of the franc zone, he had worked hard to ensure that his colleagues were aware of Chad's situation, Minister Romba remarked. Of course, it was accepted that a meeting of the Finance Ministers of the franc zone was not the appropriate forum in which to discuss the problem of Chad's financial obligations to the Fund; rather, it was felt that the Executive Board of the Fund itself was the only proper body for the resolution of such a question. The matter had been discussed at length between the authorities of Chad and a Fund staff team that had visited N'Djaména and Yaoundé; and he himself had spoken to a number of his fellow Ministers during the course of the Annual Meetings of the Fund and the World Bank. All those discussions had been directed toward the restoration of a trusting relationship between Chad and the Fund and toward a satisfactory solution to the current problem. The reaction of all those with whom he had spoken had been positive, and he was certain that the question could be resolved at the November 2 meeting of the BEAC. In the circumstances, he hoped that Executive Directors would defer any decision on the Managing Director's complaint until after the meeting of the Board of Directors of the BEAC on November 2, 1984.

Mr. Alfidja indicated the strong support of his chair for Minister Romba's request to postpone an Executive Board decision on the Managing Director's complaint until after the November 2 meeting of the BEAC.

Mr. Grosche remarked that one could not help feeling sympathy for Chad, a country where the unfortunate results of a long-lasting drought had been aggravated by internal conflict. However, it was important to recognize that arrears to the Fund were a serious problem, not only because of their relationship to the Fund's financial integrity but also because the failure of any country to meet its financial obligations prevented the Fund from playing its proper role in helping that country and others on the road to economic stability. In adopting any decision in Chad's case, Executive Directors must consider an approach that would highlight the seriousness of the situation while helping the authorities to achieve positive results without breaching the principle of uniform treatment of members. He believed that those goals would be met with the adoption at the present meeting of a decision to limit Chad's use of the Fund's resources.

It was evident from EBS/84/206 that, only two months after taking note of the Managing Director's complaint, the Executive Board had limited access by Nicaragua and Guyana to the Fund's general resources, even though both countries had made some payments to the Fund, Mr. Grosche continued. Chad had not even attempted to make a down payment; hence, a limitation of access seemed to be warranted. Besides, limiting Chad's access to the Fund's general resources would not change the country's position vis-à-vis the institution, since it was unable to draw in any event. A limitation on access would, however, highlight the very serious situation and help to place more pressure on all parties concerned with the resolution of the arrears problem. In that respect, he was troubled that the November 2 meeting of the BEAC might not yield positive results if the country's economic and financial difficulties were not being dealt with in a determined manner. He wondered whether technical assistance from the Fund could help to overcome those difficulties.

If a majority of the Executive Board felt that a limitation on access was too harsh, other choices were possible, Mr. Grosche commented. One alternative was Ms. Bush's proposal, put forward at EBM/84/144, to adopt a decision that would be contingent on the outcome of the November 2 BEAC meeting. He had come to the conclusion that such a decision, while attractive in some respects, would create an unfortunate precedent. Another possibility would be to defer any decision on the Managing Director's complaint until after the November 2 BEAC meeting. Reluctantly, he could go along with such a proposal, provided that the Board could attach some qualitative remarks to the deferral, remarks that would make it clear how concerned the Executive Board was about the arrears and that it expected all parties to work hard in order to overcome the remaining difficulties before the November 2 BEAC meeting.

Mr. Wicks agreed with Mr. Grosche that, while it was clear that Chad was among the poorest countries in the world and that its people were deserving of sympathy for the great difficulties that they had suffered in recent years, it was impossible to ignore the fact that arrears were a serious matter for the Fund. Moreover, his impression was that the arrears problem was not improving; if anything, it was worsening. What concerned him in particular was that, under present accounting procedures, charges overdue and not paid were included in the Fund's net income. That practice could not continue indefinitely. And, once the Fund stopped counting charges on arrears as net income, its income would fall; if it fell below target, charges to other borrowers would have to be increased to make up the difference. Seen from that perspective, the arrears problem became a serious one for both creditors and debtors.

He would prefer that the Executive Board not take any practical action at present that would make Chad's problem even more difficult to resolve, Mr. Wicks continued. Although a decision limiting Chad's access to the Fund's resources would not make its financial position any worse, because Chad was unable to draw at the moment in any event, it would send a strong signal to Chad of the importance attached by the Executive Board to a rapid repayment of arrears and would indicate to other countries that the Board

took the matter of arrears seriously. If such an approach were not to be accepted, he could perhaps go along with Ms. Bush's proposal for a decision that would take effect only after, and depending upon, the outcome of the November 2 meeting of the BEAC. However, his strong preference was for an immediate decision to limit Chad's entitlement to draw on the Fund's resources.

Mr. Mtei remarked that the frequency with which the Executive Board had been meeting of late on Chad's overdue financial obligations to the Fund clearly demonstrated how seriously the Board viewed that subject. While sharing the view of his colleagues that arrears were a serious matter, he felt compelled to reiterate the concern that his chair had expressed at previous meetings about the tragic situation facing the Chadian authorities, who were nonetheless committed to meeting their obligations to the Fund. Another point to be remembered was that, as of September 1, 1984, Chad's reserve tranche position in the Fund--which was counted as part of Chad's reserves held for it by the BEAC--had been larger than the amount of its overdue payments. In the circumstances, and paying particular attention to the commitment of the Chadian authorities to resolving the question of arrears at an early date, he urged the Executive Board to agree to the request by the Minister of Finance that a Board decision should be postponed until the results of the November 2 meeting of the BEAC were known. Indeed, before a further Board discussion on the matter was scheduled, the authorities should be allowed an additional week beyond November 2 in which to begin meeting their obligations to the Fund.

Mr. Nimatallah asked for details about what further action Minister Romba had been or would be taking to ensure a positive outcome of the November 2 BEAC meeting that would lead to a settlement of Chad's arrears to the Fund.

Minister Romba replied that a number of drastic measures were being implemented to ensure that all debts owed to the Government of Chad were settled in order for the Government to be able to clear up the country's arrears vis-à-vis the Fund. In addition to calling in claims on certain enterprises, the authorities were making an effort to convince the entire population that the credibility of the country was at stake and that everyone would need to work toward improving the efficiency of resource management and toward finding solutions of the debt problem. At the same time, he had been talking to a great many of his fellow Ministers in Paris and during the Annual Meetings in Washington in order to inform them of the problem and make them aware of the steps taken or being contemplated to resolve it. Further, he had urged his colleagues of the BEAC to approach their November 2 meeting with a full awareness of the efforts Chad had been making on its own to resolve its problems.

Mr. Malhotra stated that his chair, like others, treated the matter of arrears to the Fund quite seriously. In the case of Chad, the question was whether a decision should be taken immediately to limit the member's right to draw on the Fund's resources or whether, in the circumstances,

the decision should be postponed until after the November 2 meeting of the BEAC, the results of which might obviate the need for a decision to limit access. His preference was for the latter course.

It was clear to all that Chad found itself in a difficult and tragic situation, Mr. Malhotra continued. It was equally clear that, before its difficulties had emerged, Chad had been a member in good standing with the Fund. Furthermore, Minister Romba had assured the Board that the Chadian authorities were serious about settling their outstanding liabilities to the Fund as soon as possible and that they had in fact already taken positive steps in that direction. Still, the suggestion had been put forward that the Board should proceed immediately to limit Chad's access to the Fund's resources. While it was in his view important not to encourage default, it was equally important for the Executive Board to look at the circumstances of each case dispassionately and objectively before reaching a decision. If the Executive Board adopted a decision at the present meeting to limit Chad's right to draw on the Fund's resources, it would be ignoring the efforts made by the authorities thus far. It was all well and good to argue that a limitation on Chad's access to the Fund's resources had no practical effect; the crucial point was whether or not action involving an implicit condemnation should be resorted to at the present stage. It was precisely such condemnation that the authorities were attempting to avoid.

The delicate nature of the relationship between the Fund and the member state had to be considered, Mr. Malhotra observed. If Executive Directors were to come to the conclusion that the member was not genuinely interested in or serious about fulfilling its obligations, they should take a decision without delay. However, having reviewed the facts of the case and having heard the presentation by Minister Romba, it was his own view that an immediate decision by the Board to limit access by Chad to the Fund's resources would undermine the efforts of the authorities to resolve the problem. As had been noted by others, whether or not a decision was adopted, there was no danger that Chad would draw any more resources from the Fund at present; hence, he strongly recommended that his colleagues accept the request of Minister Romba to postpone any decision on the Managing Director's complaint until after the November 2 meeting of the BEAC.

Mr. Nimatallah inquired whether the authorities had a fallback plan in case the outcome of the November BEAC meeting was not positive.

Minister Romba replied that the sort of alternative plan to which Mr. Nimatallah had referred was being developed; indeed, parts of it were already being implemented. As he had mentioned earlier, debts due the Government from various companies were being called in, and action to improve efficiency in ministries was being taken. It must be remembered, too, that the November 2 meeting of the BEAC was looking toward ways of helping Chad to settle its arrears with the Fund once and for all and in a global fashion. If that could be done, the other actions that he had mentioned would still be helpful in ensuring that Chad could honor all its commitments for 1985.

Mr. Nimatallah remarked that, if Minister Romba agreed to send the Managing Director a letter outlining the alternative procedures that would be followed in the event the outcome of the November 2 meeting of the BEAC Board was not positive, he could accommodate the Minister's request to postpone a decision on the question of Chad's overdue financial obligations to the Fund until after November 2.

Minister Romba indicated that he would produce for the Managing Director the sort of letter that Mr. Nimatallah had requested.

Mr. Templeman remarked that it was no secret that the U.S. authorities had become worried about the problem of arrears. Their concern went beyond the case of specific countries like Chad and was reflected in a general uneasiness about the pattern of arrears that had begun to emerge during the past year. Of course, the U.S. authorities had great sympathy for individual debtor countries and agreed that it was important to look at the problem of each case individually. However, as a practical matter, the approach adopted in one case tended to set a precedent for others, and each approach should therefore be examined carefully. The staff paper on the timing of Executive Board procedures and related matters pertaining to overdue obligations to the Fund (EBS/84/206) showed how other countries had been treated in the past; it was clear that the Executive Board was being asked to do for Chad what it had not yet done for any other country, namely, to extend beyond two months the period that was generally allowed to elapse before a decision was taken on the Managing Director's complaint. If Directors were to accept such an extension, they should have a very good reason for so doing. It was not enough to argue that there were mitigating circumstances in Chad's case, because that argument could be used in virtually every case reviewed by the Board.

Two points should be considered with regard to the prospects for a positive outcome of the BEAC meeting in November, Mr. Templeman remarked. The first concerned the willingness of the BEAC to make a loan to Chad in local currency, and the second was the ability of Chad to repay that loan. He presumed that Mr. Nimatallah's request for a formal presentation of what additional revenue-raising measures were envisaged was closely related to the second point.

Remarking briefly on the suggestion put forward by his own chair at EBM/84/144, Mr. Templeman said that the proposal had grown out of a concern that the Executive Board should demonstrate the seriousness with which it viewed the case of Chad. It had also been felt that a "contingent" decision would perhaps highlight the importance of an appropriate response by the Board of Directors of the BEAC on November 2. If the Fund were to take such a contingent decision at the present meeting, it would not be formally limiting Chad's access to the Fund's resources; nor would it be "embarrassing" Chad in his view. Some of his colleagues had suggested that the adoption of a contingent decision would be an unusual procedure, and he would be interested in staff comment on that point. Certainly, contingent action had been taken by the Executive Board in the case of stand-by arrangements, and he was unclear whether or in what sense the proposed contingent decision was any different.

Mr. Angeloni agreed with others that Chad was facing serious economic difficulties and deserved the sympathetic attention of the Executive Board. However, no less attention should be devoted to the course of action taken by the Board in other recent cases, some of which had related to countries that had also been undergoing serious hardships. Equality of treatment should be an important principle in any action adopted by the Fund.

The proposal put forward by Ms. Bush at EBM/84/144 was interesting and technically consistent with the rules of the Fund, although two points must be dealt with before it could be accepted, Mr. Angeloni continued. First, it must be established that there were sufficient grounds to differentiate the case of Chad from similar cases that had arisen in the past. If there were reasons for differential treatment, they should be clearly understood and stated. Second, it must be evaluated whether there was any appreciable gain in deciding on a "contingent limitation" at the present meeting while making the effect of the decision conditional on the occurrence of some event in the future. Though technically feasible, such a course of action would be less straightforward than that followed in the past. As an alternative, it might be preferable if the Executive Board decided at the present meeting that the conditions were met for a limitation of Chad's right to use the Fund's resources but that it would make use of the flexibility offered by Rule K-2 to defer action until after November 2, 1984. Again, of course, the reasons justifying a postponement of action should be made explicit.

Mr. Leonard considered that Directors should have two broad principles in mind in approaching the question at hand. First, there should be fairness and impartiality in the treatment of members; and, second, sympathetic consideration should be given to the circumstances of the particular member in difficulty. It was clear from EBS/84/206 that, in past cases, eight weeks had been allowed from the time of the noting of the Managing Director's complaint before a decision of substance was adopted. In Chad's case, more than eight weeks had elapsed, and there appeared to be a strong feeling among his colleagues that a period longer than eight weeks should not be a precedent. If the Executive Board were to defer action on the complaint with regard to Chad, the impartiality of the Board in dealing with members would be open to question.

As to whether or not deferment would be of assistance to the authorities in Chad in meeting their obligations to the Fund, Mr. Leonard said he had heard nothing thus far that would indicate that a deferment would provide the authorities with any such advantage. Mr. Malhotra had suggested that action on the complaint would imply condemnation, although that was not at all what Directors had in mind. Indeed, either the proposal put forward by Ms. Bush at EBM/84/144 or that put forward by Mr. Angeloni at the present meeting would soften Mr. Malhotra's interpretation considerably while indicating that the Board was treating the matter of arrears seriously.

Mr. de Groote stated that, given the readiness of the Executive Board of the BEAC to examine positively the release to Chad of the CFA franc counterpart of Chad's SDR allocation, he was in favor of accepting Minister Romba's request that the Board of the Fund defer until, say, November 15, 1984 any decision to limit the use of Fund resources. It was important to recognize the seriousness of Chad's situation; it was equally important to recognize the need for all members to respect their repurchase obligations. It was therefore only because there appeared to be a high degree of certainty that the BEAC would accept Chad's request that he could favor a deferral of the decision on the limitation of access to the Fund's resources. He agreed that the Managing Director, on behalf of the Board, should express to the Chadian authorities the concerns of Executive Directors. At the same time, he would press for an immediate settlement following the November 2 BEAC meeting. Also deserving of support was Mr. Nimatallah's suggestion that the Minister of Finance of Chad send a letter to the Managing Director outlining an alternative course of action in case the outcome of the BEAC meeting was not favorable.

Mr. de Maulde remarked that the position of his authorities on the question at hand was a simple one: Chad must pay, and it was clear that it would pay. There would be no practical consequences of any decision taken at the present meeting to limit access to the Fund's resources; hence, Directors need focus only upon the political and moral implications of any action. There were three possible approaches that the Board could adopt: to take a decision at the present meeting to limit Chad's use of the Fund's resources; to take a decision contingent upon the outcome of the November 2 BEAC meeting; and to postpone the taking of a decision until some other date. The first two solutions made him uneasy, in part because they carried the implication of condemnation and in part because of the effect that such an approach would have on the Fund's image in Africa. He would not wish it to be said that the Fund was weak in its surveillance activities but became "ferocious" as soon as its own interests were at stake. The exchange of views that had taken place between Mr. Nimatallah and Minister Romba gave him all the necessary assurances that Chad would make every effort to meet its obligations to the Fund. In the circumstances, his preference was to defer taking a decision until some later date.

Mr. Polak, joining his colleagues in expressing sympathy for Chad in its present difficulties, noted that those difficulties were not in themselves a reason for departing from the rules of the Fund, which insisted that countries must pay the amounts owed the institution. While Chad was certainly making a serious effort to meet its obligations, evidence of similar effort existed in other cases for which no exceptions had been made. On the other hand, there was a reason for distinguishing Chad from other cases. The interests of the Fund were assured in a very special way by the amounts of money that Chad had in its reserve tranche and by its SDRs that were on the books of the Fund. Those amounts more than covered Chad's obligations to the institution and could be used to meet those obligations in the event that, for example, Chad was expelled from the Fund.

While Chad had the money to pay the Fund, there were special complications involving the use of that money which related to the negotiations with the BEAC, Mr. Polak continued. The Fund should in his view allow some short time for Chad to sort out those complications with the BEAC. He would be willing to wait until after the November 2 meeting of the Board of Governors of the BEAC before taking a decision of substance on the Managing Director's complaint; at the same time, it should be made clear that, if the Fund were not paid within a few days after the November 2 meeting, there was no question that the Fund would decide to limit Chad's access to Fund resources.

Mr. Rodríguez noted, like others, that Chad was one of the poorest countries in the world and was at present in a particularly difficult situation. While always concerned about the equal treatment of member countries, whatever their situation, he was less concerned about equality of treatment than about objectivity in the specific case of Chad; from that standpoint, his chair could support postponing any decision of substance until after the November 2 meeting of the BEAC.

Mr. Prowse said that his position remained unchanged from that expressed by his chair at EBM/84/144. He was concerned that members should take their obligations to the Fund seriously and that the Fund, for its part, should be realistic and sympathetic in its relations with members. With those ideas in mind, it was important to reach agreement on a course of action that would assist in the resolution of the arrears problem, and he did not feel that a decision at the present meeting to limit Chad's access to the Fund's resources would meet that requirement. At most, the Fund should take the opportunity to re-emphasize to Chad and to all members the great seriousness that it attached to the proper discharge of their financial obligations. He could support deferring a decision of substance until immediately following the November 2 meeting of the BEAC Board. Additionally, he would welcome a written indication from the Minister of Finance of any fallback measures that might be employed if the outcome of the BEAC meeting were not positive.

Mr. Jaafar considered that a number of his colleagues had made a good case for giving Chad at least until after the November 2 meeting of the BEAC Board to resolve its arrears problems with the Fund, and he could go along with such an approach.

Mr. Templeman remarked that the Board seemed to be moving toward an agreement to defer any decision of substance in the case of Chad until after the November 2 meeting of the BEAC. He also sensed that, if the outcome of the November 2 BEAC meeting were not positive, it would be very hard for the Board not to act to limit Chad's access to the Fund's resources. The authorities in Chad should be made aware of the Board's general view on that matter through some sort of formal communication.

The Chairman observed that three main points had emerged from the discussion. First, Directors were agreed that consideration of a decision to limit access by Chad to the Fund's resources would be postponed until

November 9, 1984, by which time it should be clear whether or not Chad would be in a position to meet its overdue financial obligations to the Fund. Second, Chad's Minister of Finance would in the meantime be asked to submit a letter to the Fund outlining what steps the authorities would be taking to resolve the problem if the outcome of the November 2 BEAC meeting were not positive. Third, he himself would formally convey to the authorities in Chad the sense of the meeting, including the general feeling among Directors that a decision to limit access was likely if repayment of the overdue obligations to the Fund had not begun by November 9, when the Executive Board would again hold a discussion on the matter. Finally, a formal decision defining the sense of the meeting outlined above would be circulated for consideration on a lapse-of-time basis. 1/

Minister Romba thanked Executive Directors for their agreement to postpone a decision of substance on Chad's overdue financial obligations to the Fund. The Government would do the maximum possible to ensure that Directors were not disappointed in the action that they had taken.

DECISION TAKEN SINCE PREVIOUS BOARD MEETING

The following decision was adopted by the Executive Board without meeting in the period between EBM/84/144 (9/27/84) and EBM/84/145 (10/1/84).

2. APPROVAL OF MINUTES

The minutes of Executive Board Meetings 84/60 and 84/61 are approved. (EBD/84/249, 9/21/84)

Adopted September 27, 1984

APPROVED: July 10, 1985

LEO VAN HOUTVEN
Secretary

1/ Decision No. 7816-(84/146), adopted October 3, 1984.