

## Sudan: African Development Bank Group completes clearance of Sudan's \$413 million arrears

Following approval of the proposal by the Boards of Directors of the African Development Bank Group to clear about \$413 million in arrears on loans owed by Sudan, the Bank Group has completed the arrears clearance process, enabling the East African country to have immediate access to new financing.

The clearance of Sudan's arrears was made possible with the support of the United Kingdom government through bridge financing of GBP148 million to clear Sudan's arrears to the African Development Fund. Sweden provided grant financing of about \$4.2 million to meet Sudan's burden-share for the operation. The Republic of Ireland has also committed to providing EUR150,000 towards Sudan's future debt service.

Consequently, the African Development Bank Group sanctions on Sudan have been lifted and a policy-based operation is being provided to the country as part of the Bank's full re-engagement with Sudan to complement its ongoing operations. Clearing of arrears with international financial institutions such as the African Development Bank, the World Bank and the International Monetary Fund, is one of the preconditions for Sudan under the Highly Indebted Poor Countries (HIPC) Initiative, which is paramount for clearing other debt owed to the Paris and Non-Paris Club creditors.

Abdallah Hamdok, Prime Minister of Sudan expressed appreciation to the Bank Group for its support. "After a long and challenging but fruitful journey, we look forward to an even stronger relationship with the Bank, post arrears clearance, that will enable us to achieve our development objectives," Hamdok said. He also expressed appreciation to the UK, Sweden and Ireland for their roles in facilitating the milestone achievement.

Dominic Raab, UK Secretary of State for Foreign, Commonwealth and Development Affairs said: "The UK has provided a bridging loan to enable the clearance of Sudan's arrears at the African Development Bank. This transaction

unlocks important additional programming to help Sudan's development and is another step towards Sudan's economic recovery and transition to democracy. I commend the work of the Government of Sudan and African Development Bank to make this happen."

Sweden's Minister for International Development Cooperation, Mr. Per Olsson Fridh said: "The Government of Sweden is a strong supporter of Sudan's democratic transition and reintegration into the global economy. The clearance of arrears to the African Development Bank is an important step for Sudan in this direction. Sweden is a proud contributor to this process. Sweden is pleased to see the AfDB's focus on gender and climate issues in the future cooperation with Sudan, both key to the long-term stability and development of Sudan".

Colm Brophy, Ireland's Minister of State for Overseas Development and Diaspora stated: "The people of Sudan have embarked upon an important political and economic transition. Ireland is pleased to provide support to this transition by contributing, along with Sweden and the United Kingdom, to the process of the clearance of Sudan's arrears at The African Development Bank."

Bank Group President, Dr. Akinwumi A. Adesina, expressed his congratulations to Sudan's government and appreciation to the U.K, Sweden and Ireland. "The perseverance and commitment of the government and people of Sudan has paid off, culminating in this historic moment that will open new financing opportunities to Sudan," Dr. Adesina said.

Khaled Sherif, Vice President for Regional Development, Integration and Business Delivery, noted that while this gives the African Development Bank the opportunity to fully re-engage with Sudan, we will work with Sudan and other development partners to complete the HIPC process.

The Bank Group's current portfolio in Sudan comprises 19 operations for a total commitment of about \$600 million, spreading across sectors like agriculture, water and sanitation, social and energy and the private sector.