

INTERNATIONAL DEVELOPMENT ASSOCIATION AND  
INTERNATIONAL MONETARY FUND

**Heavily Indebted Poor Countries (HIPC) Initiative:  
Status of Implementation**

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## I. INTRODUCTION

1. The HIPC Initiative provides a comprehensive framework aimed at reducing the external debt stocks of heavily indebted poor countries to sustainable levels. The resources thus released are expected to support sustained economic growth and poverty reduction in these countries. This paper reviews the implementation of the Initiative since the last meeting of the Development Committee and the International Monetary and Financial Committee on April 29, 2001,<sup>1</sup> updates the estimated costs of the HIPC Initiative, and discusses issues relating to creditor participation.

## II. IMPLEMENTATION UPDATE

2. As of August 2001, 23 countries are benefiting from HIPC relief (Table 1). Since March 2001, one country (Bolivia) has reached its completion point and another (Chad) has reached its decision point. The Boards of the World Bank and the IMF (“the Boards”) have also considered preliminary HIPC documents for two additional countries—Ghana and Ethiopia—and a preliminary document has been issued for Sierra Leone and is expected to be discussed in September (Appendix Table 1). On the basis of a preliminary debt sustainability analysis (DSA), Comoros has been added to the list of eligible countries.

3. Preparing debt relief packages for new countries is challenging since many of them are resuming programs with the support of the World Bank (the Bank) and IMF (the Fund) after a period of turmoil and weak economic policies, have been seriously affected by conflicts, and often have substantial arrears problems. As a result, even though the staffs of the Bank and the Fund are working with the relevant authorities to help these countries develop track records of good policy performance that will enable them to reach their decision points and start benefiting from debt relief, progress has been slow due to the difficult problems faced by many of these countries. Also, due to the longer-than-anticipated time needed to develop poverty reduction strategies, as well as delays in implementing key policies, fewer countries than expected have reached their completion points during the review period. Looking ahead, by the end of the year or early next year, seven countries—Benin, Burkina Faso, Guyana, Mali, Mozambique, Senegal, and Tanzania—could reach their completion points, and another three—Ghana, Ethiopia, and Sierra Leone—could reach their decision points.

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<sup>1</sup> See Enhanced Initiative for Heavily Indebted Poor Countries (HIPC) Initiative: Status of Implementation, April 20, 2001, <http://www.imf.org/external/np/hipc> and IMFC/Doc/3/01/4, and Development Committee: Progress Report, April 19, 2001, <http://www.worldbank.org/hipc> and DC2001-0012.

**Table 1. Grouping of HIPC Under the Enhanced HIPC Initiative: Status as of August 2001**

<b>Heavily Indebted Poor Countries<sup>1/</sup></b>					
Angola *	Congo, Dem. Rep.*	Honduras	Mozambique	Somalia *	
Benin	Congo, Rep. of *	Kenya	Myanmar*	Sudan *	
Bolivia	Côte d'Ivoire	Lao P.D.R.	Nicaragua	Tanzania	
Burkina Faso	Ethiopia *	Liberia *	Niger	Togo	
Burundi *	The Gambia	Madagascar	Rwanda*	Uganda	
Cameroon	Ghana	Malawi	São Tomé and Príncipe	Vietnam	
Central African Republic*	Guinea	Mali	Senegal	Yemen	
Chad	Guinea-Bissau *	Mauritania	Sierra Leone*	Zambia	
Comoros	Guyana				
<b>HIPC Relief Approved at Decision Point(23)</b>			<b>Decision Point not yet Reached (15)</b>		<b>(Potentially) Sustainable Cases (4)</b>
Benin	Guyana	Niger	Burundi	Lao P.D.R.	Angola
Bolivia 2/	Honduras	Rwanda	Central African Rep	Liberia	Kenya
Burkina Faso	Madagascar	Senegal	Comoros	Myanmar	Vietnam
Cameroon	Malawi	São Tomé and Príncipe	Congo, Dem. Rep.	Sierra Leone 3/	Yemen 4/
Chad	Mali	Tanzania	Congo, Rep. of	Somalia	
The Gambia	Mauritania	Uganda 2/	Cote d'Ivoire	Sudan	
Guinea	Mozambique	Zambia	Ethiopia 3/	Togo	
Guinea-Bissau	Nicaragua		Ghana 3/		

Sources: HIPC documents; and IMF and World Bank staff estimates.

\* Conflict-affected countries

1/ Comoros has been added to the group as a preliminary assessment of its debt situation showed a potential need for HIPC debt relief (see *Comoros: External Debt Sustainability Analysis*, IDA/SecM2001-0461, July 6, 2001, and EBS/01/011, July 3, 2001).

2/ Completion point countries.

3/ Preliminary documents issued or considered by the Boards

4/ Yemen reached a decision point in June 2000. Its debt sustainability analysis indicated that the country has a sustainable debt burden after the application of traditional debt relief mechanisms (See SM/00/138 and IDA/SecM2000 -359, June 28, 2000). The Paris Club provided a stock-of-debt operation on Naples terms in July 2001.

4. In the months that lie ahead, the implementation of the Initiative will continue to face three major challenges as the international community seeks to address the problems of external indebtedness in HIPCs. The *first* pertains to the goal of maintaining longer-term debt sustainability in qualifying countries through sustained economic growth, poverty reduction and the pursuit of prudent debt management policies.<sup>2</sup> The staffs will prepare a separate paper in the fall on debt management issues facing HIPCs.

5. The *second* challenge is for countries already past their decision points to remain on track with their economic reform and poverty reduction programs, and reach their floating completion points without delay. Track record issues arise when one or more elements of a country's poverty reduction strategy, such as satisfactory implementation of the macroeconomic program, go off track between the decision point and the completion point. Several countries past their decision points have experienced interruptions of their policy track record, and some (Guinea-Bissau, Guyana, Honduras, Malawi, Nicaragua, and Rwanda) have encountered problems in the implementation of their macroeconomic programs (Appendix Table 2). Some other countries (Benin, Burkina Faso, Mali, and

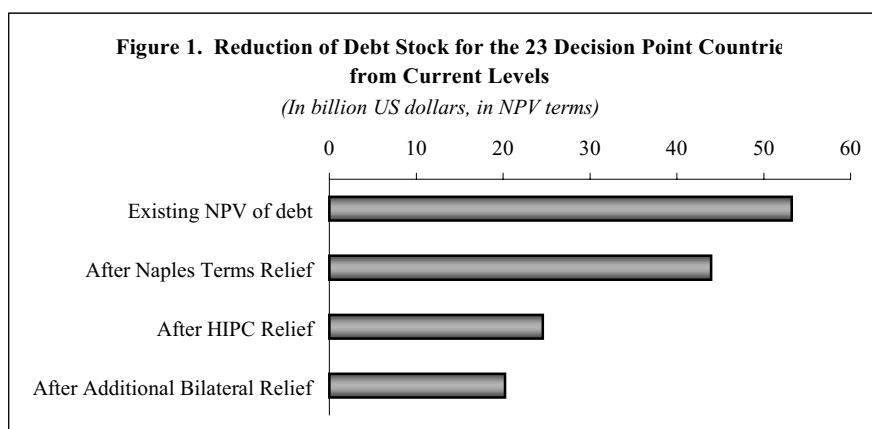
<sup>2</sup> See The Challenge of Maintaining Long-Term External Debt Sustainability, April 20, 2001, <http://www.imf.org/external/np/hipc> and IMFC/Doc/3/01/5, and <http://www.worldbank.org/hipc> and DC2001-0013.

Tanzania) have experienced delays in preparing full PRSPs. Staffs continue to examine these issues and their implications for the HIPC framework.

6. The *third*, and perhaps most daunting, challenge is to bring the remaining countries (most of which are conflict-affected<sup>3</sup>) to their decision points as soon as conditions in these countries permit. These countries face one or more of the following challenges: (i) achieving peace and internal stability; (ii) developing their economic management capacity; (iii) developing a minimum satisfactory track record of implementation of macroeconomic and structural reforms following years of conflict; (iv) addressing the problem of arrears to multilateral creditors; and (v) articulating a roadmap for the preparation of a fully participatory poverty reduction strategy.

### III. IMPACT OF DEBT RELIEF

7. To date, the 23 countries that have reached their decision points will receive about US\$20 billion worth of debt relief in net present value (NPV) terms (Table 2). Consequently, these countries should receive about US\$34 billion in debt service relief over time (nominal terms). On the whole, debt stocks for these countries are expected to fall from their current level of US\$54 billion in NPV terms before debt relief, to US\$21 billion in NPV terms after the full application of traditional debt relief mechanisms, HIPC relief, and additional assistance beyond the HIPC Initiative committed by several bilateral donors (Appendix Table 3). In this context, HIPC relief accounts for 60 percent of the total debt relief provided to these countries (Figure 1).



Sources: HIPC Initiative country documents; and World Bank and IMF staff estimates.

<sup>3</sup> For an in-depth analysis of the challenges facing post-conflict countries, see Assistance to Post-Conflict Countries and the HIPC Initiative, April 20, 2001, <http://www.imf.org/external/np/hipc> and IMFC/Doc/3/01/7, and <http://www.worldbank.org/hipc> and DC2001-0014.

Table 2. Preliminary Estimates of Overall Debt Relief  
and Under the HIPC Initiative 1/

(In billions of U.S. dollars)

	Debt Stocks		Debt Relief							
	1999 NPV terms	Nominal terms	1999 NPV terms				Nominal terms 2/			
	On basis of HIPC documents or GDF data 3/ 4/	On basis of HIPC documents or GDF data 3/ 4/	Traditional debt relief	HIPC relief	Additional bilateral relief 6/	Total relief	Traditional debt relief	HIPC relief	Additional bilateral relief 6/	Total relief
1. Countries that have reached the decision point (23 countries)	54	75	9	20	4	33	14	34	6	54
2. Other HIPCs (11 countries) 5/	43	50	14	12	4	30	21	20	6	46
<b>Total (1+2) (34 countries)</b>	<b>97</b>	<b>124</b>	<b>24</b>	<b>31</b>	<b>8</b>	<b>63</b>	<b>34</b>	<b>54</b>	<b>12</b>	<b>100</b>

Sources: HIPC country documents; Global Development Finance 2001; and IMF and World Bank staff estimates.

1/ The traditional debt relief mechanisms shown in this table reflect only the relief that the HIPCs have not yet benefitted from; i.e., this excludes relief already given in the past.

2/ Debt relief in nominal terms refers to debt service relief over time. The figures are rough estimates, using country-specific information where available.

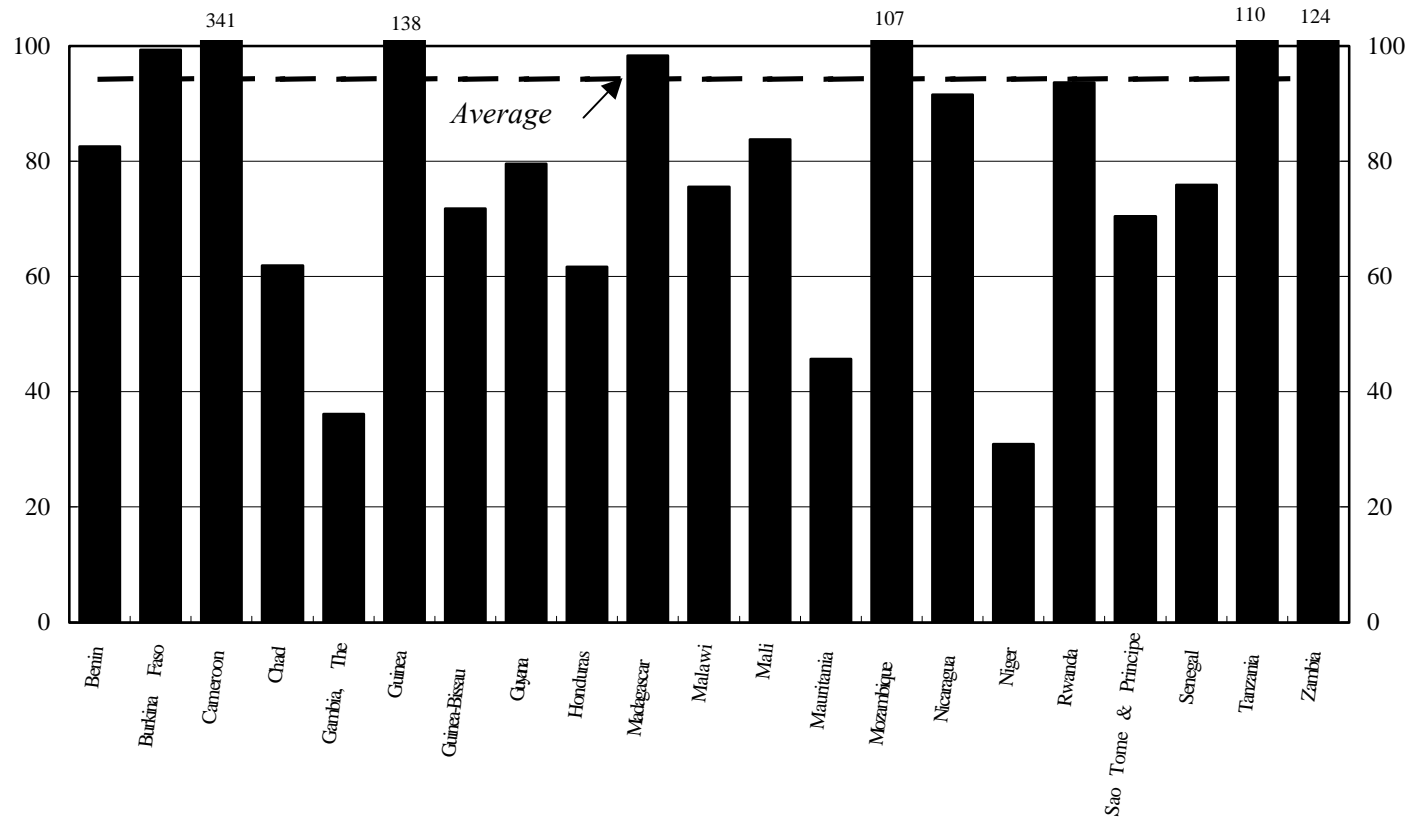
3/ Data from HIPC Initiative country documents on a decision point basis for group 1 and from GDF figures for group 2. Debt relief figures for group 2 are estimates. Data for Chad, Comoros, and Ghana are in 2000 terms. Data for Benin, Bolivia, Cote d'Ivoire, Mali, Mauritania, Mozambique, and Senegal and in 1998 terms.

4/ GDF data, which are for 1999, rely on country reporting and are not as comprehensive as the data used under the HIPC Initiative. Calculations of the NPV of debt in the GDF are based on a common (10 percent) discount rate, a methodology which differs from the currency-specific discount rates (or Commercial Interest Reference Rates) used in DSAs for the HIPC documents.

5/ Includes Burundi, Central African Republic, Cote d'Ivoire, Comoros, Democratic Republic of Congo, Ethiopia, Ghana, Republic of Congo, Myanmar, Sierra Leone and Togo.

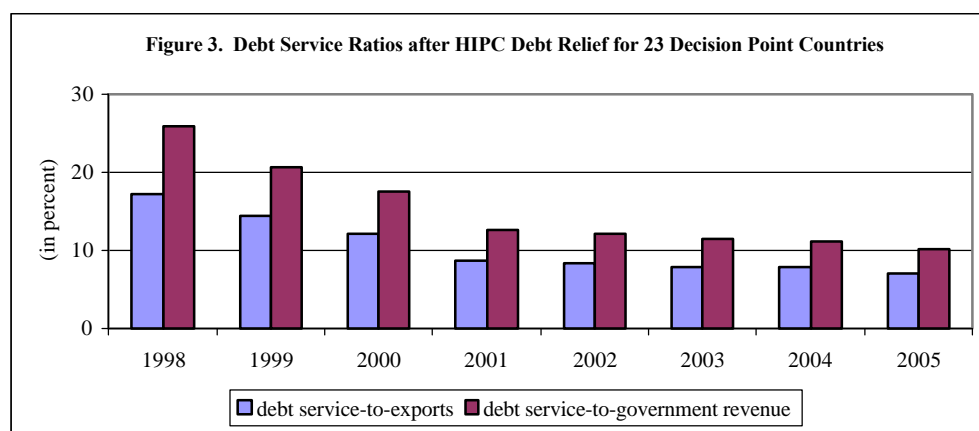
6/ Refers to debt relief pledged by individual bilateral creditors over and beyond HIPC debt relief.

Figure 2. Comparison of Projected Interim Relief and Relief after Completion Point 1/  
(Ratio of HIPC debt relief during interim period to that one year after the completion point, in percent)



1/ The year 2001 is used for debt relief during the interim period. For each country, debt relief in 2001 is calculated as the difference between debt service in 2001 and debt service in the year after the completion point (when full assistance is to be delivered by all creditors). Excluding Bolivia (which did not require interim relief due to substantial relief already received at the original completion point), and Uganda (which reached its enhanced completion point after a short interim period of 3 months).

8. Upon reaching their decision points, HIPC countries qualify for immediate assistance as the major creditors deliver interim debt relief to support poverty reduction and economic reform programs in these countries. Interim relief is projected to be substantial in many cases and, on an annual basis, similar for most countries to the relief to be delivered at the completion point (Figure 2). The benefits of HIPC assistance are borne out in the significant decline in debt service ratios projected between 1998 and 2005 (Figure 3, Appendix Table 4). On average, the debt service-to-government revenue ratio is expected to fall by over 15 percentage points, from 26 percent in 1998 to about 10 percent in 2005; this reduction brings the ratios for HIPC countries well below the average for non-HIPC developing countries of 21 percent. Although on average these ratios decline over time, they vary from country to country and the ratios for some countries may remain high—a point which was discussed at length in a previous paper on the challenge of maintaining long-term debt sustainability (Appendix Table 5).<sup>4</sup>



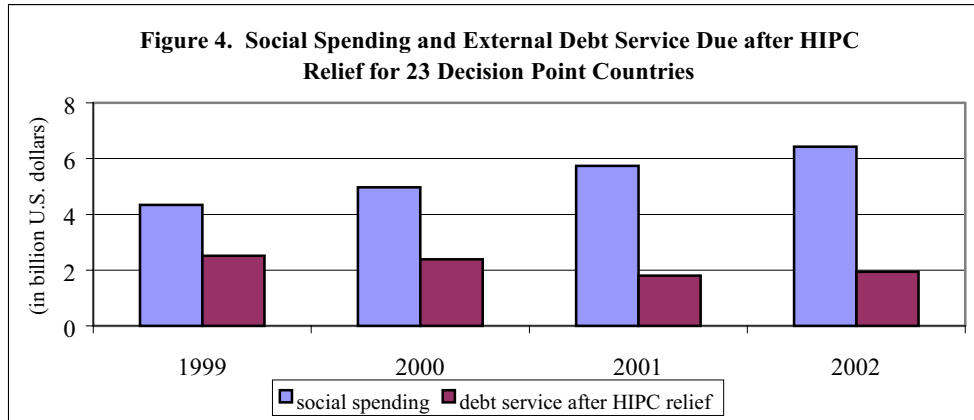
Sources: HIPC Initiative country documents; and World Bank and IMF staff estimates.

9. The HIPC countries are committed to using the resulting debt service savings to support their poverty reduction strategies. Thus, at the same time as debt service obligations of the 23 decision point countries are expected to fall in the coming years, government social expenditure (primarily on health and education) is projected to rise gradually from US\$4.1 billion in 1999 to US\$6.3 billion in 2002 (Figures 4 and 5, Appendix Tables 6 and 7). On average, these countries are expected to spend more than three times on social sectors in 2001–02 than on debt service.

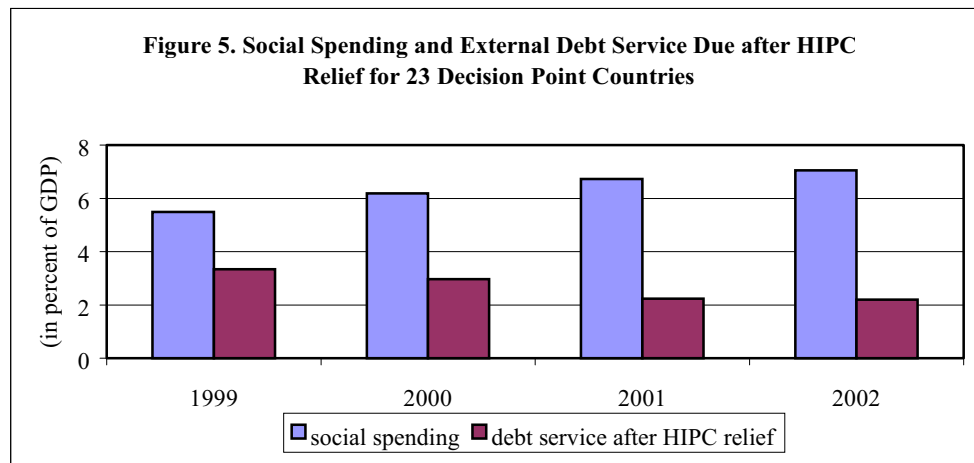
10. As shown above, HIPC relief is substantial relative to pre-HIPC debt service and provides a strong basis for debt sustainability. Yet its magnitude is modest when compared to net external resource flows to these countries, especially since future financing requirements of HIPC countries will remain high. Based on medium-term balance of payments projections from HIPC Initiative country documents, net flows amounted to US\$4.3 billion a year in the 1990s, and are projected to rise to US\$6.7 billion a year in the next 10 years (Figures 6 and 7, Appendix Table 8).

<sup>4</sup> See footnote 2.

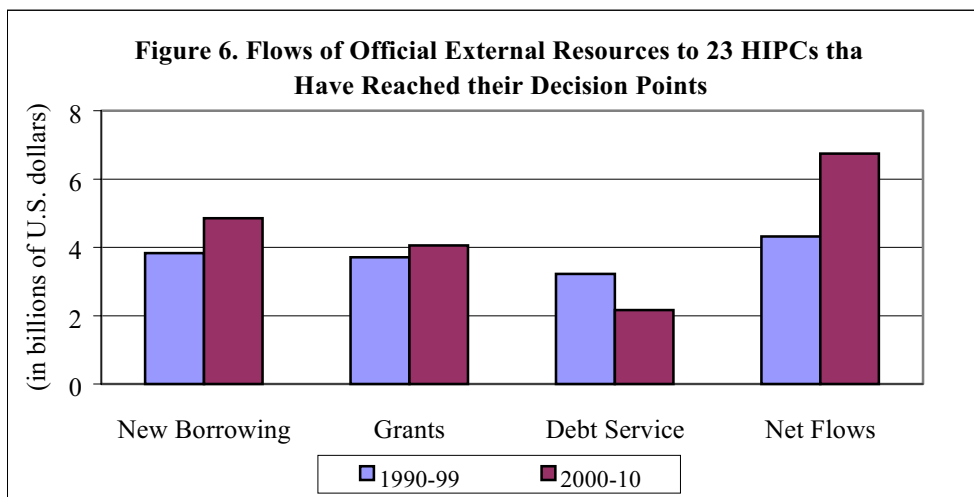




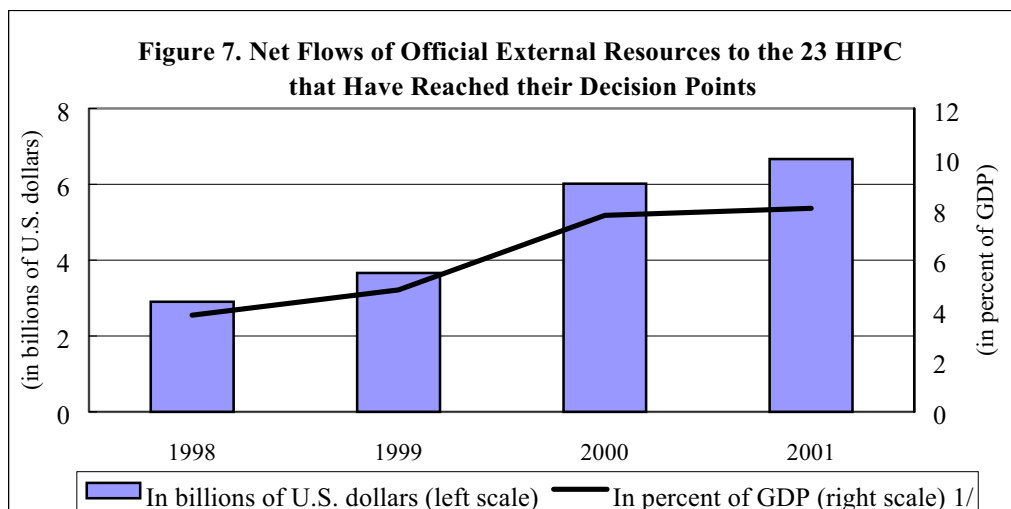
Sources: HIPC Initiative country documents; and World Bank and IMF staff estimates.



Sources: HIPC Initiative country documents; and World Bank and IMF staff estimates.



Sources: HIPC Initiative country documents; and World Bank and IMF staff estimates.



Sources: HIPC Initiative country documents; and World Bank and IMF staff estimates.

1/ Weighted average.

#### IV. UPDATE OF COSTS

11. This section provides an update of the costs of providing debt relief under the HIPC Initiative, based on the most recent available information. The underlying assumptions and caveats are detailed in Annex I. The main differences with the April 2001 costing exercise are (i) the inclusion of costs for Ghana and Comoros, (ii) the revision of costs for some countries in light of new DSAs, and (iii) the expression of costs in 2000 NPV terms.

12. The total cost of assistance under the HIPC Initiative is now estimated at US\$31.3 billion in 1999 NPV terms, or US\$33.2 billion in 2000 NPV terms, whereas the previous estimate stood at US\$29.3 billion in 1999 NPV terms (Table 3). The share of assistance remains broadly equally divided between bilateral and multilateral creditors, as costs have increased for both bilateral and multilateral creditors by roughly the same amount. The revision in total costs reflects mainly (i) the inclusion of Comoros and Ghana, in the exercise; and in part (ii) refinements in the debt data for some countries. Almost the entire increase in costs can be attributed to the inclusion of Ghana.

13. Nearly two-thirds of the total cost, an estimated US\$20.7 billion (2000 NPV terms), has been committed to the 23 countries that have reached their decision points (Table 4), and will rise to nearly three-quarters with the addition of Ethiopia, Ghana, and Sierra Leone.<sup>5</sup> About 70 percent of the cost to multilateral creditors and nearly 60 percent of the cost to bilateral creditors reflect commitments already made to these countries (Appendix Table 9).

<sup>5</sup> One retroactive case, Côte d'Ivoire, reached its decision point under the original framework in 1998, but has not yet reached its completion point under the original framework or its decision point under the enhanced HIPC Initiative.

**Table 3. HIPC Initiative: Estimates of Potential Costs by Creditor Group**

	<b>April 2001 Costing Exercise 1999 NPV terms (32 countries) 1/</b>	<b>Updated Costing Exercise 1999 NPV terms (34 countries) 2/</b>	<b>Updated Costing Exercise 2000 NPV terms (34 countries) 2/</b>	<b>Memorandum item In Percent of Total Costs</b>
<i>(in billions of US dollars)</i>				
<b>Total costs</b>	<b>29.3</b>	<b>31.3</b>	<b>33.2</b>	<b>100.0</b>
<b>Bilateral and commercial creditors</b>	<b>15.1</b>	<b>16.1</b>	<b>17.1</b>	<b>51.4</b>
Paris Club	11.3	12.0	12.8	38.4
Other official bilateral	2.6	2.7	2.8	8.5
Commercial	1.2	1.4	1.5	4.5
<b>Multilateral creditors</b>	<b>14.2</b>	<b>15.2</b>	<b>16.1</b>	<b>48.6</b>
World Bank	6.3	7.0	7.4	22.4
<i>Of which:</i> IDA	5.6	6.3	6.7	20.1
IBRD	0.7	0.7	0.8	2.3
IMF	2.2	2.4	2.5	7.5
AfDB/AfDF	2.4	2.5	2.6	8.0
IaDB	1.1	1.1	1.1	3.4
Other	2.2	2.3	2.4	7.4
<i>Memorandum item:</i>				
Total costs including Liberia, Somalia, and Sudan	37.3	39.2	41.6	125.4

Sources: Enhanced Initiative for Heavily Indebted Poor Countries (HIPC) Initiative: Status of Implementation, April 20, 2001, <http://www.imf.org/external/np/hipc> and IMFC/Doc/3/01/4, and Development Committee: Progress Report, April 19, 2001, <http://www.worldbank.org/hipc> and DC2001-0012; HIPC Initiative country documents; and Fund and Bank staff estimates.

1/ All HIPCs, excluding Liberia, Somalia, and Sudan, as well as Angola, Comoros, Ghana, Kenya, Vietnam, and Yemen (see Box in Annex I).

2/ As in footnote 1, but including Comoros and Ghana.

**Table 4. HIPC Initiative: Breakdown of Potential Costs by Main Creditors and by Country Groups**

(In billions of U.S. dollars, in 2000 NPV terms) 1/

	TOTAL (34 countries)	Decision Point Cases (23)			Post-2000
		Retroactive 2/ (8 countries)	New cases 3/ (15 countries)	Total (23 countries)	Other 4/ (11 countries)
<b>Total Costs</b>	<b>33.2</b>	<b>6.8</b>	<b>13.9</b>	<b>20.7</b>	<b>12.5</b>
<b>Bilateral and commercial creditors</b>	<b>17.1</b>	<b>2.7</b>	<b>7.1</b>	<b>9.8</b>	<b>7.3</b>
Paris Club	12.8	2.1	4.9	7.0	5.8
Other official bilateral	2.8	0.5	2.0	2.6	0.3
Commercial	1.5	0.1	0.2	0.3	1.2
<b>Multilateral creditors</b>	<b>16.1</b>	<b>4.1</b>	<b>6.8</b>	<b>10.9</b>	<b>5.2</b>
World Bank	7.4	1.8	3.1	4.9	2.5
Of which: IDA	6.7	1.8	2.8	4.6	2.1
IBRD	0.8	0.0	0.3	0.3	0.5
IMF	2.5	0.6	1.1	1.7	0.8
AfDB/AfDF	2.6	0.5	0.9	1.3	1.3
IaDB	1.1	0.6	0.5	1.1	0.0
Other	2.4	0.6	1.2	1.8	0.6
Memorandum item:					
In percent of total cost	100	20	42	62	38

Sources: Country authorities; and IMF and World Bank staff estimates.

1/ Excluding Liberia, Somalia, and Sudan. Also excludes Angola, Kenya, Lao P.D.R., Vietnam, and Yemen.

2/ Benin, Bolivia, Burkina Faso, Guyana, Mali, Mozambique, Senegal, and Uganda. Côte d'Ivoire is a retroactive case but has not reached its enhanced decision point.

3/ Cameroon, Chad, the Gambia, Guinea, Guinea-Bissau, Honduras, Madagascar, Malawi, Mauritania, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Tanzania, and Zambia.

4/ Burundi, Central African Republic, Comoros, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Ghana, Ethiopia, Myanmar, Sierra Leone, and Togo.

## V. STATUS OF CREDITOR PARTICIPATION

### A. Multilateral Creditors

14. Multilateral creditors account for US\$16.1 billion, roughly half, of the US\$33.2 billion in total costs estimated for the HIPC Initiative in 2000 NPV terms. Nearly all multilateral creditors have agreed to participate in the HIPC Initiative and several have made commitments to provide interim relief (see paragraph 22). IDA, the IMF, and the AfDB are among the largest multilateral creditors that are providing interim assistance to countries that have reached their decision points.

15. Virtually all multilateral creditors have indicated a willingness, in principle, to participate in the Initiative and half of them (representing over 90 percent of multilateral claims) have formally approved the specific mechanisms for the delivery of HIPC relief. Although most creditors have experienced some delays in establishing institutional arrangements for the delivery of debt relief, designing appropriate legal instruments, and

finalizing the requisite financing arrangements, significant progress has been made in delivering debt relief and countries are expected to receive their debt relief more expeditiously in the coming months. So far, multilateral creditors have **delivered an estimated US\$2.5 billion**, with disbursements under the original HIPC framework accounting for almost 80 percent of this amount.

16. The total cost to the **World Bank** is US\$7.4 billion in 2000 NPV terms, of which the 23 HIPCs that have reached their decision points account for US\$4.9 billion, or over US\$8 billion in debt service relief over time. For these 23 countries, **IDA** is providing debt relief under the original framework and interim relief under the enhanced framework, and has already delivered more than US\$1.6 billion in HIPC relief. As of June 30, 2001, IDA has provided debt relief under the original and enhanced frameworks through: (i) a cancellation of US\$1.1 billion of IDA credits to Burkina Faso, Mali, Mozambique, and Uganda via the HIPC Trust Fund; (ii) IDA grants amounting to US\$230 million to Mozambique and Uganda; (iii) debt service reductions of about US\$240 million; and (iv) debt service grants of about US\$30 million to Cameroon and Honduras.

17. Looking forward, IDA debt relief assistance to the 23 HIPCs in 2002 will total US\$331 million, including debt service grants to Cameroon and Honduras, and will average some US\$390 million each year over 2002–2009 (Appendix Table 10). Compared with average annual IDA net transfers of about US\$1 billion to these 23 countries during FY 1998/2001, the HIPC Initiative could, with sustained IDA flows, increase IDA's net transfers to HIPCs by more than one-third.

18. The **IBRD** has so far allocated net income and surplus equal to US\$1.35 billion into the World Bank component of the HIPC Trust Fund, out of a total pledge of US\$2.15 billion in NPV terms. The IBRD's Executive Directors have recently recommended to the Board of Governors the allocation of an additional US\$100 million from FY 2001 net income to the HIPC Trust Fund. In order to fulfill the IBRD's total pledge by the end of FY 2005, an estimated transfer of about US\$200–220 million per year over the next four years would have to be made to the HIPC Trust Fund. This would ensure that the World Bank component of the Trust Fund would have sufficient resources to reimburse IDA for the debt service relief it is expected to provide through the end of the IDA13 period. IDA donors are expected to consider future IDA debt relief financing requirements (about US\$560 million per year, or about US\$1.7 billion in IDA14 and IDA15) in the context of the IDA14 replenishment discussions. However, during IDA13 additional donor resources will be required to finance the IDA debt relief costs for three countries (Cameroon, Côte d'Ivoire, and Honduras) that have substantial levels of outstanding IBRD debt. IBRD net income transfers to the HIPC Trust Fund cannot be used to provide relief on these loans.

19. Donors have made significant efforts over the last two years to mobilize resources to provide financial support to a number of regional and sub-regional multilateral creditors through the **HIPC Trust Fund**. Total pledges to the HIPC Trust Fund administered by IDA have reached US\$2.5 billion for these creditors, and paid-in contributions exceed US\$1.1 billion (Appendix Table 11). Since US\$550 million of the

outstanding pledges are already covered under existing donor contribution agreements, roughly US\$850 million in outstanding pledges still need to be converted into actual contributions. Because debt relief to be delivered is set at the decision point on a NPV basis, nominal funding requirements increase as time passes. The inclusion of new countries—notably Ghana—or countries for which cost estimates have not been available (Liberia, Somalia, Sudan) also increases funding requirements. This will necessitate the mobilization of additional donor resources.

20. Total costs to the **IMF** are estimated at US\$2.5 billion in 2000 NPV terms, of which US\$1.7 billion (equivalent to SDR 1.3 billion) has already been committed to 23 countries under the enhanced HIPC Initiative. Of this, US\$0.7 billion (equivalent to SDR 0.5 billion) in HIPC relief has already been delivered in the form of grants (Appendix Table 12). These grant resources are disbursed into an investment account owned by each HIPC that has reached its decision point<sup>6</sup> and administered by the IMF, and are used to meet these countries' debt service payments to the IMF as they fall due. The delivery of enhanced HIPC Initiative assistance to these 23 members will result in a reduction of their debt service obligations to the IMF of about 50 percent during 2001-2005, with additional reductions thereafter (Appendix Table 13). Since the last status report, completion point assistance has been delivered to Bolivia, and new or supplementary deliveries of interim assistance have been made to Benin, Burkina Faso, Chad, and Tanzania.

21. The IMF has thus far secured resources totaling US\$3.8 billion for the financing of its participation in the HIPC Initiative (US\$2.5 billion) and the continued subsidization of PRGF lending operations (US\$1.3 billion).<sup>7</sup> These resources were secured through both IMF's own resources and bilateral contributions to the IMF's **PRGF/HIPC Trust**, with the remaining funding of US\$0.1 billion pending from bilateral contributors.

22. The **AfDB's** costs for the 19 African decision point countries are US\$2.6 billion in 2000 NPV terms. The AfDB Board has approved HIPC debt relief for all of these countries. A total of US\$1.3 billion has been committed, of which US\$230 million will be contributed from internal resources. Arrangements are being made to provide irrevocable relief to Uganda, which reached its completion point last year. The HIPC Trust Fund has entered into debt relief agreements with the AfDB covering 17 interim relief cases, 3 completion point cases (Burkina Faso and Mali under the original framework, and Uganda), and 1 arrears clearance case (Guinea-Bissau). These grant agreements have provided a total of US\$468 million in debt relief (including US\$23 million from internal AfDB resources).

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<sup>6</sup> With the exception of São Tome and Príncipe, which has no outstanding obligations to the IMF, and Honduras and Nicaragua, which have experienced track record interruptions in their PRGF arrangements.

<sup>7</sup> Financing requirements for PRGF/HIPC Initiative operations are estimated at US\$3.9 billion in 2000 NPV terms.

23. In March 2001, a resolution was adopted by the **IaDB's** Board of Governors that formally authorized the institution's participation in the enhanced Initiative and approved debt relief of US\$895 million in NPV terms, of which approximately US\$700 million represents financing requirements not previously funded. The latter would be comprised of US\$318 million from new and existing resources, US\$40 million from interest earned on accelerated payments to the IaDB's concessional window, and the remainder from the internal resources of the IaDB. In June, the Board of Directors approved the delivery of debt relief to Bolivia in the amount of US\$307 million in NPV terms. In July, the full funding of IaDB HIPC relief was approved. Delivery of debt relief, including interim relief, for Guyana and Nicaragua will be brought to the IaDB Board on a case-by-case basis. The first case for interim relief, Honduras, is currently before the Board.

24. The costs for the 22 **other multilateral creditors** are roughly US\$2.4 billion in 2000 NPV terms, of which relief to the first 23 countries amounts to some US\$1.8 billion (Appendix Table 14). Practically all multilateral creditors have indicated their willingness to participate in the enhanced HIPC Initiative. However, administrative delays and financing issues have delayed the approval process in many institutions, and thus the receipt of debt relief by the HIPCs concerned. Most of the other multilateral creditors that approved HIPC operations did so under the original framework. Approvals under the enhanced framework are expected in the coming months.

25. There is an urgent need for these multilateral creditors to demonstrate their commitment to the Initiative by **accelerating the approval and delivery** of the much-needed debt relief. In addition to supporting development programs in HIPCs, such action would also provide evidence of full creditor participation (which some creditors require for their participation at the completion point). The Bank and the Fund staffs are concerned that continued delays in the approval and provision of debt relief could frustrate efforts geared towards attaining debt sustainability and fostering poverty reduction and economic growth in these countries.

## **B. Paris Club Creditors**

26. Paris Club creditors are participating fully in the enhanced HIPC Initiative and are delivering relief on the basis of their commitments, although some delays have occurred. In fact, most Paris Club creditors have promised debt relief beyond the HIPC Initiative (see paragraph 27 below). Under the enhanced HIPC Initiative, the Paris Club creditors provide debt relief on a case-by-case basis through a flow rescheduling on Cologne terms in the interim period, followed by a stock-of-debt operation at the completion point. They are estimated to account for US\$12.8 billion, or 38.4 percent, of the total cost of the HIPC Initiative in 2000 NPV terms (Appendix Table 15). About US\$7 billion has already been committed for the 23 decision point countries.

27. Among these 23 countries, Uganda and Bolivia have reached the completion point under the enhanced Initiative and have received a stock-of-debt operation on Cologne terms, while four other countries had reached their completion point under the original

HIPC framework (retroactive cases).<sup>8</sup> Burkina Faso and Mali reached the decision point under the enhanced framework at the same time as the completion point under the original framework; thus the Paris Club decided to provide interim relief on Cologne terms and a stock-of-debt operation at the completion point.

28. Paris Club creditors are providing or have agreed to provide interim relief to most countries that have reached the decision point under the enhanced HIPC Initiative (Appendix Table 16). Bolivia, Guyana, Mozambique, and Uganda had already received substantial assistance beyond Naples terms under the original HIPC framework.<sup>9</sup> Honduras and Nicaragua (as well as Mozambique) had been granted full deferrals of debt service payments following natural disasters, and Paris Club creditors are expected to provide Cologne flow reschedulings in the context of new IMF arrangements for Honduras and Nicaragua. In the case of The Gambia, the amounts of debt eligible for rescheduling involved were considered too small for interim relief, but this case is still under consideration. For some other countries (e.g., Zambia), there have been delays of up to six months in delivering interim assistance and HIPCs have had to request refunds of overpayments from Paris Club creditors.

29. As noted in previous status reports on the enhanced HIPC Initiative, the majority of Paris Club creditors have promised debt relief beyond the assistance that they are providing under the HIPC Initiative. Most creditors have pledged to offer 100 percent relief on all pre-cutoff date debt, while several have pledged 100 percent debt relief on post-cutoff date debt as well. In most cases, the debt relief offered is expected to be provided at the completion point, but several countries have offered to deliver this additional assistance from the decision point (Appendix Table 17). The overall effect of these commitments is to reduce HIPCs' debt burdens by an estimated US\$4.3 billion in NPV terms, lowering the average post-HIPC relief NPV of debt to exports by 20 percentage points to 122 percent (Appendix Table 18).

### C. Non-Paris Club Official Bilateral Creditors

30. Non-Paris Club official bilateral creditors are expected to deliver relief of US\$2.8 billion out of the US\$33.2 billion in 2000 NPV terms, or 8.5 percent of the total cost. Most of this (US\$2.6 billion) reflects costs for the 23 decision point HIPCs.<sup>10</sup> **To date, only a relatively small number of these creditors has agreed to provide relief to the 23 decision point countries and even fewer have actually delivered relief.** Nonetheless, commitments by these creditors to deliver debt relief amount to about 40 percent of the US\$2.6 billion costs for the decision point HIPCs.

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<sup>8</sup> Burkina Faso, Guyana, Mali, and Mozambique.

<sup>9</sup> Stock-of-debt operation on Lyon terms. In light of the 100 percent deferral of debt service granted to Mozambique after the flood, the stock-of-debt operation on Lyon terms will be combined with enhanced HIPC relief at the completion point.

<sup>10</sup> Non-Paris Club official bilateral creditors have nominal claims of over \$8.2 billion on the 23 countries that have reached their decision points.



31. Non-Paris Club creditors comprise a disparate group, including some low-income countries and HIPC, and in some cases face legal constraints in the delivery of debt relief.<sup>11</sup> Participation of these creditors has been difficult to obtain and track. The modalities of providing HIPC relief by non-Paris Club creditors vary—agreements reached thus far have been on a case-by-case basis and have taken a variety of forms such as a buyback or a more traditional rescheduling agreement (Appendix Table 19). The staffs of the Bank and the Fund are continuing their efforts to help secure participation of these creditors in the HIPC Initiative (also see section E below).

32. A detailed breakdown of non-Paris Club official bilateral claims on HIPC is provided in Appendix Table 20. This table also shows which creditors have not as yet indicated an intention to provide relief to HIPC, or cases where staffs are not aware of offers to provide relief. Broadly speaking, non-Paris Club official bilateral creditors can be divided into four distinct groups:

- **Creditors that have agreed to provide or have provided relief on their claims (where relevant) on the 23 HIPC.** This group is relatively small, and it includes<sup>12</sup> Argentina (Benin, Guinea, and Guyana<sup>13</sup>), Brazil (Bolivia, Guyana, and Mozambique), Croatia<sup>14</sup> (Tanzania), Honduras (Nicaragua), Morocco (Guinea and Sierra Leone), and Tanzania (Uganda). The Czech and Slovak Republics have already provided relief on terms consistent with the HIPC Initiative to Nicaragua and Zambia, but have sold claims on other HIPC in the secondary market to commercial creditors (see section D below).
- **Creditors that have provided relief on some, but not all, of their claims on the 23 HIPC.** Other non-Paris Club creditors have provided relief to some countries, but still have outstanding claims on others, or have sold other outstanding claims in the secondary market. For example, Algeria has provided relief under Lyon terms to Mozambique,<sup>15</sup> but has not yet indicated its intention to provide relief to its other HIPC debtors. Côte d'Ivoire has provided relief to Mali,<sup>16</sup> but has not yet indicated its intention to provide relief to Burkina Faso or Chad. Egypt has written off its claims

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<sup>11</sup> Some non-Paris Club official bilateral creditors have indicated that the legal framework of their aid agencies do not allow them to provide debt relief consistent with the HIPC Initiative.

<sup>12</sup> The debtor countries are shown in parentheses.

<sup>13</sup> Argentina has offered to provide relief to Guyana and negotiations are ongoing.

<sup>14</sup> Croatia has claims on only one HIPC that has reached a decision point, Tanzania, and is currently in the process of determining its share of claims in the wake of the dissolution of the former Yugoslavia.

<sup>15</sup> Mozambique is requesting a topping up to Cologne terms.

<sup>16</sup> Côte d'Ivoire provided relief on Lyons terms in 1999.

on Tanzania, and has contacted Guinea. Saudi Arabia and Kuwait have begun to deliver interim assistance to Mauritania, but they have not agreed to provide relief in full. South Africa<sup>17</sup> has written off its claims on Mozambique, but has not yet indicated its intention to provide relief to Malawi. Venezuela has written off its claims on Bolivia, but still has outstanding claims on other HIPCs.

- **Creditors that have indicated their intention to provide relief on some, but not all, of their claims on the 23 HIPCs.** Several other creditor countries have indicated their intention to provide relief to some HIPCs that qualify for assistance, although relief may not have been delivered yet, possibly due to lack of communication, time lags in reconciling debt figures, or lengthy negotiation processes. China has offered to provide HIPC assistance to several African HIPCs,<sup>18</sup> but has indicated that currently there is no political basis to provide debt relief to countries which do not have diplomatic ties with China.<sup>19</sup> China is also considering to provide debt relief for HIPCs in other regions. Bank and Fund staffs have been informed, either by HIPC authorities or by the creditors themselves, that the following creditors intend to provide HIPC relief: (i) Costa Rica and Guatemala to Nicaragua; (ii) Venezuela to Honduras; and (iii) United Arab Emirates to Mauritania. Four other creditors (Kuwait, Oman, Poland, and Saudi Arabia) are considering providing further relief to various HIPCs and have been in contact with Bank and Fund staffs. Pakistan has sent a letter to the Bank and the Fund indicating its willingness to participate in the Initiative.
- **Creditors that have not yet expressed their intention to provide relief (27 creditors). The HIPCs are expected to continue seeking HIPC relief from these creditors as soon as possible.**

#### **D. Commercial Creditors**

33. **As in the case of all other creditors, commercial creditors are also expected to deliver HIPC relief to the 23 decision point countries, but this relief is often difficult to obtain and track.**<sup>20</sup> The IDA-administered commercial debt reduction facility provides grant financing and logistical support to HIPCs to conduct commercial debt

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<sup>17</sup> South Africa participated in Malawi's 1988 Paris Club rescheduling.

<sup>18</sup> Including Benin, Cameroon, Guinea, Guinea-Bissau, Guyana, Madagascar, Mali, Mauritania, Mozambique, Rwanda, Tanzania, Uganda, and Zambia.

<sup>19</sup> Including The Gambia and Senegal.

<sup>20</sup> Commercial creditors' claims on the 23 decision point HIPCs amount to approximately US\$1.6 billion in nominal terms. The cost to these creditors for participating in the enhanced HIPC framework is about US\$0.3 billion in 2000 NPV terms for the 23 countries as shown in Appendix Table 9. The estimated cost for commercial creditors is based on the common reduction factor shown in the decision point documents.

buyback operations and remains an important vehicle for retiring commercial claims at no cost to the debtor. The facility has been used by about half the countries that have reached their decision points under the enhanced framework.<sup>21</sup> Other HIPC (Cameroon, Tanzania, and Honduras) are presently pursuing this option to retire their commercial claims (Appendix Table 21). It is expected that more HIPCs will use this facility before they reach their completion points.

34. In cases where outstanding claims remain (Ethiopia, Guyana, Mozambique, and Nicaragua), a second externally-funded buyback operation may be necessary, possibly using IDA buyback resources, provided that some original non-participating creditors would be willing to tender their claims and donor financing is available.

35. Aside from the buyback option, and according to the information currently available to the staffs, only very few commercial creditors have agreed to provide even limited debt relief under the enhanced HIPC Initiative. These include Lloyds Bank, ITT, and Booker for Guyana, and Hong Kong Itochu Bank for Madagascar. In some cases HIPCs have paid commercial creditors in full because of the threat of litigation or the desire to avoid disrupting a commercial relationship, and thus decided not to seek debt relief from these creditors. If significant amounts were to be involved, this could endanger the achievement of sustainable debt levels.

36. In some cases, commercial creditors have resorted to litigation as a means of recovering assets. There are also cases where claims of official bilateral or commercial creditors were bought on the secondary market at a discount by entities that then seek to maximize recovery through litigation. Litigation can prove to be very costly for a HIPC in terms of legal representation and costs of adverse judgments (Box 1).

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<sup>21</sup> Nine of the 23 decision point HIPCs have not had commercial debt buyback operations. These are Benin, Burkina Faso, Chad, The Gambia, Guinea-Bissau, Madagascar, Malawi, Mali, and Rwanda. IDA debt reduction operations are being offered for Cameroon, Honduras, and Tanzania.

**Box 1. Leucadia vs. Nicaragua**

Nicaragua's IDA-administered commercial debt buyback in 1995 was not comprehensive as a number of commercial creditors did not agree to accept the offer price of roughly 8 cents on the dollar. As a few creditors had previously sold their claims to Leucadia, a holding company, in the secondary market, Leucadia was also invited to participate in the debt buyback. Leucadia declined and commenced legal proceedings in the United States in 1996. In April 1999, the U.S. Federal District Court for the Southern District of New York entered a summary judgment against the Government of Nicaragua for US\$87 million (including both the principal and interest accrued). This represents more than three times the face value of the US\$26 million original claims which Leucadia bought on the secondary market for US\$1.14 million. Leucadia has since tried unsuccessfully to attach Nicaraguan assets in the United States (specifically, Nicaragua's share of the airline ticket revenue to American Airlines and Continental Airlines).

In September 2000, Leucadia initiated independent proceedings in the United Kingdom seeking enforcement of the 1999 U.S. Court judgment in the United Kingdom. The U.K. court again ruled in favor of Leucadia in February, 2001, in the absence of a notice by the Government of Nicaragua signaling an intention to defend.

Other examples of litigation by commercial creditors include Cardinal vs. Yemen, Del Favero vs. Cameroon, and Winslow vs. Cameroon.

**E. The Way Forward**

37. Full participation by all creditors is essential in order to ensure that the debt stocks of HIPC's are reduced to sustainable levels. Increasing the participation of multilateral and non-Paris Club official bilateral and commercial creditors is a key issue for the successful implementation of the HIPC Initiative.

38. The World Bank continues to facilitate the participation of other multilateral creditors by continuing to host semi-annual meetings of participating multilateral development banks (MDBs) in Washington. The last meeting in March 2001 focused on the challenges associated with financing and the timely delivery of relief, and highlighted the importance of maintaining long-term debt sustainability in the HIPC's. The next MDB meeting, scheduled for October 2001, will discuss the need for timely delivery of full debt relief by all multilateral institutions.

39. As regards non-Paris Club official bilateral and commercial creditors, the current approach for securing debt relief relies primarily on moral suasion by the Bretton Woods Institutions and by the HIPC's themselves. Bank and Fund staffs are regularly in contact with non-Paris Club official bilateral creditors and report on the status of creditor participation to the Boards, both in HIPC Initiative progress reports and in all relevant country documents, which are made public. Non-Paris Club official bilateral creditors will continue to be approached by Bank and Fund missions, at donor meetings, Bank/Fund Annual and Spring Meetings, as well as through contacts with their Executive Directors. However, the debtors have the prime responsibility in maintaining a dialogue with their non-Paris Club official bilateral and commercial creditors and seeking debt relief within the framework of the enhanced HIPC Initiative, and the staffs of the Bank and the Fund are supporting the authorities in these efforts.

## **F. Completion Point Topping up of Assistance in Exceptional Cases**

40. The enhanced HIPC Initiative provides the international community with the option to consider in exceptional circumstances additional debt relief at the completion point beyond that committed at the decision point. The Fund and Bank Boards have recently approved the relevant operational procedures. In doing so, they emphasized the importance of continued adherence to sound economic policies, including prudent debt management, and appropriate policy response by the HIPC governments to any unforeseen exogenous developments in maintaining external debt sustainability. They underscored that for countries with actual debt burdens at the completion point above the Initiative's sustainability targets, a comprehensive assessment of a country's economic circumstances would need to be made to determine whether there has been a fundamental change in the country's economic circumstances, and whether the change was clearly due to exogenous developments. If, based on this assessment, a country is deemed to warrant additional relief, the amount would be determined using as criteria the debt thresholds already established in the enhanced HIPC Initiative (net present value of debt to exports ratio of 150 percent or 250 percent of fiscal revenues). Additional relief would be delivered unconditionally once satisfactory financing assurances from creditors have been obtained.

## Country Coverage, Data Sources, and Assumptions

### *Country Coverage*

- The costing analysis is based on 42 HIPC: **Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Lao P.D.R., Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Vietnam, Yemen, and Zambia.**
- **Comoros** has been added to the list of HIPCs as their debt appears to be unsustainable and they have expressed interest in seeking relief under the enhanced HIPC Initiative.
- From the above list, **Lao P.D.R.**, with debt deemed unsustainable after application of traditional debt relief mechanisms, has been excluded from the costing exercise because reliable debt data are not yet available. The Laotian authorities have indicated that they will not seek relief under the enhanced HIPC Initiative.
- **Yemen** has been excluded from the costing exercise because its debt levels have been found to be sustainable after traditional debt relief, based on the latest debt sustainability analysis. In addition, **Angola, Kenya, and Vietnam** have been excluded because their debt levels are expected to be sustainable after application of traditional debt relief mechanisms.
- As in the past, **Liberia, Somalia, and Sudan** have not been included due either to weaknesses in the data and/or the protracted time that will be required to resolve their arrears problems.<sup>1</sup>

### *Data Sources*

- Enhanced decision point documents have been presented to the Boards of the Bank and the Fund for the following 23 countries: **Benin, Bolivia, Burkina Faso, Cameroon, Chad, The Gambia, Guinea, Guinea-Bissau, Guyana, Honduras, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Tanzania, Uganda, and Zambia.**
- Preliminary documents have been issued for **Ethiopia, Ghana, and Sierra Leone.** A recently undertaken DSA has been used to calculate estimated costs for **Comoros.**
- There have been no data updates for the following 15 countries: **Angola, Burundi, Central African Republic, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Kenya, Lao P.D.R., Liberia, Myanmar, Somalia, Sudan, Togo, Vietnam, and Yemen.** Data for the following 4 countries is particularly weak or unavailable: **Democratic Republic of Congo, Liberia, Myanmar, and Somalia.**

### *Assumptions*

- Calculations of total costs include costs under the original and enhanced HIPC Initiative frameworks, including assistance that has already been delivered.
- Countries must make full use of traditional debt relief mechanisms (i.e., a stock-of-debt operation which provides a 67 percent reduction in the NPV of eligible debt from the Paris Club, and an assumption of comparable treatment by non-Paris Club bilateral and commercial creditors) to be eligible for assistance under the enhanced HIPC Initiative. The cost estimates are based on data after full use of traditional debt relief mechanisms.
- All eligible countries are assumed to request assistance under the enhanced HIPC Initiative.
- Each country-specific DSA is based on macroeconomic assumptions regarding exports and fiscal revenues developed by Bank and Fund staffs in consultation with country authorities.

<sup>1</sup> Staffs have prepared a DSA for Sudan, including an illustrative potential debt workout scenario. See EBS/01/15 and IDA/SecM2001-0128, February 22, 2001.

## **Enhanced HIPC Initiative: Country Implementation Status Notes**

These Notes provide information on the status of 12 HIPC-eligible countries that are expected to reach decision points in 2001 and beyond. From the group of 42 HIPCs, this excludes those countries that have already reached their decision point under the enhanced Initiative (23); are considered sustainable under the Initiative (4);<sup>22</sup> and for which there is inadequate data and/or have protracted arrears to the World Bank and the IMF (3).<sup>23</sup>

### **Burundi**

An interim peace accord was signed in August 2000 in Arusha Tanzania, but sporadic fighting has continued. In July 2001, all the political parties that signed the Arusha peace accord agreed on a transitional government arrangement for a three-year period leading to full democratization. Burundi launched its PRSP process in July 2000, the last round of consultations was carried out in the regions in July 2001 and the I-PRSP document is expected by November 2001. The Bank has been providing assistance to Burundian authorities, including in the area of consultation and participatory diagnostic analysis. IDA is currently supporting Burundi with an Emergency Economic Recovery Credit and a number of other projects. In July 2001, a visiting Burundi delegation reached an agreement with Fund staff on a Staff Monitored Program covering the period July 1 through December 31, 2001. A successful implementation of this program could pave the way for a program that could be supported by the use of Fund resources, and eventually allow Burundi to benefit from HIPC relief. Preliminary analysis indicates that Burundi has a heavy debt burden. However, it has managed to remain current in its debt service obligations to the Bank and the Fund but is in arrears to the AfDB. As a follow-up to the Paris Conference, there has been a concerted effort within the international community to set up a multi-donor Trust Fund to assist Burundi clear its arrears and pay its debt to its multilateral creditors during the period leading to its access to the enhanced HIPC Initiative.

### **Central African Republic**

In January 2001, the Fund's Executive Board approved a second annual arrangement under the PRGF, and IDA disbursed the second tranche of its Fiscal Consolidation Credit. At end-March, the first performance test date, the PRGF-supported program was significantly off-track. Large revenue shortfalls from April onwards and an attempted coup d'état at end-May contributed to a further deterioration in the economic and financial situation. A visit by the C.A.R. authorities to Washington in August confirmed that these developments had foreclosed any possibility to bring the PRGF-supported program back on track. Moreover, the Central African Republic accumulated arrears to the Bank, and has entered into non-accrual status on August 13. On request of the authorities, discussions are scheduled for end-September in Paris to agree on a 15-month

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<sup>22</sup> Angola, Kenya, Vietnam, and Yemen.

<sup>23</sup> Liberia, Somalia, and Sudan.

macroeconomic framework with monitoring arrangements for the last quarter of 2001. This could lay the ground to expedite the resumption of Fund financial support by early 2002 and help to elicit near- and medium-term donor support. In this context, the World Bank is preparing a budget support operation for the fourth quarter of 2001, which is conditional, however, on satisfactory progress in the reform of the petroleum sector and the clearance of arrears to the Bank. In light of these circumstances, the earliest possible date for a HIPC Decision Point would be the second half of 2002. A Debt Sustainability Analysis is currently in preparation.

### **Comoros**

Following a period of political instability, a reconciliation agreement was reached in early 2001. The agreement envisages a political transition timetable which includes a referendum on a new constitution, scheduled for the fall of 2001, followed by general elections after six months. An interim support strategy was approved by IDA's Board in October 2000. The strategy includes an Emergency Economic Recovery Credit, approved in August 2001. The authorities recently adopted an economic program for the period July 2001–June 2002, which was discussed with, and will be monitored by IMF staff. Satisfactory performance under this program would facilitate a shift to a PRGF-supported program and, in due course, the possible provision of debt relief under the HIPC Initiative. The Comoros has accumulated sizeable arrears towards the AfDB and BADEA, as well as bilateral creditors.

### **Congo, Democratic Republic of**

The Democratic Republic of the Congo (DRC) has been continuously in arrears to the Fund since November 1990 and in a non-accrual status to the Bank since November 1993. Since assuming office in January 2001, President Joseph Kabila has moved to reactivate the Lusaka cease-fire accord, start the inter-Congolese dialogue, restore relations with the Bretton Woods institutions, and take steps to open up the economy. A Fund staff monitored program (SMP) covering the period June 2001–March 2002 is being implemented with strong performance through July. On July 31, 2001, IDA's Board approved a transitional support strategy for the DRC along with a post-conflict IDA grant. Implementation of the SMP would provide the DRC with an opportunity to establish a strong track record that could lead, once arrears to the Fund and other key multilateral creditors have been cleared, to a formal program under the PRGF and subsequent debt relief under the HIPC Initiative.

### **Congo, Republic of**

The Republic of Congo received Fund support under the emergency post-conflict assistance policy in November 2000. Implementation of the post-conflict program met with difficulties, including non-oil revenue shortfalls and expenditure overruns. IDA's Board approved a post-conflict economic rehabilitation credit on July 31, 2001. On July 31, 2001, the Bank's Board approved a post-conflict economic rehabilitation credit and an emergency demobilization, disarmament and reintegration credit. The Congo also



cleared its arrears to the Bank on August 8, 2001, paving the way for the disbursement of the approved credits and future IDA lending. The timing of a possible PRGF arrangement and the HIPC decision point will depend on improved performance during the remainder of 2001.

### **Côte d'Ivoire**

Côte d'Ivoire had reached a decision point under the original HIPC framework in March 1998. However, the Fund- and IDA-supported programs went off-track in early 1999 due to significant fiscal and governance problems. In the context of the 2001 Article IV consultation discussions, agreement was reached on a staff-monitored program covering the period July–December 2001. Satisfactory performance under the SMP would pave the way for a PRGF-supported program provided that donors resume their financial relations with Côte d'Ivoire and financing assurances can be obtained. The staffs will then seek guidance from the Executive Boards regarding the timing of a new decision point under the enhanced HIPC framework.

### **Ethiopia**

In March 2001, the Boards of the Fund and IDA considered an Interim-PRSP, a Joint Staff Assessment, and an updated preliminary HIPC document. The Fund Board also approved a three-year PRGF arrangement, and the first review under the arrangement was completed in early August. In May 2001, the Bank Board approved a fast-disbursing \$150 million Economic Recovery Support Credit. Ethiopia has prepared an action plan for the preparation of a full PRSP, which includes a comprehensive plan for consultations. The PRSP is expected to be finalized by late spring 2002. It is expected that a decision point document can be presented for consideration of the two Boards in the fall of 2001, provided Ethiopia makes further progress in a couple of areas.

### **Ghana**

Following a decision by the new government of Ghana to seek debt relief under the enhanced HIPC Initiative, a preliminary HIPC document was presented to the IDA and Fund Boards in June/July 2001. At the same time, a review was completed under Ghana's PRGF arrangement and IDA approved the Third Economic Reform Support Operation in July, which was fully disbursed in August. Ghana could reach its HIPC decision point in late 2001, on the basis of a full PRSP, completion of the fourth review under the PRGF arrangement, and satisfactory progress under the IDA-supported program.

### **Lao P.D.R.**

In April 2001, the Fund Board approved a new three-year PRGF arrangement with Lao P.D.R., and considered the accompanying I-PRSP and JSA. The IDA Board has also endorsed the I-PRSP and JSA, and a financial sector adjustment credit is being prepared. The authorities are still in the process of evaluating the advantages and disadvantages of requesting HIPC relief, and work is underway to prepare a debt sustainability analysis.

## **Myanmar**

There has been no Fund-supported program since 1981–82. The World Bank has approved no new lending since 1987 and does not have an active program in Myanmar. Poor debt statistics make an assessment of the debt burden difficult. Highly tentative estimates indicate that Myanmar's debt ratios exceed the thresholds under the HIPC Initiative.

## **Sierra Leone**

The 2000 program which is being supported by the Fund under the emergency post-conflict policy and by IDA under the Economic Rehabilitation and Recovery Credit, was implemented in a satisfactory manner. Sierra Leone's request for a three-year arrangement under the PRGF in support of a medium-term program (2001–04) is to be discussed by the Fund's Executive Board in September 2001. At that time, the Boards will also consider Sierra Leone's preliminary HIPC document together with the Interim-PRSP and related JSA. The Bank is currently preparing a Second Economic Recovery and Rehabilitation Operation, expected to be approved before the end of 2001.

## **Togo**

IDA released the last tranche of its last adjustment credit to Togo in May 1998. Since then the lack of progress on structural reforms and of a program with the Fund has precluded new adjustment lending. Accumulation of arrears to IDA led to the suspension of disbursements on IDA investment operations between November 2000 and mid-August 2001. There has not been a Fund-supported program since mid-1998. The IMF Executive Board concluded the 2001 Article IV consultation with Togo in April 2001, and a staff-monitored program covering the period April–September 2001 is in place. Legislative elections scheduled for October 2001, and their satisfactory execution, have been identified by the EU (Togo's main donor) as a condition for the resumption of financial assistance. The authorities plan to prepare an I-PRSP by the end of the year. Satisfactory performance under the SMP would pave the way for the IMF Executive Board's consideration of a PRGF-supported program during the first quarter of 2002, provided that financing assurances can be obtained. Agreement on a PRGF program would, in turn, make an IDA adjustment operation feasible provided that prior actions in key areas of structural reforms (including privatization of the phosphates parastatal and of some banks) are met.

**Table 1: Enhanced HIPC Initiative: Committed Debt Relief and Outlook**  
**Status as of end-July, 2001**

(In millions of US dollars) 1/

	Reduction in NPV Terms			Nominal Debt Service Relief			Date of Approval
	Original	Enhanced	Total	Original	Enhanced	Total	
	HIPC Initiative	HIPC Initiative		HIPC Initiative	HIPC Initiative		
COUNTRIES THAT HAVE REACHED THEIR COMPLETION POINTS (2)							
TOTAL	795	1,510	2,305	1,410	2,600	4,010	
Bolivia	448	854	1,302	760	1,300	2,060	Jun-01
Uganda	347	656	1,003	650	1,300	1,950	May-00
COUNTRIES THAT HAVE REACHED THEIR DECISION POINTS (21)							
TOTAL	2,322	15,861	18,183	4,760	25,110	29,870	
Benin	...	265	265	-	460	460	Jul-00
Burkina Faso	229	169	398	400	300	700	Jul-00
Cameroon	...	1,260	1,260	...	2,000	2,000	Oct-00
Chad	...	170	170	...	260	260	May-01
The Gambia	...	67	67	...	90	90	Dec-00
Guinea	...	545	545	...	800	800	Dec-00
Guinea-Bissau	...	416	416	...	790	790	Dec-00
Guyana	256	329	585	440	590	1,030	Nov-00
Honduras	...	556	556	-	900	900	Jul-00
Madagascar	...	814	814	...	1,500	1,500	Dec-00
Malawi	...	643	643	-	1,000	1,000	Dec-00
Mali	121	401	522	220	650	870	Sep-00
Mauritania	...	622	622	-	1,100	1,100	Feb-00
Mozambique	1,716	254	1,970	3,700	600	4,300	Apr-00
Nicaragua	...	3,267	3,267	-	4,500	4,500	Dec-00
Niger	...	521	521	...	900	900	Dec-00
Rwanda	...	452	452	-	800	800	Dec-00
São Tomé and Príncipe	...	97	97	...	200	200	Dec-00
Senegal	...	488	488	-	850	850	Jun-00
Tanzania	...	2,026	2,026	-	3,000	3,000	Apr-00
Zambia	...	2,499	2,499	-	3,820	3,820	Dec-00
COUNTRIES STILL TO BE CONSIDERED (15)							
Côte d'Ivoire	345	...	345	800	...	800	Mar-98 2/
Burundi	...	...	...	...	...	...	
Central African Republic	...	...	...	...	...	...	
Comoros	...	...	...	...	...	...	
Congo, Dem. Rep. of	...	...	...	...	...	...	
Congo, Rep. of	...	...	...	...	...	...	
Ethiopia	...	1,028	1,028	...	1,650	1,650	Mar-01 3/
Ghana	...	2,096	2,096	...	3,200	3,200	Jun-01 4/
Lao PDR	...	...	...	...	...	...	
Liberia	...	...	...	...	...	...	
Myanmar	...	...	...	...	...	...	
Sierra Leone	...	551	551	...	867	867	Jul-01 5/
Somalia	...	...	...	...	...	...	
Sudan	...	...	...	...	...	...	
Togo	...	...	...	...	...	...	
Memorandum item:							
Debt relief committed under original and enhanced frameworks 6/	3,462	17,371	20,833	6,970	27,710	34,680	

Sources: HIPC Initiative country documents; World Bank and IMF staff estimates.

1/ In net present value (NPV) terms of the decision point year.

2/ Approved debt relief under the original framework.

3/ Preliminary document reviewed in November 1998, and updated in March 2001.

4/ Preliminary document considered by the Boards in June/July 2001.

5/ Preliminary document issued.

6/ Countries that have reached their decision points under the enhanced HIPC framework through June 2001, and Côte d'Ivoire, which had reached the decision point under the original framework earlier.

**Table 2. Floating Completion Points under the Enhanced HIPC Initiative**

Country	DP Date	Assumed CP Date 1/	Actual CP Date	Progress towards the floating completion point 2/
<b>Enhanced Completion Point</b>				
Uganda	Feb-00	Apr-00	May-00	CP reached in May 2000.
Bolivia	Feb-00	Mar-01	Jun-01	CP reached in June 2001.
<b>Enhanced Decision Point</b>				
Mozambique	Apr-00	Apr-01		Delays in reforming banking sector (Bank Austral) and justice system.
Burkina Faso	Jul-00	Spring 2001		Slower PRSP implementation than expected.
Benin	Jul-00	mid-2001		Delays in preparing full PRSP.
Mali	Sep-00	mid-2001		Delays in preparing full PRSP.
Tanzania	Apr-00	mid-2001		Some delays in implementation of PRSP.
Guyana	Nov-00	late 2001		Delays in tabling procurement law. PRSP could be completed in October 2001.
Senegal	Jun-00	end-2001		On track. Full PRSP expected by end-2001.
Honduras	Jul-00	mid-2002		Delays in privatization, banking sector and public administration reform.
Mauritania	Feb-00	mid-2002		On track.
Chad	May-01	Dec-02		Evaluation mission in mid-August will collect information on CP timing. Preparation of PRSP ongoing.
The Gambia	Dec-00	Dec-02		On track. PRSP being prepared.
Guinea	Dec-00	Dec-02		PRSP preparation on track.
Madagascar	Dec-00	Dec-02		On track. PRSP expected by end-2001.
Malawi	Dec-00	Dec-02		Delays in completing program reviews, delays possible in completing PRSP.
Nicaragua	Dec-00	Dec-02		Delays in completing PRGF negotiations.
Niger	Dec-00	Dec-02		Delays in completing program review. PRSP being prepared.
Rwanda	Dec-00	Dec-02		Delays in completing review of PRGF.
Cameroon	Oct-00	Q1 2003		On track. PRSP expected to be completed in January 2002.
Guinea-Bissau	Dec-00	Oct-03		Delays in completing review of PRGF.
São Tomé and Príncipe	Dec-00	Dec-03		Delays in completing review of PRGF.
Zambia	Dec-00	Dec-03		On track.

Source: IMF and World Bank staff estimates.

1/ Based on information from HIPC decision point documents.

2/ This is based on Bank and Fund staffs' judgment of progress towards the completion point.

**Table 3. Impact of Debt Relief for the 23 Countries that Have Reached an Enhanced Decision Points 1/**

	After Traditional Debt Relief (1)	After HIPC Assistance (2)	After Additional Bilateral Debt Forgiveness (3)	Percent Change (4) = (2 vs. 1)
<b>Debt Stock 2/</b>				
NPV Debt (in billions of U.S. dollars)	45	25	21	-44
NPV Debt/Exports (in percent) (19 countries) 3/	290	150	126	-48
NPV Debt/Revenues (in percent) (4 countries) 4/	278	250	164	-10
NPV Debt/GDP (in percent)	60	33	27	-44
<b>Debt Service (in billions of U.S. dollars)</b>				
Average paid, 1998-99	2.8	...	...	...
Average due, 2001-05 5/	3.6	2.0	...	-43
<b>Debt Service Ratios (in percent)</b>				
Debt Service/Exports Ratio				
Average paid, 1998-99	15.8	...	...	...
Average due, 2001-05 5/	14.1	8.0	...	-43
Debt Service/Revenues Ratio				
Average paid, 1998-99	23.3	...	...	...
Average due, 2001-05 5/	20.3	11.5	...	-43
Debt Service/GDP Ratio				
Average paid, 1998-99	3.7	...	...	...
Average due, 2001-05 5/	3.7	2.1	...	-43

Sources: HIPC decision point documents; and IMF and World Bank staff estimates.

1/ Impact shown for those 23 countries that have reached their enhanced decision points by July 2001. All ratios are weighted averages.

2/ As of 1999, assuming that debt relief is provided unconditionally at the decision points.

3/ Assistance granted based on the NPV to exports target: Benin, Bolivia, Burkina Faso, Cameroon, Chad, The Gambia, Guinea, Guinea-Bissau, Madagascar, Malawi, Mali, Mozambique, Nicaragua, Niger, Rwanda, Sao Tome and Principe, Tanzania, Uganda, and Zambia.

4/ Fiscal window cases: Guyana, Honduras, Mauritania, and Senegal.

5/ Debt service for 2000 is not included because many countries reached their enhanced decision point only in December 2000, or later. For Bolivia and Uganda the "Before HIPC Assistance" figures are after delivery of original HIPC relief.

**Table 4. Summary Debt Service for 23 HIPC's that Reached and Enhanced Decision Point**

(In million of US dollars, unless otherwise indicated)

	1998	1999	2000	2001	2002	2003	2004	2005
<b>African Countries</b>								
Debt service paid 1/	1,998	1,849	967					
Total debt service due after enhanced HIPC Initiative relief 2/			697	1,315	1,298	1,334	1,555	1,501
Ratio of debt service to exports (in percent) 3/	16.3	14.9	12.6	9.0	7.9	7.5	8.1	7.0
Ratio of debt service to government revenue (in percent) 3/	25.1	22.0	18.3	12.8	11.3	10.5	11.0	9.7
Ratio of debt service to GDP (in percent) 3/	3.4	3.2	2.8	2.0	1.8	1.7	1.9	1.6
<b>Latin American Countries</b>								
Debt service paid 1/	1,030	670	126					
Total debt service due after enhanced HIPC Initiative relief 2/			501	523	670	701	646	693
Ratio of debt service to exports (in percent) 3/	19.2	13.2	10.9	8.2	9.4	8.8	7.4	7.2
Ratio of debt service to government revenue (in percent) 3/	27.8	17.8	16.0	12.2	14.4	13.7	11.6	11.3
Ratio of debt service to GDP (in percent) 3/	6.2	4.0	3.7	2.9	3.5	3.4	3.0	3.0
<b>Total (23 countries)</b>								
Debt service paid 1/	3,027	2,518	1,093					
Debt service due after enhanced HIPC Initiative relief 2/			1,197	1,838	1,968	2,035	2,201	2,194
<b>Weighted average (23 countries)</b>								
Debt service/exports (in percent)	17.2	14.4	12.1	8.7	8.4	7.9	7.9	7.1
Ratio of debt service to government revenue (in percent) 3/	25.9	20.7	17.6	12.6	12.2	11.4	11.2	10.1
Debt service/GDP (in percent)	4.0	3.3	3.0	2.2	2.2	2.1	2.1	1.9

Sources: HIPC country documents; and World Bank and IMF staff estimates.

1/ The debt service figures for 2000 include only those countries that reached their decision point in late 2000 or later. The figures are largely pre-HIPC relief, as these countries received little or no HIPC assistance during the year. The full impact of relief for these countries will not be felt until 2001 and thereafter.

See Table 5 for a detailed breakdown.

2/ The debt service figures for 2000 include only those countries that reach their decision points early that year. See Table 5 for a detailed breakdown.

3/ Weighted averages.

Note: Debt service figures for 1998 and 1999 reflect debt relief already provided to Bolivia, Guyana, Mozambique and Uganda under the original framework.

**Table 5. Debt Service for Individual HIPC's that Reached Decision Points, by Country, 1998-2005**  
(In million of US dollars, unless otherwise indicated)

	1998	1999	2000	2001	2002	2003	2004	2005
<b>Benin</b>								
Debt service paid	64	66						
Debt service due after enhanced HIPC Initiative relief 1/			63	46	43	39	39	37
Debt service/exports (in percent)	16	17	17	11	9	8	7	6
Debt service/government revenue (in percent)	17	18	12	10	8	7	6	5
Debt service/GDP (in percent)	3	3	3	2	1	1	1	1
<b>Bolivia</b>								
Debt service paid	390	250						
Debt service due after enhanced HIPC Initiative relief 1/			260	225	238	234	235	266
Debt service/exports (in percent)	29	20	18	14	14	12	11	12
Debt service/government revenue (in percent)	19	13	14	11	12	11	10	10
Debt service/GDP (in percent)	5	3	3	3	3	2	2	2
<b>Burkina Faso</b>								
Debt service paid	60	53						
Debt service due after enhanced HIPC Initiative relief 1/			34	30	35	38	40	41
Debt service/exports (in percent)	16	18	12	9	10	9	9	8
Debt service/government revenue (in percent)	18	14	9	7	7	7	7	6
Debt service/GDP (in percent)	2	2	1	1	1	1	1	1
<b>Cameroon 2/</b>								
Debt service paid 3/	401	401	312					
Debt service due after enhanced HIPC Initiative relief 1/				226	242	291	328	347
Debt service/exports (in percent)	18	15	11	8	8	9	9	9
Debt service/government revenue (in percent)	28	24	18	12	12	13	13	12
Debt service/GDP (in percent)	4	4	3	2	2	3	3	3
<b>Chad</b>								
Debt service paid 4/	38	39	33					
Debt service due after enhanced HIPC Initiative relief 1/				22	25	25	32	36
Debt service/exports (in percent)	12	16	14	9	9	9	8	2
Debt service/government revenue (in percent)	29	31	29	16	16	14	15	11
Debt service/GDP (in percent)	2	3	2	1	1	1	2	1
<b>Gambia, The</b>								
Debt service paid 3/	26	16	20					
Debt service due after enhanced HIPC Initiative relief 1/				16	15	8	9	10
Debt service/exports (in percent)	12	13	16	11	10	5	5	5
Debt service/government revenue (in percent)	12	20	23	17	15	8	8	9
Debt service/GDP (in percent)	6	4	5	4	3	2	2	2
<b>Guinea</b>								
Debt service paid 3/	128	108	140					
Debt service due after enhanced HIPC Initiative relief 1/				78	90	99	92	88
Debt service/exports (in percent)	15	14	16	8	9	9	8	7
Debt service/government revenue (in percent)	34	28	39	18	18	18	15	12
Debt service/GDP (in percent)	4	4	5	3	3	3	3	2
<b>Guinea-Bissau</b>								
Debt service paid 3/	7	6	13					
Debt service due after enhanced HIPC Initiative relief 1/				5	6	8	5	4
Debt service/exports (in percent)	23	11	18	6	7	8	4	3
Debt service/government revenue (in percent)	63	15	32	11	12	13	7	5
Debt service/GDP (in percent)	3	3	6	2	2	2	2	1
<b>Guyana</b>								
Debt service paid 3/	131	70						
Debt service due after enhanced HIPC Initiative relief 1/			74	48	34	39	42	43
Debt service/exports (in percent)	19	10	10	6	4	5	5	5
Debt service/government revenue (in percent)	65	32	31	19	13	13	14	13
Debt service/GDP (in percent)	18	10	10	6	5	5	5	5
<b>Honduras</b>								
Debt service paid	311	241						
Debt service due after enhanced HIPC Initiative relief 1/			167	134	210	276	247	258
Debt service/exports (in percent)	13	10	6	4	6	7	6	5
Debt service/government revenue (in percent)	32	23	15	10	14	16	13	12
Debt service/GDP (in percent)	6	4	3	2	3	4	3	3
<b>Madagascar 5/</b>								
Debt service paid 3/	166	106	105					
Debt service due after enhanced HIPC Initiative relief 1/				64	56	68	79	82
Debt service/exports (in percent)	21	12	11	6	5	5	6	5
Debt service/government revenue (in percent)	42	25	21	12	9	10	10	9
Debt service/GDP (in percent)	4	3	3	2	1	1	1	1
<b>Malawi</b>								
Debt service paid 3/	90	87	110					
Debt service due after enhanced HIPC Initiative relief 1/				59	57	45	45	47
Debt service/exports (in percent)	16	18	23	12	11	8	8	8
Debt service/government revenue (in percent)	22	30	31	13	11	8	7	6
Debt service/GDP (in percent)	5	5	6	4	3	2	2	2
<b>Mali</b>								
Debt service paid	74	84						
Debt service due after enhanced HIPC Initiative relief 1/			88	64	64	66	67	66
Debt service/exports (in percent)	11	13	14	9	8	8	7	7
Debt service/government revenue (in percent)	17	18	20	13	12	11	10	9
Debt service/GDP (in percent)	3	3	3	2	2	2	2	2

**Table 5 (concluded). Debt Service for Individual HIPCs by country, 1998-2005**  
(In million of US dollars, unless otherwise indicated)

	1998	1999	2000	2001	2002	2003	2004	2005
<b>Mauritania</b>								
Debt service paid	88	98						
Debt service due after enhanced HIPC Initiative relief 1/			87	80	58	49	43	43
Debt service/exports (in percent)	22	24	20	18	13	10	8	8
Debt service/government revenue (in percent)	35	35	22	20	14	10	8	8
Debt service/GDP (in percent)	10	10	9	9	6	4	3	3
<b>Mozambique</b>								
Debt service paid	104	81						
Debt service due after enhanced HIPC Initiative relief 1/			50	48	51	54	55	60
Debt service/exports (in percent)	19	14	9	6	4	4	4	4
Debt service/government revenue (in percent)	23	17	9	8	7	7	6	6
Debt service/GDP (in percent)	3	2	1	1	1	1	1	1
<b>Nicaragua</b>								
Debt service paid 3/	198	108	126					
Debt service due after enhanced HIPC Initiative relief 1/ 6/				117	188	153	123	127
Debt service/exports (in percent)	24	13	13	11	17	12	9	9
Debt service/government revenue (in percent)	37	19	20	16	26	21	13	12
Debt service/GDP (in percent)	9	5	6	5	7	5	4	4
<b>Niger</b>								
Debt service paid 3/	27	28	20					
Debt service due after enhanced HIPC Initiative relief 1/				49	49	26	29	29
Debt service/exports (in percent)	7	9	8	18	17	8	9	8
Debt service/government revenue (in percent)	15	16	13	27	24	11	11	10
Debt service/GDP (in percent)	1	1	1	2	2	1	1	1
<b>Rwanda</b>								
Debt service paid 3/	14	21	40					
Debt service due after enhanced HIPC Initiative relief 1/				16	13	8	11	11
Debt service/exports (in percent)	13	19	31	11	8	4	5	4
Debt service/government revenue (in percent)	7	11	21	8	6	3	4	3
Debt service/GDP (in percent)	1	1	2	1	1	0	0	0
<b>São Tomé and Príncipe</b>								
Debt service paid 3/	7	8	6					
Debt service due after enhanced HIPC Initiative relief 1/				2	1	1	1	1
Debt service/exports (in percent)	55	24	24	10	6	6	4	3
Debt service/government revenue (in percent)	84	44	41	17	10	10	6	6
Debt service/GDP (in percent)	16	17	13	4	3	2	2	2
<b>Senegal</b>								
Debt service paid	222	219						
Debt service due after enhanced HIPC Initiative relief 1/			173	159	145	143	225	134
Debt service/exports (in percent)	14	15	10	8	7	7	10	5
Debt service/government revenue (in percent)	27	28	19	16	14	12	18	10
Debt service/GDP (in percent)	5	5	3	3	2	2	3	2
<b>Tanzania 2/</b>								
Debt service paid	224	193						
Debt service due after enhanced HIPC Initiative relief 1/			154	142	144	148	152	158
Debt service/exports (in percent)	21	16	12	10	8	8	7	7
Debt service/government revenue (in percent)	29	20	15	12	11	11	10	9
Debt service/GDP (in percent)	3	2	2	1	1	1	1	1
<b>Uganda 2/</b>								
Debt service paid	110	98						
Debt service due after enhanced HIPC Initiative relief 1/			48	51	56	68	94	103
Debt service/exports (in percent)	15	12	11	6	6	6	6	8
Debt service/government revenue (in percent)	16	13	11	6	5	5	5	6
Debt service/GDP (in percent)	2	2	1	1	1	1	1	1
<b>Zambia</b>								
Debt service paid 3/	147	136	169					
Debt service due after enhanced HIPC Initiative relief 1/				158	148	151	211	202
Debt service/exports (in percent)	16	16	16	13	10	10	13	12
Debt service/government revenue (in percent)	24	25	26	25	21	20	27	24
Debt service/GDP (in percent)	5	4	5	5	4	4	5	4
<b>Total debt service paid 7/</b>	3,027	2,518	1,093					
<b>Total debt service due 1/</b>			1,197	1,838	1,968	2,035	2,201	2,194
<b>Ratio of debt service to exports (in percent)</b>								
Simple average	19	15	14	10	9	8	7	7
Weighted average	17	14	12	9	8	8	8	7
<b>Ratio of debt service to government revenue (in percent)</b>								
Simple average	30	23	21	14	13	11	10	9
Weighted average	26	21	18	13	12	11	11	10
<b>Ratio of debt service to GDP (in percent)</b>								
Simple average	5	4	4	3	3	2	2	2
Weighted average	4	3	3	2	2	2	2	2

Sources: HIPC country documents; and World Bank and IMF staff estimates.

1/ Debt service due after the full use of traditional debt relief mechanism and assistance under the enhanced HIPC initiative.

2/ On fiscal year basis, i.e. 2000 column shows FY 2000/2001.

3/ The debt service figure for 2000 largely reflects pre-HIPC relief debt service because these countries did not reach their decision point until late in 2000.

Thus, the full impact of relief for these countries will not be felt until 2001 and thereafter.

4/ Debt service for 2000 is pre-HIPC, as Chad reached its decision point in May 2001.

5/ The assistance for Madagascar is indicative and subject to change. Following the Bank's Board meeting, staff were informed that the Madagasy authorities and Paris Club creditors would need to revisit the outstanding bilateral debt numbers. Also, minor adjustments need to be incorporated in the case of three multilateral creditors. Consequently, the IMF Board approved US\$790 million in HIPC assistance, with the understanding that Madagascar's total HIPC assistance will be determined as a result of the expected revisions mentioned above.

6/ Debt service due in 2002/03 reflects a hypothetical assumption that arrears to non-Paris Club creditors (about US\$2 billion) would be regularized and serviced. It also reflects the resumption of payments to the Paris Club creditors that had provided a total deferral of debt service in the wake of Hurricane Mitch in 1998.

7/ Debt service for 2000 is largely pre-HIPC, as 12 of the 23 countries did not reach their decision point until December 2000 or later. See footnotes 3 and 4.

Note: Debt service figures for 1998 and 1999 reflect debt relief already provided to Bolivia, Guyana, Mozambique, and Uganda under the original framework.



**Table 6. Social Expenditure for the 23 Countries that Reached Decision Points 1/**

	1999	2000	2001	2002
<i>(In billions of US dollars)</i>				
<b>Social expenditure</b>				
African Countries	2.5	2.7	3.3	3.7
Latin American Countries	1.6	2.0	2.3	2.6
Total	4.1	4.8	5.5	6.3
<i>(In percent)</i>				
<b>Ratio of social expenditure to government revenue 2/</b>				
African Countries	29.9	30.2	31.7	31.9
Latin American Countries	43.2	51.7	53.0	56.6
Total	34.0	36.7	38.0	39.0
<b>Ratio of social expenditure to GDP 2/</b>				
African Countries	4.3	4.6	5.1	5.2
Latin American Countries	9.6	11.8	12.6	13.8
Total	5.5	6.2	6.7	7.1

Sources: HIPC country documents; and World Bank and IMF staff estimates.

Note: The coverage of social expenditure varies across countries. All social data includes spending on health and education. In 11 countries, social spending refers exclusively to public expenditure on health and education. In addition, social spending includes new programs to be financed partly with HIPC assistance in Benin, basic sanitary infrastructure in Bolivia, rural development and water supply in Burkina Faso, poverty-related activities such as de-mining and rural development in Guinea-Bissau, funding for the Social Impact Amelioration Program and Basic Needs Trust Fund in Guyana, social safety net and rural development programs in Honduras, poverty reduction programs in Mauritania, other spending including promotion of women in Senegal, water supply in both Tanzania and Uganda, and social safety nets, water and sanitation and disaster relief in Zambia.

1/ For the six countries where no data is available for 2002 (Benin, Bolivia, Guinea, Senegal, Uganda and Zambia), social expenditure has been assumed to remain unchanged as a percentage of GDP from the previous year.

2/ Weighted averages.

**Table 7. Social Expenditure for Individual HIPCs that Reached Decision Points, by Country 1/**

(In millions U.S. dollars)

	1999	2000	2001	2002
<b>Benin</b>				
Social Expenditure	115	148	195	214 2/
Social Expenditure/Government Revenue (in percent)	31	36	39	39
Social Expenditure/GDP (in percent)	5	6	7	7
<b>Burkina Faso</b>				
Social Expenditure	141	142	165	192
Social Expenditure/Government Revenue (in percent)	36	37	39	40
Social Expenditure/GDP (in percent)	5	5	6	6
<b>Bolivia</b>				
Social Expenditure	839	872	941	1,086 2/
Social Expenditure/Government Revenue (in percent)	43	46	47	52
Social Expenditure/GDP (in percent)	10	10	11	12
<b>Cameroon</b>				
Social Expenditure	264	316	389	451
Social Expenditure/Government Revenue (in percent)	16	18	21	22
Social Expenditure/GDP (in percent)	3	3	4	4
<b>Chad</b>				
Social Expenditure	63	65	75	87
Social Expenditure/Government Revenue (in percent)	50	58	54	56
Social Expenditure/GDP (in percent)	5	5	5	5
<b>The Gambia</b>				
Social Expenditure	23	26	30	34
Social Expenditure/Government Revenue (in percent)	29	30	33	35
Social Expenditure/GDP (in percent)	5	6	7	7
<b>Guinea</b>				
Social Expenditure	101	105	109	120 2/
Social Expenditure/Government Revenue (in percent)	26	30	29	29
Social Expenditure/GDP (in percent)	4	3	3	3
<b>Guinea-Bissau</b>				
Social Expenditure	26	30	42	47
Social Expenditure/Government Revenue (in percent)	66	74	89	87
Social Expenditure/GDP (in percent)	12	13	17	16
<b>Guyana</b>				
Social Expenditure	77	101	106	114
Social Expenditure/Government Revenue (in percent)	35	42	42	42
Social Expenditure/GDP (in percent)	11	14	14	15
<b>Honduras</b>				
Social Expenditure	442	685	721	844
Social Expenditure/Government Revenue (in percent)	42	60	54	55
Social Expenditure/GDP (in percent)	8	12	12	13
<b>Madagascar</b>				
Social Expenditure	156	188	223	277
Social Expenditure/Government Revenue (in percent)	37	38	41	45
Social Expenditure/GDP (in percent)	4	5	5	6
<b>Malawi</b>				
Social Expenditure	99	118	143	161
Social Expenditure/Government Revenue (in percent)	34	33	32	32
Social Expenditure/GDP (in percent)	5	7	9	10
<b>Mali</b>				
Social Expenditure	83	98	115	126
Social Expenditure/Government Revenue (in percent)	18	22	24	23
Social Expenditure/GDP (in percent)	3	4	4	4

**Table 7 (concluded). Social Expenditure for Individual HIPCs that Reached Decision Points, by Country 1/**

(In million US dollars)

	1999	2000	2001	2002
<b>Mauritania</b>				
Social Expenditure	85	97	111	121
Social Expenditure/Government Revenue (in percent)	30	34	37	38
Social Expenditure/GDP (in percent)	8	8	9	9
<b>Mozambique</b>				
Social Expenditure	158	161	173	203
Social Expenditure/Government Revenue (in percent)	32	30	29	30
Social Expenditure/GDP (in percent)	4	4	4	4
<b>Nicaragua</b>				
Social Expenditure	267	374	506	594
Social Expenditure/Government Revenue (in percent)	47	59	71	83
Social Expenditure/GDP (in percent)	12	15	19	20
<b>Niger</b>				
Social Expenditure	99	85	112	132
Social Expenditure/Government Revenue (in percent)	58	55	62	64
Social Expenditure/GDP (in percent)	5	4	6	6
<b>Rwanda</b>				
Social Expenditure	75	73	89	108
Social Expenditure/Government Revenue (in percent)	40	39	45	47
Social Expenditure/GDP (in percent)	4	4	5	6
<b>São Tomé and Príncipe</b>				
Social Expenditure	8	8	9	12
Social Expenditure/Government Revenue (in percent)	93	77	76	86
Social Expenditure/GDP (in percent)	17	17	20	22
<b>Senegal</b>				
Social Expenditure	257	258	277	301 2/
Social Expenditure/Government Revenue (in percent)	33	29	29	28
Social Expenditure/GDP (in percent)	6	5	5	5
<b>Tanzania</b>				
Social Expenditure	289	327	361	379
Social Expenditure/Government Revenue (in percent)	30	31	30	30
Social Expenditure/GDP (in percent)	3	4	4	4
<b>Uganda</b>				
Social Expenditure	306	349	400	436 2/
Social Expenditure/Government Revenue (in percent)	40	39	39	36
Social Expenditure/GDP (in percent)	5	6	6	6
<b>Zambia</b>				
Social Expenditure	167	152	248	263 2/
Social Expenditure/Government Revenue (in percent)	30	24	39	38
Social Expenditure/GDP (in percent)	5	5	7	7
<b>Total social expenditure</b>	4,140	4,778	5,540	6,302
<b>Ratio of social expenditure to government revenue</b>				
Simple average	39	41	44	45
Weighted average	34	37	38	39
<b>Ratio of social expenditure to GDP</b>				
Simple average	7	7	8	9
Weighted average	5	6	7	7

Sources: HIPC country documents; and staff estimates.

1/ The figures for 2000 for Cameroon, Chad, The Gambia, Guinea, Guinea-Bissau, Guyana, Madagascar, Malawi, Mauritania, Nicaragua, Niger, Rwanda, Sao Tome and Principe, and Zambia largely reflect social expenditure before HIPC relief in 2000 because these countries did not reach their decision point until late 2000 or later (Chad). Thus, the full impact of relief for these countries will not be felt until 2001 (2002, for Chad).

2/ For the six countries where no data is available for 2002 (Benin, Bolivia, Guinea, Senegal, Uganda and Zambia), social expenditure has been assumed to remain unchanged as a percentage of GDP from the previous year.

Table 8. Flows of Official External Resources for the 23 HIPCs that Have Reached Decision Points

(In millions of U.S. dollars)

	New Borrowing 1/		Grants 1/ 2/		Debt Service Paid/Due 1/		Net Flows 1/ 3/	
	1990-99	2000-10	1990-99	2000-10	1990-99	2000-10	1990-99	2000-10
Benin	60.5	70.7	81.0	144.9	49.5	36.6	92.0	179.0
Bolivia	375.9	352.8	208.3	125.9	127.6	295.9	456.6	182.8
Burkina-Faso	109.9	133.5	120.5	64.5	151.5	33.8	78.9	164.2
Cameroon	174.3	410.3	57.7	43.1	409.5	344.0	-177.5	109.3
Chad	72.3	131.2	122.0	101.8	24.6	33.6	169.8	199.4
The Gambia	27.1	23.5	36.0	28.4	27.2	13.9	35.8	37.9
Guinea	169.7	197.7	130.9	111.6	176.2	99.4	124.4	210.0
Guinea-Bissau	52.5	11.3	26.9	40.9	7.6	7.1	71.8	45.0
Guyana	91.4	71.1	11.5	18.3	99.5	48.9	3.3	40.6
Honduras	306.3	442.7	183.9	173.7	394.2	239.6	95.9	376.9
Madagascar	98.3	175.6	98.8	228.7	108.2	91.9	88.9	312.4
Malawi	175.8 4/	100.9	119.0	116.8	88.9	57.4	205.8	160.3
Mali	188.1	158.7	188.1	161.6	129.7	71.4	246.5	248.9
Mauritania	123.7	58.1	102.8	111.6	102.1 6/	55.5	124.5	114.3
Mozambique	231.1	251.5	415.1	353.4	48.2	65.9	598.0	539.0
Nicaragua	251.5	262.7	273.9	234.9	190.7	60.5	334.6	437.0
Niger	29.5	175.2	133.5	112.4	39.1	37.9	123.9	249.7
Rwanda	68.5 4/	437.5	252.8 4/	111.0 5/	22.2 6/	15.1	299.0	533.4
São Tomé and Príncipe	19.9	10.3	17.7	16.5	1.3	2.4	36.3	24.4
Senegal	263.0	158.5	288.5	122.9	230.5	148.5	321.0	132.9
Tanzania	59.0	644.9	376.3	1016.9	135.3 7/	170.4	299.9	1491.4
Uganda	455.1	309.5	103.8	394.2	212.0	83.3	346.9	620.3
Zambia	428.9 8/	263.0	359.5 9/	220.3	443.7 8/	150.7	344.7	332.6
<b>Total</b>	<b>3,832.0</b>	<b>4,851.2</b>	<b>3,708.4</b>	<b>4,054.1</b>	<b>3,219.4</b>	<b>2,163.9</b>	<b>4,321.1</b>	<b>6,741.5</b>
(In percent of GDP)								
Benin	3.1	2.0	4.0	4.0	2.4	1.1	4.7	4.8
Bolivia	5.9	3.0	3.2	1.1	1.9	2.4	7.2	1.7
Burkina_Faso	4.3	3.3	4.7	1.6	6.1	0.8	2.9	4.1
Cameroon	1.9	2.8	0.6	0.3	4.5	2.7	-2.1	0.5
Chad	4.8	5.3	8.1	4.1	1.7	1.3	11.2	8.2
The Gambia	7.5	5.5	10.1	5.1	7.7	2.5	10.0	8.1
Guinea	4.9	4.7	4.0	2.8	5.3	2.6	3.6	4.9
Guinea-Bissau	21.6	3.5	10.8	10.3	3.1	1.9	29.4	11.9
Guyana	19.3	8.4	2.0	2.1	19.1	5.4	2.2	5.0
Honduras	8.3	4.3	4.7	2.2	10.2	2.8	2.9	3.7
Madagascar	3.0	3.0	3.0	3.5	3.3	1.5	2.7	5.0
Malawi	10.2 4/	5.2	6.8	5.6	5.0	2.8	12.0	7.9
Mali	7.5	4.1	7.5	4.1	5.1	1.8	10.0	6.4
Mauritania	12.0	5.5	10.2	8.8	10.4 6/	4.6	11.7	9.7
Mozambique	8.6	4.5	15.8	5.5	2.0	1.0	22.4	9.0
Nicaragua	13.4	8.6	14.8	7.7	10.2	2.0	18.0	14.3
Niger	1.5	7.2	6.5	4.0	2.0	1.5	6.0	9.7
Rwanda	3.9 4/	15.6	18.2 4/	5.2 5/	1.4 6/	0.6	20.8	20.2
São Tomé and Príncipe	40.8	12.8	38.9	26.9	2.8	4.0	76.9	35.7
Senegal	5.4	2.3	6.0	1.7	4.8	2.1	6.6	1.9
Tanzania	0.9	4.7	7.1	7.7	2.2 7/	1.3	5.8	11.1
Uganda	12.1	3.1	2.6	4.0	5.6	0.8	9.1	6.3
Zambia	12.7 8/	6.5	10.6 9/	5.0	13.0 8/	3.5	10.3	8.0
<b>Simple average</b>	<b>9.3</b>	<b>5.5</b>	<b>8.7</b>	<b>5.4</b>	<b>5.6</b>	<b>2.2</b>	<b>12.4</b>	<b>8.6</b>
<b>Weighted average</b>	<b>6.0</b>	<b>4.3</b>	<b>5.7</b>	<b>3.6</b>	<b>5.0</b>	<b>1.9</b>	<b>6.7</b>	<b>6.0</b>

Sources: Calculations based on Decision Point documents, WEO database and staff estimates.

Note: These figures are based on Balance of Payments statistics reporting by the debtor countries.

1/ Annual averages.

2/ Official transfers.

3/ Defined as new loans plus grants minus debt service paid.

4/ 1992-99.

5/ 2000-06.

6/ 1994-99.

7/ 1993-98.

8/ Reflects clearance of arrears to the IMF in 1995. Excluding this operation, the ratios would be 8.2 and 8.4 percent for borrowing and debt service paid, respectively.

9/ 1990-98.

**Table 9. Estimated HIPC Relief Costs for Individual HIPCs, by Creditor Group 1/  
(23 Countries)**

(In millions of U.S. dollars, in 2000 NPV terms)

	Grand Total	(In percent of total)	Benin	Bolivia	Burkina Faso	Cameroon	Chad	The Gambia	Guinea	Guinea- Bissau	Guyana	Honduras	Madagascar
<i>(23 countries)</i>													
Total	20,696	100	265	1,357	398	1,260	161	67	545	416	600	556	814
Bilateral	9,797	47	77	445	56	936	34	17	217	212	225	215	457
<i>Of which:</i>													
Paris Club	6,968	34	64	419	22	861	14	5	153	150	181	169	383
Non-Paris Club	2,552	12	13	19	34	13	19	13	62	61	25	44	71
Commercial	277	1	-	7	-	62	1	-	2	0	19	3	3
Multilateral	10,901	53	189	913	342	324	127	49	328	204	375	340	357
<i>Of which:</i>													
World Bank	4,875	24	84	201	165	179	64	22	151	93	69	98	252
IMF	1,745	8	24	88	44	37	17	2	31	12	76	30	22
AfDB/AfDF	1,341	6	38	-	65	79	35	16	75	60	-	-	59
IaDB	1,126	5	-	487	-	-	-	-	-	-	119	134	-
Others	1,813	9	42	137	68	30	11	9	70	39	110	79	23

**Table 9 (concluded). Estimated HIPC Relief Costs for Individual HIPCs by Creditor Group 1/  
(23 Countries)**

(In millions of U.S. dollars, in 2000 NPV terms)

	Malawi	Mali	Mauritania	Mozambique	Nicaragua	Niger	Rwanda	Sao Tome and Principe	Senegal	Tanzania	Uganda	Zambia
Total	643	523	622	2,073	3,267	521	452	97	488	2,026	1,046	2,499
Bilateral	163	162	261	1,300	2,145	211	56	29	212	1,006	192	1,168
Paris Club	129	106	137	1,013	871	105	35	20	126	797	121	1,089
Non-Paris Club	15	54	124	236	1,233	104	21	10	85	182	59	56
Commercial	19	2	-	51	41	2	0	-	1	28	12	23
Multilateral	480	361	361	774	1,123	309	396	68	276	1,020	854	1,331
World Bank	331	181	100	426	189	170	228	24	124	695	536	493
IMF	30	57	47	138	82	28	44	-	45	120	168	602
AfDB	71	68	73	145	-	37	75	34	57	125	84	146
IaDB	-	-	-	-	387	-	-	-	-	-	-	-
Others	48	56	141	65	465	74	50	10	51	81	65	90

Sources: HIPC documents; IMF and World Bank staff estimates.

1/ Data expressed in 2000 NPV terms in contrast to decision point figures used in Table 1. For example, for Bolivia, original HIPC Initiative assistance is \$448 million in 1998 NPV terms, or \$503 million in 2000 NPV terms, while enhanced HIPC Initiative assistance is \$854 million assessed at the decision point and in 2000 NPV terms (since the decision point occurred in 2000). This lead to a total at the decision point of \$1,302 million in Appendix Table 1 and a total in 2000 NPV terms of \$1,357 million in this table.

**Table 10. Estimated Delivery of World Bank Assistance under the HIPC Initiative, 2000-09**

(In million U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Debt service before HIPC relief</b>										
Benin	11	12	14	15	16	17	17	18	18	19
Bolivia	18	21	23	24	25	26	28	30	33	35
Burkina Faso	13	15	19	20	21	22	23	23	23	24
Cameroon	72	72	60	54	55	41	34	29	30	30
Chad 1/	0	10	10	10	11	12	13	14	15	18
Gambia	4	4	4	4	5	5	5	6	6	6
Guinea	20	22	22	24	25	26	29	30	33	35
Guinea-Bissau	4	5	5	6	6	7	7	7	7	8
Guyana	8	9	8	8	8	7	7	7	7	7
Honduras	49	36	33	29	22	21	20	17	16	7
Madagascar	28	30	31	33	35	37	40	44	47	48
Malawi	0	30	34	38	41	42	47	49	50	53
Mali	20	23	24	26	28	30	32	33	34	36
Mauritania	7	9	9	10	10	11	12	13	13	13
Mozambique	19	19	22	24	27	30	31	33	36	38
Nicaragua	12	11	9	9	11	13	14	14	15	17
Niger	13	14	15	16	17	17	20	22	24	24
Rwanda	12	14	16	17	18	19	21	21	22	23
Sao Tome & Principe	0	1	2	1	1	2	2	2	2	2
Senegal	30	30	30	32	33	36	38	41	44	45
Tanzania	45	54	60	63	70	70	71	75	78	80
Uganda	33	39	45	53	62	72	73	74	92	93
Zambia	22	26	31	34	40	45	47	47	49	49
<b>TOTAL</b>	<b>440</b>	<b>505</b>	<b>524</b>	<b>550</b>	<b>586</b>	<b>609</b>	<b>630</b>	<b>647</b>	<b>695</b>	<b>710</b>
<b>Debt service after HIPC relief</b>										
Benin	8	6	7	7	8	8	8	9	9	10
Bolivia										
after: original HIPC	0	0	16	24	25	26	28	30	33	35
enhanced HIPC	0	0	8	12	13	13	14	15	16	18
Burkina Faso										
after: original HIPC	10	9	14	14	15	16	17	17	17	17
enhanced HIPC	7	2	6	7	7	8	9	9	9	9
Cameroon	58	46	30	7	9	11	12	12	15	27
Chad 1/	0	7	5	5	6	6	6	7	8	9
Gambia	4	2	2	2	2	3	3	3	3	3
Guinea	20	11	11	12	12	13	14	15	17	18
Guinea-Bissau	4	0	0	0	1	1	1	1	1	1
Guyana										
after: original HIPC	7	7	6	7	6	5	5	5	5	5
enhanced HIPC	7	5	4	4	4	2	2	2	2	2
Honduras	39	18	9	3	1	1	1	1	1	1
Madagascar	28	15	16	16	17	18	20	22	23	24
Malawi	0	14	15	17	18	19	21	22	22	24
Mali										
after: original HIPC	18	19	21	22	24	27	29	30	31	32
enhanced HIPC	16	9	10	11	12	13	14	14	15	16
Mauritania	3	3	3	3	4	4	4	4	5	5
Mozambique										
after: original HIPC	8	9	9	10	11	11	12	13	14	15
enhanced HIPC	1	2	4	4	4	4	4	5	5	13
Nicaragua	12	6	1	1	1	1	1	1	1	2
Niger	13	5	5	5	6	6	7	7	8	8
Rwanda	12	2	2	2	2	2	2	2	3	3
Sao Tome & Principe	0	0	0	0	0	0	0	0	0	0
Senegal	23	16	15	16	17	18	19	20	22	31
Tanzania	35	17	18	20	22	22	22	23	24	25
Uganda 2/										
after: original HIPC	16	19	25	33	54	64	65	66	83	83
enhanced HIPC	12	9	13	19	29	35	36	36	51	51
Zambia	17	4	4	5	5	6	7	7	7	8
<b>TOTAL</b>	<b>318</b>	<b>197</b>	<b>189</b>	<b>177</b>	<b>198</b>	<b>213</b>	<b>227</b>	<b>238</b>	<b>268</b>	<b>303</b>

**Table 10 (concluded). Estimated Delivery of World Bank Assistance under the HIPC Initiative, 2000-09***(In million U.S. dollars)*

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>World Bank debt relief</b>										
Benin	3	6	7	8	8	9	9	9	9	10
Bolivia	18	21	14	12	13	13	14	15	16	18
<i>of which: original HIPC</i>	18	21	6	0	0	0	0	0	0	0
<i>enhanced HIPC</i>	0	0	8	12	13	13	14	15	16	18
Burkina Faso	6	13	13	13	14	14	14	14	15	16
<i>of which: original HIPC</i>	3	6	6	6	6	6	6	6	6	7
<i>enhanced HIPC</i>	3	7	7	7	8	9	9	9	9	9
Cameroon	14	27	30	47	45	31	22	17	15	3
Chad 1/	0	3	5	5	6	6	7	7	8	9
Gambia	0	2	2	2	2	2	3	3	3	3
Guinea	0	11	11	12	12	13	14	15	16	18
Guinea-Bissau	1	5	5	5	5	6	6	6	7	7
Guyana	1	4	4	4	4	5	5	5	5	5
<i>of which: original HIPC</i>	1	2	2	2	2	2	2	2	2	2
<i>enhanced HIPC</i>	0	2	2	2	3	3	3	3	3	3
Honduras	10	18	24	26	21	20	19	16	15	6
Madagascar	0	15	16	16	17	18	20	22	23	24
Malawi	0	17	19	21	23	23	26	27	28	30
Mali	4	14	14	15	16	17	18	19	19	20
<i>of which: original HIPC</i>	2	4	4	4	4	4	4	4	4	4
<i>enhanced HIPC</i>	2	10	11	11	13	14	15	15	16	17
Mauritania	5	6	6	6	7	7	8	8	9	9
Mozambique	18	17	18	21	23	26	27	28	31	25
<i>of which: original HIPC</i>	11	11	13	14	16	19	19	20	22	23
<i>enhanced HIPC</i>	7	6	5	6	7	8	8	8	9	3
Nicaragua	0	6	8	8	10	11	13	13	13	15
Niger	0	9	10	10	11	12	14	15	16	16
Rwanda	0	12	14	15	16	17	18	19	19	20
Sao Tome & Principe	0	1	2	1	1	1	1	2	2	2
Senegal	7	14	15	16	17	18	19	21	22	14
Tanzania	10	38	41	44	48	49	49	52	54	55
Uganda	21	29	32	34	33	37	37	37	41	42
<i>of which: original HIPC</i>	17	20	20	20	8	8	8	8	9	9
<i>enhanced HIPC</i>	4	10	12	14	25	29	29	29	32	33
Zambia	5	22	27	29	35	39	40	40	42	41
<b>TOTAL</b>	<b>122</b>	<b>309</b>	<b>335</b>	<b>372</b>	<b>388</b>	<b>395</b>	<b>403</b>	<b>409</b>	<b>428</b>	<b>407</b>
<b><u>Memorandum item</u></b>										
<b><i>Average Annual Debt Service Reduction</i></b>	<b>28%</b>	<b>61%</b>	<b>64%</b>	<b>68%</b>	<b>66%</b>	<b>65%</b>	<b>64%</b>	<b>63%</b>	<b>62%</b>	<b>57%</b>

Sources: HIPC country documents; and staff estimates.

1/ Chad reached its decision point in May 2001.

2/ These numbers differ from those in the 2nd completion point document, as the document did not reflect new borrowing that took place between the original decision point and the enhanced decision point



**Table 11. Enhanced HIPC Framework: Status of Bilateral Donor Pledges to the HIPC Trust Fund 1/**

(As of August 15, 2001, amounts in nominal US\$ million)

	(1)	(2)	(3)	(4)	(5)	(6)	
<b>Donor</b>	Contributions & Pledges at end- Aug 99 2/	<u>Contributions Pledged</u> After August 1999 EU/EC Attribution 3/	Bilateral	Total Bilateral Outstanding Contr/ Pledges (Cols.1,3)4/	Total Bilateral Paid-in Contributions	Outstanding Bilateral Contr/ Pledges(Col.4-5)	<b>Memo:</b> Total Contributions/ Pledges Including EC Attribution to Bilaterals (Cols. 4,2)
Australia 5/	7		7	14	12	2 6/	14
Austria		17	25	25		25	42
Belgium	13	25	2	15	15		40
Canada	27		86	114	114		114
Denmark	26	15	19	45	35	10 6/	60
Finland	15	10	13	28	19	9	38
France	21	160		21		21	181
Germany	24	154	48	72	42	30 6/	226
Greece	1	8	2	3	1	2 6/	11
Iceland 5/			2	2	1	1 6/	2
Ireland	15	4	5	20	15	5	24
Italy 5/		83	70	70	22	48 6/	153
Japan	10		190	200	56	144	200
Korea 7/							
Luxembourg	1	2		1	1		2
Netherlands	61	34	77	138	138		172
New Zealand 5/			2	2	2		2
Norway	42		37	80	80		80
Portugal	15	6		15	15		21
Spain	15	39	70	85	15	70 6/	124
Sweden	28	18	35	63	28	35	81
Switzerland	30		30	60	45	15 6/	60
United Kingdom 8/	171	85	50	221	90	131	306
United States			600	600	122	478	600
<b>Total EU/EC Contributions</b>		<b>661</b>		<b>661</b>	<b>274</b>	<b>387 6/</b>	
<b>Total</b>	<b>522</b>	<b>661</b>	<b>1,370</b>	<b>2,552</b>	<b>1,140</b>	<b>1,413</b>	<b>2,552</b>

1/ Figures are approximate. Some pledges are in the donor's national currency and a number of the contributions are in the form of promissory notes.

2/ Includes allocations from the Interest Subsidy Fund (ISF) to the HIPC Trust Fund. There remain approximately \$100 million in ISF surplus assets that have not been allocated or committed to the HIPC Trust Fund.

3/ For illustration, the exchange rate used is EUR0.90 - US\$1 and the attribution to member states is based on their respective contributions to EDF8. Of this amount, EUR 304 million (eq. to US\$274 million) has been received.

4/ Many donors have also provided debt relief through other initiatives and mechanisms including: the Debt Reduction Facility for IDA-only Countries (providing financing for commercial debt reduction efforts), and specific country-held multilateral debt relief facilities. Most notably, additional debt service relief has also been provided to several Central American countries in the aftermath of Hurricane Mitch through the Central American Emergency Trust Fund. Bilateral donor funding to that trust fund to provide debt service relief to Honduras and Nicaragua includes (in \$ million): Spain - \$30; Norway - \$15.3; Netherlands - \$12.8; Switzerland - \$18.3; Italy - \$12; United Kingdom - \$16.3; Austria - \$2.7; Canada - \$5.4; Germany - \$13.2; Sweden - \$23.4; United States - \$25; and Denmark - \$10.9 (through a bilateral trust fund administered by IDB). These resources are not included herewith as the debt relief under HIPC is additional to these efforts.

5/ In addition, the United Kingdom contributed SDR31.5 million to the HIPC Trust Fund for the IMF for debt relief to Uganda.

6/ For these donors, contribution agreements have been signed covering part or all of its outstanding balance.

7/ Korea has confirmed that it will contribute to the HIPC Trust Fund but has not indicated the exact amount.

8/ The contributions provided by Australia, Iceland, and New Zealand are allocated for debt relief provided by IDA/IBRD. Of Italy's contribution, \$25 million is available for debt relief to be provided by IDA.

**Table 12. Status of Commitments of HIPC Assistance by the IMF  
as of July 27, 2001**  
(In millions of SDRs)

Member	Decision Point	Completion Point	Amount Committed	Amount Disbursed 1/
Benin	Jul. 2000	Floating	18.4	7.4
Bolivia	Sep. 1997 2/	Sep. 1998	21.2	21.2
Bolivia 4/	Feb. 2000	Jun. 2001	44.2	44.2
Burkina Faso	Sep. 1997 2/	Jul. 2000	16.3	16.3
Burkina Faso	Jul. 2000	Floating	15.0	3.2
Cameroon	Oct. 2000	Floating	28.5	2.2
Chad	May 2001	Floating	14.3	2.9
Cote d'Ivoire	Mar. 1998 3/	--	14.4	-
Gambia, The	Dec. 2000	Floating	1.8	0.1
Guinea	Dec. 2000	Floating	24.2	2.4
Guinea Bissau	Dec. 2000	Floating	9.2	0.5
Guyana	Dec. 1997 2/	May 1999	25.6	25.6
Guyana	Nov. 2000	Floating	30.7	6.1
Honduras	Jul. 2000	Floating	22.7	-
Madagascar	Dec. 2000	Floating	16.6	0.7
Malawi	Dec. 2000	Floating	23.1	2.3
Mali	Sep. 1998 2/	Sep. 2000	10.8	10.8
Mali	Sep. 2000	Floating	33.6	0.7
Mauritania	Feb. 2000	Floating	34.8	9.9
Mozambique	Apr. 1998 2/	Jun. 1999	93.2	93.2
Mozambique	Apr. 2000	Floating	11.6	2.3
Nicaragua	Dec. 2000	Floating	63.0	-
Niger	Dec. 2000	Floating	21.6	0.4
Rwanda	Dec. 2000	Floating	33.8	6.8
Sao Tomé & Príncipe	Dec. 2000	Floating	-	-
Senegal	Jun. 2000	Floating	33.8	4.8
Tanzania	Apr. 2000	Floating	89.0	26.7
Uganda	Apr. 1997 2/	Apr. 1998	51.5	51.5
Uganda 4/	Feb. 2000	May 2000	70.2	70.2
Zambia	Dec. 2000	Floating	468.8	117.2
24 members, of which 23 members received enhanced HIPC assistance			1,341.8	529.6

Source: [www.imf.org/external/fin.htm](http://www.imf.org/external/fin.htm).

1/ These amounts are grants from the PRGF/HIPC Trust Account to members account to be used for repayments to the IMF as they fall due.

2/ Original HIPC decision point.

3/ Decision point under the original framework. The Fund's HIPC assistance will be committed at the completion point, subject to satisfactory assurances regarding exceptional assistance to be provided by other creditors under the HIPC Initiative.

4/ Includes interest on amounts committed but not disbursed during the interim period.

Table 13. Possible Delivery of IMF Assistance under the Enhanced HIPC Initiative

(In millions of U.S. dollars)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>IMF debt service before HIPC relief 1/</b>													
Benin	...	...	14	16	16	16	12	9	6	4	2	2	1
Bolivia	42	34	31	35	33	31	39	40	43	42	32	21	11
Burkina Faso	...	...	11	14	15	18	19	16	12	10	6	3	1
Cameroon	...	...	21	10	2	6	20	33	40	40	36	22	9
Chad 2/	...	...	2	3	8	10	12	14	13	8	6	4	2
Gambia, The	...	...	2	1	0	0	1	2	3	3	3	2	1
Guinea	...	...	9	13	13	16	21	20	15	14	8	3	1
Guinea Bissau	...	...	1	1	1	3	3	3	3	2	1	1	1
Guyana	...	22	26	17	17	17	18	16	14	9	6	2	0
Honduras	...	...	10	14	45	42	15	26	22	22	21	13	0
Madagascar	...	...	6	3	5	9	9	12	20	16	13	13	11
Malawi	...	...	10	8	8	10	13	14	11	8	6	3	1
Mali	...	...	19	24	29	29	30	25	18	12	8	4	1
Mauritania	...	...	12	15	18	19	16	13	9	6	2	2	0
Mozambique	...	32	31	29	24	20	21	23	21	16	11	4	0
Nicaragua	...	...	7	7	7	9	17	26	26	26	24	13	1
Niger	...	...	3	2	5	10	13	13	12	9	4	1	1
Rwanda	...	...	13	13	8	3	6	10	12	12	10	7	3
Sao Tomé & Príncipe	...	...	0	0	0	0	0	0	0	0	0	0	0
Senegal	...	...	25	31	31	40	48	42	32	22	13	9	3
Tanzania 3/	...	...	32	24	25	24	29	42	42	38	23	13	2
Uganda 3/	...	60	53	48	43	44	51	46	36	25	13	2	2
Zambia	...	...	9	219	219	219	219	220	5	4	3	1	0
<b>TOTAL</b>	<b>42</b>	<b>149</b>	<b>346</b>	<b>548</b>	<b>572</b>	<b>595</b>	<b>631</b>	<b>664</b>	<b>414</b>	<b>349</b>	<b>251</b>	<b>146</b>	<b>51</b>
<b>IMF debt service after Enhanced HIPC Initiative relief 1/</b>													
Benin	...	...	11	11	10	10	8	7	5	2	2	2	1
Bolivia	36	23	21	22	21	19	26	29	35	36	30	21	11
Burkina Faso	...	...	8	8	8	8	9	8	8	8	6	3	1
Cameroon	...	...	21	7	2	4	14	24	32	32	30	17	7
Chad 2/	...	...	...	1	5	5	8	11	11	7	6	4	2
Gambia, The	...	...	2	1	0	0	1	2	2	2	2	2	1
Guinea	...	...	9	10	11	11	11	10	11	11	8	3	1
Guinea Bissau	...	...	1	0	0	0	1	0	0	0	0	0	1
Guyana	...	15	17	5	6	6	6	6	6	6	6	2	0
Honduras	...	...	8	9	38	35	10	22	18	20	21	13	0
Madagascar	...	...	6	2	3	3	4	6	15	14	13	13	11
Malawi	...	...	10	5	4	5	5	7	5	5	5	3	1
Mali	...	...	18	16	18	18	18	15	10	7	5	4	1
Mauritania	...	...	7	6	8	8	7	6	4	4	2	2	0
Mozambique	...	18	0	2	4	7	7	7	6	6	5	3	0
Nicaragua	...	...	7	5	6	5	6	2	6	7	6	5	1
Niger	...	...	3	2	3	5	5	5	5	5	4	1	1
Rwanda	...	...	13	4	2	1	2	1	4	4	4	4	3
Sao Tomé & Príncipe	...	...	0	0	0	0	0	0	0	0	0	0	0
Senegal	...	...	24	26	25	31	35	30	26	22	13	9	3
Tanzania 3/	...	...	27	4	0	0	15	28	28	25	10	1	2
Uganda 3/	...	45	31	19	17	20	25	24	24	17	10	2	2
Zambia	...	...	9	68	63	63	113	109	5	4	3	1	0
<b>TOTAL</b>	<b>36</b>	<b>102</b>	<b>254</b>	<b>234</b>	<b>255</b>	<b>265</b>	<b>336</b>	<b>360</b>	<b>266</b>	<b>247</b>	<b>193</b>	<b>115</b>	<b>49</b>

Table 13 (concluded). Possible Delivery of IMF Assistance under the Enhanced HIPC Initiative

(In millions of U.S. dollars)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>IMF Original and Enhanced HIPC Initiative assistance 4/</b>													
Benin	...	...	2	5	6	6	4	2	1	1	0	0	0
Bolivia	6	11	10	13	12	12	13	12	9	6	2	0	0
Burkina Faso	...	...	3	7	7	9	10	8	3	2	0	0	0
Cameroon	...	...	0	3	0	2	6	9	8	8	6	5	1
Chad 2/	...	...	0	2	3	5	5	3	2	1	0	0	0
Gambia, The	...	...	0	0	0	0	0	0	1	1	1	0	0
Guinea	...	...	0	3	2	5	10	10	5	3	0	0	0
Guinea Bissau	...	...	0	1	1	2	2	2	3	2	1	0	0
Guyana	...	8	9	13	12	11	12	10	8	3	0	0	0
Honduras	...	...	2	5	7	7	5	4	4	1	0	0	0
Madagascar	...	...	0	1	3	5	4	6	5	2	0	0	0
Malawi	...	...	0	3	4	5	8	7	6	3	1	0	0
Mali	...	...	1	8	11	11	12	10	8	6	3	0	0
Mauritania	...	...	5	8	10	11	8	7	5	2	0	0	0
Mozambique	...	14	31	27	19	13	14	16	16	10	5	1	0
Nicaragua	...	...	0	2	1	4	11	24	20	19	17	8	0
Niger	...	...	0	1	1	5	8	8	7	4	0	0	0
Rwanda	...	...	0	9	6	2	3	8	8	8	6	3	0
Sao Tomé & Príncipe	...	...	0	0	0	0	0	0	0	0	0	0	0
Senegal	...	...	2	6	6	10	13	12	5	0	0	0	0
Tanzania 3/	...	...	4	20	25	24	15	14	13	13	12	12	0
Uganda 3/	...	15	21	29	26	24	26	22	12	8	2	0	0
Zambia	...	...	0	151	156	156	107	111	0	0	0	0	0
<b>TOTAL</b>	<b>6</b>	<b>47</b>	<b>90</b>	<b>314</b>	<b>317</b>	<b>330</b>	<b>296</b>	<b>304</b>	<b>148</b>	<b>102</b>	<b>57</b>	<b>30</b>	<b>2</b>
<b>Memorandum item</b>													
<i>Average Annual Debt Service Reduction</i>	<b>13%</b>	<b>32%</b>	<b>27%</b>	<b>57%</b>	<b>55%</b>	<b>55%</b>	<b>47%</b>	<b>46%</b>	<b>36%</b>	<b>29%</b>	<b>23%</b>	<b>21%</b>	<b>3%</b>

Sources: HIPC country documents and staff estimates.

1/ Obligations to the Fund as presented in the members' respective decision point documents under the Enhanced HIPC Initiative, with revisions where necessary.

2/ Chad reached its decision point in May 2001.

3/ Fiscal year data.

4/ U.S. dollar commitments of HIPC assistance converted to SDRs using the SDR/U.S. dollar exchange rate at the completion point (for original assistance) or at the decision point (for enhanced HIPC assistance). Includes projected investment income.

**Table 14. HIPC Initiative: Estimates of Costs for Other Multilateral Creditors**

(In millions of U.S. dollars, in 2000 NPV terms) 1/

	<b>Total Costs</b> (34 countries)	<b>Decision Point Cases</b> (23 countries) 2/
<b>Total other multilateral</b>	<b>2,441</b>	<b>1,813</b>
EU/EIB	550	347
CABEI	508	508
IFAD	257	186
BADEA	194	128
OPEC Fund	163	125
IsDB	127	118
EIB	117	29
CAF	96	96
AsDB	66	0
AFESD	64	64
BOAD	60	38
CMCF	60	60
BCEAO	55	6
FONPLATA	25	25
NDF	23	18
CDB	18	18
ECOWAS (CEDEAO)	14	14
AMF	12	12
BDEAC	11	1
PTA Bank	8	8
NIB	4	4
EADB	3	3
FEGECE	3	2
EU	2	2
FOCEM	2	2
Memorandum items:		
European MDBs 3/	695	399
Latin American MDBs 4/	707	707
Arab MDBs 5/	396	322
African MDBs 6/	154	72
Other MDBs 7/	489	313

Sources: Creditor statements; and IMF and World Bank staff estimates.

1/ Excluding Lao P.D.R., Liberia, Somalia, Sudan. Costs for the World Bank, IMF, AfDB, and IaDB are presented in Appendix Table 8.

2/ The 23 decision point cases include Benin, Bolivia, Burkina Faso, Cameroon, Chad, The Gambia, Guinea, Guinea-Bissau, Guyana, Honduras, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, Senegal, Sao Tome and Principe, Tanzania, Uganda and Zambia.

3/ Includes the EU/EIB, NDF, and NIB.

4/ Includes CABEI, CAF, CMCF, FONTPLATA, and CDB.

5/ Includes BADEA, IsDB, AFESD, and AMF.

6/ Includes BOAD, BCEAO, BDEAC, ECOWAS, PTA, EADB, and FEGECE.

7/ Includes OPEC, IFAD, AsDB, and FOCEM.

**Table 15. Estimated Paris Club Costs of HIPC Relief, by Creditor Country 1/**

(23 Countries)

(In millions of U.S. dollars, in 2000 NPV terms)

	Total	Benin	Bolivia	Burkina Faso	Cameroon	Chad	The Gambia	Guinea	Guinea-Bissau	Guyana	Honduras	Madagascar
<i>(23 countries)</i>												
<b>Total</b>	<b>6,968</b>	<b>64</b>	<b>419</b>	<b>22</b>	<b>861</b>	<b>14</b>	<b>5</b>	<b>153</b>	<b>150</b>	<b>181</b>	<b>169</b>	<b>383</b>
Australia	1	-	-	-	-	-	-	-	-	-	-	-
Austria	158	-	10	1	72	0	2	1	-	-	-	8
Belgium	123	1	23	-	33	-	-	1	4	-	-	7
Brazil	225	-	-	-	-	-	-	1	6	-	-	-
Canada	87	0	1	-	34	-	-	-	-	1	1	6
Denmark	22	-	0	-	16	-	-	-	-	1	1	-
Finland	8	-	-	-	0	-	-	-	-	-	-	-
France	1,313	27	19	12	416	11	1	81	4	1	5	92
Germany	838	1	101	-	144	0	-	1	2	6	7	17
Israel	6	-	-	-	-	-	-	-	-	-	-	0
Italy	586	10	21	3	35	1	-	8	80	-	15	30
Japan	1,604	8	153	-	9	-	-	18	-	0	94	136
Netherlands	95	4	9	2	7	0	0	-	-	4	2	-
Norway	21	10	-	-	-	-	1	2	-	-	0	-
Portugal	215	-	-	-	-	-	-	-	41	-	-	-
Russia	606	2	-	0	-	0	-	18	7	1	-	47
South Africa	1	-	-	-	-	-	-	-	-	-	-	-
Spain	350	-	46	3	25	2	-	2	5	-	30	25
Sweden	20	-	1	-	13	-	-	-	-	-	-	3
Switzerland	11	-	-	-	9	-	-	-	-	-	1	1
Trinidad and Tobago	108	-	-	-	-	-	-	-	-	108	-	-
United Kingdom	342	2	10	1	35	-	-	1	-	46	-	6
United States	230	0	24	-	13	-	-	19	-	12	12	5

**Table 15 (concluded). Estimated Paris Club Costs of HIPC Relief, by Creditor Country 1/**  
(23 Countries)

(In millions of U.S. dollars, in 2000 NPV terms)

	Malawi	Mali	Mauritania	Mozambique	Nicaragua	Niger	Rwanda	Sao Tome and Principe	Senegal	Tanzania	Uganda	Zambia
<b>Total</b>	<b>129</b>	<b>106</b>	<b>137</b>	<b>1,013</b>	<b>871</b>	<b>105</b>	<b>35</b>	<b>20</b>	<b>126</b>	<b>797</b>	<b>121</b>	<b>1,089</b>
Australia	-	-	-	-	1	-	-	-	-	-	-	-
Austria	7	-	21	7	1	-	2	-	-	11	11	3
Belgium	-	-	-	-	-	-	-	0	1	52	-	-
Brazil	-	-	8	85	30	-	-	-	-	71	-	24
Canada	-	-	-	-	-	-	2	-	0	16	-	25
	-	-	-	-	-	-	-	-	-	-	-	-
Denmark	-	-	-	-	-	-	-	-	3	-	-	-
Finland	-	-	-	-	6	-	-	-	-	-	2	-
France	4	65	52	202	35	75	21	3	50	55	12	70
Germany	0	-	2	82	226	-	-	4	15	33	1	197
Israel	-	-	-	-	1	-	-	-	-	-	5	-
	-	-	-	-	-	-	-	-	-	-	-	-
Italy	-	0	0	185	43	-	-	5	15	66	35	35
Japan	115	25	29	25	102	14	9	-	20	321	26	499
Netherlands	-	1	10	-	18	-	-	-	2	35	-	0
Norway	-	-	-	-	-	-	-	-	4	3	0	-
Portugal	-	-	-	168	-	-	-	5	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Russia	-	13	-	162	249	-	-	1	-	59	-	45
South Africa	1	-	-	-	-	-	-	-	-	-	-	-
Spain	3	-	12	24	131	6	-	2	9	5	21	-
Sweden	-	-	-	3	-	-	-	-	0	-	-	-
Switzerland	-	-	-	-	1	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Trinidad and Tobago	-	-	-	-	-	-	-	-	-	-	-	-
United Kingdom	0	1	3	51	1	6	-	-	0	64	8	106
United States	-	0	1	18	26	4	0	-	4	6	0	85

Sources: HIPC documents; and IMF and World Bank staff estimates.

1/ See footnote 1 in Table 9.

**Table 16. Paris Club Debt Relief Under the Enhanced HIPC Initiative**

Country	Date of Enhanced Decision Point	Interim Relief Provided?	Topping up to Cologne Terms or New Rescheduling?	Date of PC Rescheduling	Comments
<b>1. Enhanced completion point reached</b>					
Uganda	2-May-00	no	n.a.	11-Sep-00	Enhanced completion point May 2, 2000; Paris Club stock operation on Cologne terms September 11, 2000; no interim relief from the Paris Club because short time period between decision and completion points.
Bolivia	8-Feb-00	no	n.a.	10-Jul-01	Enhanced completion point June 8, 2001. Paris Club stock operation on Cologne terms July 10, 2001. No interim relief from Paris Club.
<b>2. Retroactive cases</b>					
<b>2a. No assistance under original framework</b>					
Benin	18-Jul-00	yes	topping up	24-Oct-00	85 percent of payments on non-ODA debt falling due between July 18, 2000 and end-June 2001 on the 1993 flow rescheduling (London terms) and 70 percent of payments on non-ODA debt on the 1996 Naples stock operation were canceled or rescheduled. In the case of creditors that rescheduled, moratorium interest on the rescheduling was capitalized. At the completion point, or at the end of the agreement if the completion point is not reached before June 30, 2001, the rescheduled amounts and capitalized moratorium interest will be treated so as to secure comparable treatment with the creditors that chose the debt reduction option.
Senegal	23-Jun-00	yes	topping up	24-Oct-00	70 percent of payments falling on non-ODA due between July 12, 2000 and end-December 2001 on the 1995 Naples flow rescheduling and the 1998 Naples stock operation were canceled or rescheduled. In the case of creditors that chose the rescheduling option, moratorium interest on the rescheduling was capitalized. At the completion point, or at the end of the agreement if the completion point is not reached before December 31, 2001, the rescheduled amounts and capitalized moratorium interest will be treated so as to secure comparable treatment with the creditors that chose the debt reduction option.
<b>2b. After completion point under original framework</b>					
Burkina Faso	11-Jul-00	yes	topping up	24-Oct-00	As the decision point under the enhanced HIPC Initiative and the completion point under the original framework were reached on the same day, creditors decided not to grant a stock operation on Lyon terms to Burkina Faso. Interim relief was provided through a flow topping up to Cologne terms. 70 percent of payments on non-ODA debt on the 1996 Naples stock operation falling due between July 11, 2000 and end-June 2001 was canceled.
Guyana	17-Nov-00	no	n.a.	n.a.	On June 25, 1999, Guyana was granted a stock-of-debt reduction on Lyon terms after o-cpt. Of the stock of pre-cutoff date medium- and long-term public debt, 65 percent was topped up from a 67 percent to an 80 percent NPV reduction. No additional interim relief.
Mali	12-Sep-00	yes	topping up	25-Oct-00	As the decision point under the enhanced HIPC Initiative and the completion point under the original framework were reached on the same day, creditors decided not to grant a Lyon stock-of-debt reduction to Mali. Interim relief: flow topping to Cologne terms: 70 percent of payments on non-ODA debt falling due between September 8, 2000 and end-June 2001 on the 1996 Naples stock operation was canceled or rescheduled. In the case of creditors that rescheduled, moratorium interest on the rescheduling was capitalized. At the completion point, or at the end of the agreement if the completion point is not reached before June 30, 2001, the rescheduled amounts and capitalized moratorium interest will be treated so as to secure a comparable treatment with the creditors that chose the debt reduction option.
Mozambique	12-Apr-00	yes	n.a. - see comments	15-Mar-00	On July 9, 1999, Mozambique was granted a stock-of-debt reduction of pre-cutoff date debt with 90 percent debt reduction in NPV terms after reaching the completion point under the original framework, but repayment terms were not defined in absence of agreement on Cologne terms (reached only in November 1999). Following the floods in Mozambique in early 2000, creditors deferred all payments due by Mozambique through the earlier of June 30, 2001 or the completion point. This deferral was subsequently extended to December 2001, following the delay in reaching its completion point.



**Table 16 (concluded). Paris Club Debt Relief Under the Enhanced HIPC Initiative**

Country	Date of Enhanced Decision Point	Interim Relief Provided?	Topping up to Cologne Terms or New Rescheduling?	Date of PC Rescheduling	Comments
<b>3. New decision point cases</b>					
Cameroon	16-Oct-00	yes	new rescheduling	24-Jan-01	Arrears on pre-cutoff date debt accumulated during October–December 2000 and all maturities on pre-cutoff date debt falling due during January 2001–December 2003 were rescheduled on Cologne terms (90 percent debt reduction). Arrears outstanding at end-September were rescheduled on Naples terms (67 percent debt reduction).
Chad	14-May-01	yes	new rescheduling	13-Jun-01	Arrears on pre-cutoff date debt at April 30, 2001 were rescheduled on Naples terms. Maturities on all pre-cutoff date debt falling due during May 2001–March 2003 were rescheduled on Cologne terms.
Gambia	14-Dec-00	no	n.a.	n.a.	The Paris Club did not grant interim relief to the Gambia because the debt relief to be expected from a rescheduling of debt service obligations on pre-cutoff date debt would be relatively small.
Guinea	22-Dec-00	yes	new rescheduling	15-May-01	Maturities on pre-cutoff date on non-ODA debt falling due during December 2000–March 2001 were rescheduled on Cologne terms (90 percent debt reduction). Arrears on pre-cutoff date debt outstanding at end-November 2000 were rescheduled on Naples terms (67 percent of debt reduction).
Guinea-Bissau	15-Dec-00	yes	new rescheduling	26-Jan-01	November 2000 arrears and December 2000–December 2003 maturities were rescheduled on Cologne terms (except the payments on a deferral in the context of the 1995 agreement, which were deferred again on nonconcessional terms). Arrears on pre-cutoff date debt accumulated before the decision point were rescheduled on Lyon terms (80 percent debt reduction) as they had been incurred since the preliminary HIPC Initiative consideration of Guinea-Bissau in early 1998. Arrears on post-cutoff date debt were deferred.
Honduras	10-Jul-00	yes	n.a. - see comments	n.a.	Given the fact that Honduras had been granted a total payment deferral during November 1998–March 2002 following Hurricane Mitch, creditors considered that full interim relief had already been provided to Honduras.
Madagascar	22-Dec-00	yes	new rescheduling	7-Mar-01	Maturities on all pre-cutoff date debt falling due during December 2000–February 2004 were rescheduled on Cologne terms.
Malawi	21-Dec-00	yes	new rescheduling	25-Jan-01	Maturities on all pre-cutoff date debt falling due during December 2000–December 2003 were rescheduled on Cologne terms. Also, creditors moved the cutoff date from January 1, 1982 to January 1, 1997, which made all of Malawi's debt pre-cutoff date debt.
Mauritania	10-Feb-00	yes	new rescheduling	16-Mar-00	Arrears outstanding at end-June 1999 and maturities on all pre-cutoff date debt falling due during July 1999–June 2002 were rescheduled on Cologne terms. Half of the moratorium interest due was capitalized.
Nicaragua	21-Dec-00	to be provided	new rescheduling	n.a.	Nicaragua had been granted a total payment deferral during December 1998–February 2001 following Hurricane Mitch. Creditors have agreed to see Nicaragua for a flow rescheduling on Cologne terms once the third-year program under the PRGF has been approved by the Board.
Niger	20-Dec-00	yes	new rescheduling	25-Jan-01	Maturities on all pre-cutoff date debt falling due during December 2000–December 2003 were rescheduled on Cologne terms. Arrears outstanding at end-November 2000 were rescheduled on Naples terms (67 percent reduction). Arrears on post-cutoff date debt were deferred.
Rwanda	22-Dec-00	yes	topping up	TOR; 4-Apr-00	The April 2000 Paris Club rescheduling agreement on Naples terms was topped up to Cologne terms (by mail) for the period December 2000–end-2001.
Sao Tome and Principe	20-Dec-00	to be provided	topping up	TOR	The May 2000 Paris Club rescheduling agreement on Naples terms will be topped up to Cologne terms (by mail) as soon as the review under the PRGF has been completed.
Tanzania	5-Apr-00	yes	new rescheduling	13-Apr-00	Arrears outstanding at end-March 2000 and maturities on pre-cutoff date debt falling due during April 2000–March 2003 were rescheduled on Cologne terms. Exempt were arrears accrued since the end of the consolidation period (end-November 1999) of the 1997 rescheduling, which were paid by end-November 2000. In a side letter Japan agreed to a deferral over 3 years of maturities due under the 1997 rescheduling in light of the continuing delays in signing the bilateral agreement.
Zambia	8-Dec-00	to be provided	topping up	TOR;	The April 1999 Paris Club rescheduling agreement on Naples terms will be topped up to Cologne terms (by mail).

**Table 17. Paris Club Creditors' Delivery of Debt Relief Under Bilateral Initiatives Beyond the HIPC Initiative (August 1, 2001)**

Countries covered		ODA (In percent)		Non-ODA (In percent)		Provision of relief	
		Pre-COD	Post-COD	Pre-COD	Post-COD	Decision point (In percent)	Completion point
(1)		(2)	(3)	(4)	(5)	(6)	(7)
Australia	HIPCs	100	100	100	100 1/	1/	1/
Austria	HIPCs (case-by-case)	Case-by-case (100)	Case-by-case (100)	Case-by-case (100)	-	Case-by-case	Case-by-case
Belgium	HIPCs	100	100	Case-by-case (up to 100)	Case-by-case	flow	Stock
Canada	HIPCs 2/	- 3/	- 3/	100	100	100 flow	Stock
Denmark	HIPCs	100	Case-by-case	-	-	-	Stock
France	HIPCs	100	100	100	-	100 flow 4/	Stock
Finland	HIPCs	95	98	-	-	-	-
Germany	HIPCs	100	100	100	-	100 flow	Stock
Ireland	-	-	-	-	-	-	-
Italy	HIPCs	100	100 5/	100	100 5/	100 flow	Stock
Japan	HIPCs	100	100	100	-	-	Stock
Netherlands	HIPCs	100	100	100	-	90-100 flow 6/	Stock 6/
Norway	HIPCs	- 3/	- 3/	100	100 7/	100 flow	Stock
Russia	Case-by-case	-	-	-	-	-	Stock
Spain	HIPCs	100	Case-by-case	Case-by-case	Case-by-case	-	Stock
Sweden	Case-by-case	- 3/	- 3/	Case-by-case (100)	-	-	Stock
Switzerland	HIPCs	- 3/	- 3/	Case-by-case	Case-by-case	Case-by-case, flow	Stock
United Kingdom	HIPCs	100	100	100	100 8/	100 flow 8/	Stock
United States	HIPCs	100	100	100	100 9/	100 flow	Stock

Source: Paris Club Secretariat.

1/ Australia: (a) post-COD non-ODA relief to apply to debts incurred before a date to be finalised; (b) timing details for both flow and stock relief are to be finalised.

2/ Canada: including Bangladesh. Canada has granted a moratorium of debt service as of January 2001 on all debt disbursed before end March 1999 for 11 out of 17 HIPCs with debt service due to Canada. The debt will be written off at the completion point. The countries to be covered are: Benin, Bolivia, Cameroon, Ethiopia, Guyana, Honduras, Madagascar, Mali, Senegal, Tanzania, and Zambia.

3/ 100 percent of ODA claims have already been cancelled on HIPCs, with the exception of Myanmar's debt to Canada.

4/ France: cancellation of 100 percent of debt service on pre-cutoff date commercial claims as they fall due starting at the decision point. Once countries have reached their completion point, debt relief on ODA claims will go to a special account and will be used for specific development projects.

5/ Italy: 100 percent cancellation of post-COD ODA and non-ODA debt assumed prior to the Cologne Summit on 6/20/1999.

6/ The Netherlands: (a) ODA: 100 percent ODA pre- and post-cutoff date debt will be cancelled at decision point; (b) non-ODA: in some particular cases (Bolivia, Burkina Faso, Mali, Ethiopia, Nicaragua, and Tanzania), the Netherlands will write off 100 percent of the consolidated amounts on the flow at decision point; all other HIPCs will receive interim relief up to 90 percent reduction of the consolidated amounts. At completion point, all HIPC countries will receive 100 percent cancellation of the remaining stock of the pre-COD debt.

7/ On debt assumed before December 31, 1997.

8/ United Kingdom: "beyond 100%": full write-off of all debts of HIPCs as of their decision points, and reimbursement at the decision point of any debt service paid before the decision point.

9/ United States: 100 percent post-COD non-ODA treated on debt assumed prior to 06/20/99 (the Cologne Summit).

Note: Columns (1) to (7) describe the additional debt relief provided following a specific methodology under bilateral initiatives and need to be read as a whole for each creditor. In column (1), "HIPCs" stands for eligible countries effectively qualifying for the HIPC process. A "100 percent" mention in the table means that the debt relief provided under the enhanced HIPC framework will be topped up to 100 percent through a bilateral initiative.

**Table 18. Estimates of Bilateral Pledges for Debt Relief  
Beyond the HIPC Initiative 1/**

(In millions of U.S. dollars and in percent)

Countries	Possible decrease in debt (NPV terms, US\$ millions) 2/	NPV-of-Debt-to Exports Ratio		
		After HIPC assistance 3/	After possible additional bilateral forgiveness	Percent reduction
Benin	42	150	139	8
Bolivia	163	150	138	9
Burkina Faso	19	150	144	4
Cameroon	762	150	117	29
Chad	18	150	143	5
Gambia	2	150	148	1
Guinea	162	150	129	16
Guinea-Bissau	9	150	131	15
Guyana	90	70	57	22
Honduras	626	104	78	32
Madagascar	386	150	103	45
Malawi	133	150	126	19
Mali	68	150	139	8
Mauritania	156	137	103	33
Mozambique	265	150	98	54
Nicaragua	286	150	116	29
Niger	38	150	137	9
Rwanda	14	150	139	8
Senegal	239	131	115	13
Sao Tome and Principe	2	150	134	12
Tanzania	240	150	129	16
Uganda	23	150	147	2
Zambia	614	150	88	70
<b>Total/average</b>	<b>4,357</b>	<b>143</b>	<b>122</b>	<b>20</b>

Sources: HIPC decision point documents and staff estimates.

1/ Calculated for illustrative purposes at each country's respective decision point based on creditor indications so far.

2/ In NPV terms in the year of the decision point.

3/ Assuming unconditional delivery of assistance.

**Table 19. Reschedulings of HIPCs with non-Paris Club Official Bilateral Creditors, 1996 - mid-2001**

Creditor	Debtor	Agreement Date	Total amount (US\$ million)	Coverage 1/	Terms and other comments
Algeria	Mozambique	Dec-98	382.0	P+I	Lyon terms
Argentina	Benin	Jun-98	20.5	P	Buyback with 84 percent discount
Argentina	Guinea	Dec-98	22.5	P	Buyback with 86 percent discount
Brazil	Bolivia	Jan-01 2/	...	P+I	Rescheduling of outstanding obligations to be on terms comparable to Paris Club agreement
Brazil	Guyana	Jan-01 2/	...	P+I	Rescheduling of outstanding obligations to be on terms comparable to Paris Club agreement
China	African HIPCs	Oct-00	1,200.0	A+P	Full debt write-off pledged to 16 African HIPCs
Costa Rica	Nicaragua	Dec-00	383.0 3/	A+P	Creditor agreed to deliver HIPC assistance
Côte d'Ivoire	Mali	Aug-99	6.3	A+P	Lyon terms
Czech Republic	Guinea	Oct-97	20.0	A	Buyback with 88.5 percent discount; payment in local (Guinean currency)
Czech Republic	Nicaragua	Nov-96	132.0 4/	P	Rescheduled over 13 years, zero interest rate for first 8 years and 5 percent thereafter
Czech Republic	Zambia	Nov-00	0.1 3/	P	Buyback with 89 percent discount
Egypt	Tanzania	Jul-00	0.4 3/	P	Creditor agreed to 90 percent NPV reduction of outstanding debt
Guatemala	Nicaragua	Dec-00	364.0 3/	A+P	Creditor delivered HIPC assistance through a debt swap with Spain.
Honduras	Nicaragua	Dec-00	100.0 3/	A+P	Creditor agreed to deliver HIPC assistance
Mexico	Nicaragua	Sep-96	996.0 4/	P	Upfront reduction of 92 percent; remaining \$ 83 mn to be paid over 15 years.
Morocco	Guinea	Dec-00 2/	24.7 3/	A+P	Creditor pledged to forgive outstanding claims
Pakistan	Uganda	Nov-00	3.2	A+P	Agreed to deliver HIPC assistance
Pakistan	Guinea-Bissau	Nov-00	3.0	A+P	Agreed to deliver HIPC assistance
Poland	Bolivia	Jul-97	1.5	P	Upfront payment of 18 percent
Slovak Republic	Nicaragua	Apr-00	81.1	P	90 percent upfront reduction; remaining \$8 mn to be repaid over 13 years
Slovak Republic	Tanzania	Mar-01	0.6 5/	P+I	Buyback with 90 percent discount.
Slovak Republic	Yemen	Feb-01	20.0	A+P+I	Buyback with 90 percent discount.
Slovak Republic	Zambia	Oct-00	0.2	P	Buyback with 88 percent discount
South Africa	Mozambique	Mar-00 2/	2.0	P	Full debt write-off granted by creditor
Tanzania	Uganda	Aug-97	122.5	A	Buyback with 85 percent discount; US\$ 58.1 mn of the total is pending verification
Venezuela	Bolivia	Jun-97	4.0	P	100 percent forgiven

Sources: Country authorities; and IMF and World Bank staff estimates.

1/ A = arrears; P = principal; I = interest

2/ Approximate date.

3/ Amounts in net present value terms.

4/ Rescheduling took place in 1996.

5/ To be confirmed by debtor.

**Table 20. Estimated Non-Paris Club Official Bilaterals' Costs of HIPC Relief, by Creditor Country 1/**  
(23 Countries)

(In millions of U.S. dollars, in 2000 NPV terms)

	Total	Benin	Bolivia	Burkina Faso	Cameroon	Chad	The Gambia	Guinea	Guinea-Bissau	Guyana	Honduras	Madagascar
<i>(23 countries)</i>												
<b>Non-Paris Club official bilateral</b>	<b>2,553</b>	<b>13</b>	<b>19</b>	<b>34</b>	<b>13</b>	<b>19</b>	<b>13</b>	<b>62</b>	<b>61</b>	<b>25</b>	<b>44</b>	<b>71</b>
Algeria	184	-	-	1	-	-	-	-	4	-	-	13
Angola	24	-	-	-	-	-	-	-	5	-	-	0
<i>Argentina</i>	<i>3</i>	<i>2</i>	-	-	-	-	-	-	-	<i>1</i>	-	-
<i>Brazil</i>	<i>7</i>	-	<i>5</i>	-	-	-	-	-	-	<i>1</i>	-	-
Bulgaria	75	-	-	-	-	-	-	1	-	-	-	-
Burundi 2/	0	-	-	-	-	-	-	-	-	-	-	-
Cameroon 2/	0	-	-	-	-	0	-	-	-	-	-	-
Cape Verde 2/	0	-	-	-	-	-	-	-	-	-	-	-
China	177	<b>4</b>	8	2	<b>5</b>	3	2	<b>8</b>	<b>1</b>	<b>3</b>	-	<b>6</b>
Colombia	4	-	-	-	-	-	-	-	-	-	4	-
Costa Rica	374	-	-	-	-	-	-	-	-	-	5	-
Côte d'Ivoire	8	-	-	7	-	0	-	-	-	-	-	-
<i>Croatia</i>	<i>1</i>	-	-	-	-	-	-	-	-	-	-	-
Cuba	2	-	-	-	-	-	-	-	0	-	-	-
Czech Republic	11	1	-	-	-	-	-	-	-	-	-	-
Congo, Dem. Rep. of 2/	0	0	-	-	-	-	-	-	-	-	-	-
Egypt	3	-	-	-	-	-	-	3	-	-	-	-
Former Yugoslavia	41	-	-	-	-	-	-	1	-	0	-	-
Guatemala	356	-	-	-	-	-	-	-	-	-	5	-
<i>Honduras</i>	<i>96</i>	-	-	-	-	-	-	-	-	-	-	-
Hungary	12	-	-	-	-	-	-	-	-	-	-	-
India	28	-	-	-	-	-	-	-	-	1	-	-
Iran	51	-	-	-	-	-	-	-	-	-	-	-
Iraq	80	-	-	-	-	-	-	1	-	-	-	23
Israel 2/	0	-	-	-	-	0	-	-	-	-	-	-

(In millions of U.S. dollars, in 2000 NPV terms)

[illegible]

(In millions of U.S. dollars, in 2000 NPV terms)

[illegible]

**Table 20 (concluded). Estimated Non-Paris Club Official Bilaterals' Costs of HIPC Relief, by Creditor Country 1/**  
(23 Countries)

(In millions of U.S. dollars, in 2000 NPV terms)

	Malawi	Mali	Mauritania	Mozambique	Nicaragua	Niger	Rwanda	Sao Tome and Principe	Senegal	Tanzania	Uganda	Zambia
Kuwait	1	7	26	19	-	18	8	-	32	17	10	-
Libya	-	1	10	27	56	10	0	-	-	20	15	-
Mexico	-	-	-	-	41	-	-	-	-	-	-	-
<b>Morocco</b>	-	-	-	-	-	-	-	-	-	-	-	-
Niger 2/	-	-	-	-	-	-	-	-	-	-	-	-
Nigeria	-	-	-	-	-	-	-	-	-	-	2	-
North Korea	-	-	-	0	2	-	-	-	-	-	5	-
Oman	-	-	-	-	-	-	-	-	1	-	-	-
Pakistan	-	-	-	-	-	-	-	-	-	-	0	-
Peru	-	-	-	-	7	-	-	-	-	-	-	-
Poland	-	-	-	3	6	-	-	-	-	2	-	-
Republic of Korea	-	-	-	-	-	-	-	-	-	0	1	-
Romania	-	-	-	27	-	-	-	-	-	0	-	3
Rwanda	-	-	-	-	-	-	-	-	-	-	1	-
Saudi Arabia	-	16	30	-	-	21	8	-	22	6	2	0
Senegal	-	-	-	-	-	-	-	-	-	-	-	-
Slovak Republic	-	-	-	8	19	-	-	-	-	-	-	-
South Africa	-	-	-	4	-	-	-	-	-	-	-	-
Taiwan Province of China	13	-	-	-	118	41	-	-	11	-	-	-
<b>Tanzania</b>	-	-	-	-	-	-	-	-	-	-	3	-
Thailand 2/	-	-	-	-	-	-	-	-	-	-	-	-
Togo	-	-	-	-	-	-	-	-	-	-	-	-
United Arab Emirates 3/	-	5	4	-	-	2	1	-	4	2	0	-
Venezuela	-	-	-	-	47	-	-	-	-	-	-	-
Zambia 2/	-	-	-	-	-	-	-	-	-	0	-	-
Zimbabwe 2/	-	-	-	-	-	-	-	-	-	0	-	-

Sources: HIPC country documents; and IMF and World Bank staff estimates

Countries whose names appear in bold italics have delivered or agreed to deliver relief on all claims on the 23 HIPCs. Figures surrounded by a box represent relief already delivered.

Figures in shading represent relief promised.

1/ See footnote 1 in Table 9.

2/ Total claims are less than \$0.5 million.

3/ Includes Abu Dhabi.



**Table 21. IDA-Administered Debt Commercial Debt Reduction  
Summary of Completed Operations for HIPC's -- 1991 to 2001  
(End-July 2001)  
(in million of U.S. dollars)**

Date Completed	Country	Principal and Interest Extinguished	Price in cents Per dollar 1/	% Eligible Debt Extinguished	Total 2/ Resources Utilized	IBRD Resources Utilized
March 1991	Niger	207	18	99	19.37	8.42
December 1991	Mozambique	198	10	64	13.41	5.91
November 1992	Guyana	93	14	100	10.23	10.00
February 1993	Uganda	177	12	89	22.58	10.21
May 1993	Bolivia	170	16	94	27.26	9.81
August 1994	Sao Tome & Principe	10	10	87	1.27	1.27
September 1994	Zambia	408	11	78	24.99	11.76
September 1995	Sierra Leone 3/	286	13	73	31.53	21.00
December 1995	Nicaragua	1,819	8	81	89.20	40.75
January 1996	Ethiopia	284	8	80	18.83	6.18
August 1996	Mauritania	89	10	98	5.82	3.18
December 1996	Senegal 4/	112	20	96	15.00	7.46
December 1997	Togo	74	13	99	6.11	5.11
March 1998	Côte d'Ivoire 5/	2,027	24	100	173.90	20.00
March 1999	Guinea	61	13	75	8.67	5.59
August 1999	Guyana II	34	9	62	3.36	1.20
February 2001	Yemen 6/	675	3	91	11.36	7.60
<b>Total</b>		<b>6,724.74</b>	<b>13.9 7/</b>	<b>88.65 7/</b>	<b>482.89</b>	<b>175.45</b>

Source: World Bank

1/ Of original face value of principal.

2/ Represent resources for IBRD, donors and contributions from certain recipient countries. These figures also include US\$15 million for technical assistance grants and closing costs, and other related expenses.

3/ Two tier operation. Commercial debt was bought back at 15 cents and suppliers credit at 8 cents.

4/ 16 cents for the cash buy-back and 20 cents for long terms exchange bonds.

5/ The numbers relate only to the cash buy-back component of the total debt under the operation since the Facility financed exclusively the cash buy-back option, as approved by the Executive Directors (Report No. P-7151-IVC). Other external resources for the operation included an IDA credit, French concessional financing, and IMF financing.

6/ Excludes US\$40.7 of bilateral non-Paris Club debt that was financed with bilateral support. The buyback was at 10 cents of eligible principal debt. The implicit price reflects a previous debt reduction of 80 percent on the Russian supplier's debts.

7/ Weighted average.