

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

1. The Managing Director has reported to the Executive Board, under Rule K-1 of the Fund's Rules and Regulations, the facts on the basis of which it appeared to him at the dates of these reports that Chad was not fulfilling obligations under the Articles of Agreement relating to repurchases and charges in the General Department, and submitted a complaint on June 29, 1984 in accordance with that Rule. The complaint, as amended on July 25, 1984, was that Chad was not fulfilling its obligations relating to repurchases in the General Department in a total amount equivalent to SDR 1,775,000 and the payment of charges in the General Department in a total amount of SDR 223,234. The complaint included a notice to the Executive Board of the facts on the basis of which it appeared to the Managing Director that Chad was not fulfilling its obligations under Decision No. 5069-(76/72) on the Trust Fund to repay disbursements and to pay interest in a total amount equivalent to SDR 551,655 as of July 24, 1984. These facts and the complaint and notice of the Managing Director in EBS/84/141, Supplement 1, have been communicated to the authorities of Chad.

2. Taking into account the further obligations of Chad that have become overdue to the Fund since July 24, 1984, Chad's overdue obligations to the Fund have increased to the equivalent of SDR 2,133,164 in the General Department and to the equivalent of SDR 1,090,472 under the Trust Fund.

3. While understanding the serious difficulties facing Chad, the Fund confirms the overriding importance it attaches to the settlement by Chad of all its overdue obligations to the Fund and regrets that Chad has not yet completed arrangements for such settlement. However, the Fund takes note of the statement of the Minister of Finance and Procurement of Chad at the Executive Board Meeting on October 1, 1984, in which the Minister (a) explained the progress of the efforts being made by Chad to obtain approval of the Board of Directors of the Banque des Etats de l'Afrique Centrale (BEAC) for arrangements that will permit full payment of Chad's overdue obligations, as well as other obligations accruing in 1984, (b) expressed the confidence of the authorities of Chad that these arrangements will be approved on November 2, 1984 and that full payment of the overdue obligations will be effected immediately thereafter, and (c) requested deferral of a decision on the Managing Director's complaint and notice until after November 2, 1984. The Minister also undertook to send a communication to the Fund confirming the specific intentions of his authorities regarding the arrangements referred to in his statement and other steps being taken by Chad to enable the necessary payments to be made if these arrangements are not approved.

4. In view of the Minister's statement, the Fund agrees to defer a decision on the complaint and notice until November 9, 1984, in the expectation that by that date Chad will have become current in its financial obligations to the Fund.

5. The Managing Director shall convey to the Minister of Finance and Procurement of Chad a summary of the discussion in the Executive Board on October 1, 1984 leading to the adoption

of this decision.

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