Statement from Treasury on Heavily Indebted Poor Countries Debt Relief for Sudan

June 29, 2021

WASHINGTON — The U.S. Department of the Treasury welcomes today's announcement from the International Monetary Fund (IMF) that Sudan has successfully cleared roughly $1.4 billion in arrears to the IMF and commends Sudan's civilian-led transitional government for reaching the first phase of debt relief under the Heavily Indebted Poor Countries (HIPC) initiative. Today's milestone is a testament to the sustained commitment of Sudanese authorities to implement challenging but necessary economic reforms amidst the country's transition to democratic rule. These reforms include unifying the exchange rate and strengthening governance and transparency.

"This is a historic moment for Sudan and its people," said Secretary of the Treasury Janet L. Yellen. "The U.S. is proud to have been an early advocate for Sudan to normalize ties to the international financial institutions and helping it to secure debt relief. These steps will unlock much-needed financing and will help build the foundation for poverty reduction, inclusive development, and economic growth. All Sudanese can take pride in this achievement."

The U.S. has played a critical role in supporting Sudan's path to HIPC debt relief, in recognition of the important work the Government of Sudan has undertaken to restore economic stability. Treasury provided same-day bridge financing of approximately $1.15 billion in March to help Sudan clear its arrears at the World Bank, at no cost to U.S. taxpayers, and co-hosted a roundtable with the Department of State to encourage Sudan's bilateral creditors to advance debt relief efforts. Treasury has also committed to contribute up to $120 million in grant resources to fund IMF debt relief for Sudan under the first phase of HIPC announced today. The U.S. is pleased to join other Paris Club members in providing both immediate and future debt relief in accordance with the provisions of the HIPC initiative and will continue to support Sudan as it implements additional economic reforms needed to complete the HIPC process. Sudan is the last country to clear protracted arrears to the IMF, which now faces no repayment arrears from its members for the first time since early 1975.

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