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World Bank and IMF Hold Joint Technical Workshop on Sudan's Debt Issues

KHARTOUM, Dec. 13, 2010— The World Bank and the International Monetary Fund (IMF) organized a technical workshop yesterday to provide the Sudanese authorities with factual information and objective analysis on issues related to Sudan's external debt. Representatives from both the Government of National Unity (GoNU) and the Government of Southern Sudan (GoSS), as well as observers from a number of creditor governments participated in the meeting.

The joint workshop was opened by H.E. Ali Mahmud Mohamed, GoNU Minister of Finance and National Economy, and included a presentation on the general dimensions of the debt relief process and the historical experience in the treatment of large and longstanding arrears. With respect to Southern Sudan's Referendum on self-determination—scheduled for January 2011—the technical workshop highlighted past examples on how debt was apportioned in cases where a country was divided.

The workshop is a continuation of the flow of technical information from the World Bank and IMF to the Sudanese authorities and to major creditors on the country's external debt situation.

“Sudan needs to develop a strategy to address the enormous challenge of its debt problem. The strategy should be based on a full understanding of the technical nature of the problem, and should leverage learning from other countries' experiences in managing large external debt burdens. It is our hope that this technical workshop can be an important input in the formulation of the authorities' strategy,” said Alassane Sow, World Bank Sudan Country Manager.

“Our objective is to ensure that national policymakers are well informed about the complex issues surrounding Sudan's external debt,” said Alan MacArthur, IMF representative. *“We at the IMF and World Bank felt it would be helpful to launch two efforts; this technical workshop and a process to support the authorities in the work of reconciling their debt with creditors.”*

Sudan currently has a large external debt burden and significant arrears to international creditors. Total external debt in nominal terms stood at US\$35.7 billion at end-2009, with over US\$30

billion in arrears. This external debt includes arrears of US\$600 million to the International Development Association (IDA) and around US\$1.6 billion to the International Monetary Fund.

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