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INTERNATIONAL DEVELOPMENT ASSOCIATION

# The Enhanced HIPC Initiative and the Achievement of Long-Term External Debt Sustainability

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Contents — Page

Text Boxes



Figures



Text Tables



Appendix Tables



Annex

## Executive Summary

This paper assesses the impact of the recent global economic slowdown on the external debt sustainability outlook of the 24 heavily indebted poor countries (HIPCs) that had reached their decision points under the enhanced HIPC Initiative as of January 2002. The study is based on available information on economic performance of these countries in 2000–01 and updated projections made after September 2001.

The paper finds that the recent global economic slowdown, coupled with a significant decline in many primary commodity prices, has weakened the HIPCs' growth and export performance in the last two years and led to a deterioration of their external debt indicators for many but not all of these countries. There are considerable differences in the evolution of the debt indicators among the HIPCs, reflecting largely differences in the implementation of economic reform programs and their different exposure to shocks. The impact of these adverse developments on the debt sustainability outlook of the HIPCs will depend on a number of factors including notably the adequacy of policy responses and of supporting resource transfers.

Of the four countries that have passed their completion points, two (Mozambique and Tanzania) seem to be in a good position to maintain long-term debt sustainability. The picture for the other two (Uganda and Bolivia) is more mixed, with Bolivia experiencing worrisome debt-service ratios and Uganda facing very high debt indicators primarily as a result of sharply lower exports. The external debt sustainability outlook for most of the 20 countries in the interim period has worsened primarily because of lower exports, but has not necessarily been seriously impaired. The NPV of debt-to-exports ratios at the completion point are now projected to be above the 150 percent threshold in 8–10 countries; deviations for six of these had already been anticipated at the time of the decision points, although to a lesser degree.

For countries in the interim period, the enhanced HIPC Initiative allows some flexibility in exceptional cases to top-up debt relief at the completion point where exogenous factors have caused fundamental changes in their economic circumstances. The enhanced HIPC Initiative thus provides for the possibility of additional debt relief at the completion point. However, additional HIPC relief is not meant to compensate for slippages in policy reform, nor can it be provided on an ongoing basis to deal with future economic shocks. In the near term, to help countries deal with the impact of the deterioration in the external environment, some countries may require additional donor support, and increased interim relief may be helpful.

The provision of any additional debt relief at the completion point would increase the overall costs of the HIPC Initiative. The financing implications of this will need to be explored in due course.

Virtually all HIPCs are heavily dependent on primary commodities for their export earnings and government revenue, and as a result they will remain vulnerable to adverse exogenous developments. In such circumstances, it would be unrealistic to expect external debt indicators to follow a smooth monotonic downward trend after the HIPCs have reached their completion points or that countries will always stay below the HIPC debt sustainability thresholds. Instead, there may be fluctuations over time, and the objective of policies should be to ensure that the underlying trend is downward.

The paper underscores the need for HIPCs to implement structural and policy reforms to diversify their export base, supported by improved access for their exports to world markets and by appropriate external financing. Given the HIPCs' limited repayment capacity, the latter will have to be on highly concessional terms and in the form of grants.

## I. INTRODUCTION

1. **As a background to the report on the Status of Implementation under the Heavily Indebted Poor Countries (HIPC) Initiative, this paper assesses the impact of the recent global economic slowdown on the external debt sustainability outlook of the HIPCs.** The study focuses on the twenty-four HIPCs that had reached their decision points under the enhanced HIPC Initiative as of January 2002 and is based on available information on the economic performance of these countries in 2000–01 and updated projections made after September 2001.[1] On the basis of this analysis, the paper examines the role of debt relief under the HIPC Initiative and discusses additional measures that could be taken to help HIPCs maintain long-term debt sustainability.

2. **In April 2001, during the discussion of the staff paper on the challenges of maintaining long-term debt sustainability in HIPCs, Directors noted HIPCs' vulnerability to adverse exogenous developments.**[2] Directors agreed that achieving long-term debt sustainability required concerted and sustained efforts by the HIPCs, their creditors and the international community at large and called for the staffs of the IMF and World Bank to assist HIPCs to meet these challenges. The recent global economic slowdown has heightened these concerns. At their November 2001 meetings, the IMFC and Development Committees recognized the need to take into account the worsening global growth prospects and the declines in terms of trade when updating HIPC Initiative debt sustainability analyses and encouraged HIPCs to reach their completion points, thereby securing access to full debt relief without delay.[3]

3. **External debt sustainability is a comprehensive concept and no single debt indicator or a particular level of a debt indicator can fully inform an assessment of debt sustainability.** Analytically, public sector external debt sustainability depends on three key determinants (and their development over time): the existing stock of public and publicly guaranteed debt; the development of fiscal and external repayment capacity, which is closely related to the outlook for output and export growth; and the prospective volume and concessionality of new external borrowing. An assessment of debt sustainability would thus

[1] Most of these projections focused on macroeconomic developments rather than the debt stocks. The loan-by-loan debt sustainability analyses (DSAs) will be updated as these countries reach their completion points. Since the study compares actual performance for 2000–2001 with that projected at the time of the countries' decision points, it does not include Ghana and Sierra Leone, which reached their decision points in February and March 2002, respectively.

[2] "The Challenge of Maintaining Long-Term External Debt Sustainability," SM/01/94, March 21, 2001, http://www.imf.org/external/np/hipc, and IDA/SecM2001-0204, March 20, 2001, http://www.worldbank.org/hipc.

[3] IMFC Communiqué, November 17, 2001.

involve a range of indicators, including both stock concepts and debt-service concepts relative to variables associated with a country's potential repayment capacity.

4. **The remainder of the paper is organized as follows.** Section II presents available evidence on the recent economic performance of the 24 HIPCs and compares these developments with projections made at their decision points. Section III provides a brief assessment of the extent to which the HIPC Initiative has provided a solid basis for the four countries that have reached the completion point to maintain debt sustainability over the medium term, and whether countries in the interim period between their decision points and completion points have made progress toward this goal. Section IV discusses issues that are important in maintaining long-term debt sustainability, including the appropriate response to exogenous shocks, policy measures to reduce HIPCs' external vulnerability, additional debt relief at the completion point in exceptional cases, and appropriate external financing for HIPCs.

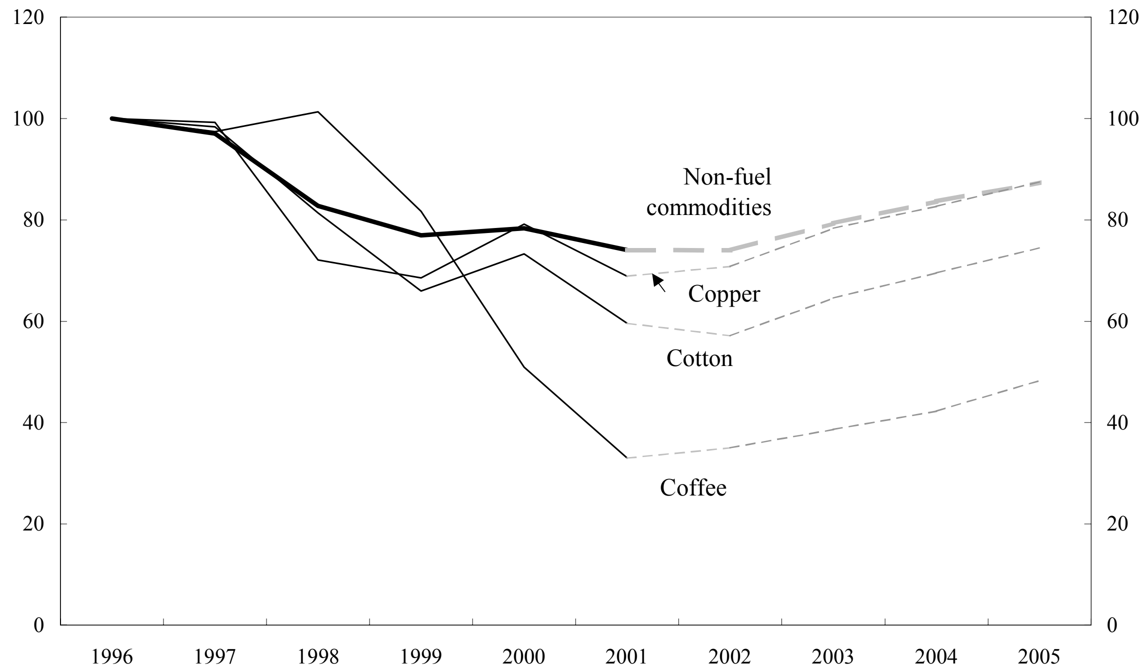
## II. HIPCS' RECENT ECONOMIC PERFORMANCE

### A. Exports and Growth

5. **HIPCs' growth and export performance has been heavily influenced by developments in commodity prices in world markets.** The average export price index (in U.S. dollars terms) declined by 2.6 percent in 2001 for the 24 HIPCs, after a 0.9 percent increase in 2001, but the weakening of export prices over the past two years was much more pronounced for some countries. For instance, on a cumulative basis, the prices of coffee and cotton—two major export commodities for a number of HIPCs—fell by 60 percent and 10 percent, respectively during 2000 and 2001 (Figure 1). The decline in coffee prices affected mainly Ethiopia, Honduras, Nicaragua, Rwanda, Tanzania, and Uganda, while Benin, Burkina Faso, Chad, and Mali were affected by the fall in cotton prices (Appendix Table 1).[4] The largest declines in overall export prices in 2001 were experienced by Guinea-Bissau, Nicaragua, Rwanda, and Uganda, owing mainly to the decline in the prices of their major export commodities (cashew nuts for Guinea-Bissau and coffee for Nicaragua, Rwanda and Uganda) (Appendix Tables 1, 9 and 10). Since most HIPCs are net oil importers, the adverse impact of the commodity price decline on the balance of payments and economic activity was partially compensated by lower oil import prices. On average, the terms of trade for these countries weakened by 0.4 percent in 2000–01; there were 12 countries where the terms of trade developments were unchanged or better than initially projected (Table 1 and Appendix Tables 9–10).

[4] Cotton exporters in Burkina Faso and Chad sold most of their products in the forward market. As a result, the effective export price received by cotton exporters in these two countries increased in 2001 but would decline sharply in 2002.

**Figure 1: HIPCs: Main Export Commodity Prices, 1996 - 2005**
**Index: 1996 = 100**




Source: IMF *World Economic Outlook* .

6. **The unweighted average export growth for the 24 HIPCs in 2000–01, at 5.4 percent, was significantly less than the 9.4 percent projected at the decision points** (Table 1 and Appendix Table 6). Staff estimates suggest that the loss of export earnings due to the decline in commodity prices could amount to 1.5–2 percent of GDP for the 24 countries during these two years. While export growth accelerated in the completion point HIPCs, albeit at a less than projected pace, at 4½ percent it was only half the average projected export growth in the 20 interim HIPCs. Again, there are significant variations across countries behind these averages. Sixteen out of 24 countries experienced lower-than-projected exports in 2000–01, two countries were broadly on target, and six countries recorded a better-than-projected export performance (Madagascar, Mali, Niger, Rwanda, Mozambique, and Tanzania) (Appendix Tables 5 and 6). The export shortfalls during 2000–01 were particularly large in Uganda (27 percent), Burkina Faso and Guinea-Bissau (20 percent), Guinea, Senegal, and Zambia (16–18 percent), Benin, Honduras, and Mauritania (10–13 per-cent). The lower exports in these countries reduced the basis for export projections over the medium term, thus shifting downward the level of projected exports and, ceteris paribus, upward the projected NPV of debt-to-exports ratios and worsening the medium-term projections for these countries' debt sustainability (Figure 2). The realism of export projections is assessed in Section III.C below.

**Table 1. HIPCs: External Environment and GDP and Export Growth, 2000-2001**

**(Annual percentage changes)**

| | 1999 | 2000 | 2001 | 2000 | 2001 |
|---|---|---|---|---|---|
| | Actual | Decision Point projections | | Actual | Preliminary |
| **All 24 HIPCs** 1/ | | | | | |
| **GDP and Exports** 2/ | | | | | |
| Real GDP | 3.8 | 4.7 | 5.7 | 3.6 | 5.0 |
| Exports | 5.0 | 6.9 | 11.6 | 4.9 | 5.8 |
| **External environment** | | | | | |
| Export price index | … | … | … | 0.9 | -2.6 |
| Terms of trade index | -9.2 | -2.3 | 2.8 | -1.2 | 0.5 |
| **Completion point HIPCs** 1/ | | | | | |
| **GDP and Exports** 2/ | | | | | |
| Real GDP | 5.7 | 5.3 | 6.9 | 2.9 | 6.5 |
| Exports | 3.9 | 3.1 | 20.8 | 5.4 | 13.1 |
| **External environment** | | | | | |
| Export price index | … | … | … | -2.7 | -5.1 |
| Terms of trade index | 0.2 | -1.3 | 1.2 | -0.8 | -0.5 |
| **Interim Period HIPCs** 1/ | | | | | |
| **GDP and Exports** 2/ | | | | | |
| Real GDP | 3.4 | 4.6 | 5.5 | 3.8 | 4.7 |
| Exports | 5.3 | 7.7 | 9.7 | 4.8 | 4.4 |
| **External environment** | | | | | |
| Export price index | … | … | … | 1.6 | -2.1 |
| Terms of trade index | -11.1 | -2.5 | 3.1 | -1.3 | 0.7 |
| *Memorandum items:* | | | | | |
| **All developing countries** 3/ | | | | | |
| Real GDP | 3.9 | … | … | 5.8 | 4.0 |
| Exports | 9.7 | … | … | 25.5 | -2.5 |
| Export price index | 5.8 | … | … | 8.0 | -5.0 |
| Terms of trade index | 5.0 | … | … | 7.5 | -2.6 |

Sources: Decision Point documents; IMF World Economic Outlook, 2001; and IMF and World Bank staff estimates.

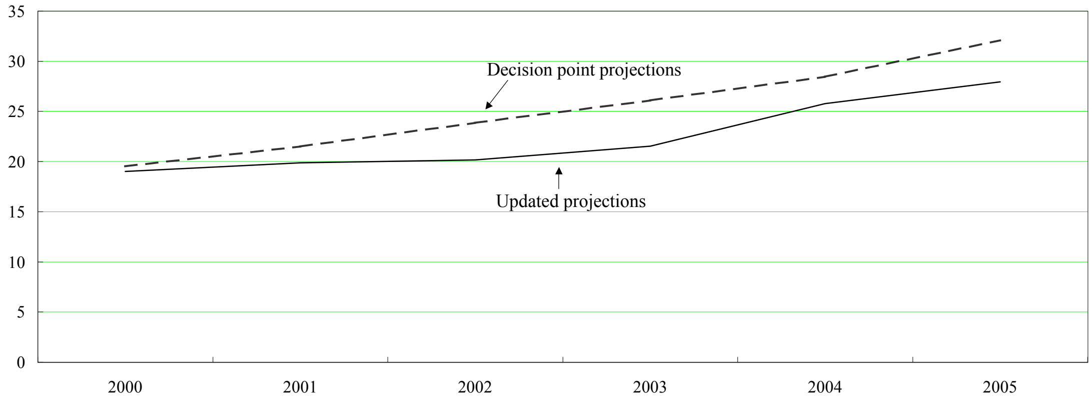
1/ Simple average.

2/ Exports of goods and non-factor services.

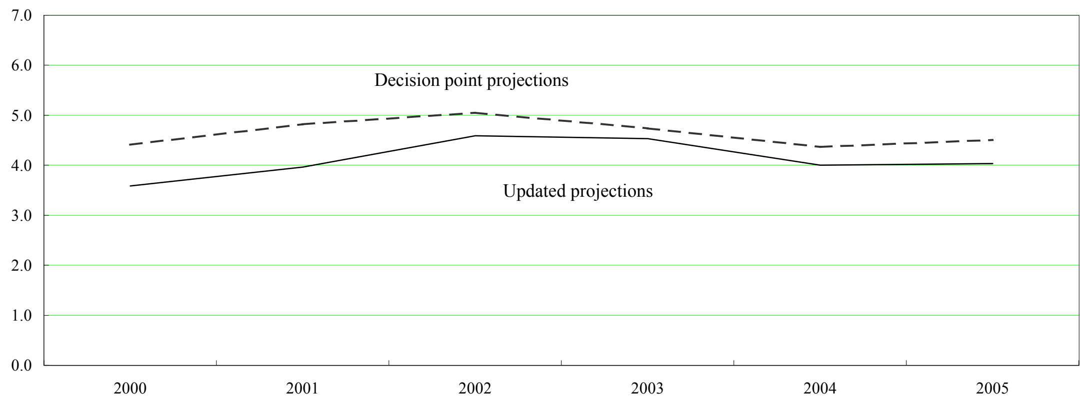
3/ As defined in the IMF WEO.

# Figure 2: HIPCs: Key Factors Affecting External Debt Indicators, 2000 - 2005 1/

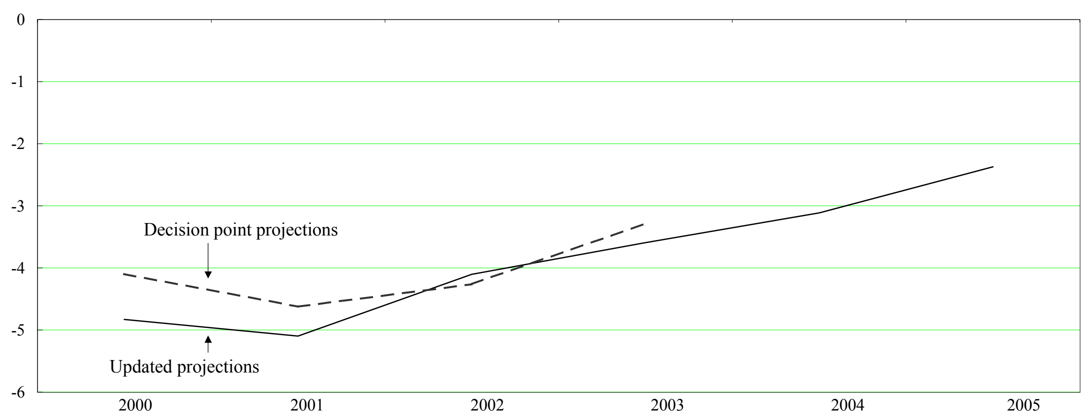
*Exports of goods and services (in billions of U.S. dollars)*



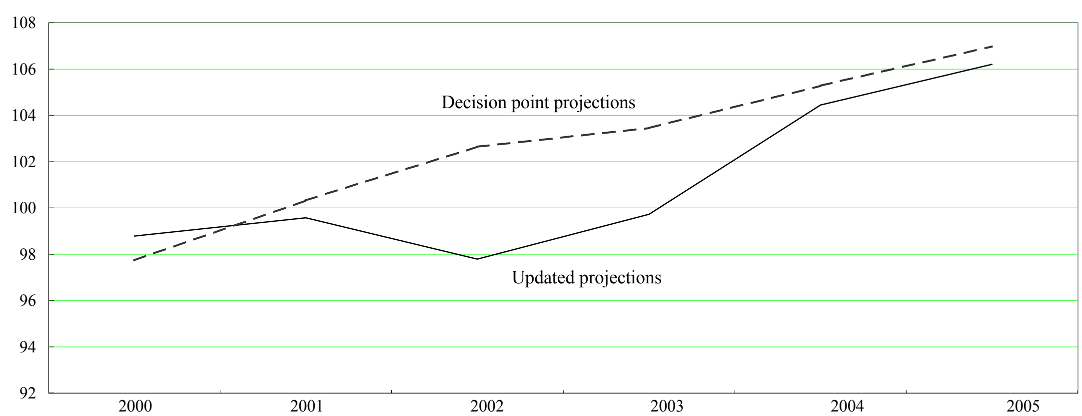

*New External Borrowing (in billions of U.S. dollars)*




*Overall Fiscal Balance of Central Government (in percent of GDP)*




*Terms of Trade (1999=100)*




Sources: HIPC decision point documents; and staff estimates and projections.
1/ Simple average of the 24 countries which reached their decision points as at end-January 2002.

7. **On average, real GDP growth during 2000–01 for the 24 HIPCs, at 4.3 percent, was almost one percentage point below the projections made at the decision points although growth strengthened in 2001 compared to 2000.** Average growth in HIPCs was also lower than the developing country average of 4.9 percent over the last two years, but individual country performance varied widely. Growth was weaker than projected in about half of the 24 HIPCs, but stronger in 8 countries. In 2001, the four completion point HIPCs achieved higher growth than the countries still in their interim period. In particular, Mozambique's GDP grew by 15 percent in 2001 as a result of the recovery after the 2000 floods. Of the countries in their interim period, Chad and Ethiopia recorded the strongest growth at 8–9 percent, reflecting large investments in the oil sector and post-conflict recovery, respectively. At the other end of the spectrum, Mali and Guyana experienced very little GDP growth (Appendix Table 2).

## B. Fiscal and External Current Account Balances

8. **The overall fiscal deficits (central government, including grants) of the HIPCs relative to GDP in the past two years were on average higher than projected at the decision point.** This was the case in 13 of the 24 HIPCs, some of which experienced slower-than-projected growth as noted earlier. Typically, this was the result of higher expenditures and lower revenue (excluding grants). The latter was affected by lower exports in many countries and was not fully compensated by higher grant receipts (Table 2).

9. **HIPCs' external current accounts registered, on average, higher deficits in 2000–01 than projected at the decision point, reflecting mainly lower exports and larger fiscal deficits.** The average external current account deficit for the 24 countries widened by 1½ percentage points to over 11 percent of GDP in 2001. This reflected in part the depreciation of the CFA franc and other currencies vis-à-vis the U.S. dollar during the period, which reduced these countries' GDP in U.S. dollar terms. Most of the countries with higher-than-projected current account deficits were still in their interim period (e.g., Burkina Faso, Mali, Nicaragua, and São Tomé and Príncipe). In some cases, sizable new investments pushed up imports at a faster pace than projected at the decision points (Mozambique and Chad). In a number of cases (e.g., Guinea-Bissau, Guyana, and Honduras), policy slippages have contributed to this outcome. The four completion point HIPCs on average recorded a lower current account deficit in 2000–01 than the HIPCs in the interim period, and experienced a narrowing of the current account gap, while it widened for the interim period HIPCs.

## C. External Financing

10. **Aside from debt relief, the external financing of the HIPCs has been mainly from two sources: highly concessional loans, largely from multilateral creditors, and grants, provided mostly by bilateral donors.** For these 24 countries as a whole, disbursements of loans in 2000–01 were $1.6 billion lower than decision point projections. Nonetheless, new external borrowing was significantly higher than projected in two HIPCs (Benin and

**Table 2. HIPCs: Fiscal and External Current Account Balances and External Financing, 2000-2001**
**(In percent of GDP unless otherwise indicated)**

| | 1999 | 2000 | 2001 | 2000 | 2001 |
|---|---|---|---|---|---|
| | Actual | Decision Point projections | | Actual | Preliminary |
| **All 24 HIPCs** 1/ | | | | | |
| Overall fiscal balance 2/ | -4.3 | -4.1 | -4.6 | -4.8 | -5.1 |
| External current account balance 3/ | -8.8 | -8.2 | -9.4 | -9.7 | -11.2 |
| o/w grants | 8.0 | 7.4 | 6.8 | 7.7 | 7.1 |
| New borrowing | 6.5 | 7.4 | 7.7 | 5.7 | 5.9 |
| In billions of U.S. dollars | 3.3 | 4.4 | 4.8 | 3.6 | 4.0 |
| Net resource inflows 4/ | 10.7 | 10.7 | 11.6 | 9.2 | 10.2 |
| In billions of U.S. dollars | 4.0 | 6.5 | 6.8 | 5.3 | 6.3 |
| **Completion Point HIPCs** 1/ | | | | | |
| Overall fiscal balance 2/ | -1.2 | -3.0 | -1.8 | -4.9 | -3.5 |
| External current account balance 3/ | -9.3 | -8.7 | -6.6 | -7.9 | -7.5 |
| o/w grants | 9.2 | 6.9 | 6.0 | 7.7 | 7.4 |
| New borrowing | 8.7 | 6.9 | 4.9 | 4.8 | 4.7 |
| In billions of U.S. dollars | 1.0 | 1.8 | 1.5 | 1.2 | 1.2 |
| Net resource inflows 3/ | 8.3 | 11.8 | 9.4 | 10.3 | 10.5 |
| In billions of U.S. dollars | 1.3 | 3.0 | 2.8 | 2.5 | 2.5 |
| **Interim period HIPCs** 1/ | | | | | |
| Overall fiscal balance 2/ | -4.9 | -4.3 | -5.2 | -4.8 | -5.4 |
| External current account balance 3/ | -8.6 | -8.1 | -9.8 | -10.3 | -12.1 |
| o/w grants | 4.1 | 7.6 | 6.9 | 7.6 | 7.0 |
| New borrowing | 6.2 | 7.6 | 8.5 | 6.1 | 6.2 |
| In billions of U.S. dollars | 2.3 | 2.6 | 3.3 | 2.4 | 2.7 |
| Net resource inflows 3/ | 11.1 | 10.4 | 12.1 | 9.0 | 10.2 |
| In billions of U.S. dollars | 2.7 | 3.5 | 4.0 | 2.8 | 3.7 |
| *Memorandum items:* | | | | | |
| **All developing countries** 5/ 6/ | | | | | |
| Overall fiscal balance 2/ | -4.1 | … | … | -3.0 | -3.9 |
| External current account balance 3/ | -0.7 | … | … | 1.1 | 0.1 |

Sources: Decision Point documents; IMF World Economic Outlook, 2001; and IMF and World Bank staff estimates.

1/ Simple averages.
2/ Central government balance, including grants.
3/ Including grants.
4/ Defined as new loans plus grants minus debt service payments for the public sector.
5/ As defined in the IMF WEO.
6/ Weighted averages.

Honduras) and was broadly as projected in four other countries. Meanwhile, new borrowing was markedly below decision point projections in 18 HIPCs, many of which have remained on-track with the underlying adjustment programs (Appendix Table 7).

11. **Most HIPCs are dependent to a large extent on grants to finance their domestic spending and balance of payments gaps.** On average, HIPCs received grants of more than 7 percent of their GDP a year in 2000–01, exceeding slightly decision point projections, while new external borrowing averaged 5.8 percent of GDP a year, 1 percentage point of GDP below decision point projections.[5] Annual net resource flows—disbursements of loans and grants minus debt-service payments—to these countries amounted to around 9–10 percent of GDP in this period compared to 11–12 percent projected at the time of decision point. These levels are similar in the completion point and interim period HIPCs. It should be noted that financing projections of program scenarios are typically ambitious, and delays in disbursements are often experienced either due to absorption problems in the recipient countries or due to administrative problems on the creditor/donor side, even if a country's program implementation is on track.

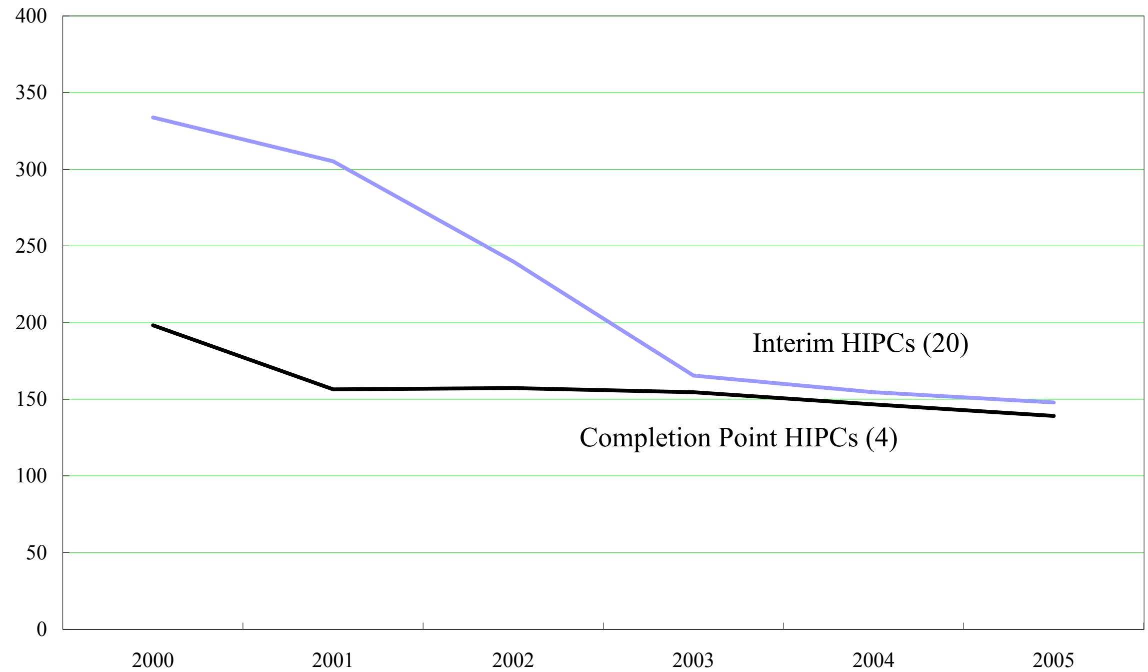
## D. External Debt Indicators

12. **On average, the net present value (NPV) of debt and actual debt service relative to exports in 2000–01 were somewhat higher than anticipated at the decision point for the 24 HIPCs, reflecting mainly lower exports** (Figure 3, Table 3 and Appendix Tables 3–4). **There were considerable differences in the developments of debt indicators across the HIPCs, reflecting primarily the relative importance of export shortfalls and to a significantly lesser extent the size of their new external borrowing. Differences in the implementation of economic reform programs may also have an impact but the short-term net effect is uncertain.** The effect of policy slippages on external debt indicators is ambiguous in the short term, as interruptions in the implementation of a country's economic program may result in lower new loan disbursements from official creditors and hence lower-than-projected debt stock and debt service, but the debt stock could also be higher than projected due to a possible accumulation of debt-service payments arrears. At the same time, weak policies adversely affect output and export growth over the longer term. The four completion point countries had on average NPV of debt-to-export ratios in 2000–01 significantly lower than the 20 countries that were in their interim period, reflecting debt relief received by them upon reaching their completion points (Figure 3 and Table 3). This is discussed in more detail below.

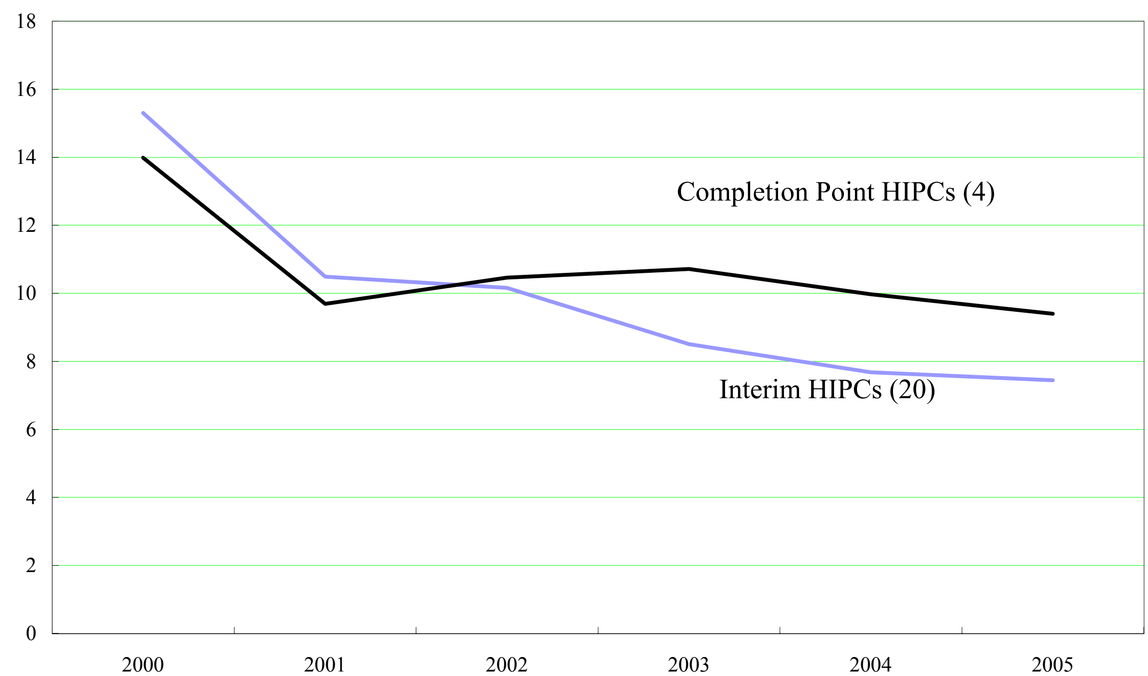
[5] In part this reflected the fact that decision point projections typically anticipated that financing gaps would be closed by both grants and highly concessional loans, but the portion of grants was uncertain. Available data on decision point projections of grants thus may understate the magnitude of expected grants.

**Figure 3. External Debt Indicators: Interim HIPCs Versus Completion Point HIPCs, 2000 - 2005 1/**
**(In percent)**

***NPV of debt-to-exports ratio***




***Debt service-to-exports ratio***




Sources: IMF and World Bank staff estimates and projections, January 2002.

1/ Based on the latest updated projections.

**Table 3. HIPCs: External Debt Indicators, 2000-2001**
**(In percent)**

| | 1999 | 2000 | 2001 | 2000 | 2001 |
|---|---|---|---|---|---|
| | Actual | Decision Point projections | | Actual | Preliminary |
| **All 24 HIPCs** 1/ | | | | | |
| Debt service to exports 2/ | 15.0 | 16.7 | 10.4 | 14.9 | 10.3 |
| Debt service to revenues 3/ | 22.0 | 24.0 | 14.5 | 22.8 | 15.6 |
| NPV of debt to exports 4/ | 336.1 | 309.8 | 271.9 | 311.1 | 277.7 |
| **Completion point HIPCs** 1/ | | | | | |
| Debt service to exports 2/ | 19.0 | 14.9 | 8.9 | 12.3 | 9.7 |
| Debt service to revenues 3/ | 18.8 | 14.4 | 9.5 | 12.1 | 10.0 |
| NPV of debt to exports 4/ | 337.4 | 190.0 | 166.6 | 198.2 | 156.5 |
| **Interim Period HIPCs** 1/ | | | | | |
| Debt service to exports 2/ | 14.9 | 17.1 | 10.7 | 15.4 | 10.4 |
| Debt service to revenues 3/ | 22.5 | 26.3 | 15.5 | 25.0 | 16.7 |
| NPV of debt to exports 4/ | 335.9 | 335.0 | 293.0 | 333.7 | 301.9 |
| *Memorandum item:* | | | | | |
| **All developing countries 5/** | | | | | |
| Debt service to exports 2/ | 20.0 | … | … | 21.9 | 21.5 |

Sources: Decision Point documents, IMF World Economic Outlook and IMF and World Bank staff estimates.

1/ Simple averages.

2/ Current-year exports of goods and non-factor services

3/ Government revenues before grants.

4/ Based on a three-year backward-looking averages of exports of goods and non-factor services. Figures for 1999 are after traditional debt relief; 2000-01 figures are after HIPC assistance. First column data on Chad and Ethiopia are for 2000 and 2001, respectively.

5/ As defined in the IMF WEO.

13. **The NPV of debt data available for this study is updated to fully reflect the impact of the changes in world market interest rates (used as discount rates for calculating the NPV of debt) and exchange rates only for the 4 completion point countries, but the effect of changes in interest and exchange rates on the NPV of debt for the 20 interim cases is estimated to be small.**[6] The appreciation of the U.S. dollar against other major currencies in the past year partially offset the effect of a decline in the world market interest rates on the NPV of HIPCs' outstanding debt in U.S. dollar terms. Other factors, such as the levels of exports or fiscal revenue, which underlie a country's repayment capacity, and new borrowing, which directly adds to a country's debt-service burden over the longer term (as grace periods of concessional borrowing come to an end), were more important in affecting HIPCs' external debt sustainability outlook (see below).

## III. UPDATED DEBT SUSTAINABILITY OUTLOOK

### A. Post-Completion Point Countries

14. **Two of the first four completion point countries (Mozambique and Tanzania) appear to be in a good position to maintain debt sustainability, despite a worsened external environment** (Figure 4 and Box 1). Tanzania's current situation and outlook is now significantly better than projected at the time of its decision point due to higher-than-projected exports for 2001, reflecting the increased gold production, and lower-than-expected new borrowing. Similarly, in the case of Mozambique, larger-than-expected exports in 2001 (reflecting the coming on stream of a new aluminum project one year earlier than initially anticipated) combined with lower-than-anticipated new borrowing caused an improvement in the debt indicators. As a result, the NPV of debt-to-exports ratios for these two countries are currently projected to follow a declining trend and to remain below the HIPC Initiative debt sustainability threshold over the medium term. Their debt-service ratios would remain below 10 percent in the projection period.

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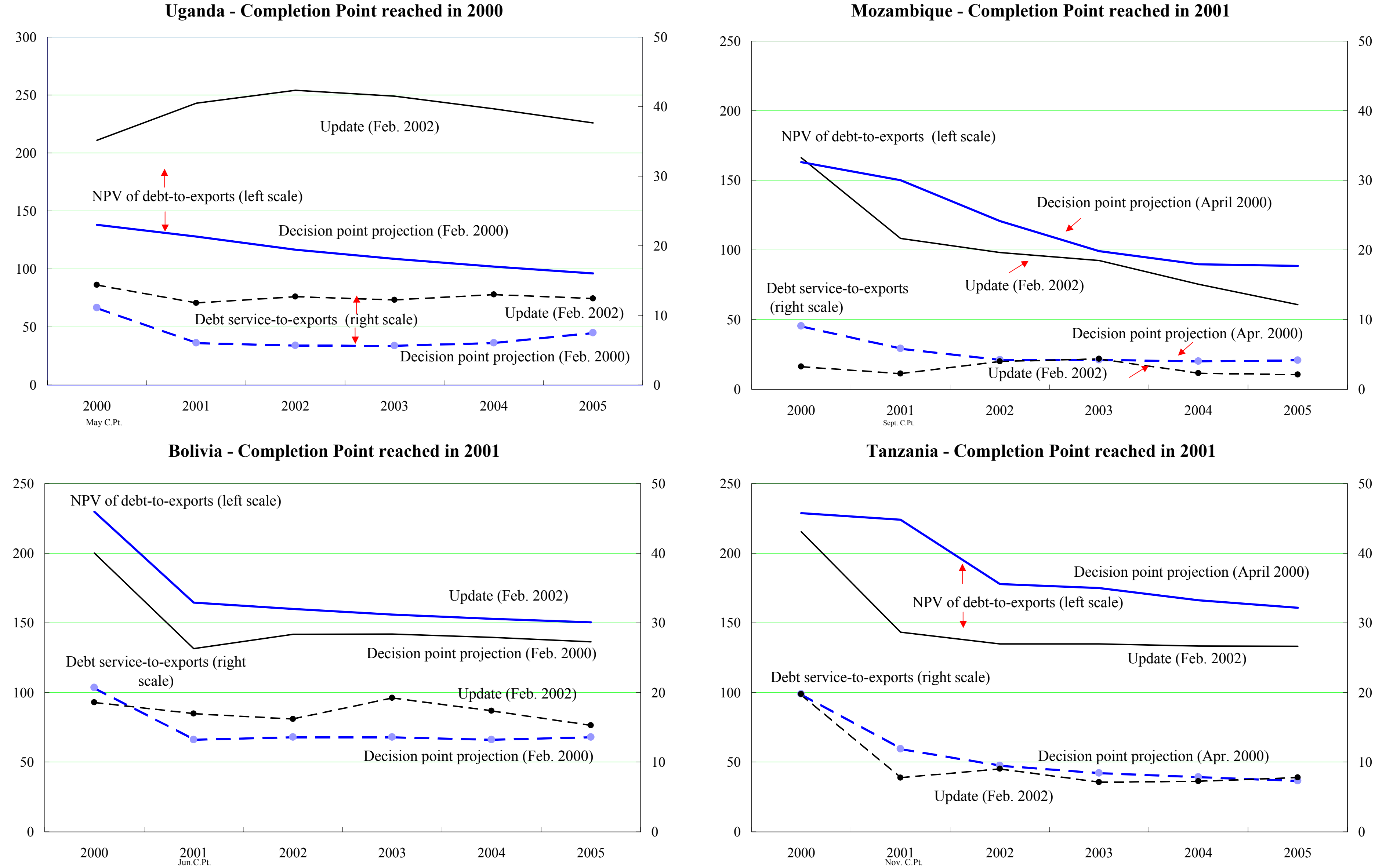
[6] A decline in world market interest rates, as reflected in the currency-specific discount rates used to calculate the NPV of debt, makes the existing loan portfolio relatively more expensive than new loans at lower rates. The increases in the NPV of debt resulting from the decline in the discount rates would vary across countries, depending on the currency composition and maturity profile of their loan portfolio. Except for a few countries that reached their decision points or completion points very recently, the NPV of debt stock has not been recalculated using the latest world interest rates. Loan-by-loan based recalculation is done in the context of DSAs at the decision and completion points. The interest rate and exchange rate effects therefore will be captured fully in forthcoming HIPC completion point documents.

**Figure 4. Completion Point Countries: External Debt Indicators, 2000 - 2005**
(In percent)




Sources: IMF and World Bank staff estimates and projections, January 2002.

**Box 1. Recent Economic Performance and Prospects for Long-Term Debt Sustainability in Completion Point Cases: Bolivia, Mozambique, and Tanzania**

**Bolivia**

Bolivia's recent performance under the PRGF-supported program in 2001 was uneven. Bolivia was affected not only by the global slowdown, but also by the effects of the Argentine economic crisis, which has reduced workers' remittances. Growth in 2001 declined to only 1 percent (compared with 4 percent targeted under the program), largely on account of the longer-than-expected duration of the adverse effects on domestic demand of the coca eradication program, a significant reduction in bank credit to the private sector, and reduced remittances, notwithstanding the strong performance of the oil and gas sectors. Bolivia contracted sizable new nonconcessional loans from the Andean Development Corporation (CAF), a regional multilateral creditor, in order to cover the higher budget deficit.

**Mozambique**

Among the four completion point cases, Mozambique appears to have the strongest base for maintaining long-term debt sustainability. After the devastating floods of 2000, real GDP growth in 2001, led by agriculture, rebounded strongly. At the same time, Mozambique has been largely spared from the effects of the global economic slowdown. The NPV of debt-to-export ratio is expected to decline rapidly from 108 percent in 2001 to under 100 percent in 2002, and to ease steadily to 46 percent by 2010. The country's export base is expected to benefit greatly from the Mozal aluminum smelter as it goes into full production, as well as from its large agricultural potential and strong foreign direct investment in tourism and light manufacturing.

**Tanzania**

Tanzania's economic performance has been quite strong in the past few years, aided by determined policy implementation and foreign direct investment, especially in mining and tourism. Although the global slowdown has seriously hit the tourism industry and led to a lower real GDP growth in 2001 (5.1 percent compared with 5.6 percent projected), its effects on exports have been mitigated by strong gold exports, whose prices have rebounded somewhat. Tanzania is set to become the third largest gold producer in Africa, which will make it less dependent on coffee—whose prices have declined sharply over the past six years. Thus Tanzania's prospects for long-term debt sustainability are favorable.

15. **Recent developments of debt indicators in Bolivia and Uganda are worrisome.** Bolivia's debt-service ratio is projected to increase from 17 percent in 2001 to 19 percent in 2003 and is projected to remain above 15 percent in 2004–05, reflecting large new borrowing after the completion point, including a significant part on nonconcessional terms, and a downward revision of export projections. Bolivia's NPV of debt-to-exports ratio is now projected to remain below 150 percent of exports over the medium term. This is lower than the decision point projections owing to the increase in interest rates in 1999–2000, appreciation of the U.S. dollar, and higher-than-anticipated exports between the decision point and the completion point. In the case of Uganda, a sharp decline in coffee prices, its major export product, led to a sharp increase in the NPV of debt-to-exports ratio to about 210 percent at end-2000/2001, while debt service relative to exports remained at around 12 percent. Over the next two years, updated projections suggest that the NPV of debt and debt service relative to exports would remain at around 250 percent and 12-13 percent,

respectively, reflecting the continued impact of lower export earnings relative to decision point projections and, to a lesser extent, somewhat higher projected new borrowing, but would decline steadily thereafter. To improve Uganda's debt sustainability outlook would thus require a major improvement in export performance and appropriate external support by its creditors and donors (see Box 2) As staff is currently undertaking a detailed update of Uganda's debt sustainability analysis, these conclusions remain tentative.

## B. Countries in the Interim Period

16. **The external debt sustainability outlook for most of the 20 countries in the interim period has worsened somewhat but updated projections continue to point to a decline in the average NPV of debt-to-exports ratio over the medium term.** As in the decision point projections, at their completion points these countries will experience a substantial drop (one third on average) in the stocks of debt in NPV terms as a proportion of exports and debt-service ratios would decline substantially in the years ahead. These general trends were anticipated in the decision point documents, but the decline in debt indicators now begins from somewhat higher levels (Figure 5). The new projections in part reflect the delays from 2001 to 2002 in reaching the completion point in several countries (e.g., Benin, Burkina Faso, Guyana, Mali, Senegal).

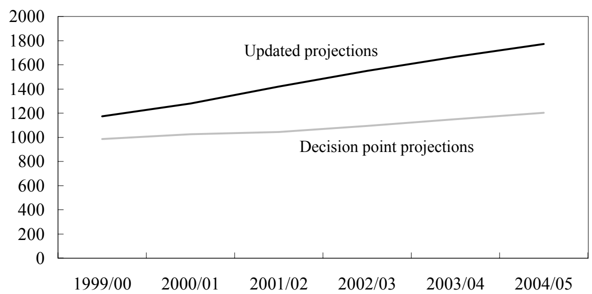
17. **Lower levels of exports appear to be the main factor for the worsened outlook for this group of countries.** The effects of higher new borrowing and slippages in the implementation of policy reforms, if important in a few cases, appear to be limited, based on the available data and the assumption that HIPCs will pursue sound economic policies in the years ahead. Twelve of the 13 countries with higher debt/export ratios experienced lower exports in 2000–01. In general, countries that managed to stay on track with their macroeconomic stabilization and structural reform programs (e.g., Benin, Cameroon, and Mauritania) seem to be better placed to reach a viable external debt position. However, 8–10 countries, most of which had been seriously affected by export price declines, are now projected to have NPV of debt-to-exports ratios at their completion points above the sustainability threshold of the enhanced HIPC Initiative (Benin, Burkina Faso, Chad, Ethiopia, The Gambia, Guinea-Bissau, Malawi, Rwanda, Senegal, and Zambia). Six of these countries (Burkina Faso, Chad, Ethiopia, Malawi, Rwanda, Zambia) had been anticipated to be above the NPV of debt-to-exports threshold at the time of their decision points, but the magnitude of the gap is now projected to be larger.

18. **During 2001, a number of countries experienced difficulties in staying on track with their macroeconomic and structural reform programs** (Guinea, Guinea-Bissau, Guyana, Honduras, Malawi, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, and Senegal), but for some this was temporary (Honduras, Niger, and Rwanda). As a result, some creditors/donors suspended their interim debt relief and aid flows to countries with extended interruption (Guinea-Bissau, Guyana, and São Tomé and Príncipe). Clearly, these countries need to address their macroeconomic imbalances and resume the implementation of their poverty reduction strategies and the achievement of their medium-term economic objectives.

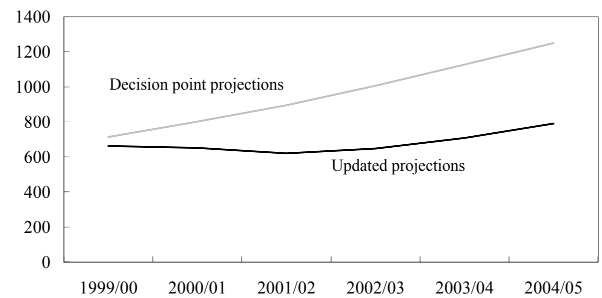
**Box 2. Uganda—External Debt Sustainability Outlook**

External debt sustainability indicators have deteriorated since Uganda reached its completion point under the Enhanced HIPC Initiative in May 2000. This has been due primarily to the precipitous decline in coffee prices and export volumes, which have reduced Uganda's projected export earnings by 35–40 percent, or 6 percent of GDP, on average over the next five years, compared with projections made at the time of the completion point. Consequently, the NPV of debt-to-exports is now projected to increase from 196 percent in 2001 to 240 percent in 2002/03, before declining gradually thereafter. The debt service-to-exports ratio is projected to rise to 12 percent in 2001/02 and peak at 14 percent by 2004/05 but to ease in subsequent years.

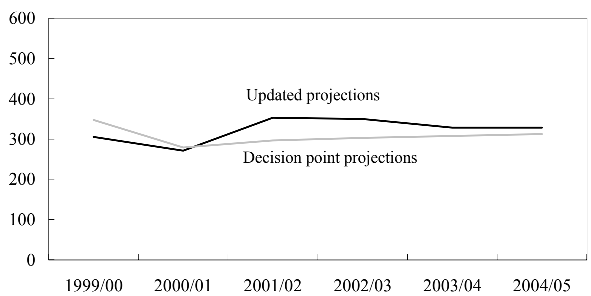
**NPV of external debt (in millions of U.S. dollars)**



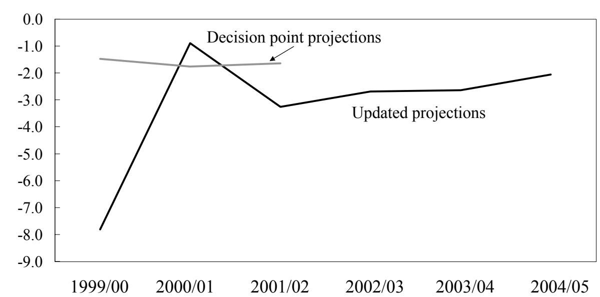

**Exports of goods and services (in US dollar million)**



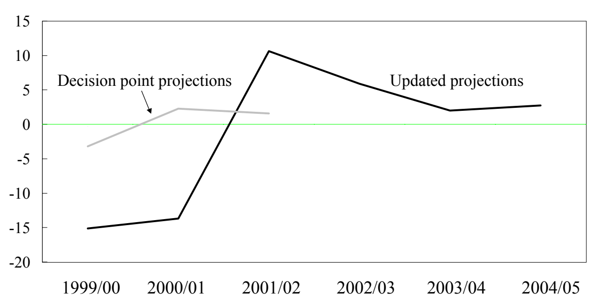

**New External Borrowing (in US dollar million)**




**Overall Fiscal Balance (in percent of GDP)**




**Terms of Trade (percentage change)**




**Export Price Index (1998/99 = 100)**

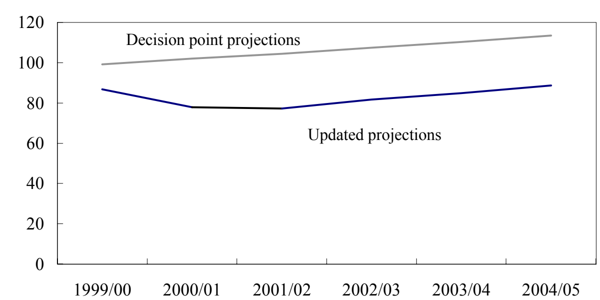


**Figure 5a. Interim Period HIPCs: NPV of Debt-to-Exports Ratio 1/**
**(In percent)**

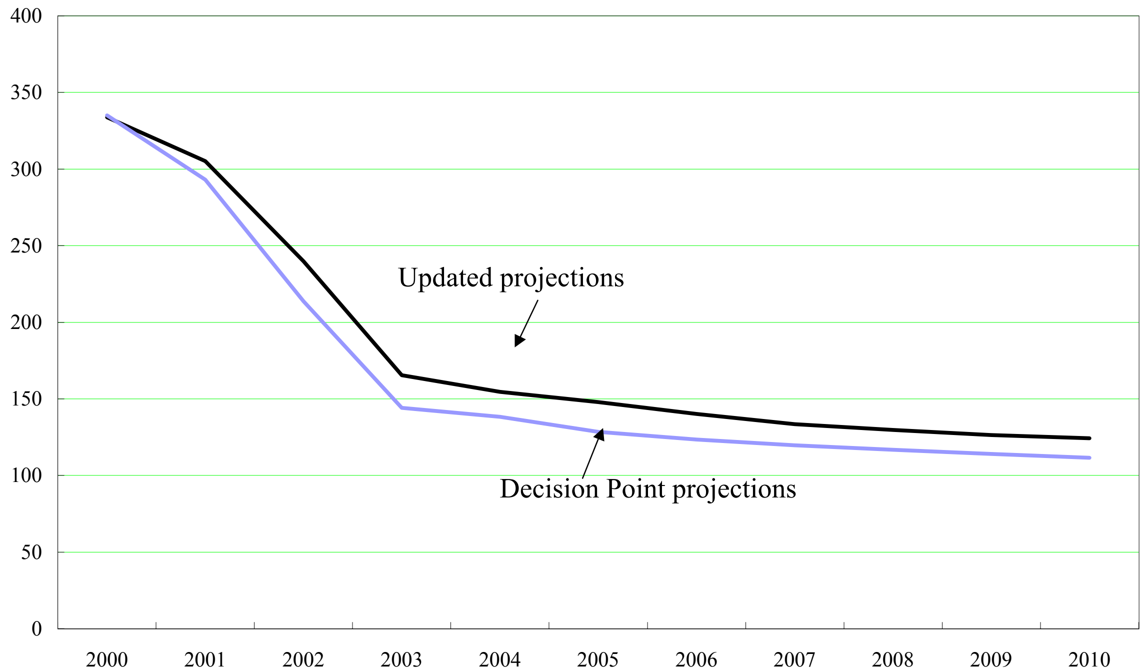
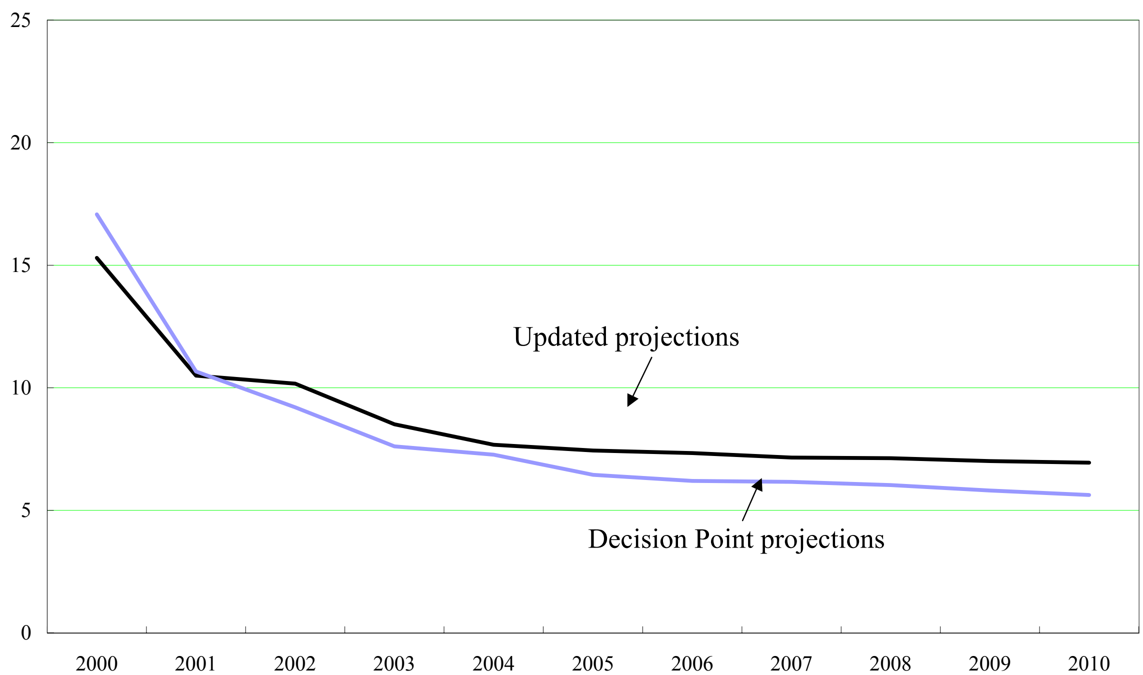



**Figure 5b. Interim Period HIPCs: Debt Service-to-Exports Ratio 1/**
(In percent)




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

1/ Updated preliminary data, including four countries qualifying under the fiscal window (Guyana, Honduras, Mauritania, and Senegal).

19. **Overall, the updated projections continue to show significant net resources flows to the HIPCs, in the order of some 10 percent of GDP in 2002–03 and about 7 percent of GDP per annum thereafter** (see Appendix Table 8). Relative to GDP, new borrowing in NPV terms and grants are expected to decline gradually, while foreign direct investment is projected to increase. The projected pattern depends critically on the rate of success in the reform process and varies from country to country, with countries that are currently carrying out privatization programs doing relatively better in attracting foreign direct investment.

### C. Have Projections Been Too Optimistic?

20. **The foregoing assessment provides evidence that the actual performance during 2000–01 of the 24 HIPCs analyzed fell short of the expectations held at the time of their decision points.** These shortfalls are quite significant with respect to export and fiscal performance and, consequently, for the external debt indicators as well. This has raised concerns that the projections underlying the HIPC debt sustainability analyses are too optimistic. A number of factors need to be taken into account in assessing the realism of the long-term economic projections under the HIPC Initiative.

21. **First, long-term economic forecasts, while useful in informing the likely trends, depend critically on the underlying assumptions, especially on the future course of government policies as well as external market conditions (as discussed below).** The decision point projections are based on policy-scenarios and thus predicated upon the successful implementation of a comprehensive set of economic and structural reforms. In the event, the HIPCs which are no longer on-track with the PRGF-supported reform agenda generally have experienced the most significant shortfalls in (export and fiscal) performance compared with expectations at the decision point. Second, the projections made at the time of the decision point did not anticipate the commodity price declines and global downturn experienced over the past 10–12 months. Finally, the updated projections for the countries under consideration are based upon actual developments in 2000–01, i.e., are drawn up from a somewhat lower starting point.

## IV. ADDRESSING ADVERSE DEVELOPMENTS WITHIN THE HIPC FRAMEWORK AND BEYOND

### A. HIPCs' Vulnerability to Exogenous Shocks

22. **Like many other low-income countries, the HIPCs' economic and export base is very narrow and heavily dependent on a few primary commodities.** For 17 of the 24 countries, the exports of three main commodities account for more than half of their total exports (Appendix Table 1), and this dependence has remained largely unchanged during the last two decades. The prices of these commodities in world markets have been on a secular downward trend. They are strongly influenced not only by the current weak global demand conditions, but also by the large subsidies provided by a number of industrial countries to their producers, and the success that some other developing countries are having in boosting

their supply of primary commodities. Frequently, this vulnerability affects not only the HIPCs' external position, but also their fiscal balance, as government revenue collection often relies heavily on commodity production and exports.

23. **A large number of HIPCs are facing an HIV/AIDS epidemic, which, through its devastating effects on the labor force and public finances, could seriously affect debt sustainability over the longer term.** Some HIPCs, for example, Zambia and Malawi, have prevalence rates that are among the highest in the world. As a number of studies have shown (Box 3), the negative impact of HIV/AIDS on a country's economic performance could be considerable. While more analytical work is required to fully understand the impact of the epidemic on long-term debt sustainability, the case of Zambia suggests that HIV/AIDS could reduce real GDP growth rate by 1.5 percent or more a year for the next 10–15 years, thereby weakening the country's economic performance and payment capacity. A number of the HIPC decision point documents include HIV/AIDS-related completion point triggers aimed at containing or reducing the HIV/AIDS prevalence rate.[7]

24. **HIPCs' structural vulnerability cannot be tackled by debt relief, but needs to be addressed through efforts to diversify exports and production.** At the same time, debt relief can create some fiscal space for the HIPCs to undertake improvements in areas such as public health, education, and infrastructure that enhance their longer-term growth potential.

## B. The Role of the HIPC Initiative Framework

25. **The recent global economic downturn and the associated declines in primary commodity prices have raised some concerns about whether the enhanced HIPC Initiative can achieve its objective of enabling HIPCs to exit permanently from debt rescheduling.** Addressing these concerns calls for a clear understanding of the role of debt relief, as well as for other measures to help achieve long-term debt sustainability in HIPCs.

26. **The HIPC Initiative is designed to deal with one of three key elements of longer-term debt sustainability—the outstanding stock of external debt at the decision point.** By reducing the stock of external debt to sustainable levels at the decision point, the HIPC Initiative aims at eliminating any debt overhang, thereby creating the conditions for strong growth and long-term debt sustainability. However, debt relief alone, no matter how generous, cannot guarantee that a country will not fall back to unsustainable levels of debt, nor does it deal directly with a country's vulnerability to future exogenous shocks. While the existing stock of debt (and associated debt service) sets the point of departure for determining long-term debt sustainability, the growth of income, exports, and fiscal revenue—which, to a

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[7] Zambia is used for illustration purposes because it has the highest adult prevalence rates among HIPCs and is one of the few countries for which empirical analysis of the potential macroeconomic impact of the epidemic has been undertaken.

**Box 3. Impact of HIV/AIDS on Long-Term Debt Sustainability in HIPCs**

A number of HIPCs are facing an HIV/AIDS epidemic of crisis proportions, which has raised concerns that the rapid deterioration in the supply and quality of human capital would adversely affect factor productivity, savings and investment with concomitant effects on the prospects for economic growth.[1] The significance of the epidemic on HIPCs can be inferred from recent studies that attempt to assess the macroeconomic impact of HIV/AIDS on economic growth.[2] These studies estimate that over a 10 to 15 year period, countries could forego up to 1.8 percentage points of economic growth each year because of the epidemic.

The effects of other shocks precipitated by the epidemic on HIPCs are of greater relevance for the assessment of debt sustainability. Empirical studies that allow for further reductions in capital flows and capital accumulation, based on pessimistic prospects for returns on capital and consequently lower factor productivity, project that economic growth could potentially decline further on average by as much as 0.8 percentage points per year.

While the lower growth rates would have a relatively small impact on debt-service and NPV debt-to exports ratios, declining economic growth would constrain the growth of government revenues. At the same time, government expenditure is likely to increase for AIDS related spending as countries try to combat the disease. As a percentage of GDP, health expenditures in 1999, ranged between 1.0 and 3.1 percent of GDP in HIPCs. These expenditures are projected to increase by as much as 2.5 percentage points of GDP in the near future, as more concerted efforts are made to treat the epidemic in heavily affected countries. Additionally, resources for investment and other public expenditures are likely to be constrained unless additional domestic or external financing can be obtained. The fiscal impact on debt sustainability could thus be significant. The impact of HIV/AIDS has been factored into the medium-term economic prospects and DSAs for Zambia, Burkina Faso and Malawi. Seven countries (Burkina Faso, Cameroon, Mozambique, Malawi, Tanzania, Rwanda, and Zambia) have included measures to combat the epidemic as completion point triggers, aimed at continue or reducing the HIV/AIDS prevalence rates. [3]

[1] Uganda is one of the few cases cited for its success in reducing HIV infection rates, from 30 percent in 1992 to 8.3 percent in 1999.

[2] IMF (2001), Zambia "Selected Issues and Statistical Appendix, SM/01/319; UNDP (2000), "HIV/AIDS: Implications for Poverty Reduction;" Bonnel (2000), "HIV/AIDS: Does it Increase or Decrease Growth in Africa," mimeo, World Bank; Arndt and Lewis (2000), "The Macro implications of Aids in South Africa: A Preliminary Assessment," *South African Journal of Economics*; Haacker (2001), "Economic Consequences of HIV/Aids in Southern Africa," IMF Policy Discussion Paper, PDP/01/3.

[3] The impact of HIV/AIDS has been factored into the medium-term economic prospects and DSAs for Burkina Faso, Malawi, and Zambia. Seven countries (Burkina Faso, Cameroon, Malawi, Mozambique, Rwanda, Tanzania, and Zambia) have included measures to combat the epidemic as completion point triggers, aimed at containing or reducing the HIV/AIDS prevalence rate.

large extent, reflect a country's economic policies—are the underlying determinants of the evolution of a country's capacity to service external debt over the longer term. Similarly, the volume and terms of new external borrowing have a direct impact on the burden of external debt, and an indirect offsetting effect through its effect on future investment and growth.

## C. Scope for Increasing Interim Relief

27. **While the importance of ensuring adequate adjustments in domestic policies in the face of external shocks cannot be overstated, it is equally important to complement such policies with external support, including adequate funds to help deal with cash-flow problems arising from exogenous shocks.** One possible option to deal with the cash-flow problem of the HIPCs in the interim period prior to their completion point is increasing the provision of interim relief, where warranted, by the creditors concerned on a case-by-case basis.

28. **For the HIPCs in the interim period, the total amount of debt relief required under the enhanced HIPC Initiative as well as the level of interim relief they may be receiving from major creditors have been determined at their decision points.** However, in the face of external shocks and a slowdown in the world economy, the enhanced HIPC framework does allow a certain degree of flexibility to accommodate shortfalls in export earnings and lower growth in revenues. To cushion the effects of what may be considered temporary setbacks, interim relief could be increased—through stronger front-loading by those creditors already providing interim relief (primarily AfDB, IaDB, IDA, and IMF) within their institutional limits, and through increasing the number of creditors providing interim relief.

### D. Additional Relief at the Completion Point

29. **Under the existing HIPC framework, it is possible to reassess the amount of debt relief at the completion point in exceptional cases where severe exogenous shocks fundamentally change the HIPCs**' economic circumstances and pose prolonged debt sustainability problems for them.[8] However, HIPC relief is not intended to compensate for slippages in policy implementation, nor could it be provided to deal with debt problems arising from poor governance and imprudent new borrowing. Under the existing operational modalities, the reassessment of the amount of HIPC relief committed at the decision point would not be automatic, and each country's long-term debt outlook and the nature of the exogenous shock faced will be considered on a case-by-case basis at the completion point. This reassessment will take fully into account the impact of all debt relief already provided, including additional debt relief beyond the HIPC Initiative announced by a number of official bilateral creditors.

30. **In view of the impact of recent developments on the HIPCs' debt sustainability outlook, the staffs have attempted to gauge the potential cost of additional HIPC relief at the completion point.** Based on the latest available information on external debt and exports, the exercise compares the ratio of NPV-of-debt to exports at the countries' expected completion points to the HIPC Initiative's sustainability threshold.[9] A range-estimate is established by applying different assumptions concerning the timing of the completion point: the lower-end estimates assumes that the completion point occurs as expected at the time of decision point (or in 2002 for the countries where completion points already have been delayed from 2001); the upper-end estimate assumes a one-year delay from this for each country in reaching its completion point.

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[8] See "The Enhanced HIPC Initiative – Completion Point Considerations," IDA/SecM2001-0539/1 and EBS/01/141, August 21, 2001.

[9] A revenue scenario on the five HIPCs that qualified under the fiscal window is not considered here because these countries exhibit NPV of debt-to-revenue ratios declining rapidly well below the 250 percent threshold. Hence, barring a catastrophic collapse of government revenues, these countries are not expected to require topping-up of HIPC debt relief at the completion point.

31. **The estimates suggest that with the combined effect of updated exports and possible delays in reaching the completion points, 8–10 countries could have NPV of debt-to-exports ratios above 150 percent at their completion points** (Table 4). In total, the debt of these countries (in NPV terms) in excess of the HIPC threshold at the completion point could range from US$0.5 billion to US$0.9 billion.[10] This compares to the US$0.4 billion of debt in excess of the 150 percent threshold reflected already in the projections at decision point. A similar range estimate was derived in another exercise that simulated lower or no growth in exports from the 2001 levels.

32. **Not every country with NPV of debt-to-exports ratio higher than 150 percent at the completion point would face a fundamental worsening of its economic conditions.** The figures in Table 4 include Chad, whose NPV of debt-to-exports ratio was expected (at the decision point) to experience a significant but temporary hump (with an NPV of debt about US$0.2 billion above the level consistent with the sustainability threshold) due to public investments in oil-extraction. This temporary increase would not be exogenous and would not result in a fundamental deterioration of Chad's economic circumstances, as export earnings and fiscal revenue are expected to increase sharply with the start of significant oil exports in 2004.

33. **It is important to emphasize that these estimates are derived from a stylized exercise and depend critically on the underlying assumptions.** There should be no presumption on country eligibility for topping up or the amount of additional HIPC relief at the completion point. The outcome for each HIPC would need to be assessed based on actual data available at the completion point and a detailed loan-by-loan debt sustainability analysis, taking into account the overall economic circumstances and long-term debt outlook. Thus, more precise estimates of the costs of additional debt relief will have to await this comprehensive assessment for each of these countries at their completion points. It should be noted that most of the countries now projected to remain above the sustainability threshold after their completion points are expected to meet their floating completion point conditions only in early 2003 or beyond.

34. **The provision of any additional debt relief at the completion point would increase the overall costs of the HIPC Initiative.** The financing implications of this will need to be explored in due course.

## E. Beyond the HIPC Initiative Framework

35. **For the countries beyond their completion points, over and above any topping up of relief, the emphasis must be on achieving the right blend of growth-enhancing policy reforms and external financial support from the donor community on appropriate terms.** Adjustments may need to be considered in the policy framework for

[10] These estimates are highly tentative. The outlook is particularly uncertain for Zambia, where the recently announced pull-out of Anglo-American could have a major impact on Zambia copper exports.

**Table 4. Potential Cost of Additional Debt Relief at the Completion Point**

| | Projection at Decision Point 1/ | | | | Updated Projections | |
|---|---|---|---|---|---|---|
| | Before additional bilateral debt foregiveness | | After additional bilateral debt forgiveness | | After additional bilateral debt forgiveness | |
| | NPV/export ratio (In percent) | Debt in excess of HIPC threshold (Millions of US$ NPV terms) | NPV/export ratio (In percent) | Debt in excess of HIPC threshold (Millions of US$ NPV terms) | Range for NPV/export ratio 2/ (In percent) | Range for potential topping up 2/ (Millions of US$) |
| Benin | 149 | … | 138 | … | 148 - 154 | 0 - 15 |
| Burkina Faso 6/ | 186 | 109 | 180 | 90 | 198 | 129 |
| Cameroon | 134 | … | 101 | … | 99 - 112 | … |
| Chad | 193 | 103 | 188 | 85 | 188 - 219 | 91 - 161 |
| Ethiopia | 159 | 84 | 158 | 74 | 164 - 186 | 129 - 339 |
| The Gambia | 155 | 6 | 153 | 4 | 162 - 177 | 15 - 32 |
| Guinea | 144 | … | 123 | … | 139 - 141 | … |
| Guinea-Bissau | 126 | … | 107 | … | 147 - 152 | 0 - 1 |
| Guyana | 70 | … | 57 | … | 68 - 76 | … |
| Honduras | 106 | … | 74 | … | 90 - 91 | … |
| Madagascar | 147 | … | 101 | … | 75 - 81 | … |
| Malawi | 180 | 145 | 156 | 12 | 158 - 165 | 36 - 67 |
| Mali | 154 | 49 | 143 | … | 139 - 140 | … |
| Mauritania | 141 | … | 107 | … | 120 - 120 | … |
| Nicaragua | 145 | … | 93 | … | 108 - 117 | … |
| Niger | 177 | 76 | 164 | 38 | 144 - 148 | … |
| Rwanda | 196 | 58 | 185 | 44 | 161 - 171 | 16 - 33 |
| São Tomé and Príncip | 155 | 1 | 139 | … | 124 - 140 | … |
| Senegal | 131 | … | 112 | … | 157 - 158 | 94 - 110 |
| Zambia | 168 | 223 | 106 | … | 151 - 154 | 10 - 41 |
| Total | | 853 | | 347 | | 520 - 929 |
| Excluding Chad | | 750 | | 262 | | 429 - 767 |

Source: World Bank and IMF staff estimates and projections.

1/ For the year preceding the assumed completion point.

2/ The lower limit of the range is based on data for the year preceding the completion point; the upper limit is based on data for the completion point year, i. e. it assumes a 1-year delay in the completion point.

poverty reduction and growth, in borrowing strategies, and in overall debt management. For the objective of debt sustainability to be achieved, it is essential that creditor countries help by providing financing that is consistent with these countries' repayment capacity and opening their markets further to HIPC exports. The appropriate blend between these support options will depend upon the specific-country circumstances, including the devastating effects of the HIV/AIDS epidemic in many HIPCs and the constraints stemming from high domestic debt (see Annex I).

**Policy Adjustments in the Face of Adverse Developments**

36. **When facing unexpected adverse developments, HIPCs will have to decide on the appropriate combination of policy adjustment and recourse to financing.** Admittedly, adjustment policies, while beneficial in the long run, may adversely affect certain segments of the society in the short run. However, avoiding adjustment in most cases is neither feasible nor desirable. The resources for financing the impact of all external shocks in many HIPCs are simply not available and delaying adjustment may indeed prolong the negative effects of an external shock and impair the ability of the HIPCs to face future shocks instead of reducing external vulnerabilities.

37. **It is important for HIPCs to deepen their structural and institutional reforms in the context of implementing their poverty reduction strategies, creating the conditions to attract non-debt creating capital inflows—such as foreign direct investment—and to diversify their production and export base.** Such policies take time to implement and it also takes time for the benefits to emerge in terms of higher output and growth. The experience so far with export diversification in low-income countries that are primary commodity producers has been rather disappointing. It reflects in part the weak supply response in these countries to the new economic opportunities, caused largely by the poor business climate (including governance concerns, limited protection of property rights, and structural impediments to private sector development), the limited availability of entrepreneurial capital and technical skills, poor infrastructure, and the modest inflows of foreign direct investment.

**Appropriate External Financing Strategies**

38. **A significant challenge for the HIPCs will be the adoption and consistent implementation of new borrowing policies, within a framework of transparency and accountability.** The terms and conditions for new borrowing are an important dimension of external debt management. The policy framework should specify an appropriate level of concessionality (grant element) for all new borrowing consistent with overall macroeconomic constraints. Typically a grant element of at least 35–50 percent should be sought and, in most cases, a significant proportion of new financing should be in the form of grants. For HIPCs whose debt payment capacity is particularly weak and vulnerable, almost all new financing should be in the form of grants and highly concessional borrowing (e.g., IDA-type credits). This may warrant strengthened caution in lending decisions among a number of multilateral and bilateral creditors that are currently unable to provide the level of concessionality (similar to IDA) that is required in many HIPCs. Donors and creditors, including multilateral financial institutions, should be very mindful of the consequences of their lending on the

macroeconomic conditions and the debt sustainability outlook of the recipient countries. At the same time, the aid-recipient countries should step up their efforts to enhance their aid absorption capacity, which would help to increase the benefits of aid resources.

### Market Access for HIPCs

39. **Market barriers, including, agricultural subsidies in industrial countries, exacerbate the effects of economic downturns on developing countries.** As agricultural subsidies are counter-cyclical, they insulate farmers in high-income countries from changes in world prices and makes production less responsive to swings in demand. As a result, world commodity prices become more volatile, and during downturns the burden of adjustment is shifted disproportionately to producers in developing countries.

40. **Advanced countries need to improve access to their markets for HIPCs and reduce trade-distorting subsidies—which incidentally will also benefit their own citizens.** In particular, improving preferential access for the poorest counties by providing duty- and quota-free access to industrial-country markets would provide significant benefits to these countries at little cost to developed countries. The cost for other developing countries would be small because exports from the poorest estimates mostly in sub-Saharan Africa are not large enough to have a significant effect upon market prices.[11] This would give the poorest countries an incentive to persist with difficult domestic reforms and ensure effective use of debt relief and aid flows. Such market access preferences should be set within a framework of multilateral liberalization. The recent European Union Initiative allows duty and quota free access of imports of all commodities (except military goods) from least developed countries. HIPCs should receive such treatment in all their export markets.

### Monitoring Debt Sustainability

41. **Debt management plays a critical role in ensuring long-term debt sustainability.** A recent survey conducted by the Bank and Fund staffs have revealed that most countries close to their decision point have significant weaknesses in basic debt management (data management and debt renegotiation), and in the institutional framework for debt management.[12] The biggest challenge will be for HIPCs to adopt and implement new borrowing policies consistent with long-term debt sustainability. In this regard, it is important that HIPC authorities closely monitor their external debt indicators in order to detect potential debt-servicing problems and allow them to address these problems at an early stage.

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[11] A recent discussion paper from the Centre for Economic Policy Research has concluded that unrestricted access for all products to the domestic markets of the USA, Japan, Canada and the EU "*would produce significant benefits for sub-Saharan Africa (SSA)—a $2.5 billion (14 percent) increase in non-oil exports*." See Elena Ianchovichina, Aaditya Mattoo and Marcelo Olarreaga (2001) *"Unrestricted market access for Sub-Saharan Africa: How much is it worth and who pays?"* Discussion Paper # 2820, Centre for Economic Policy Research.

[12] See "External Debt Management in Heavily Indebted Poor Countries (HIPCs)," SM/02/92, March 22, 2002 and IDA/SecM2002-0148, March 21, 2002.

42. **Creditors also need to cooperate in monitoring debt sustainability after the completion point by mainstreaming debt sustainability analysis into their normal business procedures.** Furthermore, if external debt sustainability is to be secured, it must become an explicit focus of attention for the key international finance institutions and the countries when they articulate short- and medium-term development strategies at the country level. At the same time, the donor community as a group should also give much more explicit attention to issues of long-term debt sustainability as they structure their aid programs. In that context, long-term debt sustainability should be central to the agenda of Consultative Group meetings or Round Table conferences, with technical staff available to report on the overall debt-servicing implications of donor proposals.

## V. CONCLUDING REMARKS

43. The main findings and conclusions of the paper are the following:

- **The global economic slowdown along with a significant decline in many primary commodity prices over the past two years, has weakened the growth and export performance for most of the 24 HIPCs considered in this paper and led to a deterioration of the external debt indicators for many but not all of these countries.** The impact of these adverse developments on the debt sustainability outlook of the HIPCs will depend on a number of factors including notably the adequacy of policy responses and of supporting resource transfers.

- **In order to address the concerns raised by these developments about whether the enhanced HIPC Initiative will be able to achieve the objective of enabling HIPCs to exit permanently from debt rescheduling, a clear understanding is needed of the role of debt relief, the flexibility within and limitations of the enhanced HIPC framework**, and of other critical measures required to help achieve long-term external debt sustainability in this group of countries.

- **While critical in removing any debt overhang, debt relief alone, no matter how generous, cannot guarantee that a country will permanently exit from rescheduling or will not fall back into unsustainable levels of debt.** While the existing stock of debt sets the point of departure for determining long-term debt sustainability, the growth of income, exports, and fiscal revenue—which reflect a country's economic policies—are the underlying determinants of the evolution of a country's capacity to service external debt over the longer term. Equally important, the volume and terms of new external borrowing have a direct impact on the burden of external debt, and an indirect offsetting effect through its effect on future investment and growth.

- **The enhanced HIPC framework allows some flexibility in exceptional cases to top-up debt relief at the completion point to countries where exogenous factors have caused fundamental changes in their economic circumstances.** Based on the latest available information and as a result of the combined effect of updated data and possible delays in reaching the completion points, the paper suggests that the debt of these countries (in NPV terms) in excess of the 150 percent threshold at the completion points could amount to some US$0.5–0.9 billion. This estimate is highly tentative and compares to a deviation of US$0.4 billion already projected as the decision points. The provision of additional debt relief at the completion point would increase the cost of the HIPC Initiative. The financing implications of this will need to be explored in due course.

- **Additional HIPC relief is not intended to compensate for slippages in policy implementation, nor could it be provided on an ongoing basis to deal with future economic shocks, or debt problems arising from poor governance or imprudent new borrowing.** Ensuring longer-term debt sustainability will necessarily require a combination of continued growth-enhancing structural and policy reforms as well as strengthening external debt management capacity, in the countries themselves supported by improved access for their exports to world markets and by appropriate external financing. Given the HIPCs' limited repayment capacity, the latter will have to be on highly concessional terms and in the form of grants.

## Domestic Debt Issues in HIPCs

Although the dearth of reliable statistics makes any in-depth analysis very problematic, given that domestic debt is typically contracted on nonconcessional terms, the fiscal costs of servicing such debt could be quite high in cases where the outstanding stock of domestic debt is quite high relative to GDP or where the need to maintain appropriately tight domestic liquidity conditions results in high domestic real interest rates. The table below shows that in most HIPCs (for which data is available), the level of domestic debt is fairly low. However, in the case of The Gambia and Guyana, the levels are quite high. For example, in The Gambia, the stock of domestic debt had risen to 33.6 percent of GDP at end-2001, or about one quarter of the stock of external debt. Moreover, given the high interest rate on domestic debt (about 11 percent in real terms), interest payments on domestic debt (3.8 percent of GDP) are even higher than interest payments on external debt (about 1.0 percent of GDP).

In general, domestic debt in most HIPCs (mainly bank loans and government securities) is often contracted on much less favorable terms than external debt with higher interest rate, shorter grace periods and repayment periods. Access to loans on highly concessional terms argues in favor of resorting to external financing—and limiting the budget deficit to the available amounts of such financing. Nevertheless, the governments may need or opt to borrow from domestic sources, even at a higher cost, to foster the development of financial markets, and/or to contain the foreign exchange costs of external debt servicing. In addition, sales of government paper by central banks in the context of domestic liquidity management operations (in part to sterilize large aid inflows) could also lead to a build-up of domestic debt. Long-term public debt sustainability depends on the level of the budget deficit as well as the terms of its financing, both domestic and external.

Table: Domestic and External Debt Indicators in Selected HIPCs at end-2001

(As a percentage share of GDP unless otherwise indicated)

| | Total Debt | Domestic Debt | External Debt | Interest Payments on External Debt | Interest Payments on Domestic Debt |
|---|---|---|---|---|---|
| Burkina Faso | 76.8 | 13.0 | 63.8 | 0.7 | 0.3 |
| Cameroon | 93.2 | 15.6 | 77.6 | 3.5 | 0.4 |
| Gambia, The | 161.8 | 33.6 | 128.2 | 1.0 | 3.8 |
| Guyana | 254.4 | 83.3 | 171.1 | 5.4 | 3.8 |
| Honduras | 67.3 | 3.2 | 64.1 | 1.0 | 0.5 |
| Madagascar | 111.4 1/ | 5.0 | 106.4 1/ | 1.2 | 0.8 |
| Nicaragua | 312 | 56 | 256.4 | 1.2 | 1.0 |
| Rwanda | 176.9 | 1.0 | 175.9 | 0.6 | 0.2 |
| São Tomé and Príncipe | 618.4 | 0.4 | 618.0 | 7.6 | 0.3 |
| Senegal | 70.8 | 9.9 | 60.9 | 1.0 | 0.1 |
| Uganda | 66.1 | 5.0 | 61.1 | 0.7 | 0.6 |
| Average | 175.6 | 19.7 | 115.9 | 3.0 | 1.7 |

Source: IMF staff estimates. See Beaugrand, Loko, and Mlachila, “The Choice Between External and Domestic Debt in Financing Budget Deficits: The Case of Central and West African Countries”, IMF Working paper (forthcoming).

1/ Based on available information on the level of external debt at end-2000.

**Table 1. HIPCs: Commodity Export Dependence**

| Country | GNP/Capita (US$) | Main export product | Percent Share in Exports 1/ Main product | Three main products | Percent change of main export product price 3/ 2000 | 2001 | 2002 |
|---|---|---|---|---|---|---|---|
| Benin | 380 | Cotton | 84 | 94 | 11.1 | -18.7 | -4.2 |
| Bolivia 2/ 4/ | 980 | Natural gas | 18 | 47 | 79.0 | 2.9 | -21.9 |
| Burkina Faso | 240 | Cotton | 39 | 55 | 11.1 | -18.7 | -4.2 |
| Cameroon | 580 | Oil | 27 | 47 | 57.0 | -14.1 | -17.6 |
| Chad 2/ | 212 | Cotton | 38 | 94 | 11.1 | -18.7 | -4.2 |
| Ethiopia 2/ | 100 | Coffee | 40 | 70 | -37.7 | -35.2 | 6.1 |
| Gambia, The | 340 | Groundnuts | 10 | 13 | 1.1 | -1.3 | 1.10 |
| Guinea | 510 | Bauxite | 37 | 58 | … | … | … |
| Guinea-Bissau | 160 | Cashew | 69 | 79 | -32.8 | -69.2 | … |
| Guyana | 760 | Sugar | 25 | 61 | -2.2 | 2.6 | 0.2 |
| Honduras | 760 | Coffee | 22 | 46 | -37.7 | -35.2 | 6.1 |
| Madagascar | 250 | Shrimp | 10 | 22 | 4.7 | 0.4 | … |
| Malawi | 190 | Tobacco | 61 | 75 | -3.7 | 0.4 | 2.6 |
| Mali | 240 | Cotton | 47 | 75 | 11.1 | -18.7 | -4.2 |
| Mauritania | 380 | Fish | 54 | 94 | 2.1 | -20.9 | … |
| Mozambique | 230 | Prawns | 15 | 24 | … | … | … |
| Nicaragua | 430 | Coffee | 25 | 48 | -13.6 | -38.4 | 1.6 |
| Niger | 190 | Uranium | 51 | 69 | -14.4 | -5.7 | … |
| Rwanda | 250 | Coffee | 43 | 72 | -37.7 | -35.2 | 6.1 |
| São Tomé and Príncipe | 270 | Cocoa | 78 | 79 | -20.4 | 20.4 | … |
| Senegal 2/ | 510 | Fish | 25 | 51 | 2.1 | -20.9 | … |
| Tanzania | 240 | Coffee | 20 | 40 | -37.7 | -35.2 | 6.1 |
| Uganda | 320 | Coffee | 56 | 63 | -37.7 | -35.2 | 6.1 |
| Zambia | 320 | Copper | 48 | 67 | 15.4 | -12.9 | 2.8 |
| Simple average | 368 | … | 39 | 60 | -3.2 | -18.5 | -1.1 |

Sources: World Bank World Development Report; IMF World Economic Outlook and IMF staff reports.

1/ Unless otherwise indicated, all data refer to 1999.

2/ 2001 data.

3/ WEO data and projection.

4/ 2000 data for GNP per capita.

**Table 2. HIPCs: GDP Growth, 2000–2010**

**(In percent)**

| | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Interim period countries** | | | | | | | | | | | | |
| Benin | Decision point projection | 5.6 | 5.7 | 5.6 | 5.6 | 5.3 | 5.4 | 5.4 | 5.4 | 5.4 | 5.5 | 5.5 |
| | Updated projection | 5.8 | 5.8 | 5.0 | 6.0 | 7.0 | 5.2 | 5.2 | 5.2 | 5.3 | 5.3 | 5.3 |
| Burkina Faso | Decision point projection | 5.7 | 6.6 | 6.6 | 6.0 | 5.8 | 5.8 | 5.8 | 5.8 | 5.8 | 5.8 | 5.8 |
| | Updated projection | 2.2 | 5.7 | 5.7 | 5.5 | 5.4 | 5.5 | 5.4 | 5.5 | 5.4 | 5.5 | 5.5 |
| Cameroon 1/ | Decision point projection | 4.2 | 5.3 | 5.7 | 6.0 | 6.0 | 6.0 | 6.0 | 6.5 | 6.5 | 6.5 | 6.5 |
| | Updated projection | 4.2 | 5.3 | 4.6 | 4.9 | 5.2 | 5.4 | 5.3 | 5.1 | 5.4 | 5.5 | 5.5 |
| Chad | Decision point projection | 0.6 | 8.2 | 10.6 | 8.9 | 0.2 | 51.6 | 6.6 | 4.3 | 3.9 | 3.1 | 1.0 |
| | Updated projection | 0.6 | 8.9 | 10.8 | 9.4 | 55.5 | 3.9 | 3.6 | 3.8 | 2.9 | 1.0 | -3.4 |
| Ethiopia 1/ | Decision point projection | 5.4 | 7.9 | 7.0 | 6.5 | 6.5 | 6.5 | 6.5 | 7.0 | 7.0 | 7.0 | 7.0 |
| | Updated projection | 5.4 | 7.9 | 7.0 | 6.4 | 6.5 | 6.5 | 6.5 | 7.0 | 7.0 | 7.0 | 7.0 |
| Gambia, The | Decision point projection | 5.3 | 5.5 | 5.6 | 5.6 | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 |
| | Updated projection | 5.6 | 6.0 | 6.0 | 6.0 | 6.0 | 5.7 | 5.7 | 5.5 | 5.6 | 5.6 | 5.6 |
| Guinea | Decision point projection | 4.5 | 4.5 | 5.1 | 5.4 | 5.5 | 5.6 | 5.6 | 5.6 | 5.6 | 5.6 | 5.6 |
| | Updated projection | 2.0 | 2.9 | 3.6 | 4.5 | 5.2 | 6.8 | 7.2 | 6.6 | 6.5 | 6.5 | 6.5 |
| Guinea-Bissau | Decision point projection | 8.7 | 8.5 | 8.2 | 8.6 | 7.0 | 6.5 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| | Updated projection | 7.5 | 4.0 | 3.9 | 3.9 | 2.9 | 2.9 | 2.9 | 2.9 | 3.0 | 3.0 | 3.0 |
| Guyana | Decision point projection | 2.5 | 4.2 | 3.3 | 5.3 | 4.0 | 4.4 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |
| | Updated projection | -1.4 | 1.4 | 1.8 | 2.8 | 3.0 | 3.4 | … | … | … | … | … |
| Honduras | Decision point projection | 5.3 | 5.5 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| | Updated projection | 5.0 | 2.5 | 2.0 | 4.0 | 4.5 | 5.0 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| Madagascar | Decision point projection | 4.8 | 6.0 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 |
| | Updated projection | 4.8 | 6.7 | 4.8 | 5.9 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Malawi | Decision point projection | 3.2 | 3.0 | 4.0 | 4.5 | 4.6 | 4.7 | 4.7 | 4.8 | 4.9 | 5.0 | 5.0 |
| | Updated projection | 1.7 | 2.8 | 3.0 | 4.5 | 5.2 | 5.4 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Mali | Decision point projection | 4.5 | 5.6 | 5.1 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| | Updated projection | 4.6 | 0.1 | 6.7 | 5.0 | 5.4 | 5.4 | … | … | … | … | … |
| Mauritania | Decision point projection | 4.5 | 4.9 | 5.1 | 5.3 | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 |
| | Updated projection | 5.0 | 5.2 | 5.6 | 6.2 | 6.5 | 6.5 | … | … | … | … | … |
| Nicaragua | Decision point projection | 7.0 | 5.5 | 5.5 | 5.4 | 5.4 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| | Updated projection | 5.5 | 2.5 | 2.0 | 4.5 | 5.0 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| Niger | Decision point projection | 3.0 | 3.7 | 4.1 | 4.5 | 4.6 | 4.7 | 4.8 | 5.0 | 5.0 | 5.1 | 5.1 |
| | Updated projection | -1.4 | 5.1 | 4.1 | 4.0 | 4.2 | 4.2 | 4.3 | 4.3 | … | … | … |
| Rwanda | Decision point projection | 5.2 | 6.0 | 6.4 | 6.4 | 6.5 | 6.5 | 6.3 | 6.2 | 6.1 | 6.0 | 6.0 |
| | Updated projection | 6.0 | 6.2 | 5.8 | 6.1 | 6.2 | 6.4 | 6.5 | 6.5 | 6.1 | 6.0 | 6.0 |
| São Tomé and Príncipe | Decision point projection | 3.0 | 4.0 | 5.0 | 5.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| | Updated projection | 3.0 | 4.0 | 5.0 | 5.0 | 5.0 | 5.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Senegal | Decision point projection | 5.5 | 4.7 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| | Updated projection | 5.6 | 5.7 | 5.1 | 5.1 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Zambia | Decision point projection | 3.6 | 5.0 | 5.0 | 5.5 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| | Updated projection | 3.6 | 5.0 | 5.0 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| **Completion point countries** | | | | | | | | | | | | |
| Bolivia | Decision point projection | 4.0 | 5.5 | 6.0 | 6.0 | 6.0 | 6.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| | Updated projection | 2.4 | 1.0 | 2.8 | 3.7 | 5.4 | 4.5 | 4.4 | 4.4 | 4.4 | 4.3 | 4.3 |
| Mozambique | Decision point projection | 5.0 | 9.6 | … | … | … | … | … | … | … | … | … |
| | Updated projection | 1.6 | 15.0 | 8.0 | 7.5 | 9.0 | 6.6 | 6.5 | 6.5 | 6.4 | 6.4 | 6.4 |
| Tanzania 1/ | Decision point projection | 5.2 | 5.6 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| | Updated projection | 3.5 | 5.1 | 5.1 | 5.5 | 6.0 | 6.0 | 6.0 | 6.1 | 6.0 | 6.0 | 6.0 |
| Uganda 1/ | Decision point projection | 7.0 | 7.0 | 7.0 | … | … | … | … | … | … | … | … |
| | Updated projection | 4.0 | 4.9 | 5.7 | 6.7 | 6.6 | 6.4 | 6.4 | 6.8 | 6.5 | 6.5 | 6.5 |
| *Memorandum items:* | | | | | | | | | | | | |
| Country group averages 2/ | | | | | | | | | | | | |
| **Interim period HIPCs (20)** | Decision point projection | 4.6 | 5.5 | 5.8 | 5.8 | 5.2 | 7.8 | 5.5 | 5.5 | 5.4 | 5.4 | 5.3 |
| | Updated projection | 3.8 | 4.7 | 4.9 | 5.3 | 7.8 | 5.3 | 5.6 | 5.6 | 5.6 | 5.5 | 5.2 |
| **Completion point HIPCs (4)** | Decision point projection | 5.3 | 6.9 | 6.3 | 6.0 | 6.0 | 6.0 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| | Updated projection | 2.9 | 6.5 | 5.4 | 5.8 | 6.8 | 5.9 | 5.8 | 5.9 | 5.8 | 5.8 | 5.8 |
| **24 HIPCs** | Decision point projection | 4.7 | 5.7 | 5.8 | 5.9 | 5.3 | 7.6 | 5.5 | 5.5 | 5.5 | 5.4 | 5.3 |
| | Updated projection | 3.6 | 5.0 | 5.0 | 5.4 | 7.6 | 5.4 | 5.6 | 5.7 | 5.6 | 5.6 | 5.3 |

Sources: World Bank and IMF staff estimates and projections.

1/ Based on fiscal year data (e.g., FY 2000/01 is 2001).

2/ Simple averages.

**Table 3. HIPCs: Net Present Value of External Debt, 2000–2010 1/**
**(In percent of exports)**

| | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Interim period countries** | | | | | | | | | | | | |
| Benin | Decision point projection | 212 | 148 | 143 | 134 | 126 | 120 | 114 | 110 | 107 | 103 | 101 |
| | Updated projection | 206 | 133 | 136 | 131 | 119 | 105 | 96 | 90 | 86 | 82 | 77 |
| Burkina Faso | Decision point projection | 208 | 186 | 187 | 177 | 169 | 158 | 151 | 144 | 140 | 138 | 136 |
| | Updated projection | 223 | 216 | 239 | 243 | 239 | 236 | 229 | 223 | 218 | 213 | 208 |
| Cameroon 2/ | Decision point projection | 261 | 193 | 186 | 116 | 113 | 109 | 105 | 102 | 99 | 97 | 94 |
| | Updated projection | 262 | 191 | 197 | 130 | 137 | 134 | 129 | 124 | 123 | 120 | 118 |
| Chad | Decision point projection | 222 | 259 | 210 | 220 | 201 | 86 | 55 | 42 | 42 | 44 | 47 |
| | Updated projection | 222 | 263 | 227 | 248 | 92 | 57 | 43 | 45 | 48 | 51 | 58 |
| Ethiopia 2/ | Decision point projection | … | 343 | 293 | 174 | 174 | 169 | 162 | 154 | 147 | 140 | 134 |
| | Updated projection | 324 | 343 | 304 | 187 | 193 | 185 | 177 | 168 | 161 | 153 | 147 |
| Gambia, The | Decision point projection | 201 | 202 | 145 | 141 | 141 | 141 | 140 | 137 | 135 | 132 | 130 |
| | Updated projection | 194 | 199 | 191 | 179 | 174 | 169 | 165 | 159 | 154 | 147 | 141 |
| Guinea | Decision point projection | 216 | 202 | 134 | 125 | 119 | 113 | 108 | 103 | 100 | 97 | 95 |
| | Updated projection | 236 | 229 | 160 | 152 | 143 | 137 | 129 | 124 | 119 | 118 | 118 |
| Guinea-Bissau | Decision point projection | 759 | 596 | 548 | 119 | 126 | 131 | 135 | 137 | 138 | 139 | 137 |
| | Updated projection | 781 | 695 | 701 | 166 | 173 | 182 | 187 | 190 | 193 | 196 | 193 |
| Guyana | Decision point projection | 120 | 77 | 80 | 82 | 82 | 81 | 80 | 78 | 75 | 73 | 71 |
| | Updated projection | 124 | 80 | 136 | 94 | 95 | 94 | 91 | 89 | 85 | 82 | 81 |
| Honduras | Decision point projection | 118 | 119 | 95 | 84 | 77 | 70 | 65 | 61 | 58 | 55 | 52 |
| | Updated projection | 122 | 130 | 114 | 110 | 106 | 98 | 92 | 87 | 83 | 78 | 74 |
| Madagascar | Decision point projection | 283 | 218 | 137 | 133 | 125 | 118 | 112 | 108 | 104 | 101 | 98 |
| | Updated projection | 212 | 182 | 162 | 150 | 137 | 124 | 112 | 103 | 93 | 85 | 78 |
| Malawi | Decision point projection | 277 | 309 | 181 | 177 | 172 | 169 | 167 | 164 | 162 | 160 | 158 |
| | Updated projection | 281 | 320 | 194 | 191 | 184 | 180 | 176 | 173 | 169 | 166 | 164 |
| Mali | Decision point projection | 206 | 150 | 148 | 138 | 131 | 129 | 128 | 130 | 131 | 130 | 128 |
| | Updated projection | 203 | 150 | 148 | 139 | 134 | 129 | 126 | 129 | 137 | 147 | 156 |
| Mauritania | Decision point projection | 297 | 290 | 136 | 132 | 130 | 127 | 125 | 121 | 116 | 113 | 110 |
| | Updated projection | 326 | 333 | 161 | 162 | 160 | 154 | 148 | 137 | 129 | 124 | 125 |
| Nicaragua | Decision point projection | 537 | 461 | 128 | 123 | 119 | 115 | 111 | 109 | 105 | 101 | 97 |
| | Updated projection | 532 | 473 | 138 | 139 | 135 | 128 | 120 | 114 | 109 | 103 | 97 |
| Niger | Decision point projection | 347 | 367 | 185 | 190 | 187 | 183 | 178 | 173 | 168 | 163 | 159 |
| | Updated projection | 310 | 323 | 160 | 171 | 173 | 175 | 175 | 174 | 173 | 172 | 171 |
| Rwanda | Decision point projection | 576 | 525 | 197 | 193 | 178 | 167 | 156 | 152 | 149 | 147 | 146 |
| | Updated projection | 511 | 453 | 180 | 197 | 204 | 193 | 179 | 164 | 150 | 138 | 130 |
| São Tomé and Príncipe | Decision point projection | 921 | 685 | 666 | 146 | 142 | 140 | 147 | 148 | 145 | 143 | 141 |
| | Updated projection | 947 | 707 | 642 | 132 | 124 | 129 | 81 | 38 | 25 | 18 | 17 |
| Senegal | Decision point projection | 159 | 143 | 129 | 120 | 108 | 102 | 96 | 91 | 86 | 82 | 78 |
| | Updated projection | 183 | 174 | 175 | 168 | 153 | 144 | 137 | 130 | … | … | … |
| Zambia | Decision point projection | 446 | 388 | 346 | 161 | 148 | 140 | 136 | 131 | 125 | 121 | 117 |
| | Updated projection | 477 | 445 | 441 | 212 | 197 | 184 | 181 | 179 | 179 | 177 | 180 |
| **Completion point countries** | | | | | | | | | | | | |
| Bolivia 4/ | Decision point projection | 230 | 164 | 160 | 156 | 153 | 150 | 151 | 153 | 155 | 157 | 160 |
| | Updated projection | 200 | 131 | 142 | 142 | 140 | 136 | 132 | 131 | 132 | 134 | 137 |
| Mozambique | Decision point projection | 163 | 150 | 121 | 99 | 90 | 88 | 86 | 84 | 81 | 78 | 75 |
| | Updated projection | 166 | 108 | 98 | 92 | 75 | 61 | 51 | 49 | 49 | 49 | 46 |
| Tanzania 2/ | Decision point projection | 229 | 224 | 178 | 175 | 166 | 161 | 158 | 155 | 153 | 150 | 148 |
| | Updated projection | 215 | 143 | 135 | 135 | 133 | 133 | 130 | 129 | 126 | 125 | 124 |
| Uganda 2/ | Decision point projection | 138 | 128 | 117 | 109 | 102 | 96 | 91 | 84 | 78 | 73 | 68 |
| | Updated projection | 211 | 243 | 254 | 249 | 238 | 226 | 213 | 203 | 197 | 195 | 193 |
| *Memorandum items:* | | | | | | | | | | | | |
| Country group averages 3/ | | | | | | | | | | | | |
| **Interim period HIPCs (20)** | Decision point projection | 335 | 293 | 214 | 144 | 138 | 128 | 123 | 120 | 117 | 114 | 111 |
| | Updated projection | 334 | 302 | 240 | 165 | 154 | 147 | 139 | 132 | 128 | 125 | 123 |
| **Completion point HIPCs (4)** | Decision point projection | 190 | 167 | 144 | 135 | 128 | 124 | 121 | 119 | 117 | 115 | 113 |
| | Updated projection | 198 | 156 | 157 | 155 | 147 | 139 | 131 | 128 | 126 | 126 | 125 |
| **24 HIPCs** | Decision point projection | 310 | 272 | 202 | 143 | 137 | 128 | 123 | 120 | 117 | 114 | 112 |
| | Updated projection | 311 | 278 | 226 | 163 | 152 | 146 | 137 | 131 | 128 | 125 | 123 |

Sources: Decision Point documents and World Bank and IMF staff estimates and projections.

1/ Unless otherwise indicated, figures do not take into consideration additional bilateral debt forgiveness over and beyond HIPC assistance.
Based on three-year backward-looking average of exports of goods and non-factor services (e.g. 2000 is average of 1998-2000).

2/ Based on fiscal year data (e.g., FY 2000/01 is 2001).

3/ Simple averages.

4/ Includes additional bilateral debt forgiveness beyond HIPC assistance.

Note: Marked values indicate completion point year or working assumption on it.

**Table 4. HIPCs: External Debt Service, 2000–2010 1/**
**(In percent of exports)**

| | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Interim period countries** | | | | | | | | | | | | |
| Benin | Decision point projection | 17 | 11 | 9 | 8 | 7 | 6 | 6 | 6 | 6 | 5 | 5 |
| | Updated projection | 16 | 9 | 9 | 8 | 7 | 6 | … | … | … | … | … |
| Burkina Faso | Decision point projection | 12 | 9 | 10 | 9 | 9 | 8 | 8 | 8 | 8 | 7 | 7 |
| | Updated projection | 20 | 14 | 8 | 8 | 8 | 7 | 8 | 8 | 6 | 6 | 5 |
| Cameroon 2/ | Decision point projection | 22 | 11 | 8 | 8 | 9 | 9 | 9 | 9 | 8 | 8 | 8 |
| | Updated projection | 16 | 10 | 11 | 11 | 12 | 12 | 12 | 11 | 11 | 11 | 11 |
| Chad | Decision point projection | 14 | 9 | 9 | 9 | 8 | 2 | 2 | 2 | 2 | 2 | 2 |
| | Updated projection | 14 | 7 | 10 | 8 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Ethiopia 2/ | Decision point projection | … | 20 | 10 | 7 | 7 | 8 | 7 | 7 | 6 | 6 | 5 |
| | Updated projection | 11 | 21 | 12 | 8 | 8 | 8 | 8 | 7 | 7 | 6 | 6 |
| Gambia, The | Decision point projection | 16 | 11 | 10 | 5 | 5 | 5 | 6 | 7 | 7 | 7 | 8 |
| | Updated projection | 10 | 7 | 10 | 5 | 6 | 6 | 7 | 8 | 8 | 8 | 8 |
| Guinea | Decision point projection | 16 | 8 | 9 | 9 | 8 | 7 | 8 | 7 | 7 | 6 | 5 |
| | Updated projection | 17 | 14 | 11 | 11 | 9 | 9 | 9 | 9 | 8 | 7 | 7 |
| Guinea-Bissau | Decision point projection | … | 6 | 7 | 8 | 4 | 3 | 3 | 3 | 4 | 5 | 6 |
| | Updated projection | 19 | 0 | 9 | 11 | 6 | 4 | 4 | 5 | 6 | 7 | 8 |
| Guyana | Decision point projection | 10 | 6 | 4 | 5 | 5 | 5 | 5 | 6 | 5 | 5 | 5 |
| | Updated projection | 14 | 8 | 9 | 6 | 6 | 6 | 6 | 7 | 6 | 5 | 5 |
| Honduras | Decision point projection | 6 | 4 | 6 | 7 | 6 | 5 | 5 | 4 | 4 | 4 | 4 |
| | Updated projection | 9 | 7 | 8 | 10 | 8 | 7 | 7 | 6 | 5 | 6 | 6 |
| Madagascar | Decision point projection | 11 | 6 | 5 | 6 | 6 | 5 | 6 | 6 | 6 | 6 | 5 |
| | Updated projection | 7 | 5 | 5 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| Malawi | Decision point projection | … | 12 | 11 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 7 |
| | Updated projection | 18 | 9 | 12 | 9 | 8 | 8 | 8 | 8 | 8 | 8 | 7 |
| Mali | Decision point projection | 14 | 9 | 8 | 8 | 7 | 7 | 7 | 7 | 7 | 6 | 6 |
| | Updated projection | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 10 | 10 | 11 | 11 |
| Mauritania | Decision point projection | 20 | 18 | 13 | 10 | 8 | 8 | 8 | 8 | 8 | 8 | 7 |
| | Updated projection | 25 | 22 | 14 | 13 | 12 | 11 | 12 | 12 | 14 | 14 | 13 |
| Nicaragua | Decision point projection | 13 | 11 | 17 | 12 | 9 | 9 | 8 | 6 | 6 | 6 | 6 |
| | Updated projection | 15 | 16 | 20 | 14 | 10 | 9 | 8 | 6 | 6 | 6 | 6 |
| Niger | Decision point projection | 36 | 18 | 17 | 8 | 9 | 8 | 8 | 7 | 7 | 5 | 5 |
| | Updated projection | 6 | 6 | 12 | 7 | 8 | 8 | 8 | 7 | 6 | 6 | 6 |
| Rwanda | Decision point projection | 31 | 11 | 8 | 4 | 5 | 4 | 4 | 4 | 4 | 4 | 3 |
| | Updated projection | 19 | 9 | 8 | 4 | 5 | 4 | 6 | 6 | 7 | 7 | 7 |
| São Tomé and Príncipe | Decision point projection | 24 | 11 | 6 | 6 | 4 | 3 | 5 | 6 | 8 | 8 | 7 |
| | Updated projection | 33 | 11 | 5 | 5 | 3 | 4 | 2 | 1 | 1 | 1 | 1 |
| Senegal | Decision point projection | 10 | 8 | 7 | 7 | 10 | 5 | 5 | 5 | 4 | 4 | 4 |
| | Updated projection | 11 | 8 | 8 | 6 | 6 | 6 | … | … | … | … | … |
| Zambia | Decision point projection | 16 | 13 | 10 | 10 | 13 | 12 | 5 | 6 | 6 | 6 | 6 |
| | Updated projection | 17 | 15 | 15 | 13 | 17 | 15 | 7 | 9 | 9 | 9 | 9 |
| **Completion point countries** | | | | | | | | | | | | |
| Bolivia | Decision point projection | 20 | 12 | 12 | 12 | 12 | 12 | 13 | 13 | 13 | 13 | 14 |
| | Updated projection | 19 | 17 | 16 | 19 | 17 | 15 | 15 | 12 | 11 | 11 | 11 |
| Mozambique | Decision point projection | 9 | 6 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 4 | 5 |
| | Updated projection | 3 | 2 | 4 | 4 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Tanzania 2/ | Decision point projection | 20 | 12 | 10 | 8 | 8 | 7 | 7 | 7 | 7 | 6 | 6 |
| | Updated projection | 13 | 8 | 9 | 7 | 7 | 8 | 7 | 6 | 5 | 4 | 4 |
| Uganda 2/ | Decision point projection | 11 | 6 | 6 | 6 | 6 | 8 | 8 | 7 | 6 | 6 | 5 |
| | Updated projection | 14 | 12 | 13 | 12 | 13 | 12 | 12 | 11 | 10 | 9 | 8 |
| *Memorandum items:* | | | | | | | | | | | | |
| Country group averages 3/ | | | | | | | | | | | | |
| **Interim period HIPCs (20)** | Decision point projection | 17.1 | 10.7 | 9.2 | 7.6 | 7 | 6 | 6 | 6 | 6 | 6 | 6 |
| | Updated projection | 15.4 | 10.4 | 10.3 | 8.6 | 8 | 7 | 7 | 7 | 7 | 7 | 7 |
| **Completion point HIPCs (4)** | Decision point projection | 14.9 | 8.9 | 7.9 | 7.6 | 7 | 8 | 8 | 8 | 8 | 7 | 7 |
| | Updated projection | 12.3 | 9.7 | 10.5 | 10.7 | 10 | 9 | 9 | 8 | 7 | 7 | 6 |
| **24 HIPCs** | Decision point projection | 16.7 | 10.4 | 9.0 | 7.6 | 7 | 7 | 6 | 6 | 6 | 6 | 6 |
| | Updated projection | 14.9 | 10.3 | 10.4 | 8.9 | 8 | 8 | 8 | 7 | 7 | 7 | 7 |

Sources: Decision Point documents and World Bank and IMF staff estimates and projections.

1/ Figures do not take into consideration additional bilateral debt forgiveness over and beyond HIPC assistance. Based on current-year exports of goods and non-factor services.

2/ Based on fiscal year data (e.g., FY 2000/01 is 2001).

3/ Simple averages.

Note: Marked values indicate completion point year or working assumption on it.

**Table 5. HIPCs: Exports, 2000–2010 1/**

**(In millions of U.S. dollars)**

| | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Interim period countries** | | | | | | | | | | | | |
| Benin | Decision point projection | 370 | 416 | 457 | 502 | 547 | 591 | 634 | 681 | 733 | 789 | 851 |
| | Updated projection | 337 | 370 | 368 | 427 | 482 | 534 | 563 | 583 | 605 | 630 | 656 |
| Burkina Faso | Decision point projection | 288 | 334 | 368 | 421 | 470 | 539 | 589 | 644 | 694 | 749 | 811 |
| | Updated projection | 235 | 261 | 281 | 320 | 351 | 383 | 417 | 455 | 493 | 535 | 587 |
| Cameroon 2/ | Decision point projection | 2,743 | 2,766 | 2,868 | 3,051 | 3,286 | 3,538 | 3,768 | 3,995 | 4,240 | 4,499 | 4,791 |
| | Updated projection | 2,740 | 2,728 | 2,330 | 2,359 | 2,456 | 2,545 | 2,711 | 2,939 | 3,099 | 3,236 | 3,392 |
| Chad | Decision point projection | 233 | 253 | 271 | 288 | 402 | 1,696 | 1,921 | 1,953 | 1,987 | 2,008 | 1,939 |
| | Updated projection | 233 | 241 | 228 | 250 | 1,625 | 1,714 | 1,727 | 1,744 | 1,760 | 1,678 | 1,378 |
| Ethiopia 2/ | Decision point projection | 984 | 957 | 1,005 | 1,077 | 1,166 | 1,274 | 1,400 | 1,527 | 1,662 | 1,811 | 1,974 |
| | Updated projection | 984 | 957 | 895 | 966 | 1,063 | 1,175 | 1,280 | 1,397 | 1,520 | 1,655 | 1,804 |
| Gambia, The | Decision point projection | 122 | 142 | 153 | 162 | 171 | 182 | 193 | 207 | 220 | 232 | 245 |
| | Updated projection | 125 | 143 | 152 | 159 | 164 | 171 | 179 | 190 | 195 | 213 | 225 |
| Guinea | Decision point projection | 863 | 942 | 1,013 | 1,090 | 1,168 | 1,251 | 1,339 | 1,433 | 1,534 | 1,641 | 1,757 |
| | Updated projection | 734 | 783 | 840 | 874 | 998 | 1,037 | 1,112 | 1,208 | 1,275 | 1,322 | 1,373 |
| Guinea-Bissau | Decision point projection | 74 | 84 | 92 | 102 | 114 | 126 | 138 | 151 | 166 | 181 | 197 |
| | Updated projection | 69 | 58 | 68 | 74 | 82 | 91 | 99 | 108 | 118 | 128 | 139 |
| Guyana | Decision point projection | 729 | 753 | 768 | 810 | 836 | 857 | 904 | 947 | 999 | 1,037 | 1,074 |
| | Updated projection | 685 | 673 | 666 | 689 | 720 | 755 | 796 | 834 | 880 | 914 | 937 |
| Honduras | Decision point projection | 2,610 | 3,066 | 3,484 | 3,955 | 4,479 | 4,996 | 5,446 | 5,936 | 6,471 | 7,053 | 7,689 |
| | Updated projection | 2,500 | 2,509 | 2,621 | 2,856 | 3,196 | 3,526 | 3,805 | 4,162 | 4,556 | 4,989 | 5,462 |
| Madagascar | Decision point projection | 952 | 1,025 | 1,129 | 1,240 | 1,348 | 1,456 | 1,565 | 1,681 | 1,809 | 1,945 | 2,094 |
| | Updated projection | 1,186 | 1,279 | 1,323 | 1,471 | 1,643 | 1,746 | 1,917 | 2,074 | 2,235 | 2,400 | 2,589 |
| Malawi | Decision point projection | 473 | 481 | 522 | 553 | 579 | 607 | 635 | 664 | 695 | 728 | 762 |
| | Updated projection | 451 | 446 | 481 | 516 | 546 | 574 | 603 | 634 | 666 | 701 | 737 |
| Mali | Decision point projection | 626 | 709 | 811 | 877 | 945 | 986 | 1,024 | 1,043 | 1,099 | 1,199 | 1,271 |
| | Updated projection | 652 | 750 | 822 | 871 | 943 | 1,022 | 1,044 | 1,013 | 972 | 973 | 985 |
| Mauritania | Decision point projection | 432 | 449 | 465 | 488 | 500 | 525 | 553 | 582 | 615 | 653 | 694 |
| | Updated projection | 379 | 386 | 371 | 391 | 416 | 443 | 467 | 554 | 556 | 573 | 591 |
| Nicaragua | Decision point projection | 936 | 1,027 | 1,131 | 1,247 | 1,340 | 1,443 | 1,570 | 1,706 | 1,854 | 2,015 | 2,187 |
| | Updated projection | 956 | 938 | 992 | 1,086 | 1,207 | 1,349 | 1,492 | 1,660 | 1,828 | 2,014 | 2,218 |
| Niger | Decision point projection | 261 | 273 | 290 | 310 | 336 | 364 | 391 | 420 | 450 | 483 | 520 |
| | Updated projection | 321 | 311 | 321 | 336 | 352 | 370 | 388 | 407 | 427 | 448 | 471 |
| Rwanda | Decision point projection | 126 | 146 | 161 | 186 | 219 | 251 | 289 | 328 | 368 | 408 | 449 |
| | Updated projection | 159 | 167 | 151 | 164 | 185 | 210 | 234 | 271 | 302 | 330 | 359 |
| São Tomé and Príncipe | Decision point projection | 18 | 20 | 22 | 25 | 27 | 30 | 33 | 36 | 39 | 42 | 45 |
| | Updated projection | 17 | 20 | 26 | 29 | 31 | 30 | 104 | 252 | 262 | 400 | 407 |
| Senegal | Decision point projection | 1,725 | 1,872 | 2,014 | 2,159 | 2,308 | 2,453 | 2,605 | 2,765 | 2,928 | 3,103 | 3,291 |
| | Updated projection | 1,339 | 1,361 | 1,423 | 1,531 | 1,627 | 1,729 | 1,826 | 1,926 | - | - | - |
| Zambia | Decision point projection | 1,036 | 1,241 | 1,413 | 1,506 | 1,604 | 1,709 | 1,821 | 1,941 | 2,068 | 2,204 | 2,348 |
| | Updated projection | 861 | 1,014 | 1,024 | 1,125 | 1,247 | 1,306 | 1,315 | 1,365 | 1,396 | 1,461 | 1,427 |
| **Completion point countries** | | | | | | | | | | | | |
| Bolivia | Decision point projection | 1,399 | 1,541 | 1,725 | 1,945 | 2,114 | 2,313 | 2,433 | 2,596 | 2,770 | 2,956 | 3,155 |
| | Updated projection | 1,453 | 1,441 | 1,510 | 1,614 | 1,760 | 1,946 | 2,123 | 2,266 | 2,419 | 2,605 | 2,780 |
| Mozambique | Decision point projection | 551 | 823 | 1,202 | 1,282 | 1,365 | 1,457 | 1,567 | 1,678 | 1,799 | 1,914 | 2,037 |
| | Updated projection | 769 | 1,118 | 1,154 | 1,203 | 2,229 | 2,653 | 2,884 | 2,993 | 3,190 | 3,279 | 3,987 |
| Tanzania 2/ | Decision point projection | 1,191 | 1,293 | 1,489 | 1,706 | 1,893 | 2,075 | 2,272 | 2,484 | 2,709 | 2,949 | 3,206 |
| | Updated projection | 1,190 | 1,330 | 1,486 | 1,515 | 1,675 | 1,775 | 1,955 | 2,136 | 2,315 | 2,479 | 2,649 |
| Uganda 2/ | Decision point projection | 780 | 898 | 1,006 | 1,116 | 1,258 | 1,378 | 1,504 | 1,640 | 1,788 | 1,948 | 2,122 |
| | Updated projection | 626 | 602 | 630 | 710 | 783 | 878 | 991 | 1,139 | 1,225 | 1,318 | 1,416 |
| *Memorandum items:* | | | | | | | | | | | | |
| Country group subtotals | | | | | | | | | | | | |
| **Interim period HIPCs (20)** | Decision point projection | 15,599 | 16,957 | 18,435 | 20,047 | 21,845 | 24,875 | 26,816 | 28,639 | 30,629 | 32,782 | 34,988 |
| | Updated projection | 14,963 | 15,396 | 15,384 | 16,493 | 19,332 | 20,711 | 22,080 | 23,775 | 23,148 | 24,600 | 25,737 |
| **Completion point HIPCs (4)** | Decision point projection | 3,921 | 4,555 | 5,422 | 6,049 | 6,630 | 7,223 | 7,776 | 8,398 | 9,066 | 9,767 | 10,520 |
| | Updated projection | 4,038 | 4,491 | 4,781 | 5,042 | 6,446 | 7,252 | 7,954 | 8,535 | 9,149 | 9,681 | 10,832 |
| **24 HIPCs** | Decision point projection | 19,520 | 21,513 | 23,857 | 26,096 | 28,475 | 32,098 | 34,593 | 37,037 | 39,695 | 42,549 | 45,509 |
| | Updated projection | 19,002 | 19,887 | 20,165 | 21,536 | 25,778 | 27,964 | 30,034 | 32,310 | 32,297 | 34,281 | 36,569 |

Sources: World Bank and IMF staff estimates and projections.

1/ Current-year exports of goods and non-factor services.

2/ Based on fiscal year data (e.g., FY 2000/01 is 2001).

**Table 6. HIPCs: Export Growth, 2000–2010 1/**
**(In percent)**

| | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Interim period countries** | | | | | | | | | | | | |
| Benin | Decision point projection | -5.2 | 12.5 | 9.8 | 9.8 | 9.1 | 8.0 | 7.3 | 7.4 | 7.6 | 7.7 | 7.8 |
| | Updated projection | -12.7 | 9.7 | -0.3 | 15.9 | 12.9 | 10.7 | 5.5 | 3.6 | 3.8 | 4.0 | 4.1 |
| Burkina Faso | Decision point projection | -1.4 | 15.8 | 10.1 | 14.5 | 11.6 | 14.6 | 9.4 | 9.3 | 7.7 | 8.0 | 8.2 |
| | Updated projection | -10.2 | 10.7 | 8.0 | 13.6 | 9.7 | 9.3 | 8.9 | 9.0 | 8.4 | 8.4 | 9.8 |
| Cameroon 2/ | Decision point projection | 22.0 | 0.9 | 3.7 | 6.4 | 7.7 | 7.6 | 6.5 | 6.0 | 6.1 | 6.1 | 6.5 |
| | Updated projection | 21.4 | -0.5 | -14.6 | 1.2 | 4.1 | 3.6 | 6.5 | 8.4 | 5.5 | 4.4 | 4.8 |
| Chad | Decision point projection | -2.9 | 8.4 | 7.1 | 6.4 | 39.5 | 322.5 | 13.3 | 1.6 | 1.7 | 1.1 | -3.5 |
| | Updated projection | -3.5 | 3.6 | -5.7 | 10.0 | 548.9 | 5.5 | 0.7 | 1.0 | 0.9 | -4.7 | -17.9 |
| Ethiopia 2/ | Decision point projection | 7.7 | -2.7 | 5.0 | 7.2 | 8.2 | 9.3 | 9.8 | 9.1 | 8.9 | 8.9 | 9.1 |
| | Updated projection | 7.5 | -2.7 | -6.5 | 7.9 | 10.1 | 10.5 | 8.9 | 9.1 | 8.8 | 8.9 | 9.0 |
| Gambia, The | Decision point projection | 3.1 | 17.2 | 7.1 | 6.0 | 6.1 | 6.1 | 5.9 | 7.2 | 6.6 | 5.5 | 5.5 |
| | Updated projection | -4.5 | 14.4 | 5.6 | 5.2 | 3.2 | 4.2 | 4.2 | 6.3 | 3.0 | 9.1 | 5.5 |
| Guinea | Decision point projection | 12.8 | 9.1 | 7.6 | 7.5 | 7.2 | 7.1 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| | Updated projection | -2.0 | 6.6 | 7.3 | 4.1 | 14.1 | 4.0 | 7.3 | 8.6 | 5.5 | 3.7 | 3.9 |
| Guinea-Bissau | Decision point projection | 32.2 | 13.9 | 9.7 | 11.0 | 11.1 | 10.9 | 9.6 | 9.6 | 9.4 | 9.3 | 9.1 |
| | Updated projection | 23.2 | -15.9 | 17.2 | 8.8 | 10.8 | 11.0 | 8.8 | 9.1 | 9.3 | 8.5 | 8.6 |
| Guyana | Decision point projection | 8.4 | 3.3 | 2.0 | 5.5 | 3.2 | 2.6 | 5.4 | 4.8 | 5.5 | 3.8 | 3.6 |
| | Updated projection | 1.9 | -1.8 | -1.0 | 3.5 | 4.5 | 4.9 | 5.5 | 4.8 | 5.5 | 3.8 | 2.6 |
| Honduras | Decision point projection | 12.9 | 17.5 | 13.6 | 13.5 | 13.3 | 11.5 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| | Updated projection | 11.0 | 0.4 | 4.4 | 9.0 | 11.9 | 10.3 | 7.9 | 9.4 | 9.5 | 9.5 | 9.5 |
| Madagascar | Decision point projection | 3.3 | 7.7 | 10.1 | 9.9 | 8.7 | 8.0 | 7.4 | 7.4 | 7.6 | 7.6 | 7.6 |
| | Updated projection | 30.1 | 7.8 | 3.4 | 11.2 | 11.7 | 6.3 | 9.8 | 8.2 | 7.8 | 7.4 | 7.9 |
| Malawi | Decision point projection | -3.4 | 1.8 | 8.6 | 5.9 | 4.6 | 4.8 | 4.6 | 4.6 | 4.7 | 4.7 | 4.7 |
| | Updated projection | -9.3 | -1.0 | 7.8 | 7.2 | 5.8 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 |
| Mali | Decision point projection | -3.7 | 13.2 | 14.3 | 8.2 | 7.7 | 4.4 | 3.9 | 1.8 | 5.4 | 9.1 | 6.0 |
| | Updated projection | -4.3 | 15.0 | 9.7 | 6.0 | 8.2 | 8.4 | 2.1 | -3.0 | -4.1 | 0.2 | 1.2 |
| Mauritania | Decision point projection | 5.0 | 3.8 | 3.5 | 5.0 | 2.6 | 5.0 | 5.2 | 5.4 | 5.7 | 6.1 | 6.2 |
| | Updated projection | 4.4 | 1.8 | -3.9 | 5.4 | 6.4 | 6.5 | 5.4 | 18.6 | 0.4 | 3.1 | 3.1 |
| Nicaragua | Decision point projection | 12.2 | 9.7 | 10.1 | 10.3 | 7.4 | 7.7 | 8.8 | 8.6 | 8.7 | 8.7 | 8.5 |
| | Updated projection | 14.1 | -1.8 | 5.7 | 9.5 | 11.1 | 11.8 | 10.6 | 11.3 | 10.1 | 10.2 | 10.1 |
| Niger | Decision point projection | -14.0 | 4.5 | 6.2 | 7.1 | 8.3 | 8.4 | 7.3 | 7.4 | 7.3 | 7.4 | 7.5 |
| | Updated projection | -0.1 | -3.2 | 3.4 | 4.7 | 4.8 | 5.0 | 5.0 | 4.7 | 5.0 | 5.0 | 5.0 |
| Rwanda | Decision point projection | 15.9 | 16.3 | 9.9 | 15.6 | 17.7 | 15.0 | 15.0 | 13.5 | 12.0 | 11.0 | 10.0 |
| | Updated projection | 33.6 | 5.1 | -9.3 | 8.2 | 12.9 | 13.6 | 11.6 | 15.6 | 11.6 | 9.3 | 8.8 |
| São Tomé and Príncipe | Decision point projection | 8.0 | 13.5 | 9.8 | 12.3 | 9.9 | 10.1 | 9.2 | 9.3 | 8.3 | 8.1 | 6.9 |
| | Updated projection | 0.1 | 20.1 | 31.8 | 9.1 | 7.3 | -2.0 | 247.5 | 141.5 | 4.3 | 52.5 | 1.8 |
| Senegal | Decision point projection | 17.6 | 8.6 | 7.6 | 7.2 | 6.9 | 6.3 | 6.2 | 6.1 | 5.9 | 6.0 | 6.1 |
| | Updated projection | -7.4 | 1.7 | 4.5 | 7.6 | 6.3 | 6.3 | 5.6 | 5.5 | … | … | … |
| Zambia | Decision point projection | 23.0 | 19.8 | 13.9 | 6.6 | 6.6 | 6.6 | 6.6 | 6.6 | 6.6 | 6.6 | 6.6 |
| | Updated projection | 2.2 | 17.8 | 1.0 | 9.9 | 10.8 | 4.7 | 0.7 | 3.8 | 2.3 | 4.6 | -2.3 |
| **Completion point countries** | | | | | | | | | | | | |
| Bolivia | Decision point projection | 10.2 | 10.2 | 11.9 | 12.8 | 8.7 | 9.4 | 5.2 | 6.7 | 6.7 | 6.7 | 6.7 |
| | Updated projection | 10.9 | -0.9 | 4.8 | 6.9 | 9.0 | 10.6 | 9.1 | 6.7 | 6.8 | 7.7 | 6.7 |
| Mozambique | Decision point projection | -1.4 | 49.4 | 46.1 | 6.7 | 6.5 | 6.7 | 7.5 | 7.1 | 7.2 | 6.4 | 6.4 |
| | Updated projection | 20.3 | 45.4 | 3.2 | 4.3 | 85.3 | 19.0 | 8.7 | 3.8 | 6.6 | 2.8 | 21.6 |
| Tanzania 2/ | Decision point projection | 10.2 | 8.6 | 15.2 | 14.5 | 11.0 | 9.6 | 9.5 | 9.3 | 9.1 | 8.9 | 8.7 |
| | Updated projection | 4.4 | 11.8 | 11.8 | 1.9 | 10.5 | 6.0 | 10.1 | 9.3 | 8.4 | 7.1 | 6.9 |
| Uganda 2/ | Decision point projection | -6.4 | 15.1 | 12.0 | 10.9 | 12.7 | 9.5 | 9.1 | 9.0 | 9.0 | 8.9 | 8.9 |
| | Updated projection | -14.0 | -3.8 | 4.7 | 12.6 | 10.3 | 12.2 | 12.9 | 14.9 | 7.6 | 7.6 | 7.4 |
| *Memorandum items:* | | | | | | | | | | | | |
| Country group subtotals: | | | | | | | | | | | | |
| **Interim period HIPCs (20)** | Decision point projection | 7.7 | 9.7 | 8.5 | 8.8 | 9.9 | 23.8 | 7.9 | 7.1 | 7.1 | 7.1 | 6.6 |
| | Updated projection | 4.8 | 4.4 | 3.4 | 7.9 | 35.8 | 7.0 | 18.4 | 14.0 | 5.4 | 8.1 | 4.2 |
| **Completion point HIPCs (4)** | Decision point projection | 3.1 | 20.8 | 21.3 | 11.2 | 9.7 | 8.8 | 7.8 | 8.0 | 8.0 | 7.7 | 7.7 |
| | Updated projection | 5.4 | 13.1 | 6.1 | 6.4 | 28.8 | 12.0 | 10.2 | 8.7 | 7.3 | 6.3 | 10.7 |
| **24 HIPCs** | Decision point projection | 6.9 | 11.6 | 10.6 | 9.2 | 9.8 | 21.3 | 7.9 | 7.3 | 7.2 | 7.2 | 6.8 |
| | Updated projection | 4.9 | 5.8 | 3.9 | 7.7 | 34.6 | 7.8 | 17.0 | 13.1 | 5.7 | 7.7 | 5.4 |

Sources: World Bank and IMF staff estimates and projections.
1/ Exports of goods and non-factor services.
2/ Based on fiscal year data (e.g., FY 2000/01 is 2001).

**Table 7. HIPCs: New Borrowing, 2000–2010**
**(In millions of U.S. dollars)**

| | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Interim period countries** | | | | | | | | | | | | |
| Benin | Decision point projection | 65 | 65 | 70 | 64 | 69 | 70 | 72 | 73 | 74 | 75 | 76 |
| | Updated projection | 74 | 93 | 84 | 78 | 85 | 86 | 87 | 89 | 89 | 91 | 92 |
| Burkina Faso | Decision point projection | 119 | 134 | 131 | 119 | 122 | 125 | 129 | 134 | 140 | 147 | 154 |
| | Updated projection | 85 | 143 | 173 | 166 | 121 | 150 | 118 | 127 | 129 | 140 | 144 |
| Cameroon 1/ | Decision point projection | 175 | 265 | 363 | 361 | 407 | 430 | 455 | 467 | 445 | 452 | 458 |
| | Updated projection | 196 | 182 | 185 | 221 | 232 | 231 | 210 | 272 | 245 | 256 | 266 |
| Chad | Decision point projection | 76 | 162 | 166 | 161 | 115 | 118 | 122 | 125 | 129 | 133 | 137 |
| | Updated projection | 76 | 79 | 165 | 156 | 112 | 116 | 120 | 124 | 129 | 132 | 136 |
| Ethiopia 1/ | Decision point projection | 162 | 320 | 603 | 427 | 269 | 255 | 230 | 194 | 198 | 202 | 206 |
| | Updated projection | 162 | 330 | 594 | 522 | 347 | 336 | 328 | 194 | 198 | 202 | 206 |
| Gambia, The | Decision point projection | 19 | 29 | 20 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 26 |
| | Updated projection | 22 | 30 | 54 | 52 | 39 | 18 | 10 | 10 | 10 | 10 | 10 |
| Guinea | Decision point projection | 124 | 147 | 171 | 153 | 160 | 174 | 191 | 211 | 232 | 255 | 283 |
| | Updated projection | 142 | 129 | 138 | 153 | 169 | 155 | 175 | 158 | 148 | 169 | 185 |
| Guinea-Bissau | Decision point projection | 25 | 22 | 11 | 12 | 7 | 8 | 8 | 6 | 8 | 12 | 13 |
| | Updated projection | 14 | 6 | 7 | 7 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Guyana | Decision point projection | 79 | 134 | 114 | 73 | 69 | 54 | 53 | 53 | 53 | 53 | 53 |
| | Updated projection | 67 | 69 | 52 | 74 | 69 | 61 | … | … | … | … | … |
| Honduras | Decision point projection | 48 | 163 | 232 | 314 | 335 | 328 | 557 | 542 | 609 | 655 | 692 |
| | Updated projection | 169 | 222 | 225 | 245 | 270 | 285 | 300 | 250 | 492 | 559 | 605 |
| Madagascar | Decision point projection | 201 | 219 | 175 | 174 | 128 | 140 | 153 | 167 | 182 | 199 | 218 |
| | Updated projection | 166 | 232 | 215 | 218 | 196 | 196 | 196 | 180 | 180 | 180 | 180 |
| Malawi | Decision point projection | 130 | 178 | 121 | 93 | 85 | 86 | 87 | 88 | 89 | 91 | 92 |
| | Updated projection | 133 | 127 | 147 | 143 | 134 | 135 | 144 | 152 | 161 | 171 | 181 |
| Mali | Decision point projection | 173 | 186 | 184 | 130 | 136 | 143 | 149 | 155 | 162 | 168 | 174 |
| | Updated projection | 134 | 138 | 141 | 147 | 155 | 162 | 169 | 172 | 142 | 148 | 154 |
| Mauritania | Decision point projection | 132 | 126 | 133 | 122 | 111 | 123 | 124 | 127 | 129 | 151 | 157 |
| | Updated projection | 84 | 86 | 81 | 68 | 60 | 63 | 66 | 70 | 73 | 77 | 83 |
| Nicaragua | Decision point projection | 308 | 331 | 321 | 315 | 250 | 250 | 240 | 240 | 230 | 230 | 220 |
| | Updated projection | 220 | 211 | 234 | 220 | 210 | 200 | 200 | 190 | 190 | 180 | 180 |
| Niger | Decision point projection | 111 | 99 | 101 | 104 | 74 | 78 | 83 | 86 | 89 | 95 | 99 |
| | Updated projection | 88 | 89 | 153 | 145 | 129 | 106 | 78 | 69 | 67 | 65 | 63 |
| Rwanda | Decision point projection | 114 | 77 | 82 | 80 | 32 | 68 | 56 | 114 | 116 | 119 | 120 |
| | Updated projection | 83 | 90 | 50 | 54 | 34 | 19 | 13 | 17 | 16 | 23 | 33 |
| São Tomé and Príncipe | Decision point projection | 14 | 11 | 10 | 9 | 12 | 11 | 11 | 11 | 10 | 9 | 9 |
| | Updated projection | 7 | 8 | 9 | 7 | 3 | 1 | 1 | 1 | 1 | 1 | 1 |
| Senegal | Decision point projection | 237 | 175 | 138 | 130 | 130 | 121 | 145 | 164 | 185 | 190 | 207 |
| | Updated projection | 129 | 209 | 197 | 170 | 111 | 185 | 98 | 98 | … | … | … |
| Zambia | Decision point projection | 320 | 472 | 422 | 345 | 309 | 331 | 170 | 143 | 122 | 142 | 174 |
| | Updated projection | 315 | 277 | 456 | 370 | 260 | 260 | 260 | 260 | 260 | 260 | 260 |
| **Completion point countries** | | | | | | | | | | | | |
| Bolivia | Decision point projection | 369 | 386 | 367 | 385 | 381 | 383 | 410 | 411 | 430 | 500 | 545 |
| | Updated projection | 292 | 405 | 445 | 411 | 412 | 404 | 395 | 383 | 397 | 423 | 456 |
| Mozambique | Decision point projection | 537 | 262 | 227 | 234 | 249 | 260 | 253 | 253 | 255 | 262 | 260 |
| | Updated projection | 191 | 175 | 181 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 |
| Tanzania 1/ | Decision point projection | 522 | 576 | 591 | 610 | 588 | 618 | 643 | 665 | 689 | 716 | 755 |
| | Updated projection | 434 | 363 | 249 | 378 | 340 | 346 | 368 | 376 | 396 | 494 | 521 |
| Uganda 1/ | Decision point projection | 347 | 279 | 297 | 303 | 308 | 312 | 316 | 319 | 322 | 325 | 328 |
| | Updated projection | 305 | 271 | 353 | 350 | 328 | 328 | 333 | 338 | 338 | 338 | 338 |
| *Memorandum items:* | | | | | | | | | | | | |
| Country group subtotals | | | | | | | | | | | | |
| **Interim period HIPCs (20)** | Decision point projection | 2,633 | 3,315 | 3,566 | 3,206 | 2,840 | 2,936 | 3,057 | 3,124 | 3,227 | 3,402 | 3,568 |
| | Updated projection | 2,367 | 2,749 | 3,360 | 3,218 | 2,743 | 2,775 | 2,580 | 2,441 | 2,540 | 2,673 | 2,788 |
| **Completion point HIPCs (4)** | Decision point projection | 1,775 | 1,503 | 1,482 | 1,532 | 1,526 | 1,573 | 1,621 | 1,647 | 1,695 | 1,803 | 1,888 |
| | Updated projection | 1,221 | 1,213 | 1,229 | 1,318 | 1,260 | 1,258 | 1,276 | 1,278 | 1,312 | 1,435 | 1,495 |
| **24 HIPCs** | Decision point projection | 4,408 | 4,818 | 5,048 | 4,738 | 4,366 | 4,509 | 4,678 | 4,771 | 4,922 | 5,205 | 5,455 |
| | Updated projection | 3,588 | 3,963 | 4,588 | 4,536 | 4,003 | 4,032 | 3,856 | 3,719 | 3,852 | 4,109 | 4,284 |

Sources: Decision Point documents, and World Bank and IMF staff estimates and projections.

1/ Based on fiscal year data (e.g., FY 2000/01 is 2001).

**Table 8. HIPCs: Net Resource Flows, 2000–2010 1/**
**(In percent of GDP)**

| | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Interim period countries** | | | | | | | | | | | | |
| Benin | Decision point projection | 5.5 | 3.8 | 5.9 | 5.1 | 5.2 | 5.0 | 4.9 | 4.7 | 4.5 | 4.3 | 4.0 |
| | Updated projection | 3.0 | 5.5 | 4.1 | 3.4 | 3.4 | 3.4 | … | … | … | … | … |
| Burkina Faso | Decision point projection | 6.6 | 6.0 | 5.4 | 4.5 | 4.1 | 3.7 | 3.5 | 3.2 | 3.0 | 2.8 | 2.6 |
| | Updated projection | 12.4 | 15.3 | 14.8 | 13.7 | 11.5 | 11.4 | 9.7 | 9.4 | 9.0 | 8.7 | 8.4 |
| Cameroon 2/ | Decision point projection | -2.2 | -0.1 | 1.9 | 1.5 | 1.6 | 1.3 | 1.1 | 1.1 | 0.8 | 0.6 | 0.4 |
| | Updated projection | -2.7 | -0.6 | -0.4 | 0.1 | 0.2 | -0.2 | -0.6 | -0.1 | -0.4 | -0.4 | -0.4 |
| Chad | Decision point projection | 10.1 | 16.9 | 12.3 | 11.1 | 8.5 | 5.5 | 5.3 | 5.2 | 5.0 | 4.9 | 5.0 |
| | Updated projection | 10.2 | 7.3 | 14.8 | 13.1 | 6.8 | 6.6 | 6.4 | 6.1 | 5.9 | 5.9 | 6.1 |
| Ethiopia 2/ | Decision point projection | 8.7 | 6.6 | 11.5 | 9.2 | 6.5 | 5.6 | 4.9 | 3.8 | 3.8 | 3.4 | 3.2 |
| | Updated projection | 5.3 | 8.3 | 11.8 | 10.3 | 7.2 | 6.6 | 5.9 | 4.1 | 3.6 | 3.5 | 3.1 |
| Gambia, The | Decision point projection | 8.2 | 8.6 | 5.9 | 7.2 | 7.0 | 6.8 | 6.4 | 5.9 | 5.7 | 6.5 | 6.0 |
| | Updated projection | 10.5 | 12.5 | 17.6 | 18.6 | 13.5 | 8.7 | 6.1 | 4.2 | 4.0 | 3.7 | 3.6 |
| Guinea | Decision point projection | 3.0 | 5.5 | 5.7 | 4.7 | 4.8 | 4.9 | 4.7 | 4.8 | 5.1 | 5.3 | 5.5 |
| | Updated projection | 3.0 | 4.6 | 5.7 | 3.4 | 4.0 | 3.5 | 3.5 | 2.9 | 2.7 | 3.2 | 3.5 |
| Guinea-Bissau | Decision point projection | 20.4 | 23.0 | 12.2 | 12.7 | 10.2 | 10.1 | 9.4 | 8.4 | 8.2 | 8.0 | 7.5 |
| | Updated projection | 21.0 | 13.0 | 8.7 | 8.6 | 9.9 | 9.6 | 9.2 | 8.4 | 7.7 | 6.8 | 5.9 |
| Guyana | Decision point projection | 3.3 | 14.5 | 13.0 | 6.4 | 5.3 | 3.2 | 2.3 | 1.5 | 1.5 | 1.9 | 1.8 |
| | Updated projection | -1.9 | 6.9 | 2.6 | 7.6 | 6.3 | 5.0 | … | … | … | … | … |
| Honduras | Decision point projection | 3.3 | 3.8 | 2.6 | 2.5 | 3.0 | 2.6 | 4.9 | 4.5 | 4.9 | 4.6 | 4.3 |
| | Updated projection | 3.9 | 5.5 | 3.5 | 1.8 | 2.5 | 2.5 | 2.5 | 2.1 | 4.7 | 4.8 | 4.7 |
| Madagascar | Decision point projection | 5.9 | 6.9 | 5.7 | 5.1 | 4.4 | 4.5 | 4.4 | 4.4 | 4.4 | 4.5 | 4.4 |
| | Updated projection | 5.9 | 8.3 | 7.4 | 8.2 | 6.6 | 5.5 | 4.6 | 3.7 | 3.1 | 2.5 | 2.3 |
| Malawi | Decision point projection | 10.3 | 15.3 | 9.2 | 8.2 | 7.0 | 6.9 | 6.7 | 6.5 | 6.4 | 6.3 | 6.2 |
| | Updated projection | 12.0 | 11.3 | 10.7 | 11.4 | 10.7 | 10.3 | 10.1 | 9.8 | 9.7 | 9.5 | 9.4 |
| Mali | Decision point projection | 8.3 | 9.4 | 8.6 | 6.4 | 6.1 | 5.9 | 5.6 | 5.3 | 5.0 | 4.8 | 4.6 |
| | Updated projection | 8.2 | 6.5 | 5.7 | 5.8 | 5.6 | 5.2 | 4.3 | 4.5 | 3.5 | 3.4 | 3.2 |
| Mauritania | Decision point projection | 17.6 | 17.7 | 18.5 | 17.3 | 15.4 | 14.5 | 13.5 | 12.5 | 11.6 | 12.3 | 11.9 |
| | Updated projection | 5.8 | 5.7 | 6.3 | 4.7 | 3.8 | 3.8 | … | … | … | … | … |
| Nicaragua | Decision point projection | 21.3 | 19.9 | 15.5 | 15.5 | 14.6 | 10.2 | 9.2 | 8.7 | 7.4 | 6.2 | 5.2 |
| | Updated projection | 15.8 | 13.0 | 13.0 | 9.8 | 9.2 | 8.1 | 7.6 | 6.9 | 6.1 | 4.9 | 4.2 |
| Niger | Decision point projection | 7.7 | 5.8 | 6.8 | 7.5 | 5.1 | 5.3 | 5.5 | 5.5 | 5.4 | 5.5 | 5.8 |
| | Updated projection | 7.9 | 7.4 | 11.6 | 11.4 | 9.8 | 7.8 | 5.1 | 4.2 | … | … | … |
| Rwanda | Decision point projection | 12.4 | 8.5 | 8.0 | 7.9 | 6.7 | 7.0 | 5.3 | … | … | … | … |
| | Updated projection | 12.1 | 11.8 | 12.4 | 11.6 | 10.4 | 9.6 | 8.3 | 7.1 | 6.8 | 6.8 | 6.6 |
| São Tomé and Príncipe | Decision point projection | 41.3 | 52.8 | 49.0 | 46.1 | 42.5 | 40.2 | 39.4 | 37.4 | 34.4 | 31.8 | 31.1 |
| | Updated projection | 34.4 | 46.8 | 53.9 | 46.5 | 37.7 | 36.2 | 17.5 | 8.2 | 7.5 | 5.3 | 4.7 |
| Senegal | Decision point projection | 3.9 | 2.4 | 1.8 | 1.6 | 0.4 | 1.4 | 1.5 | 1.7 | 2.0 | 2.0 | 1.9 |
| | Updated projection | 1.4 | 4.0 | 3.8 | 3.3 | 1.9 | 2.9 | … | … | … | … | … |
| Zambia | Decision point projection | 13.3 | 14.4 | 12.6 | 9.8 | 7.1 | 7.5 | 6.0 | 4.7 | 4.0 | 4.1 | 4.5 |
| | Updated projection | 10.9 | 9.9 | 13.6 | 9.7 | 5.3 | 5.2 | 6.9 | 6.1 | 5.5 | 5.1 | 4.8 |
| **Completion point countries** | | | | | | | | | | | | |
| Bolivia | Decision point projection | 2.9 | 3.1 | 3.0 | 2.5 | 2.0 | 1.7 | 1.7 | 1.4 | 1.3 | 1.4 | 1.4 |
| | Updated projection | 2.5 | 4.3 | 4.7 | 3.4 | 3.0 | 2.4 | 1.9 | 2.1 | 2.1 | 1.9 | 2.0 |
| Mozambique | Decision point projection | 20.0 | 12.4 | 10.1 | 9.3 | 8.8 | 8.1 | 7.2 | 6.5 | 5.9 | 5.4 | 4.9 |
| | Updated projection | 19.4 | 16.0 | 14.3 | 13.3 | 11.0 | 10.0 | 9.2 | 8.5 | 7.8 | 7.1 | 6.5 |
| Tanzania 2/ | Decision point projection | 13.6 | 13.8 | 12.9 | 12.2 | 11.0 | 10.4 | 10.7 | 10.1 | 9.6 | 9.1 | 8.7 |
| | Updated projection | 11.0 | 10.5 | 9.0 | 10.2 | 9.1 | 8.6 | 8.3 | 7.8 | 7.6 | 8.6 | 8.1 |
| Uganda 2/ | Decision point projection | 10.8 | 8.4 | 7.7 | 7.1 | 6.5 | 5.9 | 5.4 | 5.0 | 4.7 | 4.4 | 4.1 |
| | Updated projection | 8.4 | 11.1 | 11.9 | 10.6 | 9.0 | 8.2 | 7.5 | 6.8 | 6.1 | 5.6 | 5.2 |
| *Memorandum items:* | | | | | | | | | | | | |
| Country group averages 3/ | | | | | | | | | | | | |
| **Interim period HIPCs (20)** | Decision point projection | 10.4 | 12.1 | 10.6 | 9.5 | 8.3 | 7.6 | 7.2 | 6.8 | 6.5 | 6.3 | 6.1 |
| | Updated projection | 9.0 | 10.2 | 11.1 | 10.1 | 8.3 | 7.6 | 6.7 | 5.5 | 5.3 | 4.9 | 4.7 |
| **Completion point HIPCs (4)** | Decision point projection | 11.8 | 9.4 | 8.4 | 7.8 | 7.0 | 6.5 | 6.2 | 5.8 | 5.4 | 5.1 | 4.8 |
| | Updated projection | 10.3 | 10.5 | 10.0 | 9.4 | 8.0 | 7.3 | 6.7 | 6.3 | 5.9 | 5.8 | 5.5 |
| **24 HIPCs** | Decision point projection | 10.7 | 11.6 | 10.2 | 9.2 | 8.1 | 7.4 | 7.1 | 6.7 | 6.3 | 6.1 | 5.9 |
| | Updated projection | 9.2 | 10.2 | 10.9 | 10.0 | 8.3 | 7.5 | 6.7 | 5.6 | 5.4 | 5.1 | 4.8 |

Sources: World Bank and IMF staff estimates and projections.

1/ Defined as new loans plus grants minus debt service payments of the public sector.
2/ Based on fiscal year data (e.g., FY 2000/01 is 2001).
3/ Simple averages.

**Table 9. HIPCs: Terms of Trade, 2000–2010**
**(Percent change)**

| | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Interim period countries** | | | | | | | | | | | | |
| Benin | Decision point projection | -3.1 | 13.2 | 5.5 | 5.7 | 4.5 | 4.0 | 2.8 | 2.9 | 3.1 | 3.2 | 3.4 |
| | Updated projection | 2.7 | 21.2 | -14.3 | 12.7 | 11.9 | 8.2 | 5.7 | 0.3 | 0.4 | 0.6 | 0.8 |
| Burkina Faso | Decision point projection | -5.7 | 3.7 | 2.7 | 2.2 | 2.1 | 3.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| | Updated projection | -11.5 | 3.6 | -7.2 | 4.5 | 2.2 | 1.8 | 1.4 | 1.1 | 0.5 | 0.5 | 0.5 |
| Cameroon 1/ | Decision point projection | 35.5 | -6.4 | -2.7 | 0.1 | 2.2 | 1.5 | 0.6 | 0.1 | 0.0 | 0.0 | 0.0 |
| | Updated projection | 41.4 | 3.4 | -17.2 | 2.8 | 3.4 | 0.4 | 1.2 | 1.9 | -0.8 | -1.1 | -1.0 |
| Chad | Decision point projection | -2.5 | 19.2 | 2.0 | -0.1 | 5.7 | 3.5 | 0.0 | -0.8 | -0.8 | -0.8 | -0.9 |
| | Updated projection | -2.4 | 11.3 | -8.1 | 0.2 | 45.2 | -0.8 | -1.6 | -1.5 | -1.5 | -1.7 | -2.0 |
| Ethiopia 1/ | Decision point projection | -33.9 | -9.1 | -1.8 | 3.9 | 4.8 | 2.6 | 3.3 | 1.7 | 0.5 | 0.5 | 0.6 |
| | Updated projection | -33.9 | -9.1 | -6.6 | 3.6 | 4.1 | 6.0 | 1.7 | 2.1 | 0.5 | 0.5 | 0.6 |
| Gambia, The | Decision point projection | -0.5 | 2.0 | 3.6 | 1.6 | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| | Updated projection | -2.2 | 1.8 | 2.4 | 1.9 | 0.8 | 0.2 | 0.1 | -0.4 | 2.7 | -2.7 | 2.5 |
| Guinea | Decision point projection | -7.4 | -1.1 | 14.2 | 1.5 | 1.7 | 1.8 | 2.1 | 3.5 | 3.5 | 3.5 | 3.5 |
| | Updated projection | -2.4 | 2.4 | 11.0 | -2.5 | 1.5 | -1.6 | 2.8 | 0.1 | -1.0 | -2.8 | -2.8 |
| Guinea-Bissau | Decision point projection | 0.7 | 4.3 | 4.4 | 1.3 | 0.9 | 1.0 | 0.9 | 0.9 | 0.9 | 1.0 | 1.0 |
| | Updated projection | 0.4 | -28.9 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Guyana | Decision point projection | -10.0 | 8.0 | 3.0 | -2.0 | 2.0 | 0.0 | -2.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Updated projection | -8.0 | 4.9 | 4.0 | 1.1 | 3.2 | 2.4 | … | … | … | … | … |
| Honduras | Decision point projection | -0.3 | 3.1 | 0.6 | 0.2 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Updated projection | -2.4 | -4.5 | -1.3 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Madagascar | Decision point projection | -11.6 | 2.1 | 5.6 | 1.9 | 1.1 | 4.3 | 0.3 | 0.2 | 0.1 | 0.3 | 0.3 |
| | Updated projection | 18.5 | 8.0 | 0.3 | -3.8 | 1.3 | 2.0 | 3.5 | … | … | … | … |
| Malawi | Decision point projection | -6.1 | 2.2 | 4.3 | 1.3 | 0.7 | 1.1 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| | Updated projection | -6.4 | 0.7 | 2.6 | 2.0 | 2.3 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |
| Mali | Decision point projection | -8.8 | 6.4 | 3.8 | 2.8 | 1.6 | 1.0 | 0.3 | 0.6 | 0.2 | -0.4 | -0.2 |
| | Updated projection | -4.4 | 7.6 | -6.4 | 3.4 | 4.0 | 1.2 | 1.4 | 5.8 | 0.6 | 0.2 | 0.1 |
| Mauritania | Decision point projection | 2.3 | -0.4 | -1.5 | -0.9 | 0.8 | 1.1 | 1.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Updated projection | -6.3 | 3.6 | -3.0 | -0.2 | … | … | … | … | … | … | … |
| Nicaragua | Decision point projection | -1.8 | 1.0 | 3.1 | 2.7 | 1.1 | 1.9 | 1.5 | 1.5 | 0.0 | 0.0 | 0.0 |
| | Updated projection | -4.0 | -10.9 | 6.6 | 3.9 | 5.0 | 4.0 | … | … | … | … | … |
| Niger | Decision point projection | 1.4 | 3.9 | -8.6 | -14.6 | 1.1 | 1.6 | 1.4 | -0.1 | 0.2 | -0.1 | 0.2 |
| | Updated projection | -14.8 | -4.2 | 1.3 | -0.3 | -0.2 | -0.4 | -0.1 | 1.0 | … | … | … |
| Rwanda | Decision point projection | -7.1 | 2.6 | -0.3 | -0.1 | -0.8 | 0.1 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Updated projection | 12.6 | -3.8 | -1.0 | 2.9 | 5.3 | 3.7 | 3.2 | 7.7 | 3.0 | 3.0 | 3.0 |
| São Tomé and Príncipe | Decision point projection | -1.5 | 6.1 | 11.6 | 5.2 | 4.8 | 4.4 | -1.2 | 1.0 | … | … | … |
| | Updated projection | -1.5 | 10.8 | 7.5 | 2.6 | 2.5 | 1.3 | 1.8 | 2.2 | 1.3 | 1.6 | 1.5 |
| Senegal | Decision point projection | -2.1 | 0.3 | -0.7 | -0.3 | 0.0 | -0.5 | -0.5 | -0.5 | -0.4 | … | … |
| | Updated projection | -5.6 | 0.8 | 2.1 | -0.3 | 0.3 | -0.6 | -0.2 | -0.2 | … | … | … |
| Zambia | Decision point projection | 13.3 | 0.4 | 2.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Updated projection | 3.9 | -3.8 | -1.8 | 6.4 | 3.6 | 3.7 | 0.7 | 0.4 | 0.6 | 0.6 | 0.8 |
| **Completion point countries** | | | | | | | | | | | | |
| Bolivia | Decision point projection | 0.9 | -0.3 | 0.2 | 1.1 | 2.4 | 0.8 | -0.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Updated projection | 0.0 | 0.1 | -3.6 | -0.5 | -0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mozambique | Decision point projection | 0.9 | … | … | … | … | … | … | … | … | … | … |
| | Updated projection | -1.5 | 12.3 | 1.9 | 0.7 | 0.5 | 0.6 | -0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tanzania 1/ | Decision point projection | -3.9 | 1.6 | 1.0 | 1.0 | 0.7 | 0.9 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| | Updated projection | 13.5 | -2.7 | -8.2 | 3.0 | 1.9 | 1.9 | 1.7 | 1.6 | 0.5 | 0.5 | 0.5 |
| Uganda 1/ | Decision point projection | -3.2 | 2.3 | 1.6 | … | … | … | … | … | … | … | … |
| | Updated projection | -15.1 | -11.6 | 7.8 | 4.8 | 1.7 | 2.4 | 2.9 | 6.1 | 0.0 | 0.0 | 0.0 |
| *Memorandum items:* | | | | | | | | | | | | |
| Country group averages 2/ | | | | | | | | | | | | |
| **Interim period HIPCs (20)** | Decision point projection | -2.5 | 3.1 | 2.6 | 0.6 | 1.8 | 1.6 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 |
| | Updated projection | -1.3 | 0.7 | -1.4 | 2.1 | 5.1 | 1.8 | 1.4 | 1.4 | 0.6 | 0.1 | 0.5 |
| **Completion point HIPCs (4)** | Decision point projection | -1.3 | 1.2 | 0.9 | 1.1 | 1.6 | 0.9 | 0.0 | 0.4 | 0.4 | 0.4 | 0.4 |
| | Updated projection | -0.8 | -0.5 | -0.5 | 2.0 | 0.8 | 1.2 | 1.0 | 1.9 | 0.1 | 0.1 | 0.1 |
| **24 HIPCs** | Decision point projection | -2.3 | 2.8 | 2.4 | 0.7 | 1.7 | 1.6 | 0.5 | 0.6 | 0.4 | 0.5 | 0.5 |
| | Updated projection | -1.2 | 0.5 | -1.3 | 2.1 | 4.4 | 1.7 | 1.3 | 1.5 | 0.5 | 0.1 | 0.4 |

Sources: World Bank and IMF staff estimates and projections.
1/ Based on fiscal year data (e.g., FY 2000/01 is 2001).
2/ Simple averages.

**Table 10. HIPCs: Terms of Trade Index, 2000–2010**
**(1999=100)**

| | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Interim period countries** | | | | | | | | | | | | |
| Benin | Decision point projection | 97 | 110 | 116 | 122 | 128 | 133 | 137 | 141 | 145 | 150 | 155 |
| | Updated projection | 103 | 124 | 107 | 120 | 135 | 146 | 154 | 154 | 155 | 156 | 157 |
| Burkina Faso | Decision point projection | 94 | 98 | 100 | 103 | 105 | 108 | 109 | 110 | 112 | 113 | 114 |
| | Updated projection | 89 | 92 | 85 | 89 | 91 | 93 | 94 | 95 | 95 | 96 | 96 |
| Cameroon 1/ | Decision point projection | 136 | 127 | 123 | 124 | 126 | 128 | 129 | 129 | 129 | 129 | 129 |
| | Updated projection | 141 | 146 | 121 | 124 | 129 | 129 | 131 | 133 | 132 | 131 | 129 |
| Chad | Decision point projection | 98 | 116 | 119 | 118 | 125 | 130 | 130 | 129 | 127 | 126 | 125 |
| | Updated projection | 98 | 109 | 100 | 100 | 145 | 144 | 142 | 140 | 137 | 135 | 132 |
| Ethiopia 1/ | Decision point projection | 66 | 60 | 59 | 61 | 64 | 66 | 68 | 69 | 70 | 70 | 70 |
| | Updated projection | 66 | 60 | 56 | 58 | 61 | 64 | 65 | 67 | 67 | 67 | 68 |
| Gambia, The | Decision point projection | 100 | 101 | 105 | 107 | 107 | 107 | 107 | 107 | 107 | 108 | 108 |
| | Updated projection | 98 | 100 | 102 | 104 | 105 | 105 | 105 | 105 | 107 | 104 | 107 |
| Guinea | Decision point projection | 93 | 92 | 105 | 106 | 108 | 110 | 112 | 116 | 120 | 124 | 129 |
| | Updated projection | 98 | 100 | 111 | 108 | 110 | 108 | 111 | 111 | 110 | 107 | 104 |
| Guinea-Bissau | Decision point projection | 101 | 105 | 110 | 111 | 112 | 113 | 114 | 115 | 116 | 117 | 119 |
| | Updated projection | 100 | 71 | 72 | 73 | 74 | 74 | 75 | 76 | 77 | 77 | 78 |
| Guyana | Decision point projection | 90 | 97 | 100 | 98 | 100 | 100 | 98 | 98 | 98 | 98 | 98 |
| | Updated projection | 92 | 97 | 100 | 101 | 105 | 107 | … | … | … | … | … |
| Honduras | Decision point projection | 100 | 103 | 103 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 |
| | Updated projection | 98 | 93 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 |
| Madagascar | Decision point projection | 88 | 90 | 95 | 97 | 98 | 102 | 103 | 103 | 103 | 103 | 104 |
| | Updated projection | 119 | 128 | 128 | 123 | 125 | 128 | 132 | … | … | … | … |
| Malawi | Decision point projection | 94 | 96 | 100 | 101 | 102 | 103 | 104 | 104 | 104 | 105 | 105 |
| | Updated projection | 94 | 94 | 97 | 99 | 101 | 103 | 104 | 106 | 108 | 110 | 111 |
| Mali | Decision point projection | 91 | 97 | 101 | 104 | 105 | 106 | 107 | 107 | 107 | 107 | 107 |
| | Updated projection | 96 | 103 | 96 | 100 | 104 | 105 | 106 | 112 | 113 | 113 | 113 |
| Mauritania | Decision point projection | 102 | 102 | 100 | 99 | 100 | 101 | 103 | 103 | 103 | 103 | 103 |
| | Updated projection | 94 | 97 | 94 | 94 | … | … | … | … | … | … | … |
| Nicaragua | Decision point projection | 98 | 99 | 102 | 105 | 106 | 108 | 110 | 111 | … | … | … |
| | Updated projection | 96 | 86 | 91 | 95 | 99 | 103 | … | … | … | … | … |
| Niger | Decision point projection | 101 | 105 | 96 | 82 | 83 | 85 | 86 | 86 | 86 | 86 | 86 |
| | Updated projection | 85 | 82 | 83 | 82 | 82 | 82 | 82 | 83 | … | … | … |
| Rwanda | Decision point projection | 93 | 95 | 95 | 95 | 94 | 94 | 94 | 94 | 94 | 94 | 94 |
| | Updated projection | 113 | 108 | 107 | 110 | 116 | 120 | 124 | 134 | 138 | 142 | 146 |
| São Tomé and Príncipe | Decision point projection | 99 | 105 | 117 | 123 | 129 | 134 | 133 | 134 | … | … | … |
| | Updated projection | 99 | 109 | 117 | 120 | 123 | 125 | 127 | 130 | 132 | 134 | 136 |
| Senegal | Decision point projection | 98 | 98 | 98 | 97 | 97 | 97 | 96 | 96 | 95 | … | … |
| | Updated projection | 94 | 95 | 97 | 97 | 97 | 97 | 96 | 96 | … | … | … |
| Zambia | Decision point projection | 113 | 114 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| | Updated projection | 104 | 100 | 98 | 104 | 108 | 112 | 113 | 113 | 114 | 115 | 116 |
| **Completion point countries** | | | | | | | | | | | | |
| Bolivia | Decision point projection | 101 | 101 | 101 | 102 | 104 | 105 | 104 | 104 | 104 | 104 | 104 |
| | Updated projection | 100 | 100 | 96 | 96 | 95 | 95 | 95 | 95 | 95 | 95 | 95 |
| Mozambique | Decision point projection | 101 | … | … | … | … | … | … | … | … | … | … |
| | Updated projection | 98 | 111 | 113 | 113 | 114 | 115 | 114 | 114 | 114 | 114 | 114 |
| Tanzania 1/ | Decision point projection | 96 | 98 | 99 | 100 | 100 | 101 | 102 | 103 | 103 | 104 | 105 |
| | Updated projection | 113 | 110 | 101 | 104 | 106 | 108 | 110 | 112 | 113 | 113 | 114 |
| Uganda 1/ | Decision point projection | 97 | 99 | 101 | … | … | … | … | … | … | … | … |
| | Updated projection | 85 | 75 | 81 | 85 | 86 | 88 | 91 | 96 | 96 | 96 | 96 |
| *Memorandum items:* | | | | | | | | | | | | |
| Country group averages 2/ | | | | | | | | | | | | |
| **Interim period HIPCs (20)** | Decision point projection | 98 | 101 | 103 | 104 | 106 | 107 | 108 | 109 | 108 | 109 | 110 |
| | Updated projection | 99 | 100 | 98 | 100 | 105 | 107 | 109 | 109 | 113 | 113 | 113 |
| **Completion point HIPCs (4)** | Decision point projection | 99 | 99 | 100 | 101 | 102 | 103 | 103 | 104 | 104 | 104 | 105 |
| | Updated projection | 99 | 99 | 98 | 100 | 100 | 102 | 103 | 104 | 104 | 105 | 105 |
| **24 HIPCs** | Decision point projection | 98 | 100 | 103 | 103 | 105 | 107 | 108 | 108 | 107 | 109 | 109 |
| | Updated projection | 99 | 100 | 98 | 100 | 104 | 106 | 108 | 108 | 111 | 111 | 111 |

Sources: World Bank and IMF staff estimates and projections.
1/ Based on fiscal year data (e.g., FY 2000/01 is 2001).
2/ Simple averages.

**Table 11. HIPCs: Updated Overall Fiscal Balance, 2000–2010 1/**

**(In percent of GDP)**

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Interim period countries** | | | | | | | | | | | |
| Benin | -1.8 | -0.6 | -2.4 | -1.5 | -1.5 | -0.9 | -0.9 | -1.0 | -1.0 | -1.1 | -1.2 |
| Burkina Faso | -4.3 | -4.6 | -3.3 | -2.9 | -1.3 | -1.5 | … | … | … | … | … |
| Cameroon 2/ | 1.4 | 2.4 | 0.4 | -0.5 | 0.5 | 0.1 | 0.2 | 0.7 | 0.7 | 0.6 | 0.7 |
| Chad | -7.5 | -5.4 | -12.0 | -7.5 | -2.3 | -1.8 | -1.6 | -1.5 | -1.4 | 0.9 | -1.0 |
| Ethiopia 2/ | -11.4 | -5.6 | -8.4 | -6.7 | -4.1 | -2.8 | -2.3 | -1.8 | -1.8 | -1.7 | -1.6 |
| Gambia, The | -1.4 | -7.2 | -1.6 | -1.4 | -0.9 | -0.1 | -0.2 | -0.2 | -0.4 | -0.4 | -0.2 |
| Guinea | -3.3 | -2.8 | -2.9 | -0.3 | -0.1 | 0.6 | 0.9 | 1.1 | 1.1 | 0.4 | -0.4 |
| Guinea-Bissau | -7.6 | -8.7 | -8.7 | -8.7 | -8.7 | -8.7 | -8.7 | -8.7 | -9.5 | -10.3 | -10.8 |
| Guyana | -3.5 | -6.3 | -6.8 | -7.5 | -10.6 | -12.2 | -5.6 | … | … | … | … |
| Honduras | -5.1 | -5.7 | -5.0 | -4.4 | -4.0 | -3.8 | -3.5 | -3.0 | … | … | … |
| Madagascar | -0.6 | -3.7 | -4.2 | -2.8 | -2.6 | -2.4 | -2.2 | -2.0 | -1.8 | -1.6 | -1.4 |
| Malawi | -5.3 | -1.3 | -0.9 | 0.5 | 1.1 | 0.2 | -0.1 | -0.4 | -0.5 | -0.3 | -0.2 |
| Mali | -3.8 | -7.6 | -6.5 | -3.7 | -3.1 | -2.8 | -3.6 | -2.4 | -2.8 | -2.8 | -2.8 |
| Mauritania | -3.3 | -4.0 | 8.9 | 0.3 | … | … | … | … | … | … | … |
| Nicaragua | -8.1 | -14.1 | -5.5 | -3.1 | -1.6 | -0.1 | -0.5 | -0.3 | 0.9 | 1.2 | 1.4 |
| Niger | -3.5 | -3.4 | -5.1 | -5.5 | -4.8 | -3.6 | -2.9 | -1.6 | … | … | … |
| Rwanda | 0.1 | -1.3 | 0.3 | 0.7 | 1.7 | 1.9 | 2.4 | 1.9 | 1.6 | 1.2 | 0.8 |
| São Tomé and Príncipe | -16.5 | -15.1 | -4.6 | -3.0 | -5.9 | -3.8 | 4.4 | 9.5 | 8.0 | 14.7 | 13.5 |
| Senegal | -0.2 | -3.9 | -0.3 | -0.3 | -0.3 | -0.1 | 0.1 | 0.2 | … | … | … |
| Zambia | -7.0 | -8.0 | -7.3 | -7.1 | -6.9 | -6.7 | -6.5 | -6.3 | -6.1 | -5.9 | -5.7 |
| **Completion point countries** | | | | | | | | | | | |
| Bolivia 3/ | -3.8 | -6.6 | -5.7 | -4.0 | -3.0 | -2.1 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 |
| Mozambique | -4.5 | -4.8 | -6.8 | -5.2 | -4.6 | -4.0 | -3.8 | -3.6 | -3.5 | -3.4 | -3.2 |
| Tanzania 2/ | -3.3 | -1.6 | -2.3 | -2.1 | -1.1 | -1.5 | -1.5 | -1.5 | -1.7 | -1.8 | -1.7 |
| Uganda 2/ | -7.8 | -0.9 | -3.3 | -2.7 | -2.6 | -2.1 | -1.8 | -1.4 | -2.1 | -2.2 | -2.3 |
| *Memorandum items:* | | | | | | | | | | | |
| Country group averages 4/ | | | | | | | | | | | |
| **Interim period countries (20)** | -4.8 | -5.4 | -4.0 | -3.6 | -3.2 | -2.4 | -1.6 | -1.1 | -1.1 | -0.5 | -0.8 |
| **Completion point countries (4)** | -4.9 | -3.5 | -4.5 | -3.5 | -2.8 | -2.4 | -2.1 | -1.9 | -2.1 | -2.2 | -2.1 |
| **24 HIPCs** | -4.8 | -5.1 | -4.1 | -3.6 | -3.1 | -2.4 | -1.7 | -1.2 | -1.3 | -0.9 | -1.1 |

Sources: World Bank and IMF staff estimates and projections.

1/ Central government balance, including grants.
2/ Based on fiscal year data (e.g., FY 2000/01 is 2001).
3/ Combined public sector (non-financinal public sector and quasi-fiscal balance of the Central Bank) deficit.
4/ Simple averages.