

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

EBS/86/172
Supplement 2

CONFIDENTIAL

September 9, 1986

To: Members of the Executive Board

From: The Secretary

Subject: Sudan - Overdue Financial Obligations to the Fund -
Review Following Declaration of Ineligibility

Attached for the information of the Executive Directors is the text of a communication dated September 4, 1986 from the Managing Director to the Minister of Finance and Economic Planning, Sudan.

Att: (1)

ATTACHMENT

HIS EXCELLENCY BASHIR OMER FADLALLA
MINISTER OF FINANCE AND ECONOMIC PLANNING
MINISTRY OF FINANCE AND ECONOMIC PLANNING
KHARTOUM, SUDAN

DEAR MINISTER FADLALLA:

THE STAFF HAS INFORMED ME OF SUDAN'S PAYMENT OF U.S. DOLLARS 10 MILLION IN PART SETTLEMENT OF ITS OVERDUE FINANCIAL OBLIGATIONS TO THE FUND. THIS RESUMPTION OF PAYMENTS BY SUDAN IS MOST APPRECIATED AND DEMONSTRATES THE AUTHORITIES' COMMITMENT TO SETTLE THE ARREARS TO THE FUND. SUDAN'S ATTRIBUTION OF A PART OF THIS PAYMENT TO THE SETTLEMENT OF OVERDUE OBLIGATIONS IN THE SDR DEPARTMENT MEANS THAT SUDAN HAS BECOME CURRENT IN THE SDR DEPARTMENT. I AM THEREFORE PROPOSING TO THE EXECUTIVE BOARD THAT IT TERMINATE THE SUSPENSION OF SUDAN'S RIGHT TO USE SDRS.

WHILE SINCERELY WELCOMING THIS PAYMENT, I WOULD ALSO LIKE TO TAKE THIS OPPORTUNITY TO REITERATE TO YOU THE URGENCY FOR SUDAN TO ADOPT A COMPREHENSIVE ADJUSTMENT PROGRAM TO ADDRESS THE COUNTRY'S SERIOUS ECONOMIC AND FINANCIAL IMBALANCES AND TO FACILITATE THE MOBILIZATION OF EXTERNAL RESOURCES NEEDED TO SUPPORT THE AUTHORITIES' EFFORTS. IT IS MY PERSONAL HOPE THAT SUDAN WILL SOON TAKE THE FURTHER STEPS NECESSARY FOR AN EARLY RESTORATION OF NORMAL FINANCIAL RELATIONS WITH THE FUND.

IN CONCLUDING, I WOULD LIKE TO ASSURE YOU AGAIN OF THE MANAGEMENT'S AND STAFF'S READINESS TO ASSIST THE AUTHORITIES IN THEIR EFFORTS IN THIS REGARD IN ANY APPROPRIATE WAY.

BEST REGARDS
J. DE LAROSIERE
MANAGING DIRECTOR
INTERFUND

Sent: September 4, 1986