

EBS/85/256
Supplement 3

CONFIDENTIAL

December 13, 1985

To: Members of the Executive Board

From: The Secretary

Subject: Tanzania - Overdue Financial Obligations - Review
of Decision on Complaints Under Rule K-1 and Rule S-1
and Notice of Failure to Settle Trust Fund Obligations

Attached for the records of the Executive Directors is the decision taken by the Executive Board on Tanzania's overdue financial obligations at Executive Board Meeting 85/169, November 25, 1985.

Att: (1)

INTERNATIONAL MONETARY FUND

Tanzania - Overdue Financial Obligations - Review of Decision on
Complaints Under Rule K-1 and Rule S-1 and Notice of Failure to
Settle Trust Fund Obligations

Executive Board Decision - November 25, 1985

1. The Fund has reviewed Decision No. 8056-(85/126), adopted August 26, 1985, in light of the facts described in EBS/85/256, Supplement 1 (11/22/85) pertaining to Tanzania's overdue financial obligations to the Fund.

2. The Fund welcomes the payment made by Tanzania on November 21, 1985. However, the Fund regrets the continuing nonobservance by Tanzania of its financial obligations to the Fund and notes that further substantial obligations will fall due in the near future. The Fund urges the Tanzanian authorities to make full and prompt settlement of the overdue financial obligations to the Fund.

3. The Fund calls on Tanzania to adopt urgently a strong and comprehensive program that would result in necessary economic adjustment.

4. The Fund shall again review Decision No. 8056-(85/126) not later than January 24, 1986, taking into account any further developments. Unless at the time of that review Tanzania is current in its financial obligations to the Fund, the Fund will consider the appropriateness of further steps, including the possibility of declaring Tanzania ineligible to use the general resources of the Fund pursuant to Article XXVI, Section 2(a), and of suspending the right of Tanzania to use SDRs it acquires after the date of the review pursuant to Article XXIII, Section 2(b).