

6. SUDAN-OVERDUE FINANCIAL OBLIGATIONS TO THE FUND-REVIEW AND COMPLAINT WITH RESPECT TO THE SUSPENSION OF VOTING RIGHTS

1. In accordance with Decision No. 13732-(06/51), adopted on June 2, 2006, the Fund has reviewed further Sudan's overdue financial obligations to the Fund and the Managing Director's complaint with respect to the suspension of Sudan's voting and related rights in the Fund. 2. The Fund welcomes Sudan's broadly satisfactory performance under the 2006 staff-monitored program (SMP) but notes delays in implementing several structural measures. The Fund expresses its serious concerns over further borrowing on nonconcessional terms in 2006. The Fund urges the authorities to minimize nonconcessional borrowing in view of their already unsustainable external debt burden and in order to avoid complications in an eventual debt relief operation. The Fund further urges the authorities to make efforts to seek concessional terms for new loans and use any windfall oil revenue to finance infrastructure projects. 3. The Fund notes that Sudan has continued to make regular monthly payments to the Fund. It urges the authorities to make efforts to ensure that their commitment of US\$45 million for 2006 is fulfilled in a timely manner. The Fund also urges the authorities to consider a further increase in payments to the Fund, in light of Sudan's further strengthening of its payment capacity. 4. The Fund will again review Sudan's overdue financial obligations to the Fund and the Managing Director's complaint with respect to the suspension of Sudan's voting and related rights in the Fund within six months of the date of this decision. (EBS/06/150, 11/27/06)

Decision No. 13826-(06/103), adopted December 1, 2006