

INTERNATIONAL MONETARY FUND AND  
INTERNATIONAL DEVELOPMENT ASSOCIATION

**Heavily Indebted Poor Countries (HIPC) Initiative—Statistical Update**

Prepared by the Staffs of the IMF and the World Bank

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<b>Contents</b>	<b>Page</b>
<b>I. Guide to the Tables</b>	
A. Progress in Implementation.....	4
B. Summary of Costs .....	5
C. Multilateral Creditors: Costs, Commitments and Delivery.....	5
D. Official Bilateral and Commercial Creditors: Costs, Commitments and Delivery ...	6
E. Effect of HIPC Debt Reduction on Debt Stocks, Debt Service and Poverty Reducing Expenditures.....	6
<b>II. Annexes</b>	
1. Country Coverage, Data Sources, and Assumptions for the HIPC Costing Exercise .....	7
2. HIPC Initiative: Progress in Implementation by Country.....	9
3. Enhanced HIPC Initiative: Country Implementation Status Notes.....	12
I. Implementation Status of HIPCs in the Interim Period .....	12
II. Countries that Could Reach the Decision Point after February 2004 .....	30
III. Countries that had Reached the Completion Point by the end of February 2004 .....	37
<b>III. Statistical Tables</b>	
1. HIPC Initiative: Committed Debt Relief and Outlook .....	49
2. HIPC Initiative: Changes in the Estimates of Potential Costs by Creditor Group .....	50
3. HIPC Initiative: Breakdown of Estimated Potential Costs by Main Creditors and by Country Groups .....	51
4. HIPC Initiative: Estimates of Costs to Multilateral Creditors and Status of Their Commitments .....	52
5A. HIPC Initiative: Status of Delivery of Assistance by the World Bank.....	53
5B. HIPC Initiative: Estimated Delivery of World Bank Assistance, 2000–09.....	54
6A. HIPC Initiative: Status of Commitments by the IMF .....	56
6B. HIPC Initiative: Estimated Delivery of IMF Assistance, 1998-2010.....	57

7.	Status of Bilateral Donor Pledges to the HIPC Trust Fund .....	59
8A.	HIPC Initiative: Estimated Paris Club Costs, by Creditor Country.....	60
8B.	HIPC Initiative: Paris Club Debt Relief.....	62
9A.	HIPC Initiative: Estimated Non-Paris Club Official Bilateral Creditors’ Costs by Creditor Country .....	64
9B.	HIPC Initiative: Assistance by Non-Paris Club Creditors .....	68
10A.	Summary of Debt Service for the 27 HIPCs that have Reached Decision Point.....	69
10B.	Debt Service for HIPCs that have Reached Decision Point, by Country, 1998-2006..	70
11A.	Summary of Poverty-Reducing Expenditures by the 27 HIPCs that have Reached Decision Point.....	73
11B.	Poverty-Reducing Expenditures by HIPCs that have Reached Decision Point, by Country .....	74

## ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
AFESD	Arab Fund for Social and Economic Development
AMF	Arab Monetary Fund
AsDB	Asian Development Bank
BADEA	Arab Bank for Economic Development in Africa
BCEAO	Central Bank of West African States
BDEAC	Banque de Développement des États de l’Afrique Centrale (Central African States Development Bank)
BDEGL	Banque de Développement des États des Grand Lacs (Development Bank of Great Lake States)
BEAC	Banque des États de l’Afrique Centrale (Bank of Central African States)
BOAD	Banque Ouest Africaine de Développement (West African Development Bank)
CABEI	Central American Bank for Economic Integration
CAF	Corporación Andina de Fomento
CAS	County Assistance Strategy
CDB	Caribbean Development Bank
CIRR	Commercial Interest Reference Rate
CMCF	Caricom Multilateral Clearing Facility
DRC	Democratic Republic of Congo
DSA	Debt Sustainability Analysis
EADB	East African Development Bank
ECOWAS	Economic Community of West African States
EIB	European Investment Bank
EU	European Union
EUR	Euro
FEGECE	Fonds d’Entraide et de Garantie des emprunts du Conseil del’Entente
FOCEM	Fondo Centroamericano de Estabilización Monetaria
FONPLATA	Fund for the Financial Development of the River Plate Basin
FSID	Fund for Solidarity and Economic Development
GDF	Global Development Finance
GDP	Gross Domestic Product
HIPC	Heavily Indebted Poor Country
IDB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
IsDB	Islamic Development Bank
MDB	Multilateral Development Bank
MTEF	Medium-Term Expenditure Framework
NPV	Net Present Value
OPEC	OPEC Fund for International Development
PTA	Eastern and Southern African Trade and Development Bank
PEM	Public Expenditure Management
PERs	Public Expenditure Reviews
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
SDR	Special Drawing Rights
SMP	Staff Monitored Program
U.A.E.	United Arab Emirates
ZESCO	Zambian Electricity Supply Company
ZNCB	Zambia National Commercial Bank

## I. GUIDE TO THE TABLES

1. This document updates information provided in the September 2003 Status of Implementation Report for the Heavily Indebted Poor Countries (HIPC) Initiative.<sup>1</sup> Below are some highlights drawn from the accompanying tables.

### A. Progress in Implementation (Table 1)

2. Since September 2003, Guyana and Nicaragua have reached their completion points, increasing the number of countries that have reached their completion points to 10 as of end-February 2004. Debt relief to be provided irrevocably to these countries amounts to US\$12.2 billion in decision point NPV terms, which represents 39 percent of the HIPC assistance committed to the 27 countries that have reached their decision points.

3. The pace at which countries in the interim period reach their completion points is expected to accelerate in 2004, as the majority of these countries are on-track with their macroeconomic programs and have made progress in the implementation of their full Poverty Reduction Strategies. Niger, Ethiopia and Senegal are likely to reach the completion point shortly.

- Of the 17 countries in the interim period, 11 are on track with their macroeconomic programs,<sup>2</sup> including Malawi and Honduras, two countries highlighted in the September 2003 Status of Implementation Report for having protracted program interruptions since reaching their decision points. The remaining six countries are facing policy challenges in the areas of structural reform and public resource management.<sup>3</sup> Program discussions are continuing or will be initiated in these countries, with a view toward putting in place corrective measures so as to establish a track record that will allow resumption of their PRGF-supported programs.
- Only three countries have yet to complete their Poverty Reduction Strategy Papers (The Democratic Republic of Congo, Guinea-Bissau, and Sierra Leone). Although other interim period countries still need to satisfactorily implement their Poverty Reduction Strategies for a year, this is unlikely to delay their progress towards reaching their completion points, provided their macroeconomic performance remains on track.

4. Progress in reaching the decision point for the remaining 11 HIPCs that have yet to do so is of great importance, since the sunset clause of the HIPC Initiative is due to take effect at end-2004.<sup>4</sup>

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<sup>1</sup> “Heavily Indebted Poor Countries (HIPC) Initiative—Status of Implementation,” September 12, 2003, SM/03/294, <http://www.imf.org/external/np/hipc/2003/status/091203.htm>, and September 12, 2003, IDA/SecM2003-0477/1, <http://www.worldbank.org/hipc/>.

<sup>2</sup> Cameroon, Democratic Republic of Congo, Ethiopia, Ghana, Honduras, Madagascar, Malawi, Niger, Rwanda, Senegal, and Sierra Leone.

<sup>3</sup> Chad, The Gambia, Guinea, Guinea-Bissau, São Tomé and Príncipe and Zambia.

<sup>4</sup> Burundi, Central African Republic, Comoros, Republic of Congo, Côte d’Ivoire, Lao P.D.R., Liberia, Myanmar, Somalia, Sudan, and Togo.

Many of these countries are affected by conflict and, in some instances, have substantial arrears outstanding to various creditors. A few of these countries, however, are moving towards establishing a track record of macroeconomic performance. Lao PDR resumed its PRGF-supported arrangement in September 2003, following a delay since January 2003. A PRGF arrangement was approved for Burundi in January 2004. Discussions for establishing a track record towards a PRGF arrangement by putting in place staff-monitored programs (SMPs) are underway for Comoros, the Republic of Congo, and Sudan.

### **B. Summary of Costs (Tables 2, 3)<sup>5</sup>**

5. The total costs for the 37 countries potentially eligible for debt relief under the HIPC Initiative, including Liberia, Somalia, and Sudan, are estimated to be US\$51.1 billion in 2002 NPV terms – a slight increase from US\$50 billion reported in the September 2003 Status of Implementation Report (Table 2). The higher estimate reflects updated costs for Liberia, Somalia, and Sudan.<sup>6</sup> Converting the total amount to 2003 NPV terms, the estimate would be US\$53.4 billion. Of this overall amount, US\$12.4 billion represent costs for Liberia, Somalia and Sudan, of which about US\$4.6 billion are costs to multilateral institutions. The total cost for the 27 decision point countries is US\$34.7 billion in 2003 NPV terms (Table 3). Possible costs of topping-up are not included in these estimates.

### **C. Multilateral Creditors: Costs, Commitments and Delivery (Tables 4, 5A, 5B, 6A, 6B and 7)**

6. Twenty-three multilateral creditors have committed to provide HIPC relief amounting to US\$24.3 billion (2003 NPV terms)—over 99 percent of the total debt relief required (Table 4). Large multilateral creditors (MDBs), including IDA, the IMF, AfDB, the EC and CABI are providing relief to most HIPCs in the interim period. Support is provided to several MDBs through the HIPC Trust Fund administered by IDA. Total commitments at end-February were about US\$3.5 billion, an increase of US\$40 million since September 2003 (Table 7). Total paid-in contributions were US\$2.8 billion, an increase of US\$228 million since September 2003.

7. The total costs to the World Bank Group for the 27 countries that reached their decision points are estimated at US\$8 billion (2003 NPV Terms – Table 4), which represents a change of about 4 percent from the September estimate in 2002 NPV terms. The total disbursed amount for the 27 countries under the Initiative is US\$ 2.7 billion (Tables 5A, 5B).

8. The total costs to the IMF are estimated at SDR 1.8 billion in decision point NPV terms, little changed from the September 2003 estimates, of which SDR 1.2 billion have already been disbursed (Tables 6A, 6B). Total costs do not include estimates for Liberia, Somalia and Sudan, for which no provision has been made in the resources mobilized for the PRGF-HIPC Trust Fund in 1999. New bilateral grant resources, therefore, need to be mobilized to enable the IMF to provide HIPC assistance to these countries at an appropriate time.

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<sup>5</sup> The underlying assumptions and caveats on the updated costing estimates are detailed in Annex 1.

<sup>6</sup> These costs are based on tentative data and therefore subject to change, in particular in the case of Liberia and Somalia, for which a debt sustainability analysis is not available.

**D. Official Bilateral and Commercial Creditors: Costs, Commitments and Delivery**  
(Tables 8A, 8B, 9A and 9B)

9. Paris Club creditors have committed to provide debt relief estimated at US\$13.0 billion in 2003 NPV terms for the 27 countries that have reached their decision points (Tables 8A, 8B). Most members of the Paris Club have also voluntarily committed to provide additional debt relief beyond that required under the HIPC Initiative.

10. The share of debt relief to the 27 HIPCs that have reached their decision points attributable to the 51 non-Paris Club official bilateral creditors is estimated at US\$3.4 billion (2003 NPV Terms – Tables 9A, 9B). Of these, 29 creditors have committed to deliver some or all debt relief under the HIPC framework amounting to US\$2.7 billion (2003 NPV terms), or about 80 percent of the total cost of relief for these creditors (Table 9B). However, 22 creditors have not yet committed to deliver HIPC relief to any HIPCs, although it is possible that such commitments could come after HIPC debtors to these countries reach their completion points.

11. Commercial creditors have generally not committed to provide HIPC relief and many have also not provided traditional relief. The cost of HIPC relief to the 27 eligible countries that is attributed to commercial creditors is US\$850 million (2003 NPV terms) or 2.4 percent of the total for this group (Table 3).

**E. Effect of HIPC Debt Reduction on Debt Stocks, Debt Service and Poverty Reducing Expenditures** (Tables 10A, 10B, 11A and 11B)

12. As indicated in September 2003, debt stocks in the 27 HIPCs that have reached their decision points are projected to decline by about two thirds as a result of debt relief under the HIPC Initiative. In decision point NPV terms, such debt stocks are projected to fall from US\$77 billion before traditional relief to US\$32 billion after the full delivery of traditional debt relief and assistance under the HIPC Initiative, and to US\$26 billion after the full delivery of additional bilateral relief beyond HIPC committed by several creditors.<sup>7</sup>

13. Average annual debt service due for these countries is expected to be about 24 percent lower during 2001–06 when compared with 1998-99 levels, a reduction averaging about US\$832 million per year (Table 10A). Debt service as a percent of exports has declined from 16.9 percent in 1998 to an estimated 9.8 percent in 2003, and is projected to decline further to about 7.9 percent by 2006 (Tables 10A, 10B). As a share of government revenue, debt service is expected to decline from over 25 percent in 1998 to below 15 percent beyond 2003.

14. At about US\$9 billion, poverty-reducing expenditures represented about three and a half times the amount spent on debt service (US\$2.7 billion) in 2003 (Tables 11A, 11B).<sup>8</sup> Poverty-reducing expenditures are projected to have increased from 6.4 percent of GDP in 1999 to 8 percent of GDP in 2003.

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<sup>7</sup> The figure is based on the net present value of the assistance at the time of the decision point for each country. See “Heavily Indebted Poor Countries (HIPC) Initiative—Status of Implementation,” September 12, 2003, *op. cit.*, Figure 1.

<sup>8</sup> Data on poverty reducing expenditures have been revised to reflect greater consistency with such expenditures in the PRSPs of Heavily Indebted Poor Countries.

## **Annex 1: Country Coverage, Data Sources, and Assumptions for the HIPC Costing Exercise**

### **Country Coverage**

- The costing analysis is based on 37 HIPCs:<sup>9</sup> Benin, Bolivia, Burkina Faso, Burundi, Cameroon, the Central African Republic, Chad, Comoros, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda and Zambia.

### **Data Sources**

- Enhanced decision and completion point documents for the following 27 countries: Benin, Bolivia, Burkina Faso, Cameroon, Chad, the Democratic Republic of Congo, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Uganda, and Zambia.
- For the remaining countries, the estimates of the cost of HIPC assistance are based on preliminary debt figures from creditor statements and other additional sources.

### **Assumptions for the HIPC Costing Exercise**

- Calculations of total costs include costs under the original and enhanced HIPC Initiative frameworks, including assistance that has already been delivered.
- Cost estimates are based on debt data after full use of traditional debt-relief mechanisms.
- All countries considered in this costing exercise are assumed to request assistance under the enhanced HIPC Initiative.
- The total cost of assistance to the Democratic Republic of Congo includes relief provided by bilateral and commercial creditors on short-term debt in arrears.

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<sup>9</sup> Yemen was excluded from the costing exercise because its level of indebtedness, after full use of traditional debt relief mechanisms, was found to be below the HIPC thresholds. Angola, Kenya, and Vietnam were excluded because their debt ratios were expected to be below the thresholds after application of traditional debt-relief mechanisms. Lao PDR is not included in the cost estimates because final agreement with Russia on the former Soviet Union debt has not yet been reached.

### **Update of Cost Estimates in Net Present Value Terms**

- The cost of HIPC assistance calculated in NPV terms at the time of the decision point was increased each year after the decision point year by the average interest rate applicable to the debt relief. This rate was estimated as 4.8 percent and corresponds to the implicit long-term interest rate of currencies that comprise the SDR over the period 2001-2003, calculated as an average of the average Commercial Interest Reference Rate (CIRR) over 2001-2003 weighted by the participation of the currencies in the SDR basket.



**Annex II. HIPC Initiative: Progress in Implementation by Country**  
**Status as of February 2004**

Country	Progress in development and implementation of PRSP	Performance under PRGF supported programs	Actual/ Expected DP Date 1/	Actual/ Expected CP Date 1/ 2/
<b>Countries that have already reached the Completion Point</b>				
<i>Benin 3/</i>	The PRSP was finalized in December 2002 and was endorsed by the Boards in March 2003.	Macroeconomic performance improved and was broadly in line with the PRGF-supported program established for 2003/04. The fifth review was approved in September 2003.	Jul-00	Mar-03
<i>Bolivia 3/</i>	Preparations of the 1st progress report of the PRSP are underway. The final report is expected in the third quarter of 2004.	The 3rd review of the Stand By Arrangement (SBA) is expected to be presented in mid-May, 2004. The SBA will be extended from April 2004 through the fourth quarter of 2004.	Jan-00	May-01
<i>Burkina Faso 3/</i>	The 3rd progress report of the PRSP was finalized and will be discussed by the Boards in March 2004. A revised PRSP for 2004-06 is under preparation and is expected to be presented to the Boards by mid-2004.	A new PRGF arrangement was approved in June 2003. The 1st review was completed in March 2004.	Jul-00	Apr-02
<i>Guyana</i>	The full PRSP was published in November 2001 and approved by the Boards in September 2002. A progress report is expected to be prepared during the first half of 2004.	A PRGF arrangement was approved in September 2002. The 1st review was completed in September 2003 with a delay due to fiscal and structural reform slippages.	Nov-00	Dec-03
<i>Mali 3/</i>	The full PRSP was endorsed by the Boards in early March 2003. The first annual progress report has been prepared and is expected to be presented in the second quarter of 2004.	The PRGF arrangement expired in August 2003 after the 6th and final review was completed. Discussions on a successor PRGF arrangement were held in February 2004.	Sep-00	Mar-03
<i>Mauritania</i>	The 2nd PRSP progress report was endorsed by the Boards in July 2003. The 3rd progress report is expected in the second quarter of 2004.	A new PRGF arrangement was approved by the IMF Board in July 2003.	Mar-00	Jun-02
<i>Mozambique 3/</i>	The 1st PRSP progress report was prepared in April 2003. It was presented to the IMF and World Bank Boards in June and September 2003, respectively.	The 5th review of the PRGF arrangement was satisfactorily completed in June 2003. A new PRGF program is expected to be considered by the IMF Board in June 2004.	Apr-00	Sep-01
<i>Nicaragua</i>	The 1st annual PRSP progress report was presented to the Boards in December 2002, and the second progress report in January 2004.	The 3rd review under the PRGF arrangement, that was approved in December 2002, was completed in October, 2003. The 4th review was satisfactorily completed in January 2004.	Dec-00	Jan-04
<i>Tanzania</i>	The 2nd progress report on PRSP implementation was presented in May 2003 and the first draft of the 3rd progress report was issued in December 2003 for comments by stakeholders. A new PRSP is expected to be completed by end-2004.	The 6th and final PRGF review and a new low-access PRGF arrangement was approved in July 2003. The first review under the new arrangement was completed in February 2004.	Apr-00	Nov-01
<i>Uganda 3/</i>	The 3rd PRSP progress report was presented to the Board of the World Bank in September 2003. A revision of the PRSP is scheduled to end in June 2004.	The 2nd review under the PRGF program, approved in September 2002, was successfully completed in December 2003.	Mar-00	May-00
<b>Countries between Decision and Completion Point</b>				
<i>Cameroon</i>	The full PRSP was endorsed by the Boards at end-July 2003. A PRSP progress report is expected to be completed by May 2004.	The 4th review under the PRGF arrangement was completed in December 2003. The program was extended through December 20, 2004, to allow for the completion of the 5th and 6th reviews.	Oct-00	Q2 2004
<i>Chad</i>	The full PRSP was discussed by the Boards in November 2003. The first annual PRSP implementation review is expected to be completed by November 2004.	The 5th review under the PRGF arrangement was completed in July 2003. The 6th review could not be completed before the program expired in January 2004. A number of corrective actions and issues were outstanding.	May-01	Q4 2004
<i>Congo, Dem. Rep. of</i>	The I-PRSP was presented in June 2002. The full PRSP is expected in the third quarter of 2005.	The 3rd review of the PRGF program was completed in March 2004. The fourth review is expected to be completed in July 2004.	Jul-03	Q3 2006
<i>Ethiopia</i>	The full PRSP was completed in August 2002. The 1st annual progress report was finalized in December 2003 and presented to the Boards in February 2004.	The 4th review under the PRGF was completed in August 2003. The 5th review was completed in February 2004.	Nov-01	Q2 2004
<i>Gambia, The 4/</i>	The full PRSP was finalized in April 2002 and presented to the Boards in July 2002. The 1st annual progress report is expected by mid-2004.	The PRGF, approved in July 2002, is off-track due to fiscal and monetary policy slippages, and concerns about data reporting and governance issues.	Dec-00	Q4 2005
<i>Ghana</i>	The full PRSP was finalized in February 2003 and endorsed by the World Bank and IMF in May 2003. The 1st annual progress report could be completed by end-March 2004.	A new PRGF was approved in May 2003 and the 1st review was completed in December 2003.	Feb-02	Q2 2004
<i>Guinea 4/</i>	The full PRSP was completed in January 2002 and endorsed by the Boards in July 2002. The first draft of the PRSP progress report was submitted in January 2004 and the full progress report is expected to be presented to the Boards in July 2004.	The PRGF arrangement has been off-track since December 2002 because of fiscal and monetary imbalances. Discussions are envisaged on a six-month SMP that could start in July 2004, and, provided a track record is established under the SMP, this could lead to a new PRGF in January 2005.	Dec-00	Q3 2005

**Annex II (continued). HIPC Initiative: Progress in Implementation by country  
Status as of January 2004**

Country	Progress in development and implementation of PRSP	Performance under PRGF supported programs	Actual/ Expected DP Date 1/	Actual/ Expected CP Date 1/ 2/
<b>Countries between Decision and Completion Point</b>				
<i>Guinea-Bissau 4/</i>	Following the coup d'etat in September 2003, legislative elections are scheduled for end-March 2004. In view of the difficult political situation, progress toward the full PRSP has been slow. A draft document could be ready by the time of the nomination of a new government.	The PRGF went off track in 2001 and macroeconomic performance has since been poor. In December 2003, the authorities approved an Emergency Economic Management Plan for 2004, which is supported financially by the WAEMU and bilateral donors.	Dec-00	Q3 2005
<i>Honduras 4/</i>	PRSP completed in August 2001. The 1st annual progress report completed in December 2003 and endorsed by the Boards in February 2004.	PRGF off track since December 2001 mainly due to fiscal policy slippages. A new PRGF was approved in February 2004.	Jul-00	Q1 2005
<i>Madagascar</i>	The full PRSP was delayed for about 6 months due to the political crisis in 2002. The full PRSP was presented to the Boards in November 2003. The 1st annual review of the PRSP could be completed by end-July 2004.	The PRGF was extended to November 2004 to accommodate test dates missed in 2002. In March 2004 the IMF Board completed the fourth review and the extension of the PRGF arrangement until March 2005.	Dec-00	Q3 2004
<i>Malawi</i>	A full PRSP was finalized in April 2002 and the first annual progress report was presented in October 2003.	Due to policy slippages and the 2002 drought, the 1st review was delayed and was finally completed in October 2003. The PRGF was extended through December 2004. Discussions on the completion of the 2nd review are ongoing.	Dec-00	Q4 2004
<i>Niger</i>	The full PRSP was submitted in January 2002. A 1st PRSP progress report was approved by the Boards in November 2003.	The 5th review under the PRGF arrangement was completed in November 2003.	Dec-00	Q2 2004
<i>Rwanda</i>	The full PRSP was finalized in June 2002. The 1st annual progress report was issued in June 2003.	The 1st review under the PRGF arrangement was completed in June 2003. As a result of policy slippages, the 2nd review was not completed on schedule. Understandings were reached (ad referendum) on policies that could form the basis of a program in 2004.	Dec-00	Q4 2004
<i>São Tomé and Príncipe 4/</i>	A full PRSP was adopted by the government in December 2002 and is expected to be submitted to the Boards in the second quarter of 2004. The first annual progress report could be produced by the second half of 2005.	The PRGF arrangement went off track in 2001. In June 2003, an agreement was reached for a new PRGF but the short-lived coup d'etat postponed the launch. Overall performance under the SMP in 2003 was broadly satisfactory. Discussions on a new PRGF could resume by end-2004.	Dec-00	Q4 2005
<i>Senegal 3/</i>	The full PRSP was discussed by the Boards in December 2002. The 1st annual PRSP progress report will be finalized in the first quarter of 2004.	A new PRGF arrangement was approved in April 2003 and macroeconomic policy performance in 2003 was in line with the program. The IMF Board completed the 1st review in February 2004.	Jun-00	Q2 2004
<i>Sierra Leone</i>	The full PRSP, originally expected by end-2002, has been delayed pending the demobilization of rebels, resettlement of the populace, and parliamentary and presidential elections in 2002. The full PRSP is expected by June 2004. The 1st PRSP progress report is expected to be completed by July 2005.	The 3rd review of the PRGF was successfully concluded in April 2003. The 4th review was completed in February 2004.	Feb-02	Q2 2005
<i>Zambia 4/</i>	The PRSP was endorsed by the Boards in May 2002. Preparations are underway for the 1st progress report.	Agreement on a new PRGF arrangement could not be reached because of delays in the privatization of the National Commercial Bank and large wage bill overruns. A SMP was adopted in July 2003 and subsequently extended through June 2004.	Dec-00	Q1 2005
<b>Countries still to be considered</b>				
<i>Burundi</i>	I-PRSP was issued in November 2003 and presented to the Boards in January 2004. A full-PRSP is expected in time for the 2nd PRGF review, scheduled for early 2005.	Following the good policy under the SMP in 2001-02 and post-conflict programs in 2002-03, a PRGF supported program was approved in January 2004.		
<i>Central African Republic 5/</i>	The I-PRSP was presented in January 2001. The preparation of the full PRSP was delayed by the civil conflict and political instability. The full PRSP is expected to be completed by December 2004.	An six-month SMP was successfully completed in June 2002. An IMF-supported program could not be established owing to the onset of the civil conflict in October 2002, which culminated in a coup in March 2003. At present, the financing prospects for a new program are uncertain, but the CAR could be candidate under the IMF's emergency post-conflict policy.		
<i>Comoros</i>	A draft I-PRSP has been presented to the international community in December 2002. An I-PRSP was updated and discussed in May 2003 and could be presented to the Boards in late 2004.	Disputes between Union and Island governments led to mixed performance under the SMP for July 2001-June 2002. New SMP discussions could be resumed, but would depend on (i) the preparation of a consolidated budget, (ii) a satisfactory flow of information, and (iii) the successful implementation of the Transition Agreement.		

**Annex II (concluded). HIPC Initiative: Progress in Implementation by country  
Status as of July 2003**

Country	Progress in development and implementation of PRSP	Performance under PRGF supported programs	Actual/ Expected DP Date 1/	Actual/ Expected CP Date 1/ 2/
<b>Countries still to be considered</b>				
<i>Congo, Rep. of</i>	A draft I-PRSP was circulated to development partners in July 2003. The final I-PRSP is expected to be presented to the Boards around mid-July 2004.	Overall performance was not sufficiently strong for a PRGF program to be launched in 2003. A new SMP is expected to provide a renewed opportunity for a possible move to a PRGF arrangement. The staff report on the Article IV consultations is expected to be discussed by the IMF Board in June 2004.		
<i>Cote d'Ivoire</i>	A first draft of the full PRSP was prepared in September 2002. The civil strife delayed the preparation of the full PRSP and implementation of anti-poverty measures. The PRSP process has been reactivated after the reestablishment of the government.	The 2002-04 PRGF program is off track due mainly to the incomplete structural reform program and the accumulation of arrears.		
<i>Lao PDR</i>	The I-PRSP was discussed by the Boards in April 2001. The final PRSP was approved by the National Assembly in October 2003. It is expected to be presented to the Boards by April 2004.	The 3rd review under the PRGF was completed in September 2003, following a delay since January 2003, in which corrective measures for misreporting external debt were implemented.		
<i>Liberia 5/</i>	Liberia is not engaged in a PRSP process.	Liberia has accumulated arrears to the World Bank and to the IMF. The transitional government has shown commitment in implementing a first set of fiscal and governance measures.		
<i>Myanmar 5/</i>	Without an active engagement with the World Bank and IMF, Myanmar is not engaged in a process to proceed with preparing an I-PRSP.	No IMF-supported program since 1982 or World Bank lending since 1987. Myanmar is in arrears to the World Bank, as well as other multilateral and bilateral agencies.		
<i>Somalia 5/</i>	Somalia is not engaged in a PRSP process.	In partnership with UNDP and with the collaboration of other development partners, the World Bank has developed a reengagement strategy.		
<i>Sudan 5/</i>	The government is currently preparing an I-PRSP in consultation with other stakeholders and with technical assistance from the World Bank and the IMF.	The World Bank has developed a reengagement strategy, including options for the clearance of arrears. The Reengagement Note was discussed with the World Bank Board in July 2003. The government is discussing with the IMF a SMP for 2004.		
<i>Togo 5/</i>	The I-PRSP has been finalized and is expected to be submitted to the Council of Ministers for adoption.	Some progress in the implementation of structural reforms in 2002-03. The IMF Board is scheduled to consider the 2003 Article IV consultation report in May 2004. The World Bank is preparing a Re-engagement Note, scheduled for Board discussion in the third quarter of 2004.		
<b>Potentially sustainable cases 6/</b>				
<i>Angola</i>	A new, substantially revised, draft of the PRSP was released in late December 2003. The comments by the World Bank and donors are being discussed with the authorities.	The steps required for a new SMP were discussed between the IMF and the authorities in February 2004.		
<i>Kenya</i>	I-PRSP presented in August 2000. The full PRSP was completed in February 2004.			
<i>Vietnam</i>	Comprehensive Poverty Reduction and Growth Strategy was presented in July 2002.	Board report on eligibility to assistance under the HIPC Initiative expected shortly.		
<i>Yemen, Rep. of</i>	PRSP presented in June 2002 and discussed by the Boards in August 2002.	The debt sustainability analysis done for Yemen in June 2000, indicated that the country would have a sustainable debt burden after application of traditional debt relief mechanisms. The Paris Club provided a stock of debt operation on Naples terms in July 2001. DSA indicated a sustainable debt burden with application of traditional relief for 2000.		

Sources: IMF Country documents.

1/ Refers to the Enhanced HIPC Initiative.

2/ Based on staffs' judgment of progress towards the decision/completion point.

3/ Countries that are considered retroactive - not subject to the requirement to have a PRSP under implementation for at least one year under the enhanced framework.

4/ Countries reported in the Fall 2003 Progress Report as having encountered difficulties in the implementation of their macroeconomic programs.

5/ Countries in non-accrual status with World Bank disbursements suspended.

6/ These countries are expected to achieve debt sustainability after receiving debt relief provided under traditional mechanisms.

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

### **I. Implementation Status of HIPCs in the Interim Period**

(as of end-February 2004)

#### **Cameroon**

**PRSP Status:** A full PRSP was presented to the donor community and civil society between December 2002 and March 2003 and discussed by the World Bank and the IMF Boards at the end of July 2003. The document, built on a large consultative and participatory process, provides an adequate framework for guiding the implementation of a credible poverty reduction strategy. Poverty-reducing expenditures are tentatively estimated to have increased to 4.0 percent of GDP in 2003, from 3.7 percent in 2002. The authorities intend to produce a progress report on the PRSP implementation by early May 2004 and a one-year Joint Staff Assessment (JSA) will be undertaken thereafter.

**Policy Performance:** A PRGF was approved in December 2000. The fourth review under the PRGF arrangement was completed in December 2003, after a long delay due to slippages in policy and structural reform implementation and difficulties in reconciling fiscal data. The program was extended for another year through December 20, 2004 to allow for the completion of the fifth and sixth reviews. Overall, during the first half of 2003, fiscal policy remained broadly on track, with the primary and overall fiscal surpluses exceeding the program targets. However, with non-oil revenue lower than programmed, the fiscal targets were met at the expense of compressed public investment expenditure. Moreover, the financial position of some public companies deteriorated owing partly to the accumulation of payments arrears by the government. Progress continued in tax reforms, public expenditure management and financial sector reforms, but the implementation pace of other structural and real sector reforms (privatization, forestry and transport sectors, governance) was slower than expected. Based on preliminary data, the macroeconomic performance in 2003 is estimated to have been broadly in line with program expectations, although fiscal performance weakened somewhat in the final months of 2003.

**Social and Structural Completion Point Triggers:** Completion point triggers, in addition to macroeconomic performance, are in the areas of governance and structural reforms. The request for a third extension of the third Structural Adjustment Credit (SAC III) which is linked to privatization, forestry and transport has just been approved and significant progress has been made in the social sectors. A few key actions that remain to be fulfilled include inter alia: (i) the financial and technical audit of HIPC expenditure; (ii) the nomination of the president and members of the external audit body for state finance; (iii) the presentation at the National Assembly in March of the draft law for the Constitutional Council; (iv) the adoption of the procurement code; and (v) the completion of the budget tracking surveys in

the social sectors. The inter-ministerial committee in charge of the monitoring process to meet the HIPC triggers continues to play a key role.

**Decision and Completion Points:** The decision point was reached in October 2000. Cameroon could reach the completion point by the end of the first half of 2004. The remaining completion point triggers will need to be achieved, and the performance under the PRGF-supported program will need to be satisfactory.

**Creditor Participation:** Cameroon has received financing assurances of total HIPC debt relief from official creditors holding more than 98 percent of its debt. About 79 percent of eligible commercial debt was retired by August 2003 under the Debt Reduction Facility for IDA-only countries administered by the World Bank. Paris Club creditors, the World Bank, the IMF, the AfDB, the European Commission, and the Islamic Development Bank are providing HIPC interim assistance. So far, only Saudi Arabia has not yet committed to provide full HIPC debt relief. Bilateral agreements have been signed with Kuwait and China.

### Chad

**PRSP Status:** The PRSP was transmitted to the IMF and the World Bank in June 2003 and discussed by the Boards of the two institutions in November 2003. It is expected to be followed by a donor round table in Geneva in mid-2004. The first annual PRSP implementation review is planned to be completed by November 2004.

**Policy Performance:** A PRGF arrangement was approved in January 2000 and extended to January 2004 following the completion of the fifth review in July 2003. However, the program expired before the completion of the sixth review, as there was insufficient time for the implementation of measures on a number of outstanding performance criteria and targets. Chad did not meet three quantitative performance criteria: the floors on health and education spending, and the ceiling on net credit to government. A structural performance criterion and three structural benchmarks related to regulatory procedures for specific revenue elements and the adoption of the medium-term expenditure framework for 2004-2006 were not met on time. The authorities have committed themselves to implement corrective measures with respect to the above-mentioned issues as soon as possible, which would pave the way for discussions on a possible successor PRGF arrangement. Moreover, since September 2003, Chad did not observe the continuous performance criterion on the nonaccumulation of external arrears, although IMF arrears were cleared in February 2004. Real GDP growth was 10 percent in 2003 and is projected to reach 37.9 percent in 2004, on account of oil-related activity. The appreciation of the CFA franc (pegged to the Euro) against the US dollar contributed to a faster than projected decline of the inflation rate.

**Social and Structural Completion Point Triggers:** Progress on meeting conditions in the areas of governance, health (including HIV/AIDS), education, and rural infrastructure has been uneven. Overall, most indicators in the social sectors and in rural development remain far from the target. This could delay the completion point. Some corrective actions have been taken within the framework of the preparation of the 2004 budget.

**Decision and Completion Points:** Chad reached the decision point in May 2001. It is expected that the completion point could be reached by end-2004.

**Creditor Participation:** Chad has received assurances of relief from creditors accounting for 93 percent of its debt at the decision point. Non-Paris Club bilateral creditors (Cameroon; China; Côte d'Ivoire; Israel; Kuwait; Saudi Arabia; Senegal; Taiwan, Province of China; and Togo) have not yet signed agreements to provide HIPC relief but presumably will do so after Chad reaches the completion point. Chad has been receiving HIPC interim assistance from the World Bank, the IMF, the AfDB, the European Commission, the OPEC Fund, and Paris Club creditors in 2003. Paris Club interim assistance expired in December 2003 following the expiration of the PRGF arrangement. The IsDB committed to deliver debt relief, but has not yet started to provide it. The Arab Bank for Economic Development in Africa (BADEA) granted interim assistance in the form of concessional rescheduling of arrears after the decision point.

### **Democratic Republic of Congo**

**PRSP Status:** The I-PRSP was presented to the Boards in June 2002, and completion of a full PRSP is expected in the third quarter of 2005. A Joint Staff Assessment (JSA) on progress made in the preparation of the PRSP was approved by the Boards of the IMF and the World Bank in July 2003. Preliminary estimates indicate that poverty-reducing spending increased from 0.5 percent of GDP in 2002 to 1.2 percent in 2003 and is targeted to reach about 6.3 percent of GDP in 2004 (35.7 percent of total expenditures). Poverty-reducing spending includes infrastructure outlays.

**Policy Performance:** A PRGF arrangement was approved in July 2002. Performance under the program has been broadly satisfactory, with good progress on the structural side. After 13 years of negative growth, real GDP growth became positive in 2002 (3 percent), and is estimated to have accelerated to 5 percent in 2003. Inflation has continued to decrease sharply from 511 percent at end-2000 to 16 percent at end-2002, and further to 4.4 percent at end-2003. The exchange rate has also stabilized. The progressive return to a normal budgetary process has led to a continued strengthening of public finances. The business environment has started to improve, owing to good progress in implementing far-reaching structural reforms. A new Transitional Support Strategy (TSS) was discussed and a post-reunification economic recovery credit was approved by the IDA Board in February 2004. The IMF Board approved the third review under the PRGF program in March 2004. The fourth review is expected to be completed in July 2004.

**Social and Structural Completion Point Triggers:** Completion point triggers are being implemented satisfactorily, with good progress in the areas of public expenditure and debt management, and the use of budgetary savings.

**Decision and Completion Points:** The Democratic Republic of Congo reached the decision point in July 2003. It is expected that the completion point could be reached in the third quarter of 2006.

**Creditor Participation:** The Democratic Republic of Congo received assurances of debt relief from creditors holding 93 percent of its debt at the decision point in 2003.

### **Ethiopia**

**PRSP Status:** The full PRSP, presented to the Boards in September 2002, focuses on promoting agriculture-led, rural-based growth, while improving the environment for exports and private sector growth. It recognizes the need to shift expenditures from military outlays toward social spending. Poverty-reducing spending increased to 15 percent of GDP in 2002/3, from 14.6 percent in 2001/2 and 11.8 percent in 2000/1. The first annual progress report was finalized in December 2003 and presented to the World Bank Board in February 2004. The World Bank's strategy for supporting the PRSP is addressed in the Country Assistance Strategy for fiscal years 2003–05, discussed by its Board in April 2003.

**Policy Performance:** A PRGF-supported program was approved in March 2001. A fifth review of the PRGF arrangement was completed in February 2004. All quantitative performance criteria through September 2003 were met, as well as the structural performance criteria and benchmarks through January 2004. Recent economic developments have been affected by a severe drought. Real GDP in 2002/2003 is estimated to have declined by 3.8 percent while inflation accelerated to 15 percent mainly because of 12 percent drop in agricultural production. Spurred by a recovery in agricultural production, GDP growth is projected at 6.7 percent in 2003/04.

**Social and Structural Completion Point Triggers:** All but three of the triggers for reaching the completion point have been met and satisfactory progress has been made on the remaining triggers. The trigger on agriculture has been partially met because fertilizer reforms were delayed as the Government of Ethiopia responded to the emergency situation caused by a drought; an action plan for reform was agreed with IDA in November 2003, but the first half-yearly assessment will not be produced until end-May 2004. The education trigger has also been partially met, but policy measures undertaken in the sector and overall progress have been satisfactory. While progress has been made on the trigger for consolidation of the federal and regional budgets, the authorities did not succeed in achieving consolidation prior to the commencement of Ethiopia's fiscal year 2002/03.

**Decision and Completion Points:** Ethiopia reached the decision point in November 2001. Its enhanced HIPC completion point is expected in April 2004.

**Creditor Participation:** Creditors holding 92 percent of Ethiopia's debt have agreed to provide HIPC debt relief. Paris Club creditors agreed in April 2002 to provide interim relief on Cologne terms. The World Bank, the AfDB, the IMF, the European Commission, and the OPEC Fund are providing interim HIPC assistance.

## The Gambia

**PRSP Status:** A full PRSP was completed in April 2002 and presented to the World Bank and IMF Boards in July 2002. The PRSP focuses on promotion of growth and employment; improved delivery of social services, stronger gender, HIV/AIDS, and environmental policies. Poverty-reducing spending increased from 5 percent in 2000 to 5.7 percent of GDP in 2002, and it is projected to stay at a 5 percent level for the period 2003-2005. The first annual PRSP implementation report is expected to be ready by mid-2004.

**Policy Performance:** The PRGF arrangement, approved in July 2002, is off-track due to fiscal and monetary policy slippages and concerns about data reporting and governance issues. On March 8, 2004, the IMF Board concluded the 2003 Article IV consultations and decided that the Gambia should repay early two non-complying disbursements totaling SDR 6.87 million that were made in 2001 under the previous PRGF arrangement. A financial safeguards assessment mission in November 2003 concluded that there were high risks to IMF resources and recommended, among other things, a special audit of foreign exchange transactions at the central bank, an auditor change and a re-audit of the 2001/02 financial statements. Progress in these areas would be required before negotiations could be concluded on a possible Staff Monitored Program (SMP) which could ultimately lead to PRGF support for The Gambia. The fiscal outlook for 2004 is grim unless a return to PRGF support unlocks substantial donor assistance. A recovery in economic growth to 9 percent is projected to have occurred in 2003 following the 3 percent decline a year earlier. Two of the World Bank's six active projects (Poverty Alleviation and Capacity Building; and Health) are currently rated as unsatisfactory because of poor execution arrangements.

**Social and Structural Completion Point Triggers:** Satisfactory progress has been made in implementing conditions in health and education, but delays have been experienced in tracking the use of HIPC relief and promoting private sector development. Progress has been made on the triggers for the establishment of a Multi-Sector Regulatory Agency, while efforts to privatize the groundnut processing plants continue to lag. Donors, including the World Bank, have indicated that continued efforts on structural measures are needed. The fulfillment of triggers related to PRSP implementation, the restructuring of the Central Statistics Department, and the allocation of recurrent budget for primary and secondary health care are still pending.

**Decision and Completion Points:** The Gambia reached the decision point in December 2000. The enhanced HIPC completion point could be reached by end-2005, provided a PRGF program is in place and has been satisfactorily implemented.

**Creditor Participation:** Creditors holding about 81 percent of The Gambia's debt have agreed to provide HIPC debt relief. China; Kuwait; and Taiwan, Province of China, accounting for about 19 percent of HIPC relief, have not yet signed agreements to provide relief but could do so after the completion point. Paris Club creditors agreed in January 2003 to provide interim relief on Cologne terms; however, the second annual tranche of the rescheduling (July 2003 – July 2004) was not implemented due to the failure to complete the



first PRGF review. The World Bank, the IMF, the AfDB, the European Commission, the IsDB, and the OPEC Fund have provided interim HIPC assistance. The provision of IMF interim assistance lapsed as of end-2003. IDA Interim relief will end in December 2004, as The Gambia will then reach its IDA interim relief cumulative limit. Among multilateral creditors, only the Economic Community of West African States (ECOWAS) has not yet committed to participate in the enhanced HIPC Initiative.

### Ghana

**PRSP Status:** The full PRSP was published in February 2003 and subsequently endorsed by the World Bank and IMF Boards. Poverty-reducing spending is estimated to have increased to 6.7 percent of GDP in 2003 from 4.5 percent of GDP in 2002. The first annual progress report is under preparation and is expected to be completed by end-March 2004.

**Policy Performance:** A PRGF-supported program was approved in May 2003 and the first review under the arrangement was approved in December 2003. During the year, fiscal discipline was restored, gains were made in reducing inflation and the level of official reserves was raised to record levels. Given the favorable outcomes in 2003, which were facilitated by a bumper cocoa crop and buoyant world prices for cocoa and gold, the authorities were able to retain or improve upon the medium-term macroeconomic objectives set out in the Ghana poverty reduction strategy. In particular, the goal of eliminating net domestic financing of the Government in 2003 is expected to have been achieved, while the fiscal framework for 2004 and the medium-term outlook is consistent with the objective of reducing the domestic debt-to-GDP ratio by at least half by the end of 2005. Inflation is on track to reach single digits in early 2004. There were, however, some important slippages in structural policies during the second half of 2003, notably delays in price adjustments for petroleum, electricity, and water, and the suspension of the privatization of the Ghana Commercial Bank. In mid-2003, the Government deferred action on the planned privatization of the Ghana Commercial Bank due to strong opposition, seeking to build greater political consensus before moving forward.

**Social and Structural Completion Point Triggers:** Triggers have been met in the areas of education and the local-government service bill. Progress has also been made toward meeting triggers in the use of budgetary savings, and procurement reform. Further action is needed to meet seven pending conditions: (i) full staffing of internal audit functions; (ii) monthly publishing in the government gazette of reports on cash expenditures and commitments by ministry departments and agencies; (iii) development of a district composite budget; (iv) expanding rural water coverage to 46 percent; (v) raising recurrent health expenditures at district and lower-level governments to 45 percent of the total health budget; (vi) installation of a computer based financial and accounting management system; and (vii) implementation of the cost recovery formula for electricity tariffs and petroleum retail prices.

**Decision and Completion Points:** Ghana reached the decision point in February 2002. If policies remain on track (including observance of the completion point triggers) and PRSP implementation is satisfactory, the completion point could be reached around mid-2004.

**Creditor Participation:** Creditors holding about 89 percent of Ghana's debt have agreed to provide HIPC debt relief. The World Bank, the IMF, the AfDB, the European Commission, and Paris Club creditors are delivering interim relief. Other multilateral creditors will provide relief only at the completion point. Among non-Paris Club bilateral creditors, agreements have been signed with China, the Kuwait Fund for Arab Economic Development, and the Saudi Fund for Development. India announced that it would cancel debt (Government of India lines of credit) owed by Ghana. The Republic of Korea indicated its willingness to provide relief, but no agreement is in place yet. Participation of commercial creditors remains an issue.

### Guinea

**PRSP Status:** A full PRSP was completed and adopted by the Council of Ministers in January 2002 and endorsed by the IMF and the World Bank Boards in July 2002. Poverty-reducing spending has increased with the use of interim assistance. The authorities organized regional consultations to update the full PRSP. Those consultations revealed that, while the strategy as laid out in the PRSP was appropriate, some regions faced unique poverty-related problems stemming from location and resource endowments. The regional poverty reduction strategies, conceived as subsets of Guinea's PRSP, were finalized in December 2003. The authorities submitted the first draft of the PRSP progress report in January 2004. Feedback on the first draft was given on how Guinea might improve its implementation in light of recent developments. Consequently, the first draft is being reviewed and the progress report is expected to be transmitted to the World Bank and IMF Boards in July 2004 following its submission to the Council of Ministers.

**Policy Performance:** A PRGF-supported program was approved in May 2001. A first review of the PRGF was concluded in July 2002 after the authorities took measures in the first quarter of 2002 to correct weaknesses in revenue mobilization and to improve budgetary management. The PRGF arrangement has been off-track since December 2002, largely due to budgetary overruns in non priority sectors and excessive bank financing. Negotiations on a SMP began in January 2003 but could not be finalized because expansionary fiscal and monetary policies continued throughout the year. Discussions are envisaged on a six-month SMP that could start in July 2004. Provided a track record of policy performance is established under the SMP, a new PRGF arrangement could be put in place in January 2005.

**Social and Structural Completion Point Triggers:** Despite some delays, good progress has been made in reaching completion point triggers in the areas of governance, the regulatory framework for microfinance institutions, health, and education.

**Decision and Completion Points:** Guinea reached the decision point in December 2000. The completion point could be reached in the third quarter of 2005, at the earliest, provided that Guinea performs satisfactorily under a new PRGF arrangement.

**Creditor Participation:** Guinea has received satisfactory assurances of debt relief from creditors holding 85 percent of its debt at the decision point. The World Bank, the IMF, the AfDB, the European Commission, and Paris Club creditors had been providing interim assistance since 2001. However, owing to poor performance under the PRGF-supported program, Guinea's eligibility for interim HIPC assistance from Paris Club members, the IMF and the AfDB was suspended at end-April, end-June and end-December 2003 respectively. Among non-Paris Club creditors, Egypt, Kuwait and Morocco have indicated willingness to provide HIPC relief. The others—Bulgaria, Iraq, Romania, Saudi Arabia, and Thailand—have not indicated willingness to provide HIPC relief but could do so after the completion point.

### **Guinea-Bissau**

**PRSP Status.** The political situation remains unsettled. On September 14, 2003, President Kumba Yalá was deposed in a bloodless coup d'état. The military quickly restored power to civilian control. New legislative elections are scheduled for March 28, 2004 and presidential elections no more than 12 months later. In view of the difficult political situation, progress towards the conclusion of the full PRSP remains slow. The authorities have announced that a draft PRSP will be submitted in April 2004 to representatives from all sectors of the society for a broad-based discussion of the development priorities. At the time of the new cabinet's appointment a draft document reflecting a national consensus should be ready for a final discussion and endorsement.

**Policy Performance:** The PRGF-supported program went off track immediately after it came into force at the end of 2000, reflecting fiscal policy slippages associated with heavy defense spending, increases in the wage bill, and political interference in public financial management. A lack of commitment to reform and adjustment policies under the post-conflict strategy resulted in declining economic activity and mounting fiscal deficits. The transition government adopted an emergency economic management plan for 2004 at end-December 2003. The plan includes a budget for 2004 based on realistic revenue projections, minimum expenditure needs and priority for the social sectors.

Of four IDA-financed projects, only the Economic Rehabilitation and Recovery Credit is currently rated unsatisfactory. Encouraging, albeit slow, developments have occurred in addressing structural and social issues, including demobilization, public procurement reform, privatization, private sector development and HIV/AIDS. In order to keep its reform agenda on track, the Government has requested a restructuring of the IDA portfolio, with amendments to Development Credit Agreements of the Basic Education and Private Sector Rehabilitation Projects. The management of the World Bank completed a review of the restructuring package in early 2004 and has agreed to disburse the two floating tranches under the Economic Rehabilitation and Recovery Credit, one with conditionality related to the government's demobilization program and the other with conditionality related to the government's domestic arrears settlement program. All specific conditions for release of both tranches have been met and disbursement was made in early March 2004.

**Social and Structural Completion Point Triggers.** Progress in meeting completion point triggers in education and governance has been slow; some progress has been noted in health. Public expenditure management remains a central focus of concern, but the transition Government has taken a number of measures to reinstate fiscal control, concerning tax liabilities, tax exemptions, and the reconciliation of the Government's accounts, including through the nomination of a Treasury Committee to ensure that expenditures are limited to available resources. The demobilization program has made significant progress and is expected to be successfully completed in 2005.

**Decision and Completion Points:** Guinea-Bissau reached its decision point in December 2000. Completing the PRSP and building a track record towards reaching the completion point remains a challenge. As a consequence, the earliest possible date for reaching the completion point is estimated as the third quarter of 2005.

**Creditor Participation:** Creditors holding more than 81 percent of Guinea-Bissau's debt at the decision point have agreed to provide HIPC relief. The World Bank, the IMF, the European Commission, the AfDB, the International Fund for Agricultural Development (IFAD), and Paris Club creditors agreed to provide interim assistance. China and Cuba have written off their claims. Agreements to reschedule arrears have been concluded with a number of multilateral creditors, but because of the continuing political and economic problems, they have not been implemented for the most part. In view of nonperformance under the PRGF-supported program, IMF interim assistance stopped after one year at end-2001, and in January 2003 the Paris Club creditors declared the rescheduling agreements of 2002 and 2003 inoperative. Currently, the World Bank and the AfDB are the only creditors providing interim relief to Guinea-Bissau.

## Honduras

**PRSP Status:** A PRSP was completed in August 2001 and endorsed by World Bank and IMF Boards in October 2001. The first annual progress report was endorsed by the Boards in February 2004. Civil society was consulted on the draft progress report in April and May 2003. Poverty-reducing expenditures have been below PRSP targets: actual PRSP spending reached 3.2 percent of GDP in 2001 and 2.5 percent in 2002, versus spending targets of 5.4 and 5.9 percent in those two years. Poverty-reducing spending has been redefined in the annual progress report, and is programmed to increase by 0.6 percent of GDP per year in 2004-06.

**Policy Performance:** The PRGF-supported program approved in March 1999 went off track at the end of 2001, due mainly to fiscal policy slippages associated with a continued increase in the government wage bill, weak tax collections and weak progress on key structural reforms. The program expired at the end of 2002. Subsequently, the fiscal situation further deteriorated and the pace of reforms remained slow. A new PRGF arrangement was approved by the IMF Board in February 2004. Key elements of the program are fiscal adjustment supported by a new salary law and additional revenue measures, recovery of public

investment and PRSP-spending, and ambitious financial sector reforms. All twelve World Bank–funded projects are currently rated as satisfactory.

**Social and Structural Completion Point Triggers:** The authorities have been making good progress in implementing reforms and in meeting completion point triggers. In the governance area, an anti-corruption strategy was prepared and published in consultation with the civil and donor community. Schools with community participation have been created, and the rate of student enrollment is on target. The delivery of a package of health services has been delayed, but an action plan to meet the target has been agreed upon. The envisioned reforms of the social security system are well advanced, as is the program to increase the efficiency and targeting of safety nets through participatory planning methodologies. Additional efforts are needed, however, to strengthen the financial system for compliance with the Basel Core Principles.

**Decision and Completion Points:** Honduras reached the decision point in July 2000. The completion point could be reached by early 2005.

**Creditor Participation:** Creditors holding 93 percent of Honduras' debt have indicated their intention to deliver debt relief. The Paris Club and major multilateral creditors delivered interim relief in 2000 and 2001. However, interim relief from the World Bank and IDB ended in July 2002, because both institutions reached their cumulative NPV ceilings for interim relief. Interim relief from the IMF expired in October 2002, when the first tranche of assistance was fully exhausted. The previous agreement with Paris Club creditors expired in April 2002. In light of the recent developments, the Paris Club has indicated that it would reschedule accumulated arrears and debt service falling due if a new PRGF arrangement is put in place. Costa Rica, Mexico, and Venezuela have not yet agreed to provide HIPC relief to Honduras but could do so after the completion point.

### **Madagascar**

**PRSP Status:** The full PRSP was completed in July 2003 and presented to the World Bank and IMF Boards in November 2003. The preparation of the full PRSP took significantly longer than had been expected due to the political crisis in the country, which paralyzed political and economic life during most of 2002. The final PRSP is markedly different from the pre-crisis PRSP, partly due to the social impact of the crisis necessitating emergency social policy actions. Budgetary allocations to priority social sectors have increased in recent years, with the budget allocation for education increasing from 2.2 percent of GDP in 2000 to 2.3 percent in 2003 and health spending rising from 0.9 percent of GDP in 2000 to 1.4 percent in 2003. In the second half of 2003 the Government produced a report on the use of resources made available from interim debt relief in 2001. In mid-January 2004, the Government organized a workshop to conduct a mid-year review of the implementation of the PRSP and produced a first draft of the annual PRSP progress report. The final draft of the progress report could be completed by the end of July 2004.

**Policy Performance:** A PRGF-supported program was approved in March, 2001. The political crisis of the first half of 2002 severely affected economic activity, and real GDP in 2002 dropped by 12.7 percent. There are indications that the economy further improved in 2003, with real GDP estimated to have grown by 9.6 percent and inflation estimated to have increased by 0.3 percent (on a year-on-year basis). Fiscal performance, however, has been weaker than envisaged under the program, as slippages (lower tax revenues and extra budgetary expenditures) occurred during the second half of 2003. In March 2004 the IMF Board completed the fourth review of the PRGF and approved the extension of the arrangement until March 1, 2005. The World Bank envisages a new Poverty Reduction Support Credit for Madagascar in fiscal year 2005.

**Social and Structural Completion Point Triggers:** Substantial progress has been made since 2003 on several sectoral reforms pertaining to fiscal management, transport, health, and education despite the delay caused by the 2002 crisis. Triggers on track include those related to: (i) establishing monitoring systems for the budgetary cycle in at least six ministries; (ii) producing bi-annual reports on education and health sector activities at central and decentralized levels, including budgetary allocations, expenditure execution, and physical achievements. The Ministry of Health lags in this respect and concerted effort is needed to implement this action; (iii) designing a transparent public information system on granting of licenses (beneficiary list, geographical zone, amount) in the mining, forestry, and fishing sectors; and (iv) strengthening of financial monitoring and control. The effectiveness of this reform is conditional on the adoption by Parliament of texts and laws governing the restructuring and the roles of the financial and monitoring bodies. The texts and laws are expected to be passed by Parliament in May 2004.

**Decision and Completion Points:** Madagascar reached the decision point in December 2000. The completion point could be reached in the third quarter of 2004.

**Creditor Participation:** At decision point, Madagascar received satisfactory assurances of relief from creditors holding 91 percent its total debt. It continues to receive interim HIPC assistance from the World Bank, the IMF, the AfDB, the European Commission, the OPEC Fund, and Paris Club creditors. So far, except China and Kuwait, none of Madagascar's non-Paris Club bilateral creditors has agreed to provide HIPC relief, but could do so after the completion point is reached.

## Malawi

**PRSP Status:** The PRSP was finalized in April 2002 and presented to the World Bank and IMF Boards in August 2002. The first annual PRSP progress report was approved by the Boards in October 2003. The resources made available from interim debt relief have been used to fund an expansion in pro-poor spending programs, including the health and education expenditures identified in the PRSP as primarily benefiting the poor. Government pro-poor expenditures have increased and reached 11.2 percent of GDP in 2003.

**Policy Performance:** A PRGF-supported program was approved in December 2000. Due to policy slippages and the 2002 drought, the worst in recent history, the conclusion of the first review was delayed. Performance during 2002/03 was mixed; all fiscal targets through end-June 2003 were met but there were minor slippages in monetary targets reflecting the low level of gross international reserves and the high cost open market operations. The IMF Board approved the first PRGF review in October 2003 and extended the PRGF arrangement through December 2004 on the basis of the broadly satisfactory performance and the authorities' commitment to reestablishing macroeconomic stability. During 2003, progress was made in reestablishing growth, which is now estimated at 4.5 percent, in reducing inflation and interest rates on treasury bills, and in implementing structural reforms. Discussions on the completion of the second review under the PRGF arrangement are ongoing.

**Social and Structural Completion Point Triggers:** Good progress has been made toward meeting the completion point triggers in governance and public expenditure management, education, health, land and credit reform, and development of social safety nets.

**Decision and Completion Points:** Malawi reached the decision point in December 2000. The completion point could be reached in the fourth quarter of 2004 if macroeconomic performance is satisfactory and progress is made in meeting the few outstanding completion point triggers.

**Creditor Participation:** Malawi is receiving interim relief under the enhanced HIPC Initiative from the World Bank, the AfDB, and the European Commission. Interim relief from the IMF resumed after the conclusion of the first PRGF review. The second and third phases of the Paris Club agreement signed in January 2001 entered into force in November 2003. With respect to non-Paris Club creditors, South Africa has written off its debt; no agreement has yet been signed with Taiwan, Province of China.

## Niger

**PRSP Status:** A full PRSP was submitted to the Boards of the IMF and the World Bank in January 2002. It foresees an increase in poverty-reducing spending from 5 percent of GDP in 2001 to 7 percent through 2005 to improve poor social indicators. Actual poverty-reducing spending is estimated to have increased to 7 percent of GDP in 2003, from 5.4 percent in 2002. The first annual PRSP progress report was approved by the IMF and World Bank Boards in November 2003. The Joint Staff Assessment of this progress report concludes that Niger's PRSP remains a credible framework for World Bank and IMF concessional assistance.

**Policy Performance:** A three-year PRGF arrangement was approved in December 2000, as Niger reached the decision point under the HIPC Initiative. Performance under the PRGF-supported program has been broadly satisfactory and the authorities have continued implementation of their poverty reduction strategy. Five reviews have been completed. IMF Board consideration of the sixth and final review of the program is expected to take place

before end-May 2004. The PRGF program has been extended through end-June 2004. All but one of the quantitative and structural performance criteria for 2003 appear to have been met, while one quantitative indicative target and one structural benchmark were not observed. In the area of structural reform, the benchmark on the preparation of a medium-term framework for the education and health sectors was not observed; the measure is expected to be fully implemented by end-March 2004. Real GDP growth rose from 3 percent in 2002 to 4 percent in 2003.

**Social and Structural Completion Point Triggers:** As of end-December 2003, 11 out of the 13 triggers for reaching the completion point were met, and satisfactory progress has been achieved with respect to the remaining two conditions. These include: (i) evaluating the impact of public spending on the poor in the health sector; and (ii) limiting grade 6 repetition rate to 15 percent or less. The delays in fulfilling these conditions reflect mainly the weak institutional capacity of the country and difficulties in coordinating the technical assistance required.

**Decision and Completion Points:** Niger reached the decision point in December 2000 and could reach the completion point during the second quarter of 2004.

**Creditor Participation:** As of the last quarter of 2003, Niger had received satisfactory financing assurances for about 85 percent of its total HIPC Initiative debt relief estimated at the decision point. From this amount, 81 percent is already being delivered. The Nigerian authorities are pursuing their efforts to obtain HIPC Initiative relief from creditors who are not yet participating in the Initiative, including Algeria; Iraq; Saudi Arabia; Taiwan, Province of China; and the United Arab Emirates. China, Kuwait, and Libya have indicated their intention to provide debt relief in the context of the enhanced HIPC Initiative. China started providing debt relief through the cancellation of one loan in 2001, and the Kuwait Fund for Arab Economic Development provided in 2002 debt relief through a stock-of-debt operation which covered their share of traditional and enhanced HIPC Initiative relief. Niger received adverse judgment in a U.S. court for claims by Taiwan, Province of China. ECOWAS and FECECE (Conseil de l'Entente) have indicated that they would not participate in the HIPC Initiative due to financial constraints. IFAD has committed to full debt relief at the completion point. The AfDB, the BADEA, the World Bank, the IMF, the IsDB, the European Commission, the OPEC Fund, the West African Economic and Monetary Union (WAEMU), and Paris Club creditors have provided interim assistance.

## Rwanda

**PRSP Status:** A PRSP was completed in June 2002 and discussed by the Boards of the IMF and the World Bank July and August 2002, respectively. Performance in the social sectors continues to be strong. Poverty-reducing spending has been steadily increasing, and the trend is projected to continue. Such spending stood at 3.9 percent of GDP in 1999 and rose to 6.1 percent in 2002; it is estimated to have reached 6.5 percent of GDP in 2003 and is projected to rise to 7.4 percent in 2004 and 7.4 per cent in 2005. The first annual progress report was



issued in June 2003. A Joint Staff Assessment is under review within the World Bank and the IMF, with consideration on a lapse of time basis for the IMF. A World Bank Board date is planned for early April 2004.

**Policy Performance:** A PRGF-supported program was approved in July 2002 and the first review under the arrangement was concluded in June 2003. Macroeconomic policy implementation departed from the agreed framework and macroeconomic objectives were not achieved in 2003. Real GDP growth in 2003 is estimated at one percent, owing to a drop in the production of food crops. Growth in the monetized economy is estimated at 5 percent, driven by construction activity, although manufacturing, mining, and agricultural export activities declined. Slippages in fiscal and monetary policies resulted in increased inflation and led to a further deterioration in banking sector soundness. Following discussions in November 2003 and February 2004, understandings were reached on policies that could form the basis of the 2004 annual program.

The Government is currently engaged in discussions with the World Bank and other development partners to outline a clear strategy for export promotion and the related generation of foreign exchange and employment, in a step towards addressing concerns about external debt sustainability and achieving targeted improvements in agricultural productivity.

**Social and Structural Completion Point Triggers:** Progress in meeting the triggers in the areas of tracking HIPC expenditures, privatization, education, health, and gender has been satisfactory. All triggers related to HIPC expenditures, education, and gender have been met, and advances on the outstanding triggers continue to be satisfactory.

**Decision and Completion Points:** Rwanda reached the decision point in December 2000. At the earliest, it could reach its completion point by the end of 2004 provided satisfactory implementation under the PRGF arrangement resumes.

**Creditor Participation:** Rwanda has received financing assurances of HIPC assistance from creditors holding 95 percent of its debt at the decision point. Interim assistance has been provided by the AfDB, the World Bank, the IMF, the European Commission, and the Paris Club. BADEA and IFAD have agreed to provide HIPC relief at the completion point. The OPEC Fund has already disbursed its share of debt relief. Among the Non-Paris Club creditors, the Kuwaiti Fund signed a rescheduling agreement. The other creditors (China, Libya, Saudi Arabia and the Abu Dhabi Fund) have not yet signed agreements to provide HIPC debt relief, but could do so after the completion point is reached. An agreement with the Abu Dhabi Fund is expected to be concluded in the near future.

### **São Tomé and Príncipe**

**PRSP Status:** A full PRSP was adopted by the government in December 2002 and could be submitted to the World Bank and IMF Boards in the second quarter of 2004. The first annual progress report is expected to be produced by the second half of 2005. Five pillars have been identified for the PRSP: (i) reforming public institutions, building capacity, and promoting

good governance; (ii) fostering growth; (iii) creating opportunities to increase and diversify income for the poor; (iv) developing human resource and access to basic social services; and (v) adopting mechanisms to monitor, assess, and update the strategy. Poverty-reducing expenditures are expected to increase to around 23 percent of GDP in 2004 and 2005, from some 20 percent in 2002 and 2003.

**Policy Performance:** The PRGF-supported program, approved in April 2000, went off track in 2001 due to fiscal and structural reform slippages, compounded by oil sector governance concerns. Structural reforms and macroeconomic policy implementation were broadly satisfactory during 2002 under a Staff Monitored Program and this track record was broadly maintained in 2003. A new PRGF arrangement was discussed in early July 2003, but political instability (a short-lived coup d'état followed by efforts to form a new democratic government) placed program discussions on hold. Discussions on the PRGF arrangement resumed in November 2003 at the time of an Article IV mission but the authorities explained that they could not yet commit to medium-term financial policies citing the tense sociopolitical environment and the need to build consensus. Discussions on the PRGF arrangement could resume by end-2004. Macroeconomic performance in 2003 was broadly satisfactory and real GDP is estimated at 5 percent with inflation near 10 percent.

**Social and Structural Completion Point Triggers:** Significant progress has been made toward meeting the completion point triggers in the areas of education and health. Progress has been made on triggers on governance, except as regards the tribunal of arbitration in business and contract matters which is not yet operational.

**Decision point and completion point:** São Tomé and Príncipe reached the decision point in December 2000. The completion point, originally expected for late 2003, could be reached by end-2005, provided a PRGF program is in place and has been satisfactorily implemented and a satisfactory PRSP review is completed.

**Creditor Participation:** At the decision point, São Tomé and Príncipe received financing assurances of HIPC relief from creditors holding about 85 percent of its debt. Interim assistance is being provided by the World Bank, the AfDB, and the European Union. The IMF is not providing assistance because it had no claims at the decision point. The OPEC Fund delivered its full share of debt relief in March 2003. Paris Club creditors have provided interim assistance, but due to the PRGF program going off track, only the first phase of the May 2000 agreement was implemented. Non-Paris Club bilateral creditors (Algeria, Angola, Former SFR Yugoslavia and China) have not signed agreements to provide HIPC relief but could do so after the completion point.

## Senegal

**PRSP Status:** A full PRSP, discussed by the World Bank and IMF Boards in December 2002, is organized around the themes of wealth creation, human development, macroeconomic stability, and improved public expenditure management. Expenditures in education increased from 3.6 percent of GDP in 2000 to 3.9 percent in 2002 and 4.1 percent

in 2003. Expenditures in the health sector increased from 1.3 percent of GDP in 2000 to 1.6 percent in 2002, but declined slightly to 1.4 percent in 2003. A Consultative Group organized around the themes of the PRSP took place in Paris in June, 2003. The first annual PRSP progress report will be finalized in the first quarter of 2004.

**Policy Performance:** The PRGF-supported program, approved in April 1998, expired in April 2002 without the conclusion of the last review. At issue were problems associated with the operations of electricity and groundnut enterprises which weakened public finances. A new PRGF arrangement was put in place in April 2003 and the IMF Board completed the first review under the arrangement in February 2004. Macroeconomic policy performance in 2003 was in line with the program. Major structural reform measures, notably in the electricity and groundnut sectors, have been enacted, albeit with delays. The dialogue with country authorities has been continuing on the basis of the reform strategy outlined in the PRSP.

**Social and Structural Completion Point Triggers:** Senegal has made progress in meeting all its triggers, except for two. In the health sector, two of the three triggers were not met and a new strategy has been put in place towards meeting the targets. A trigger on public savings was also not met, in the strict sense, because of a subsequent change in the target in an IMF-supported program.

**Decision and Completion Points:** Senegal reached the decision point in June 2000. It is expected to reach its completion point by April 2004 if the PRGF is successfully implemented and adequate progress is made in meeting the outstanding completion point triggers.

**Creditor Participation:** Senegal has received assurances of HIPC assistance from creditors holding about 81 percent of its debt. No agreements have been signed with non-Paris Club bilateral creditors although some have indicated willingness to provide debt relief at completion point. The World Bank, the AfDB, the European Commission, the Banque Ouest Africaine Développement (BOAD), the IMF, and Paris Club creditors have provided interim assistance. The OPEC Fund delivered its full share of debt relief in November 2002. The IMF resumed the delivery of interim assistance in April 2003.

### Sierra Leone

**PRSP Status:** An I-PRSP was completed in September 2001. According to the schedule in the I-PRSP, the final PRSP was originally expected by December 2002. It was delayed pending the full disarmament and demobilization of Revolutionary United Front rebels; the resettlement and reintegration of internally displaced persons, refugees, and ex-combatants; and the holding of presidential and parliamentary elections in 2002. Administrative and financing difficulties also delayed the final PRSP. Significant progress has been achieved in early 2004 in establishing better organizational arrangements on the PRSP production team within the Government. The final PRSP is now expected to be completed by June 2004; the first PRSP annual review is expected to be completed by July 2005. A household survey is

underway. Participatory data and information collection has commenced (an HIV/AIDS survey was conducted, for example). Some sector reviews have been completed (Transport Sector Strategy), others are being prepared (Rural Sector Review) or are planned for key sectors (education, infrastructure). Poverty-reducing expenditures stood at 7.3 percent of GDP in 2003 and are projected to increase to 8.3 percent in 2004 and 2005.

**Policy performance:** Satisfactory progress has been made under the PRGF arrangement approved in September 2001. The fourth review was successfully completed in February 2004. The improved political and security situation has strengthened confidence and helped sustain the economic recovery resulting in an estimated 6.5 percent increase in GDP growth for 2003. Policy implementation improved during the year as the necessary fiscal adjustments were implemented to correct for two missed targets at end-June 2003, the floor on the government primary balance and the ceiling on the wage bill. Additional actions were taken to expedite the implementation of the missed structural reform measures that were elevated to prior actions for the fourth review. A Third Economic Rehabilitation and Recovery Credit was approved by the World Bank's Board in May 2003. The credit supports the Government's updated agenda presented at a Consultative Group meeting for post-conflict reconstruction and poverty reduction.

**Social and Structural Completion Point Triggers:** Progress in implementing the five remaining triggers in health, education, governance and public expenditure management, and privatization/mining has been satisfactory.

**Decision and Completion Points:** Sierra Leone reached the decision point in February 2002. The completion point is not expected before mid-2005, provided that a full PRSP has been completed by mid-2004 and satisfactorily implemented for one year.

**Creditor Participation:** At the decision point, Sierra Leone has received financing assurances of HIPC assistance from creditors holding about 84 percent of its debt. At end-June 2003, of the total debt of US\$388 million that was owed by Sierra Leone to official bilateral creditors, US\$320 million was to Paris Club creditors. The Government has signed debt-rescheduling accords on Naples terms with ten of eleven Paris Club creditors and on Cologne terms with six of them. Of these six creditors, five have agreed to go beyond Cologne terms and provide 100 percent interim relief. Of the non-Paris Club creditors, Sierra Leone has reached an agreement with the Saudi Fund, but its terms fall short of that required under the HIPC Initiative. The Government has also finalized an agreement with the OPEC Fund on arrears clearance, but the implied debt relief falls short of that required under the HIPC Initiative. Most multilateral creditors (the World Bank, the IMF, the AfDB, the European Commission) and Paris Club creditors are providing interim assistance. IFAD and BADEA started providing assistance in the form of arrears clearance and will provide the rest of the assistance at the completion point. Validated commercial and military debt amounts to about US\$80-100 million, of which about US\$35 million is under litigation. The Government has adopted a "best-effort" approach to engage these creditors, with a view to rescheduling the verified arrears over an extended period. Success so far has been limited.

## Zambia

**PRSP Status:** A full PRSP was received in April 2002 and endorsed by the World Bank and IMF Boards in May 2002. It aims to promote growth and diversification in production and exports, to improve delivery of social services, and to foster appropriate policies for HIV/AIDS, gender, and the environment. Poverty-reducing spending was lower than programmed, due to initial difficulties in establishing an accounting framework and lack of implementation capacity. Priority poverty-reducing programs amounted to 1.4 percent of GDP in 2001 and about 2.1 percent of GDP in 2002 and 2003. Preparations are underway for a progress report detailing the first year of implementation of the PRSP inclusive of an updated macro framework.

**Policy Performance:** The PRGF arrangement, which was approved in May 1999, expired at end-March 2003 without the conclusion of the final review. Agreement on a new three-year PRGF arrangement could not be reached because of delays in the privatization of the Zambia National Commercial Bank (ZNCB) and because of a large increase in compensation awarded to civil service unions in April 2003. Agreement was reached on a SMP in July to run from July-December 2003. Performance under the SMP has been poor, owing mainly to weak expenditure management and policy that have necessitated the authorities' request for an extension of that SMP through June 2004. Satisfactory progress under the extended SMP could pave the way for negotiating a new PRGF.

**Social and Structural Completion Point Triggers.** Completion point triggers on PRSP implementation, HIV/AIDS, and health have been met. The Government has made considerable progress on the following completion point triggers, which have not been fully met: (i) commercialization of the Zambia Energy Supply Company (ZESCO); (ii) implementation of an Integrated Financial Management Information System (IFMIS); and (iii) increasing the discretionary budget share of education to 20.5 percent.

**Decision and Completion Points:** Zambia reached the decision point in December 2000. The completion point, initially envisaged for the end of 2003, could be reached by early 2005 provided good performance under the SMP leads to a new PRGF arrangement as well as satisfactory implementation of the remaining triggers.

**Creditor Participation:** At decision point, Zambia received financing assurances of HIPC assistance from creditors holding about 97 percent of its total debt. The World Bank, the IMF, the AfDB, the European Commission, and Paris Club creditors have provided interim relief. IMF interim relief expired at the end of December 2003. So far, Bulgaria, China, Iraq, Romania, and Saudi Arabia have not signed agreements to provide HIPC relief to Zambia but could do so after the completion point. India has announced its decision to write off all claims (Government of India lines of credit) on Zambia.

## II. Countries that Could Reach the Decision Point after February 2004

### Burundi

**PRSP Status:** Burundi launched its PRSP process in July 2000 and a Joint Staff Assessment of the I-PRSP was reviewed by the Directors of the World Bank and the IMF in January, 2004. There has been significant progress in the peace process in 2003, and the last rebel group began negotiations with the Government in January 2004. The World Bank has been providing assistance in consultation and participatory diagnostic analysis. Burundi authorities recently requested further assistance in this area within the context of preparing the full PRSP. Burundi is one of the first countries to seek assistance under the Diagnostic Trade Integration Study program; the study was done in 2003. A full-PRSP is scheduled for early 2005.

**Policy Performance:** Burundi established a good policy implementation record under an SMP in 2001-02 and post-conflict programs in 2002-03. This, along with progress in the peace process, has culminated in the approval of a PRGF-supported program in January 2004. The program for 2004 aims at consolidating the peace process and stabilizing the macroeconomic situation. The World Bank is currently supporting Burundi with the Economic Rehabilitation Credit and a number of other projects planned in the context of a Transitional Support Strategy. That strategy, approved by the World Bank Board on March 7, 2002, has underpinned IDA assistance to Burundi. In addition to the Economic Rehabilitation Credit, it envisages exceptional World Bank assistance to Burundi for HIV/AIDS, capacity building, health care, demobilization and reintegration, and social action.

**Creditor Participation:** Burundi has a heavy debt burden and preliminary analysis indicates that it would be eligible for assistance under the enhanced HIPC initiative. At this stage, a decision point is envisaged for early 2005 along with a second PRGF review. Burundi has managed to remain current in its debt-service obligations to the World Bank and the IMF but has arrears to the AfDB, which are envisaged to be settled before the HIPC decision point in early 2005. The authorities have paid all current debt service due to the AfDB since 2003. A Multilateral Donor Trust Fund administered by the World Bank has been set up to help Burundi clear its arrears and pay its debt to multilateral creditors during the period leading to the enhanced HIPC Initiative. Although a number of donors have already contributed to the trust fund, the majority of the donors' pledges have not yet been translated into actual contributions. In early March 2004, Paris Club creditors granted Burundi its first official bilateral flow rescheduling. The agreement was concluded under Naples terms (67percent NPV reduction).

### Central African Republic

**PRSP Status:** The JSA of the I-PRSP stressed that the PRSP would need to address weaknesses in the preparation of the I-PRSP. In particular, the work leading to the preparation of the PRSP would need to improve the statistical database; strengthen the participatory process; better prioritize the objectives for poverty reduction; clearly define

quantitative targets for poverty reduction in the context of a detailed costing and financing exercise; and design an effective system for monitoring progress in reducing poverty, including the tracking of poverty outlays.

The work on the full PRSP was delayed due to political instability and violent conflict. Following the regime change in March 2003, the new authorities have indicated that the full PRSP will be completed by December 2004. The World Bank has consulted with international partners to undertake a joint assessment mission, working with local authorities to assess the constraints and opportunities for socio-economic recovery in the Central African Republic, and identify entry points where actions by the Government and appropriate donor support will lead to visible and quick pay-offs for the citizens of the Central African Republic as well as strengthen the foundation for sustainable peace and poverty reduction. The findings of the joint assessment mission will contribute to finalizing the full PRSP.

**Policy Performance:** The Central African Republic successfully completed a six-month SMP in June 2002 but has been unable to establish an IMF-supported program since the onset of civil conflict in October 2002 which culminated in a coup d'état in March 2003. Civil conflict has taken a heavy toll on most sectors of the economy and on physical and economic infrastructure. Consequently, GDP suffered a sizeable contraction in 2003. Public finances are likewise in a very difficult position, marked by a sharp drop in revenue due to the economic situation and the disruption of the administrative capacity of the tax agencies. Spending controls are very poor, with pre-existing weaknesses exacerbated by the breakdown in public administration in the wake of the conflict. The financial and public enterprise sectors are in a very weak state. A new transitional government for the Central African Republic was recently appointed with a strengthened team in the economic and financial areas. Discussions on possible IMF financial support, most likely under the Emergency Post-Conflict Assistance (EPCA) policy, could be envisaged after the Article IV consultation, assuming the conditions for support under the EPCA policy are in place.

Currently, financing prospects are uncertain, with increasing arrears to multilateral creditors, notably the World Bank and the AfDB. The Central African Republic has been in non-accrual status with the World Bank since June 2002. The joint assessment mission led by the World Bank in February 2004 designed a strategic matrix of priority actions to be implemented during the transition period before a new constitutional rule. Further consultation with international partners is needed to consolidate the matrix in a common platform for re-engagement. The appropriate timing and modalities for re-engagement in Central African Republic will also be determined largely by progress in governance and national reconciliation issues, including the conditions for support under the EPCA policy. In light of the uncertainty regarding re-engagement, the timing of the HIPC decision point is uncertain.

### Comoros

**PRSP Status:** The PRSP process was initiated in March 2002, when the country was in the process of overcoming its secessionist crisis. Since then, the reconciliation process stalled

and progress only resumed in December 2003 after a new agreement was reached, intermediated by the international community. Throughout this period, the PRSP process proved to be a useful tool to facilitate discussions between the conflicting parties. An I-PRSP was produced and discussed through participatory workshops in May 2003. After some updates to reflect progress on decentralization, it could be presented to the Boards of the World Bank and the IMF sometime in late 2004.

**Policy Performance:** Disputes between Union and island governments over competencies and revenue sharing led to a mixed performance under the SMP covering the period July 2001-June 2002. A resumption of discussions of a SMP could be considered if the Transition Agreement of December 20, 2003 is successfully implemented, a consolidated budget for 2004 compatible with medium-term sustainability can be agreed upon by the Union and island governments, and a satisfactory flow of information for the monitoring of such a program can be assured.

### **Congo, Republic of**

**PRSP Status:** An agreement was signed in March 2003 between the Government of the Republic of Congo and the rebels active in the Pool region. With the assistance of the World Bank and other active donors in the country, including UNDP, the Government of France, and the European Union, the Government is improving the content and the participatory process of the I-PRSP, taking into account comments on an early draft circulated to development partners in 2003. The I-PRSP is expected to be presented to the World Bank and IMF Boards around mid-July 2004.

**Policy Performance:** Despite some encouraging results during the 2003 SMP (covering January-June and extended through September), overall performance was not sufficiently strong to allow a move to a PRGF-supported program in late 2003. Weaknesses were registered in the mobilization and use of resources, including the unbudgeted use of windfall oil revenue. Key structural measures, particularly relating to oil revenue, were not implemented. A new six-month SMP (covering January-June 2004) provides the authorities with an opportunity to develop a sufficient track record of policy implementation for a possible move to a PRGF-supported program. The report on the Article IV consultation is expected to be discussed by the IMF Board in June 2004. A World Bank Governance and Transparency Capacity Building Project is financing the external audit of the national oil company (SNPC) and the national oil refinery (CORAF).

### **Côte d'Ivoire**

**PRSP Status:** The IMF and the World Bank Boards endorsed the I-PRSP in March 2002. A first draft of the full PRSP was prepared in September 2002 and reviewed by World Bank and IMF staff. The intervening conflict, however, delayed completion of the PRSP and implementation of anti-poverty measures. It is estimated that poverty increased from an official 38 percent of the population before the conflict to about 42-44 percent after the



conflict, including the large number of refugees. For much of the last quarter of 2002 and the whole of 2003, hundreds of thousands of children were out of school in the northern and western areas. The composition of public expenditures worsened during 2002-03, as poverty-reducing spending was crowded out by military and other conflict-related spending. Basic public service delivery in the most affected areas suffered considerably. HIV/AIDS is also on the rise. As a result, the achievement of most MDGs is off-track. Against this background, the PRSP process has been reactivated but the completion of the PRSP will have to take into account worse economic and social “initial conditions” for mapping out a post-conflict poverty reduction strategy than had been envisaged at the time of the I-PRSP. On the political front, in January 2004, progress was made under the Marcoussis Accord on political and security fronts as the Government of national reconciliation was reestablished. Donors have since been preparing a multi-donor mission to assess reconstruction needs and restart their engagement in Côte d’Ivoire. The U.N. approval of a 6,000 member peacekeeping force provided a strong signal of the international community’s support to the peace process. In early March 2004, however, disarmament was delayed—earlier scheduled to begin on March 8, 2004—because of power sharing disagreements within the Government, which led a coalition partner of the ruling party to suspend its participation in cabinet meetings.

**Policy Performance:** In March 2002, a PRGF arrangement was approved following the successful implementation of an SMP. Progress, however, was derailed by the outbreak of the crisis in September 2002 resulting in Côte d’Ivoire not being able to reach the decision point in that year. The fiscal situation suffered further in 2003, as lack of progress in political reconciliation and in normalizing the security situation complicated budget implementation. Domestic and external payments arrears have also increased. Since August 2002, external payment arrears primarily to the Agence Française de Développement and AfDB have increased from CFAF 91 billion to CFAF 664 billion at end-2003. In addition, there were considerable delays in the implementation of structural measures prior to the crisis and since then most of those measures have been put on hold. The incomplete structural reform program, together with the accumulation of new external arrears, means that the 2002-04 program is now irretrievably off track. The decision point cannot be envisaged before a new program is put in place and the authorities have reestablished a policy implementation track record. Such a track record could be established under the IMF post-conflict emergency assistance program, for which Côte d’Ivoire could qualify, provided understandings are reached on an appropriate macroeconomic framework and minimum structural reforms.

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

**PRSP Status:** The World Bank and IMF Boards considered the country’s I-PRSP in April 2001. The first draft of the PRSP was delivered by the Lao authorities at the end of May 2003. The final PRSP was approved by the National Assembly in October 2003 and is expected to be presented to the Boards by April 2004.

**Policy Performance:** In April 2001, the IMF Board approved a PRGF arrangement with Lao P.D.R. Following a delay since January 2003, in which corrective measures for misreporting external debt were implemented, the third review of the PRGF arrangement was

completed in September 2003. At the time of the third review, the IMF Board also agreed on a one-year extension of the arrangement. During the delay in the third review, measures to address the shortfall in budget revenue in 2002/03 were undertaken and structural reform measures in the banking sector were strengthened. However, reforms in state owned enterprises lagged. Recent macroeconomic performance has been mixed, as GDP growth slowed to 5.3 percent in 2003 because of tighter commercial bank credit and weaker tourism, and inflation declined more gradually than expected and reached 13 percent (12-month basis) in February 2004. Concerns over the decline in fiscal revenue have caused the fourth review to be delayed.

The first tranche of the World Bank Financial Management Adjustment Credit was disbursed in January 2003. Release of the second tranche, originally scheduled for March 2003, has been extended to April 2004, pending measures by the authorities in the areas of public expenditure management, financial sector and state-owned enterprise reform.

**HIPC Status:** IMF staff conducted a preliminary debt sustainability analysis in 2002. An agreement was reached in late December 2003 between Lao P.D.R and Russia on debt to the former Soviet Union. However, the Government has not provided the terms of this agreement and, as such, a debt sustainability analysis cannot be undertaken. It is uncertain if Lao P.D.R. would qualify for HIPC relief after traditional assistance and, if so, if the authorities will seek HIPC relief.

### **Liberia**

**Policy Performance:** Liberia's relations with the IMF deteriorated steadily prior to the NTGL (National Transitional Government of Liberia) taking office in October 2003. Liberia has been in continuous arrears to the IMF since 1984 and the IMF Board decided to suspend the country's voting and related rights in March 2003 due to a protracted lack of cooperation. As of end-December 2003, Liberia's arrears to the IMF amounted to SDR 502 million. Liberia's forthcoming obligations—consisting only of charges and interest on principal and net SDR charges—are estimated to amount to about SDR 6 million annually.

Intermittent civil wars have largely destroyed Liberia's physical and economic infrastructure, and the Government's capacity to devise and implement policies. However, the NTGL has shown commitment in implementing a first set of fiscal and governance measures. Cooperation with the Fund has improved in terms of implementation of policies, and token payments to the Fund resumed in early 2004. Initial measures were taken to boost revenue, restore an orderly budget process, and address key governance issues. A first "mini-budget" through January 2004 was approved by parliament, and revenue collection has exceeded expectations. Steps have also been taken to liberalize rice and petroleum product imports. Further measures are planned through mid-2004, including comprehensive audits of the main revenue-generating agencies and the Central Bank. As a result, on March 1, 2004, the IMF Board decided to resume technical assistance to Liberia.

In December 2003, the UN, the World Bank and the IMF assisted the Government in a needs assessment covering 10 priority sectors that led to a time- and cost-bound action plan, the

Results Focused Transitional Framework (RFTF), which was presented at an international conference held in New York in February 2004. Donors pledged US\$440 million for reconstruction needs and US\$85 million for humanitarian assistance. Should arrears clearance be achieved, a post conflict World Bank allocation would be sought and a Transitional Support Strategy (TSS) would be prepared. This sequence is likely to monitor Liberia's transition from the RFTF to a PRSP framework.

**HIPC Status:** The stock of Liberia's external public debt amounted to about US\$2.9 billion (600 percent of GDP) at the end of 2003. Nearly all of Liberia's external debt is in arrears.

### **Myanmar**

**Policy performance:** Myanmar has not had an IMF-supported program since 1981/82 and relations have been limited to annual Article IV consultations. The last consultation, concluded in October 2002, indicates that Myanmar's macroeconomic situation has deteriorated, although official statistics of point to continued double-digit growth. The fiscal deficit spiked in 2000/01 and, despite some declines since, remains unsustainable. Low and falling revenue as well as unmet developmental needs make fiscal reform imperative. Central bank financing of the deficit has produced a surge in inflation and a sharp depreciation in the parallel market exchange rate. The low import cover of reserves and continuing accumulation of arrears indicates a precarious external position. The deterioration in the institutional infrastructure (including a distortionary dual exchange rate regime), declines in various aspects of human capital, and governance problems continue to erode Myanmar's potential. Near-term prospects have been further undermined by an intensification of international sanctions and a weak banking sector. The World Bank has approved no new lending since 1987 and does not have an active program in Myanmar. However, a participatory assessment has been completed by UNDP in collaboration with the Ministry of Planning and a household expenditures survey is expected to be launched in April 2004.

**HIPC Status:** Myanmar is in arrears to the World Bank and to other multilateral and bilateral agencies. Poor debt statistics make assessment of the debt burden difficult. Highly tentative estimates indicate that Myanmar's debt ratios exceed the HIPC thresholds. Given Myanmar's poor relations with the international community and the lack of economic reforms, there is little prospect for moving beyond IMF surveillance at this stage. Without an active engagement with the World Bank and IMF, Myanmar is not engaged in a process to proceed with preparing an I-PRSP or working to develop a track record of economic performance to receive HIPC relief.

### **Somalia**

**PRSP/PRGF and HIPC Status:** Given the lack of a fully functional national authority and the security situation, Somalia is not expected to proceed with preparing an I-PRSP. It is

working to develop a track record of economic performance to ultimately receive HIPC relief.

On January 29, 2004, a broad cross-section of Somali leaders concluded negotiations on the framework for the structure and composition of the future government of Somalia. The signed agreement, Transitional Federal Charter (TFC), provides a basis for elections of the 275-member parliament, whose members will elect the president and draft the constitution. This represents the start of the third and final phase of the peace process, which was launched in October 2002 under the auspices of the Intergovernmental Authority on Development (IGAD). The World Bank provided technical expertise during the second phase of the process to the committee on economic recovery and trade. The World Bank is also an active member of the Somalia Aid Coordination Body (SACB), which provides a framework for UN agencies, international and Somali NGOs, and donors to develop a common approach for the allocation of development assistance to Somalia.

**Policy Performance:** The World Bank has not had an active lending program in Somalia since 1991. A joint World Bank/UNDP Country Reengagement Note was approved in June 2003 by the World Bank's Board of Directors and is currently being implemented in Somalia. The following areas of intervention are being pursued: (i) support to macroeconomic data analysis and dialogue; (ii) creation of an enabling environment for the livestock and meat industry; (iii) coordinated action plan to address HIV/AIDS issues; and (iv) capacity-building for skills development and training centers. In collaboration with other development partners and the donor community, these activities are being implemented with the support of a Post Conflict Grant of US\$4.6 million. Two World Bank missions were undertaken in 2003 as part of the Bank's re-engagement efforts and to initiate a process of dialogue with the existing regional authorities. A joint World Bank/UNDP socioeconomic survey of Somalia was released in January 2004. In addition, a World Bank/European Commission livestock strategy for Somalia has been produced through a process of wide consultations in the country. The World Bank is also currently undertaking a Conflict Analysis Framework for Somalia to ensure conflict-sensitive development assistance. The World Bank is also providing access to global electronic knowledge and resources to tertiary educational institutions. Somalia is in arrears to the IMF.

### Sudan

**PRSP Status:** Peace talks between the Government of Sudan and the Sudan People's Liberation Movement/Sudan People's Liberation Army (SPLM/A) are progressing, with significant support from international mediators. A framework agreement on wealth sharing was agreed in early January 2004 and discussions are continuing on political power sharing. The two parties have expressed hope for an agreement in the first half of 2004. The Government is currently preparing an I-PRSP in collaboration with civil society, but is unlikely to complete it prior to a peace agreement.

**Policy Performance:** Sudan's economic performance under the 2003 SMP was broadly on track. The government is discussing with IMF staff a SMP for 2004 that is comparable in

strength to a Rights Accumulation Program (RAP), like the 2002 and 2003 SMPs. If a peace agreement is reached, progress with reform continued, and the appropriate financing assurances are secured, an RAP may be in place by the fall of 2004. Some work has been completed in recent months to lay the groundwork for a possible arrears clearance for Sudan in the event that conditions improve sufficiently to allow for reengagement by the international community.

### **Togo**

**PRSP Status:** The I-PRSP drafted in November 2002 has been finalized, and is expected to be submitted to the council of Ministers for adoption in the second quarter of 2004. Togo's non-accrual status with IDA prevents the World Bank and the IMF from formally engaging with the authorities on the PRSP process. The World Bank is currently preparing a Country Re-engagement Note scheduled for Board discussion in the third quarter of 2004. The Note will lay out an assistance strategy to Togo and the necessary steps in the process towards normalization of the relations between the World Bank and Togo. Discussions are currently underway between the Government and the European Union on the possibility of launching Article 96 consultations that could lead to the resumption of financial assistance from the EU in the medium term.

**Policy Performance:** Under the SMP covering the period April–December 2001 there was progress toward privatizing state-owned enterprises but macroeconomic performance was weak. In the context of the April 2002 Article IV discussions, the authorities prepared, in collaboration with IMF staff, a stabilization program for 2002 that would allow them to demonstrate commitment to stabilizing public finances, completing the ongoing privatization of state-owned enterprises, and laying a foundation for normalizing relations with external creditors. An IMF mission visited Lomé in November, 2003 to conduct the 2003 Article IV consultation discussions; the IMF Board is scheduled to consider the report in May 2004. The mission found that real GDP expanded by 2.7 percent in 2003, driven by growth in agriculture and phosphate sectors, and inflation remained low. Preliminary data on budget execution for 2003 show improved revenue performance, and continued efforts to restrain expenditure and reduce domestic payment arrears. Some progress was made in the implementation of structural reforms in 2002-03: the management of the phosphate company was privatized; some activities of the Port of Lomé were opened to the private sector; management concessions for two hotels were granted; and successful bids were selected for two commercial banks.

## **III. Countries that had reached the Completion Point by the end of February 2004**

### **Benin**

**External Debt Indicators after HIPC Debt Relief:** Benin reached its completion point in March 2003. HIPC assistance amounted to US\$265 million. At the decision point, the NPV

of the debt-to-exports ratio was projected at 161 percent in 2003, with the target ratio of 150 percent projected to be attained in 2005. At the completion point, the NPV of debt-to-exports ratio deteriorated by about 30 percentage points relative to decision point projections (after accounting for a delay in the expected completion point). The decline was due primarily to lower exports associated with depressed cotton prices, lower discount rates at the end of the 2001 completion point reference year relative to the base year, and higher than projected new borrowing. However, the debt-service-to-exports ratio is expected to average around 7 percent for the 2002–10 period.

**PRSP Status:** The full PRSP was finalized in December 2002 and approved by the World Bank and IMF Boards in March 2003. The PRSP is accompanied by a detailed Medium-Term Expenditure Framework that builds on detailed program budgets for priority sectors that link quantitative result targets, policies and actions, and expenditure. Under that framework, budget allocations for priority sectors will increase to 12.4 percent of GDP on average over 2003–05, up from 8.7 percent in 1996–99, and their share of total Government expenditure will rise from 63.5 percent to 72.6 percent. An effort has also been made to better balance investment and recurrent costs in priority sectors. The fight against HIV has intensified, with a 2000–05 strategy to fight HIV/AIDS presented to the National Assembly.

**Policy Performance:** The PRGF arrangement was approved by the IMF Board in July 2000 and was extended in July 2002 to March 2004. The fifth review under the arrangement was approved in September 2003. Benin’s macroeconomic performance improved through June 2003 and was broadly in line with the program objectives. All indicative targets for June 2003 were met following strong corrective measures in the second quarter of the year and all structural benchmarks for end-March 2003 were observed. Indications are that all quantitative performance criteria and structural benchmarks for September 2003 have also been met. Spending on health and education remained below quantitative benchmarks. Progress in the implementation of the structural reforms is mixed. The privatization process of the state owned cotton ginning company incurred delays. New timetables for the divestiture of electricity and telecommunications utilities, and the privatization of the Cotonou port have been prepared.

**Creditor Participation:** Creditors holding 98.8 percent of Benin’s debt at the completion point are providing HIPC relief. In April 2003, Paris Club creditors agreed to implement an NPV stock-of-debt reduction of US\$60 million and all affected multilateral creditors have indicated their commitment to provide the HIPC debt relief required. Of the seven non-Paris Club bilateral creditors, China, Kuwait, and Libya have indicated their intention to provide HIPC relief. Debt owed to Argentina as well as commercial debt was settled through buyback operations.

## **Bolivia**

**External Debt Indicators after HIPC Debt Relief:** Bolivia reached its completion point under the enhanced HIPC Initiative in May 2001. In NPV terms, HIPC assistance amounted to US\$783 million under the original framework and to US\$854 million under the enhanced

framework. At the completion point, the NPV of debt-to-exports ratio after bilateral assistance beyond HIPC requirements was projected to remain well below the 150 percent threshold throughout the projection period (2002–20). However, Bolivia's external debt indicators have deteriorated since its completion point under the enhanced HIPC Initiative. According to the current baseline projections, the NPV of debt-to-exports ratio would peak at 158 percent in 2004, falling to 143 percent by 2008. Debt sustainability indicators may deteriorate further if the required fiscal adjustment is delayed.

**PRSP Status:** The PRSP was completed in May 2001, and the Government has already begun the process to revise the PRSP. Political turbulence and social tensions have delayed the process. An important agenda of consultations will take place to revise the PRSP under the direction of a National Directory consisting of representatives of key organizations. It is planned to proceed with this National Dialogue 2003 during the second quarter of 2004, where the focus would be on developing strategies for productive sector activities. The results of this dialogue are expected to be finalized during the second half of 2004 and incorporated in the updated PRSP. The first annual progress report of the PRSP is expected in the third quarter of 2004. Tracking of poverty-reducing expenditure requires further improvement, especially at the local government level. Poverty-reducing expenditures increased from 9 percent of GDP in 1995 to 12.6 percent of GDP in 2002 and are projected to increase to 13 percent in 2004.

**Policy Performance:** The PRGF arrangement approved in September 1998 expired in June 2001 before its completion. A one-year Stand By Arrangement (SBA) was approved in April 2003. The first and second review were completed, and the third review is expected to be presented in mid-May, 2004. The SBA is expected to be extended from April 2004 to the fourth quarter of 2004. The core elements of the economic program are fiscal consolidation, strengthening of the banking and corporate sectors, and protecting and making more efficient social safety net spending. Bolivia's economy has been hard-hit by external and domestic shocks. During 1999-2002 external financing to Bolivia in terms of GDP dropped by 40 percent; a series of domestic factors, i.e. the coca eradication program, uncertain presidential elections and outbursts of social unrest, have adversely impacted the economy. These shocks resulted in production disruptions, fiscal imbalances, financial sector troubles, capital outflows and growth deceleration. During 1998-2003, annual real GDP grew 2.4 percent.

**Creditor Participation:** Creditors holding about 95 percent of Bolivia's debt, including all multilateral creditors, have been delivering debt relief, and virtually all Paris Club creditors have provided relief beyond HIPC. Of the four non-Paris Club creditors, assurances of debt relief have not been provided by China and Taiwan, Province of China. Brazil committed to deliver its share of assistance when it participated to the April 2001 Paris Club Agreed Minute, but the bilateral agreement has not been signed yet.

### **Burkina Faso**

**External Debt Indicators after HIPC Debt Relief:** Burkina Faso reached its completion point in April 2002. In NPV terms, HIPC assistance amounted to US\$229 million under the

original HIPC framework and US\$195 million under the enhanced framework, of which US\$26 million consisted of additional assistance after taking into account a revision of the original debt data. In addition, at the completion point, the Executive Boards granted further assistance of US\$129 million in NPV terms to reduce the NPV of debt-to-export ratio to 150 percent at end-2001. The need for “topping-up” assistance arose largely from changes in the external environment resulting from a fall in export volumes (due to the impact of white fly); a decline in the international price of cotton and gold exports; and the adverse effects of tensions in Côte d’Ivoire on other categories of exports. At completion point, the NPV of debt-to-export ratio was projected to increase initially to 195 percent by 2006, gradually decreasing to less than 150 percent by about 2016. Despite the hump of debt stock indicators, debt-service indicators are considered manageable. At the completion point, the debt-service-to-exports and debt-service-to-revenues ratios were projected to average 7 percent during 2002–21.

**PRSP Status:** The third progress report on the implementation of the PRSP was finalized in October 2003 and will be discussed by the Boards of the World Bank and the IMF in March 2004. A revised PRSP for the period 2004-2006 is under preparation and is expected to be presented to the Boards by mid-2004. Overall, the Government has made further progress in implementing its PRSP in 2002-03. Poverty-reducing expenditures (excluding foreign-financed investment projects) increased from 4.0 percent of GDP in 1999 and 4.9 percent of GDP in 2002 to 5.3 percent of GDP in 2003. The absorption of HIPC resources has accelerated in 2003 leading to a significant decline in uncommitted HIPC resources. Regarding education, school enrollment improved significantly during 2002-03 and first-grade enrollment rates surpassed 50 percent for the first time. In the area of health, progress was made in raising immunization coverage rates, increasing health center staffing and lowering the price of drugs and services.

**Policy Performance:** The IMF Board approved a new PRGF-supported program in June 2003 following the PRGF arrangement that ended in December 2002. The first review of the new PRGF arrangement was completed by the IMF Board in March 2004. All quantitative performance criteria were met. For 2003 real GDP growth was estimated at 6.5 percent and inflation at 2 percent, reflecting higher than projected agricultural production. On the basis of satisfactory implementation of the PRSP including a set of policy reform measures, the World Bank Board approved a third consecutive poverty reduction support credit in July 2003. A fourth support operation is under preparation to finance implementation of the 2004 budget.

**Creditor Participation:** Creditors holding 88 percent of Burkina Faso’s debt have agreed to provide enhanced HIPC relief. Of seven non-Paris Club creditors, Kuwait and Saudi Arabia have agreed to provide debt relief in amounts lower than envisaged under the HIPC Initiative, including topping-up. The OPEC Fund, the IsDB, and BADEA have committed to deliver debt relief, but agreements are still pending. The IFAD has indicated its willingness to provide assistance and has initiated debt data reconciliation. ECOWAS has indicated that it will not provide its share of assistance. Financing assurances for topping up at the completion point have been obtained from the World Bank, the AfDB, the IMF, BADEA,



BOAD, the OPEC Fund, the European Union, and Paris Club creditors, which together constitute 78 percent of total topping-up assistance.

### Guyana

**External Debt Indicators after HIPC Debt Relief:** Guyana reached its completion point under the enhanced HIPC Initiative in December 2003. In NPV terms, HIPC assistance amounted to US\$256.4 million under the original HIPC framework and US\$334.5 million under the enhanced framework. This has been adjusted upwards by US\$5.9 million from the amount calculated at the decision point, based on new information on commercial debt. At the completion point, the NPV of debt-to-revenue ratio after additional voluntary bilateral assistance beyond HIPC assistance is estimated at 214 percent in 2003 but is expected to grow to 242 percent by 2007, due to large investments in the sugar sector. Over the long run, the ratio is projected to decline to about 150 percent in 2022. Also, the debt-service-to-revenue ratio is projected to decline to 14 percent in 2004 and to about 12 percent in the medium-term.

**PRSP Status:** A PRSP was published in November 2001 and discussed by the World Bank and IMF Boards in September 2002. A progress report is expected to be prepared during the first half of 2004. Poverty-reducing expenditures - expenditures on education, health, housing, water, and other poverty alleviation programs - have increased substantially since 1997, in both real and relative terms. It grew by an annual average of 5.9 percent in real terms between 1997 and 2002, faster than GDP growth (0.4 percent). Poverty-reducing expenditures increased from 15 percent of GDP in 1997 to 21 percent of GDP in 2002. To support Guyana's poverty reduction strategy, two World Bank credits were approved in December 2002, a Poverty Reduction Support Credit and a Public Sector Technical Assistance Credit.

**Policy Performance:** A PRGF-supported program was approved in September 2002. The completion of the first review was delayed because of slow implementation of the pending 2002 structural reform actions and difficulties in agreeing on measures (particularly in the area of tax reform and public enterprise restructuring) to contain a significant deterioration in the fiscal deficit in 2003. Reform momentum was regained in the second half of 2003 and measures were taken to contain the deficit. The first review completed in September 2003. Subsequently, macroeconomic stability was maintained, 2003 public sector wages settled in line with the program and the authorities implemented further measures to strengthen their track record and advance civil service reform to justify the waiver request for the pending HIPC completion point triggers in this area. Most end-December 2003 structural performance criteria are likely to have been observed, but one related to wage policy in the state-owned sugar company is still pending.

The overall assessment of the World Bank's portfolio is satisfactory. The Poverty Reduction Support Credit which was approved in November 2002 was disbursed in December 2003 after the Government brought the macroeconomic framework back on track and Parliament approved a satisfactory new procurement law. In July 2003, Parliament enacted a new law,

prepared in consultation with the World Bank that represents a major improvement over the previous law (the law passed in June 2002 had serious deficiencies) and, for the most part, reflects the agreement reached by the Government of Guyana and the World Bank. The implementation of the Public Sector Technical Assistance Credit (PSTAC), which is an accompanying project in support of the PRSC, is proceeding satisfactorily.

**Creditor Participation:** Guyana has received satisfactory financing assurances for 81 percent of HIPC assistance required. In January 2003, all Paris Club creditors and Trinidad and Tobago agreed to deliver relief of US\$95 million through a stock-of-debt reduction. Most Paris Club creditors indicated that they will provide additional voluntary bilateral relief. One multilateral creditor (CMCF) has not yet agreed to provide its assistance to Guyana. Of the 12 non-Paris Club official bilateral creditors, China, India, and Libya indicated their intention to provide their share of HIPC assistance.

### **Mali**

**External Debt Indicators after HIPC Debt Relief:** Mali reached its completion point in March 2003. Assistance was US\$121 million at the end of 1998 in NPV terms under the original framework and US\$417.3 million in 1998 NPV terms under the enhanced framework. The NPV of debt-to-exports ratio at the completion point was lower than had been projected at the decision point, due to higher export levels, particularly of gold. The ratio was projected at the completion point to be 110 percent in 2003 after full delivery of HIPC assistance and bilateral debt relief beyond HIPC assistance and to remain below 150 percent throughout the projection period (2002–21), provided Mali experiences no exogenous shocks during the projection period. The debt-service-to-exports ratio is projected to remain below 10 percent.

**PRSP Status:** The full PRSP was considered by the World Bank and IMF Boards in March 2003. Budgetary allocations to priority sectors have increased steadily in line with the I-PRSP. Education and health expenditures decreased slightly from 4.3 percent of GDP in 2000 to 4.2 percent of GDP in 2002. They are projected to increase to 5.9 percent of GDP in 2003 and to be about 5.6 percent of GDP in 2006. The first annual PRSP progress report has been prepared and is expected to be presented to the Boards in the second quarter of 2004.

**Policy Performance:** The PRGF arrangement expired in August 2003 after the completion of the sixth and final review and the disbursement of all loans. Discussions on a successor PRGF arrangement were held in February 2004. Economic growth was strong in 2003, owing to a good rainfall and in spite of crisis in Côte d'Ivoire that has hit Mali's economy severely since September 2002. The annual fiscal program was on track at the end of 2003, and public resource management has been strengthened. Implementation of the reform of the cotton sector remains difficult. Growth is projected at about 5 percent in 2004 and the fiscal position to remain stable.

**Creditor Participation:** Mali has received HIPC financing assistance from creditors holding 93.5 percent of its total debt. Some non-Paris Club bilateral and commercial creditors and

three multilateral creditors (BCEAO, ECOWAS, and the Foundation for Sustainable Development) have not yet agreed to provide debt relief to Mali.

### **Mauritania**

**External Debt Indicators after HIPC Debt Relief:** Mauritania reached its completion point in June 2002. HIPC assistance amounted to US\$622 million in NPV terms. Debt indicators were slightly worse at the completion point than projected at the decision point due to higher new borrowing and lower exports than projected (as a result of external shocks to the price and demand for iron ore) and changes in discount and exchange rates. At the completion point, the NPV of debt-to-exports ratio was projected to be 157 percent in 2003, but should decrease to less than 100 percent in 2006 due to the commencement of crude oil exports. The NPV of debt-to-revenue ratio is currently under 200 percent, well below the HIPC threshold of 250 percent. Debt-service ratios have improved significantly with HIPC assistance. The debt-service-to-exports ratio was 30 percent in 2002 before HIPC assistance and is estimated to be 14.1 percent in 2003. The debt-service-to-revenues ratio was 44 percent in 2002 before HIPC assistance and is expected to average about 15 percent of government revenue after HIPC assistance for the remainder of the decade. Mauritania's government-revenue-to-GDP ratio remains high and is projected at 28 percent in 2003 of which 14 per cent of GDP are non-tax revenues, mainly EU fishing royalties.

**PRSP Status:** The PRSP was finalized in early 2001. The first PRSP progress report was endorsed by both Boards in June 2002 and the second PRSP progress report in July 2003. A third PRSP progress report is expected in the 2<sup>nd</sup> quarter of 2004. Poverty-reducing spending has increased with the use of domestic resources and interim assistance. However, more work needs to be done to improve expenditure tracking (with technical assistance from the IMF and the World Bank), and implementation capacity needs to be strengthened to allow full use of the resources freed up by HIPC relief. While some progress remains to be made, the quality of quarterly and annual reports on the execution of projects financed with HIPC assistance has improved. Social indicators have also improved. The two HIPC floating completion point triggers that were not met at the completion point have been met since: the child vaccination rate reached 82 percent in 2002 (exceeding the 70 percent target), and the secondary school enrollment rate increased to 24 percent in 2001, up from 20 percent in 2000. In contrast, the retention rate fell to 48 percent in 2002, down from 55 percent in 2000 and 51 percent in 2001. Primary school enrollment rate stood at 88 percent in 2002.

**Policy Performance:** The sixth review under Mauritania's PRGF-supported program was completed in November 2002, based on Mauritania's strong economic performance. A new PRGF arrangement was approved by the Board of the IMF in July 2003. Robust economic growth continued through 2003, inflation remained subdued, and international reserves remained at a comfortable level equivalent to about eight months of imports at end-2003. Structural reforms have somewhat lagged behind the new PRGF program agenda. Some progress has been made in the budget preparation process, restructuring of the national social security system, and improvement in tracking of HIPC financed poverty-reducing spending. However, the expected improvement in the functioning of the foreign exchange market has

not yet materialized, and the premium on the parallel market for the US dollar is now about 15 percent, up from the 5 per cent in June 2003. The authorities, however, have continued to press ahead with the structural reform agenda. Action was taken to improve budget execution, notably the tracking of HIPC-financed poverty-reducing expenditures. The privatization of the electricity company SOMELEC, which could not be completed in 2002-2003 due to external factors related to the situation in the global energy sector, will be re-launched in the second half of 2004. The confirmation of the commercial viability of the offshore oil discovery enhances the medium-term internal and external outlook and improves significantly Mauritania's external debt indicators.

**Creditor Participation:** Mauritania has received satisfactory financing assurances of HIPC assistance from creditors holding about 90 percent of its debt. In July 2002, Paris Club creditors agreed to deliver a stock-of-debt reduction of US\$188 million in NPV terms. The authorities have written to all non-Paris Club creditors to secure comparable treatment. Of the seven non-Paris Club creditors, Algeria, Libya and Iraq have not yet provided irrevocable HIPC debt relief. Among Paris Club creditors only Brazil has yet to agree on HIPC debt relief.

### **Mozambique**

**External Debt Indicators after HIPC Debt Relief:** Mozambique reached its completion point in September 2001. HIPC assistance amounted to US\$1,716 million under the original framework and US\$306 million under the enhanced framework. At completion point, debt and debt-service ratios were better than projected at the decision point, reflecting in large part stronger than expected export performance. In the completion point document, the NPV of debt-to-exports ratio was projected to remain well below 150 percent throughout the projection period (2001–2020), falling from 94 percent in 2003 to 40 percent in 2020. The debt-service-to-exports ratio was projected to remain below 5 percent, while the debt-service-to-revenues ratio was projected to decrease from 10.5 percent in 2003 to 5.4 percent in 2020. The country has been largely spared from the effects of the global economic slowdown, and its export base is expected to benefit from the Mozal aluminum smelter and should benefit from further mega-projects and from its large agricultural potential.

**PRSP Status:** The PRSP was endorsed by the Boards of the World Bank and the IMF in September 2001. Action Plans for Reducing Absolute Poverty (PARPA) priority sectors are in education, health (including HIV/AIDS), infrastructure, agriculture, and governance. Recent developments in social spending continue to be favorable. Such expenditures reached 9 percent of GDP in 2002 and are expected to remain at about that level through 2005. The first PRSP progress report was prepared in April 2003. It was presented to the IMF Board in June and to the World Bank Board in September 2003.

**Policy Performance:** A PRGF-supported program was approved by the IMF Board in June 1999 and the fifth review under the PRGF arrangement was satisfactorily completed in June 2003. All quantitative and structural performance criteria and benchmarks were observed, with the exception of the performance criterion on the domestic primary deficit. The

macroeconomic outlook for Mozambique remains positive. GDP growth in 2003 was 7 percent and is expected to reach 8 percent in 2004. Inflation for 2003 reached 13.8 percent, higher than the 9.1 percent of 2002, but well below the 2001 level of 21.9 percent. IMF staff is working with the authorities on an economic program for 2004-06 that could be supported by a new PRGF arrangement. The new program is expected to be considered by the IMF Board in late May 2004.

**Creditor Participation:** Creditors holding about 88 percent of Mozambique's debt provided financing assurances for HIPC debt relief. Of the sixteen non-Paris Club official bilateral creditors, China, Kuwait and South Africa have signed agreements to provide HIPC assistance. Moreover, Algeria and India have made commitments to provide HIPC comparable debt relief. The agreement with India is expected shortly. Mozambique has proposed debt relief on terms comparable to those under the HIPC Initiative to other non-Paris Club bilateral creditors.

### Nicaragua

**External Debt Indicators after HIPC Debt Relief:** Nicaragua reached its completion point under the enhanced HIPC Initiative in January 2004. Debt relief under the HIPC Initiative amounted to US\$3,308.4 million in NPV terms. This has been adjusted upward by US\$41 million relative to the amount estimated at the time of the decision point, based on new information received from creditors that shows that the bilateral debt for several creditors as of end-1999 had been underestimated in the decision point document. At the completion point, the NPV of debt-to-exports at end-2002 was 138.6 percent. The ratio is projected to increase gradually and reach a peak of 175.6 percent in 2005. However, starting in 2006, the ratio is projected to decline steadily and by 2022 the ratio is projected to stand at 96.7 percent. In 2003, the debt service-to-exports ratio after the provision of debt relief in the context of the HIPC initiative and bilateral assistance beyond HIPC is expected to reach 11 percent, and is expected to remain below that level thereafter.

**PRSP Status:** A full PRSP was presented to the IMF and World Bank Boards in September 2001. The first annual PRSP progress report was presented to the Boards in December 2002 and the second progress report in January 2004. Implementation of the PRSP has progressed since the decision point (December 2000) despite political difficulties. Relative to pre-Hurricane Mitch levels, poverty-reducing expenditures are projected to increase by about 4 percent of GDP by 2004-05. A mechanism designed in 2002 with World Bank assistance for tracking the use of HIPC debt relief and poverty-reducing spending became fully operational in early 2004.

**Policy Performance:** A three-year PRGF-supported program was approved in December 2002 and has been on track throughout 2003 and into 2004. Quarterly reviews have fostered close cooperation between the IMF and Nicaragua during 2003.

**Creditor Participation:** Nicaragua has received satisfactory assurances for about 87 percent of the debt relief required under the enhanced HIPC Initiative. The Nicaraguan authorities, with the assistance of IDA and IMF staff, will continue their efforts toward securing the participation of remaining creditors.

### **Tanzania**

**External Debt Indicators after HIPC Debt Relief:** Tanzania reached its completion point in November 2001. HIPC assistance amounted to US\$2,026 million in NPV terms. Based on a debt sustainability analysis update conducted by the IMF in November 2002 and by the authorities in November 2003, the NPV of debt-to-exports ratio is projected to be lower than completion point projections, mainly because of an upward revision in exports. The NPV of debt-to-exports ratio for 2003/2004 is projected at about 116 percent, down from 137 percent at the completion point. Reflecting the effects of reform of tax administration and tax policy, government revenues were higher than projected at the completion point, with the NPV of debt-to-revenues projected at about 124 percent for 2003/2004, 11 percentage points higher than projected at the completion point. Potential risks for the debt outlook are the lack of diversification of the export base and the dependence of the economy on donor support. International prices for traditional exports, especially coffee and cashew nuts, are projected to remain low.

**PRSP Status:** Tanzania presented its second annual PRSP progress report in May 2003 and the first draft of the third PRSP progress report was issued in December 2003 for comments by stakeholders. The preparation of a new PRSP was launched in November 2003 and is expected to be completed by the end of 2004. Expenditures on health and education have been rising since 1999/2000. New education, agriculture, and rural development strategies target high-priority areas of the PRSP. Total poverty-reducing spending has increased and is estimated to have increased to 9.7 percent of GDP in 2003.

**Policy Performance:** In July 2003, the IMF Board completed the sixth and final review under the 2000-03 PRGF-supported program and approved a new PRGF program. The new program focuses on revenue mobilization, financial sector reform and structural reforms to improve the business environment with a view to achieving higher growth and making further progress in poverty reduction. Performance has been satisfactory, with the exception of tax reforms, which have been somewhat delayed from the original schedule. In particular, amendments to the Land Act aiming at improving the environment for bank lending have been approved by parliament in February 2004, and the privatization strategy for the National Microfinance Bank was approved by Parliament in November, 2003. The first review of the new PRGF program was completed in February 2004.

**Creditor Participation:** Tanzania has received financing assurances of HIPC assistance from creditors holding about 90 percent of its total debt. Multilateral and Paris Club creditors have committed to deliver debt relief according to the terms of the HIPC initiative and most Paris Club creditors have provided additional bilateral debt relief. As of March 2004, among countries which have attended the Paris Club negotiation, only Brazil has yet to sign bilateral

agreement. An agreement with Japan, covering a portion of total debt, has recently been signed. Of the non-Paris Club creditors, China, India and Kuwait have provided debt relief, while a few other countries have indicated their intention to do so.

### Uganda

**External Debt Indicators after HIPC Debt Relief:** Uganda reached its completion point under the enhanced HIPC Initiative in May 2000. In NPV terms, HIPC assistance amounted to US\$347 million under the original framework and US\$656 million under the enhanced framework. Uganda's debt burden indicators have worsened since the completion point. The main factors underlying the deterioration of the indicators are the unanticipated 66 percent decline in the world price of coffee (Uganda's principal export) since 1999 and new borrowing between June 1999 and June 2001 that, though included in the decision point macroeconomic framework, was not included in the debt projections in the decision point document. These factors as well as the declining discount and exchange rates in the last two years have caused the NPV of the debt-to-exports ratio to increase from 150 percent at the completion point, assuming the full delivery of HIPC assistance, to 235 percent at the end of June 2003. This ratio is projected to gradually decline over the following ten years. The introduction of IDA grants to Uganda under IDA-13 arrangements is projected to help Uganda reach the 150 percent target. Despite the decline in export prices, HIPC assistance has helped reduce the debt-service-to-exports ratio to levels of 10 percent in 2002/2003.

**PRSP Status:** A summary of the Uganda's Poverty Eradication Action Plan (PEAP) was presented to the Boards of IDA and IMF in May 2000 as the PRSP. The first PRSP progress report was presented to the World Bank's Board in May 2001, the second in July 2002 and the third in September 2003. In order to address emerging poverty reduction challenges and ensure good prioritization of poverty reduction interventions, the PEAP is being revised. The PEAP revision process started in June 2003 and is scheduled to end in June 2004. The presentation of the JSA to the World Bank depends on the finalization of the PEAP.

**Policy Performance:** A new PRGF arrangement for 2002/2003–2004/05 of SDR 13.5 million was approved by the IMF's Board in September 2002, and the second review under the program was concluded in December 2003. Uganda's macroeconomic performance has been broadly satisfactory. A gradual fiscal consolidation to improve sustainability without jeopardizing poverty reduction programs is the centerpiece of the medium-term macroeconomic framework. Revenue collections have generally been on target, and overall expenditures limits were respected in 2002/2003. While Uganda's principal external sustainability indicator (NPV of external debt to exports) has deteriorated, the outlook for improvement in the debt situation is good, with solid growth in export earnings and gradual fiscal consolidation.

**Creditor Participation:** Thirty-one of Uganda's 44 creditors have agreed to provide HIPC relief equivalent to about 96 percent of the total required. These include the governments of India, Libya, Pakistan and the Republic of Korea, which have recently pledged to provide debt relief on official debt. The East African Development Bank, the Eastern and Southern

African Trade and Development Bank (PTA Bank), Shelter Afrique, Burundi, Iraq, Nigeria, the People's Democratic Republic of Korea, and the United Arab Emirates have not yet provided debt relief. The courts have granted awards totaling US\$28.9 million, including interest charges and legal fees, to five creditors (Iraq and commercial creditors from Spain, the United Kingdom, and the Former SFR Yugoslavia). The Ugandan authorities paid out US\$14.5 million through 2002/03 to creditors from Spain and the Former SFR Yugoslavia but are appealing the awards to the remainder.



**Table 1. HIPC Initiative: Committed Debt Relief and Outlook 1/  
Status as of February 2004**

(In millions of US dollars, in NPV terms in the year of the decision point)

	Reduction in NPV Terms			Nominal Debt Service Relief			Date of Approval
	Original HIPC Initiative	Enhanced HIPC Initiative	Total	Original HIPC Initiative	Enhanced HIPC Initiative	Total	
<b>Countries that have reached their Completion Points (10)</b>							
<b>TOTAL</b>	<b>3,118</b>	<b>9,113</b>	<b>12,231</b>	<b>6,364</b>	<b>14,184</b>	<b>20,548</b>	
Benin	0	265	265	0	460	460	Mar-03
Bolivia	448	854	1,302	760	1,300	2,060	Jun-01
Burkina Faso 2/	229	324	553	400	530	930	Apr-02
Guyana	256	335	591	634	719	1,353	Dec-03
Mali	121	417	539	220	675	895	Mar-03
Mauritania	0	622	622	0	1,100	1,100	Jun-02
Mozambique	1,717	306	2,023	3,700	600	4,300	Sep-01
Nicaragua	0	3,308	3,308	0	4,500	4,500	Jan-04
Tanzania	0	2,026	2,026	0	3,000	3,000	Nov-01
Uganda	347	656	1,003	650	1,300	1,950	May-00
<b>Countries in the Interim Period (17)</b>							
<b>TOTAL</b>	<b>0</b>	<b>18,900</b>	<b>18,900</b>	<b>0</b>	<b>30,909</b>	<b>30,909</b>	
Cameroon	0	1,260	1,260	0	2,000	2,000	Oct-00
Chad	0	170	170	0	260	260	May-01
Congo, Dem. Rep. of	0	6,311	6,311	0	10,389	10,389	Jul-03
Ethiopia	0	1,275	1,275	0	1,930	1,930	Nov-01
Gambia, The	0	67	67	0	90	90	Dec-00
Ghana	0	2,186	2,186	0	3,700	3,700	Feb-02
Guinea	0	545	545	0	800	800	Dec-00
Guinea-Bissau	0	416	416	0	790	790	Dec-00
Honduras	0	556	556	0	900	900	Jul-00
Madagascar	0	814	814	0	1,500	1,500	Dec-00
Malawi	0	643	643	0	1,000	1,000	Dec-00
Niger	0	521	521	0	900	900	Dec-00
Rwanda	0	452	452	0	800	800	Dec-00
São Tomé and Príncipe	0	97	97	0	200	200	Dec-00
Senegal	0	488	488	0	850	850	Jun-00
Sierra Leone	0	600	600	0	950	950	Mar-02
Zambia	0	2,499	2,499	0	3,850	3,850	Dec-00
<b>Countries still to be considered (11)</b>							
Côte d'Ivoire 3/	345	...	345	800	...	800	
Burundi	...	...	...	...	...	...	
Central African Republic	...	...	...	...	...	...	
Comoros	...	...	...	...	...	...	
Congo, Rep. of	...	...	...	...	...	...	
Lao PDR	...	...	...	...	...	...	
Liberia	...	...	...	...	...	...	
Myanmar	...	...	...	...	...	...	
Somalia	...	...	...	...	...	...	
Sudan	...	...	...	...	...	...	
Togo	...	...	...	...	...	...	
<i>Memorandum item:</i>							
Total debt relief committed for							
27 countries	<b>3,118</b>	<b>28,013</b>	<b>31,131</b>	<b>6,364</b>	<b>45,093</b>	<b>51,457</b>	

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

1/ Committed debt relief under the assumption of full participation of the creditors.

2/ The assistance under the enhanced HIPC Initiative includes the topping up with the NPV calculated in the year of the completion point.

3/ Cote d'Ivoire reached its decision point under the original-HIPC Initiative in 1998, but did not reach its completion point under the original HIPC, nor has it reached its decision point under the enhanced HIPC. The amounts of debt relief shown are only indicative of debt relief under the original HIPC Initiative, based on a preliminary document issued.

**Table 2. HIPC Initiative: Changes in the Estimates of Potential Costs by Creditor Group  
(37 countries)**

	September-03	March-04	March-04	
	Costing Exercise 2002 NPV Terms 1/ 3/ (In billions of U.S. dollars)	Costing Exercise 2002 NPV Terms 1/ 2/ 3/ (In billions of U.S. dollars)	Costing Exercise 2003 NPV Terms 1/ 2/ 4/ (In billions of U.S. dollars) (In percent)	
<b>Total costs 5/</b>	<b>50.0</b>	<b>51.1</b>	<b>53.4</b>	<b>100.0</b>
<b>Bilateral and</b>	<b>27.6</b>	<b>27.7</b>	<b>29.0</b>	<b>54.4</b>
Paris Club	18.0	18.0	18.8	35.3
Other official bilateral	7.0	7.1	7.4	13.9
Commercial	2.6	2.6	2.8	5.2
<b>Multilateral creditors</b>	<b>22.4</b>	<b>23.4</b>	<b>24.4</b>	<b>45.7</b>
World Bank	9.6	9.9	10.3	19.3
<i>Of which:</i> IDA	8.9	8.9	9.3	17.4
IBRD	0.8	0.8	0.8	1.5
IMF 6/	4.2	4.9	5.1	9.6
AfDB/AfDF	3.7	3.7	3.9	7.2
IaDB	1.3	1.3	1.3	2.4
Other	3.6	3.6	3.8	7.1
Memorandum item:				
Total costs excluding Liberia, Somalia, and Sudan	39.4	39.4	41.0	

Sources: HIPC Initiative country documents; and staff estimates.

1/ All HIPCs, excluding potentially sustainable cases (Angola, Kenya, Vietnam, and Yemen) and Lao P.D.R., for which there is insufficient debt information.

2/ Reflects updated DSAs for Guyana and Nicaragua.

3/ The discount rate used is the 3-year average SDR CIRR for 1999-2002, which was 5.5 percent

4/ The discount rate used is the 3-year average SDR CIRR for 2000-2003, which was 4.8 percent.

5/ Total costs include estimated costs for Liberia, Somalia and Sudan. These numbers are preliminary and subject to revision.

Compared to the September-03 costing exercise, the March-04 exercise includes revised data for Liberia, Somalia and Sudan on debt outstanding to the Fund and IDA as of end-2003, and on exports and government revenues.

6/ For the IMF, no provision was provided for Somalia, Liberia and Sudan in the resources mobilized for the PRGF-HIPC Trust in 1999.

New bilateral grant resources will need to be mobilized to enable the Fund to provide HIPC Initiative assistance to these countries at an appropriate time.

**Table 3. HIPC Initiative: Breakdown of Estimated Potential Costs by Main Creditors and by Country Groups**

(In billions of U.S. dollars, in 2003 NPV terms) 1/

	Total (37 countries)	Decision Point Cases (27)		Total (27 countries)	Post-2003
		Retroactive 2/ (8 countries)	New cases 3/ (19 countries)		Other 4/ (10 countries)
<b>Total costs</b>	<b>53.4</b>	<b>8.0</b>	<b>26.8</b>	<b>34.7</b>	<b>18.7</b>
<b>Bilateral and commercial creditors</b>	<b>29.0</b>	<b>3.1</b>	<b>14.1</b>	<b>17.2</b>	<b>11.8</b>
Paris Club	18.8	2.4	10.6	13.0	5.9
Other official bilateral	7.4	0.6	2.7	3.4	4.0
Commercial	2.8	0.1	0.7	0.9	1.9
<b>Multilateral creditors</b>	<b>24.4</b>	<b>4.8</b>	<b>12.7</b>	<b>17.5</b>	<b>6.9</b>
World Bank	10.3	2.1	5.9	8.0	2.3
<i>Of which</i> : IDA	9.3	2.1	5.5	7.7	1.6
IBRD	0.8	0.0	0.3	0.3	0.5
IMF 5/	5.1	0.8	2.0	2.8	2.3
AfDB/AfDF	3.9	0.5	2.3	2.9	1.0
IaDB	1.3	0.7	0.6	1.3	0.0
Other	3.8	0.7	1.8	2.5	1.3
Memorandum item:					
In percent of total cost	100.0	14.9	50.1	65.0	35.0

Sources: Country authorities; and staff estimates.

1/ All HIPCs, excluding potentially sustainable cases (Angola, Kenya, Vietnam, and Yemen) and Lao P.D.R.

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

3/ Cameroon, Chad, Democratic Republic of Congo, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Honduras, Madagascar, Malawi, Mauritania, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Sierra Leone, Tanzania, and Zambia.

4/ Burundi, Central African Republic, Comoros, Republic of Congo, Côte d'Ivoire, Myanmar, Togo, Liberia, Somalia, and Sudan.

5/ For the IMF, no provision was provided for Somalia, Liberia, and Sudan in the resources mobilized for the PRGF-HIPC Trust in 1999.

New bilateral grant resources will need to be mobilized to enable the Fund to provide HIPC Initiative assistance to these countries at an appropriate time.

**Table 4. HIPC Initiative: Estimates of Costs to Multilateral Creditors and Status of Their Commitments**  
(In millions of U.S. dollars, in 2003 NPV terms)

Creditors	Cost of Providing HIPC Relief	
	27 countries	37 countries
<b>Total</b>	<b>17,527</b>	<b>24,405</b>
<b>Delivering or committed to delivering debt relief 1/</b>	<b>17,453</b>	<b>24,284</b>
World Bank Group	8,011	10,318
International Monetary Fund (IMF)	2,786	5,124
African Development Bank (AfDB)	2,893	3,857
Inter-American Development Bank (IaDB)	1,298	1,298
Central American Bank for Economic Integration (CABEI)	590	590
European Union/European Investment Bank (EU/EIB)	690	882
International Fund for Agricultural Development (IFAD)	278	382
Arab Bank for Economic Development in Africa (BADEA)	194	262
OPEC Fund for International Development	166	278
Islamic Development Bank (IsDB)	141	195
Corporación Andina de Fomento (CAF)	110	110
Arab Fund for Social and Economic Development (AFESD)	73	390
Caricom Multilateral Clearing Facility (CMCF)	69	69
West African Development Bank (BOAD)	49	73
Fund for the Financial Development of the River Plate Basin (FONPLATA)	29	29
Nordic Development Fund (NDF)	26	26
Caribbean Development Bank (CDB)	20	20
Arab Monetary Fund (AMF)	14	251
Central Bank of West African States (BCEAO)	7	39
Nordic Investment Bank (NIB)	4	4
East African Development Bank (EADB)	4	4
Banque des Etats de l'Afrique Centrale (BDEAC)	1	4
Asian Development Bank (AsDB)	0	79
<b>Have not indicated intentions to provide relief under the HIPC Initiative</b>	<b>74</b>	<b>121</b>
Banque des Etats de l'Afrique Centrale (BEAC)	37	37
Economic Community of West African States (ECOWAS)	16	27
Eastern and Southern African Trade and Development Bank (PTA Bank)	9	9
Banque de Développement des Etats des Grands Lacs (BDEGL)	6	6
Conseil de L'Entente (FEGECE)	3	4
Fondo Centroamericano de Estabilización Monetaria (FOCEM)	2	2
Fund for Solidarity and Economic Development (FSID)	1	1
Arab Petroleum Investment Corporation (APICORP)	0	35

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

1/ Some of these creditors are providing relief on a case-by-case basis, and have yet to agree to participation in the entire HIPC Initiative. Moreover, for a few of these creditors, there have been significant delays in developing the modalities for the actual delivery of debt relief.

**Table 5A. HIPC Initiative: Status of Delivery of Assistance by the World Bank**  
(In millions of U.S. dollars, as of end-February, 2004)

Member	Total committed debt service reduction	Debt service reduction delivered 1/	Debt service reduction delivered (in percent of total committed reduction)
<b>Under the Original HIPC Initiative 2/</b>			
Bolivia 3/	65.4	65.4	100.0
Burkina Faso 4/	182.8	182.8	100.0
Guyana 4/	60.8	60.8	100.0
Mali 5/	78.6	78.6	100.0
Mozambique 6/	975.0	975.0	100.0
Uganda 6/	354.5	354.5	100.0
<b>Total Original HIPC</b>	<b>1,717.0</b>	<b>1,717.0</b>	<b>100.0</b>
<b>Under the Enhanced HIPC Initiative 7/</b>			
Benin	124.3	24.6	19.8
Bolivia 8/	221.8	21.9	9.9
Burkina Faso 9/	236.7	26.3	11.1
Cameroon 10/	265.6	63.9	24.1
Chad	106.7	14.2	13.3
Congo, Dem. Rep. Of 11/	1,031.2	18.2	1.8
Ethiopia	857.0	59.6	7.0
Gambia, The	31.8	6.5	20.6
Ghana	1,445.7	88.2	6.1
Guinea	233.6	34.7	14.9
Guinea Bissau	179.6	14.9	8.3
Guyana	72.0	6.6	9.1
Honduras 12/	179.8	36.8	20.5
Madagascar	436.7	49.9	11.4
Malawi	588.5	59.8	10.2
Mali	213.2	35.4	16.6
Mauritania	172.8	23.1	13.4
Mozambique	80.1	27.1	33.8
Nicaragua	382.6	24.4	6.4
Niger	301.7	32.0	10.6
Rwanda	404.8	43.0	10.6
São Tomé and Príncipe	44.9	3.6	8.1
Senegal	160.1	45.3	28.3
Sierra Leone	229.9	12.5	5.4
Tanzania	1,157.1	160.1	13.8
Uganda	629.1	57.5	9.1
Zambia	885.2	71.7	8.1
<b>Total Enhanced HIPC</b>	<b>10,672.5</b>	<b>1,061.9</b>	<b>9.9</b>
<b>Grand Total</b>	<b>12,389.5</b>	<b>2,778.9</b>	<b>22.4</b>

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

1/ Assistance is considered as provided: i) at the effective date of the purchase of IDA credits, provision of IDA grants or prepayment of IBRD loans; and ii) at the due date in the case of debt service reduction.

2/ Figures are from the respective Completion Point Documents, they include the reduction in interest payments associated with the cancellation of loans and the provision of grants instead loans.

3/ Assistance provided through the reduction of the debt service to IDA.

4/ Assistance provided through the purchase by the HIPC Trust Fund of selected IDA credits.

5/ Assistance provided through the purchase by the HIPC Trust Fund of selected IDA credits and the reduction of the debt service to IDA

6/ Assistance provided through the provision of IDA grants; the purchase by the HIPC Trust Fund of Selected IDA

credits and the reduction of the debt service to IDA

7/ Unless otherwise indicated, assistance to be provided through the reduction of the debt service to IDA.

8/ Since the Original HIPC Initiative covered a significant share of debt service to IDA until June 2002, Bolivia started to benefit from significant amounts of assistance under the Enhanced HIPC Initiative only in July 2002.

9/ Includes topping up assistance.

10/ Assistance to be provided through: i) IDA grants which would be used to cover 45 percent of IBRD debt service during the interim period; ii) an IDA credit to prepay all IBRD outstanding debt at the completion point; and iii) a reduction of IDA debt service falling due after the completion point.

11/ Corresponds to the assistance provided through the reduction of debt service payments to IDA on the disbursed and outstanding debt as of end-2002. This mechanism would provide a relief of US\$597 million in NPV terms. The remaining US\$223 million in NPV terms to cover the World Bank share of assistance under the HIPC Initiative was provided through the clearance of the arrears.

12/ Assistance to be provided through IDA grants and an IDA credit to prepay all IBRD outstanding debt at the completion point.

**Table 5B. HIPC Initiative: Estimated Delivery of World Bank Assistance, 2000-09**

(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Debt service before HIPC relief</b>										
Benin	11	12	15	16	17	19	20	21	22	23
Bolivia	18	21	24	25	27	28	31	32	36	38
Burkina Faso	13	15	19	20	20	22	23	23	24	25
Cameroon 1/	80	72	60	54	55	41	34	29	30	30
Congo, Dem. Rep. of	-	-	-	35	36	38	41	45	47	48
Chad	-	10	10	10	11	12	13	14	15	18
Ethiopia 1/	35	37	42	48	50	54	57	59	63	65
Gambia, The	4	4	4	4	5	5	5	6	6	6
Ghana	-	55	62	67	72	79	85	89	95	101
Guinea	20	22	22	24	25	26	29	30	33	35
Guinea-Bissau	4	5	5	6	6	7	7	7	7	8
Guyana	4	5	5	6	6	7	7	7	7	7
Honduras	49	36	33	29	22	21	20	17	16	7
Madagascar	28	30	31	33	35	37	40	44	47	48
Malawi	-	30	34	38	41	42	47	49	50	53
Mali	20	23	26	27	30	32	35	36	38	39
Mauritania	7	9	9	10	10	12	13	13	14	15
Mozambique	20	21	23	27	31	35	36	38	40	42
Nicaragua	12	7	10	11	13	15	16	16	18	21
Niger	13	14	15	16	17	17	20	22	24	24
Rwanda	12	14	16	17	18	19	21	21	22	23
São Tomé and Príncipe	-	1	2	1	1	2	2	2	2	2
Senegal	30	30	30	32	33	36	38	41	44	45
Sierra Leone	-	5	6	8	10	10	11	11	11	11
Tanzania 1/	45	54	60	63	70	74	74	79	88	90
Uganda 1/	33	39	45	53	62	72	73	74	92	93
Zambia	17	22	26	31	34	40	45	48	47	49
<b>TOTAL</b>	<b>474</b>	<b>593</b>	<b>632</b>	<b>709</b>	<b>757</b>	<b>801</b>	<b>839</b>	<b>871</b>	<b>937</b>	<b>966</b>
<b>Debt service after HIPC relief</b>										
Benin	7	6	8	9	9	11	11	12	13	13
Bolivia										
<i>after: original HIPC relief</i>	0	1	17	25	27	28	31	32	36	38
<i>enhanced HIPC relief</i>	0	0	9	12	13	14	15	16	18	19
Burkina Faso										
<i>after: original HIPC relief</i>	10	9	13	14	15	16	17	18	18	18
<i>enhanced HIPC relief</i>	7	2	6	7	7	8	9	9	9	9
<i>topping up</i>			6	6	6	7	7	7	7	7
Cameroon 1/	58	46	30	7	9	11	12	12	15	27
Congo, Dem. Rep. of	-	-	-	19	4	4	4	5	5	5
Chad	-	7	5	5	6	6	6	7	8	9
Ethiopia 1/	35	24	15	17	18	19	20	21	23	23
Gambia, The	4	2	2	2	2	3	3	3	3	3
Ghana	-	55	29	22	24	26	28	29	31	33
Guinea	20	11	11	12	12	13	14	15	17	18
Guinea-Bissau	4	-	-	0	1	1	1	1	1	1
Guyana										
<i>after: original HIPC relief</i>	2	3	4	4	4	5	5	5	5	5
<i>enhanced HIPC relief</i>	2	1	1	2	2	2	2	2	2	2
Honduras	39	18	9	3	1	1	1	1	1	1
Madagascar	28	15	16	16	17	18	20	22	23	24
Malawi	-	14	15	17	18	19	21	22	22	24
Mali										
<i>after: original HIPC relief</i>	18	19	22	24	26	29	31	33	34	36
<i>enhanced HIPC relief</i>	16	9	11	12	14	15	16	18	18	19
Mauritania	3	3	4	4	4	5	5	5	6	6
Mozambique										
<i>after: original HIPC relief</i>	9	10	10	13	14	16	16	17	18	20
<i>enhanced HIPC relief</i>	2	4	4	5	6	6	7	7	7	16
Nicaragua	12	1	2	3	3	3	3	3	4	5
Niger	13	5	5	5	6	6	7	7	8	8
Rwanda	12	2	2	2	2	2	2	2	3	3
São Tomé and Príncipe	-	-	-	-	0	0	0	0	0	0
Senegal	25	16	15	16	17	18	19	20	22	31
Sierra Leone	-	5	2	1	1	1	1	1	1	1

**Table 5B (concluded). HIPC Initiative: Estimated Delivery of World Bank Assistance, 2000-09**

(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Debt service after HIPC relief</b>										
Tanzania 1/	35	17	19	19	22	25	25	28	34	35
Uganda 1/ 2/										
<i>after: original HIPC relief</i>	16	19	25	33	54	64	65	66	83	83
<i>enhanced HIPC relief</i>	12	9	13	19	29	35	36	36	51	51
Zambia	17	4	4	5	5	6	7	7	7	8
<b>TOTAL</b>	<b>350</b>	<b>274</b>	<b>236</b>	<b>240</b>	<b>251</b>	<b>277</b>	<b>296</b>	<b>312</b>	<b>351</b>	<b>394</b>
<b>World Bank debt relief</b>										
Benin	3	6	7	8	8	8	9	9	9	10
Bolivia	18	21	15	13	13	14	15	16	18	19
<i>of which: original HIPC</i>	18	21	6	-	-	-	-	-	-	-
<i>enhanced HIPC</i>	-	0	9	13	13	14	15	16	18	19
Burkina Faso	6	13	13	14	15	16	16	16	17	18
<i>of which: original HIPC</i>	3	6	6	6	6	6	6	6	6	7
<i>enhanced HIPC</i>	3	7	7	7	8	9	9	9	9	9
<i>topping up</i>				1	1	1	2	2	2	2
Cameroon 1/	21	27	30	47	46	32	23	18	16	4
Congo, Dem. Rep. Of 3/	-	-	-	16	32	34	37	40	42	43
Chad	-	3	5	5	6	6	7	7	8	9
Ethiopia 1/	-	13	27	31	32	35	36	38	41	42
Gambia, The	-	2	2	2	2	2	3	3	3	3
Ghana	-	-	33	45	49	53	57	60	64	68
Guinea	-	11	11	12	12	13	14	15	16	18
Guinea-Bissau	1	5	5	5	5	6	6	6	7	7
Guyana	1	4	4	4	4	5	5	5	5	5
<i>of which: original HIPC 4/</i>	1	2	2	2	2	2	2	2	2	2
<i>enhanced HIPC</i>	0	2	2	2	3	3	3	3	3	3
Honduras	10	18	24	26	21	20	19	16	15	6
Madagascar	-	15	16	16	17	18	20	22	23	24
Malawi	-	17	19	21	23	23	26	27	28	30
Mali	4	13	14	15	16	17	18	19	19	20
<i>of which: original HIPC</i>	2	4	4	4	4	4	4	4	4	4
<i>enhanced HIPC</i>	2	10	11	11	12	14	15	15	16	16
Mauritania	5	6	6	6	7	7	8	8	9	9
Mozambique	18	17	18	22	25	29	29	31	33	26
<i>of which: original HIPC</i>	11	11	13	14	16	19	19	20	22	23
<i>enhanced HIPC 5/</i>	7	6	5	8	9	10	10	11	12	3
Nicaragua	-	6	8	8	10	12	13	13	14	15
Niger	-	9	10	10	11	12	14	15	16	16
Rwanda	-	12	14	15	16	17	18	19	19	20
São Tomé and Príncipe	-	1	2	1	1	1	1	2	2	2
Senegal	5	14	15	16	17	18	19	20	22	14
Sierra Leone	-	-	4	7	8	9	10	10	10	10
Tanzania 1/	10	38	41	44	48	49	49	52	54	55
Uganda 1/	21	29	32	34	33	37	37	37	41	42
<i>of which: original HIPC</i>	17	20	20	20	8	8	8	8	9	9
<i>enhanced HIPC</i>	4	10	12	14	25	29	29	29	32	33
Zambia	0	19	22	26	29	34	38	40	40	41
<b>TOTAL</b>	<b>122</b>	<b>318</b>	<b>395</b>	<b>470</b>	<b>508</b>	<b>527</b>	<b>546</b>	<b>563</b>	<b>590</b>	<b>575</b>
<b>Memorandum item</b>										
<b>Average Annual Debt Service Reduction 6/</b>	<b>26%</b>	<b>54%</b>	<b>63%</b>	<b>66%</b>	<b>67%</b>	<b>66%</b>	<b>65%</b>	<b>65%</b>	<b>63%</b>	<b>59%</b>

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

Note: All figures correspond to the projections in the Completion and Decision Point Documents.

1/ Figures correspond to the respective fiscal year period.

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

3/ Corresponds to the assistance provided through the reduction of debt service payments to IDA on the disbursed and outstanding debt as of end-2002.

4/ Figures from the Completion Point Document under the original HIPC.

5/ These numbers differ from those in the 2nd completion point document, as a new schedule of delivery was approved at end-January 2003.

6/ Weighted by each country's share in total debt service before HIPC.

**Table 6A. HIPC Initiative: Status of Commitments by the IMF**  
(In millions of SDRs, as of February 2004)

Member	Decision Point	Completion Point	Amount Committed	Amount Disbursed 1/
<b>Under the Original HIPC Initiative</b>				
Bolivia	Sep. 1997	Sep. 1998	21.2	21.2
Burkina Faso	Sep. 1997	Jul. 2000	16.3	16.3
Côte d'Ivoire 2/	Mar. 1998	--	16.7	--
Guyana	Dec. 1997	May. 1999	25.6	25.6
Mali	Sep. 1998	Sep. 2000	10.8	10.8
Mozambique	Apr. 1998	Jun. 1999	93.2	93.2
Uganda	Apr. 1997	Apr. 1998	51.5	51.5
<b>Total Original HIPC</b>			<b>235.3</b>	<b>218.6</b>
<b>Under the Enhanced HIPC Initiative</b>				
Benin	Jul. 2000	Mar. 2003	18.4	20.1
Bolivia	Feb. 2000	Jun. 2001	41.1	44.2
Burkina Faso 3/	Jul. 2000	Apr. 2002	16.7	18.1
Cameroon	Oct. 2000	Floating	28.5	5.5
Chad	May. 2001	Floating	14.3	7.2
Congo, Democratic Rep. 4/	Jul. 2003	Floating	228.3	1.1
Ethiopia	Nov. 2001	Floating	26.9	10.3
Gambia, The	Dec. 2000	Floating	1.8	0.1
Ghana	Feb. 2002	Floating	90.1	25.1
Guinea	Dec. 2000	Floating	24.2	5.2
Guinea-Bissau	Dec. 2000	Floating	9.2	0.5
Guyana	Nov. 2000	Dec. 2003	31.1	34.0
Honduras	Jun. 2000	Floating	22.7	4.5
Madagascar	Dec. 2000	Floating	16.6	5.0
Malawi	Dec. 2000	Floating	23.1	6.9
Mali	Sep. 2000	Mar. 2003	34.7	38.5
Mauritania	Feb. 2000	Jun. 2002	34.8	38.4
Mozambique	Apr. 2000	Sep. 2001	13.7	14.8
Nicaragua	Dec. 2000	Jan. 2004	63.5	63.5
Niger	Dec. 2000	Floating	21.6	6.7
Rwanda	Dec. 2000	Floating	33.8	10.0
São Tomé and Príncipe	Dec. 2000	Floating	--	--
Senegal	Jun. 2000	Floating	33.8	14.3
Sierra Leone	Mar. 2002	Floating	98.5	62.0
Tanzania	Apr. 2000	Nov. 2001	89.0	96.4
Uganda	Feb. 2000	May. 2000	68.1	70.2
Zambia	Dec. 2000	Floating	468.8	351.6
<b>Total Enhanced HIPC</b>			<b>1,553.3</b>	<b>954.2</b>
<b>Grand Total</b>			<b>1,788.6</b>	<b>1,172.8</b>

Source: IMF Finance Department; also available at [www.imf.org/external/fin.htm](http://www.imf.org/external/fin.htm).

1/ Includes interest on amounts committed under the Enhanced HIPC Initiative.

2/ Equivalent to the committed amount of US \$22.5 million at decision point exchange rates (3/17/98).

3/ Excludes commitment of additional enhanced HIPC assistance of SDR 10.93 million subject to receipt of satisfactory financing assurances from other creditors.

4/ Amount committed is equivalent to the remaining balance of the total IMF HIPC assistance of SDR 337.9 million, after deducting SDR 109.6 million representing the concessional element associated with the disbursement of a PRGF loan following the DRC's clearance of arrears to the IMF on June 12, 2002.



**Table 6B. HIPC Initiative: Estimated Delivery of IMF Assistance, 1998-2010 1/**  
(In millions of U.S. dollars)

	Actual						Projections						
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>IMF debt service before HIPC relief 2/</b>													
Benin	6	17	14	16	16	16	12	9	6	4	2	2	1
Bolivia	42	34	31	32	30	30	36	32	25	18	11	2	0
Burkina Faso	4	6	11	15	15	18	19	16	12	10	6	3	1
Cameroon	20	20	21	5	3	12	20	33	40	40	36	22	9
Chad	11	5	2	4	8	10	12	14	13	8	6	4	2
Congo, Democratic Rep. 3/	2	2	0	0	408	5	5	5	5	64	126	129	129
Ethiopia 4/	3	7	12	14	15	16	12	10	8	10	9	7	0
Gambia, The	5	4	2	1	0	0	1	2	3	3	3	2	1
Ghana	133	72	39	68	17	22	40	48	38	47	42	23	15
Guinea	10	8	9	13	13	16	21	20	15	14	8	3	1
Guinea Bissau	1	1	1	1	2	5	3	3	3	2	1	1	1
Guyana	22	22	26	17	17	17	18	16	14	9	5	2	0
Honduras	3	7	10	14	44	41	15	26	22	22	21	13	0
Madagascar	15	13	6	3	5	8	9	12	20	16	13	13	11
Malawi	26	22	10	8	8	10	13	14	11	8	6	3	1
Mali	12	13	19	24	29	29	29	25	18	12	8	4	1
Mauritania	8	10	12	15	18	19	16	13	9	6	2	2	0
Mozambique	25	32	31	29	24	21	21	23	21	16	11	4	0
Nicaragua	1	4	7	7	7	9	17	26	26	26	24	13	0
Niger	14	6	3	2	4	9	13	13	12	9	4	1	1
Rwanda	4	9	13	12	7	2	6	10	12	12	10	7	3
São Tomé and Príncipe	0	0	0	0	0	0	0	0	0	0	0	0	0
Sierra Leone	1	13	27	78	31	32	21	8	5	13	12	12	12
Senegal	63	34	25	31	30	39	48	42	32	22	13	9	3
Tanzania 4/	39	36	32	27	27	26	31	48	59	64	48	38	0
Uganda 4/	58	60	53	50	44	45	51	46	36	25	13	2	2
Zambia	9	9	9	222	220	222	219	220	5	4	3	1	0
<b>TOTAL</b>	<b>535</b>	<b>469</b>	<b>424</b>	<b>706</b>	<b>1041</b>	<b>677</b>	<b>709</b>	<b>732</b>	<b>469</b>	<b>486</b>	<b>445</b>	<b>324</b>	<b>193</b>
<b>IMF debt service after Enhanced HIPC Initiative relief 2/</b>													
Benin	6	17	11	11	11	10	7	6	5	2	2	2	1
Bolivia	36	23	21	23	19	21	18	18	18	17	11	2	0
Burkina Faso	4	6	8	8	9	4	2	3	7	8	6	3	1
Cameroon	20	20	20	4	3	12	14	24	30	33	30	15	9
Chad	11	5	2	2	5	6	8	11	11	7	6	4	2
Congo, Democratic Rep.	2	2	0	0	408	4	4	4	4	29	32	36	37
Ethiopia 4/	3	7	12	14	10	10	7	4	4	3	3	3	0
Gambia, The	5	4	2	1	0	0	1	2	2	2	2	2	1
Ghana	133	72	39	68	8	5	14	21	22	28	26	19	15
Guinea	10	8	9	10	12	14	11	10	11	11	8	3	1
Guinea Bissau	1	1	1	0	2	5	1	0	0	0	0	0	1
Guyana	22	15	17	6	10	8	5	4	5	4	3	2	0
Honduras	3	7	10	12	39	41	10	18	17	9	21	13	0
Madagascar	15	13	6	2	3	4	5	5	13	14	13	13	11
Malawi	26	22	10	5	8	8	5	7	5	1	4	2	1
Mali	12	13	18	17	19	18	16	13	10	6	4	4	1
Mauritania	8	10	7	7	7	8	7	8	4	4	2	2	0
Mozambique	25	18	0	2	6	9	7	7	5	5	5	3	0
Nicaragua	1	4	7	7	6	6	8	1	1	7	6	4	0
Niger	14	6	3	2	3	6	6	6	6	4	2	1	1
Rwanda	4	9	13	4	3	2	2	1	4	4	4	4	3
São Tomé and Príncipe	0	0	0	0	0	0	0	0	0	0	0	0	0
Sierra Leone	1	13	27	78	2	2	1	1	2	1	1	1	1
Senegal	63	34	23	26	25	32	34	28	24	22	13	9	3
Tanzania 4/	39	36	25	6	5	9	15	36	48	53	38	28	0
Uganda 4/	58	45	32	20	20	22	25	24	24	17	10	2	2
Zambia	9	9	9	71	67	70	113	109	5	4	3	1	0
<b>TOTAL</b>	<b>530</b>	<b>422</b>	<b>333</b>	<b>406</b>	<b>708</b>	<b>339</b>	<b>345</b>	<b>370</b>	<b>285</b>	<b>300</b>	<b>258</b>	<b>180</b>	<b>89</b>

**Table 6B (concluded). HIPC Initiative: Estimated Delivery of IMF Assistance, 1998-2010 1/  
(In millions of U.S. dollars)**

	Actual					Projections							
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>IMF Original and Enhanced HIPC Initiative assistance 5/</b>													
Benin	...	...	2	5	5	6	5	2	1	1	0	0	0
Bolivia	6	11	10	9	11	9	18	14	7	1	0	0	0
Burkina Faso	...	...	3	6	6	14	17	14	5	2	0	0	0
Cameroon	...	...	1	1	0	0	7	10	10	7	6	6	0
Chad	...	...	0	2	3	4	5	3	2	1	0	0	0
Congo, Democratic Rep.	...	...	...	...	...	1	2	2	2	35	95	94	92
Ethiopia 4/	...	...	...	...	5	5	6	6	4	7	6	4	0
Gambia, The	...	...	0	0	0	0	0	0	1	1	1	0	0
Ghana	...	...	...	...	9	17	26	27	15	19	16	4	0
Guinea	...	...	0	3	1	2	10	10	5	3	0	0	0
Guinea Bissau	...	...	0	1	0	0	2	2	3	2	1	0	0
Guyana	...	8	9	11	7	9	13	12	9	5	3	0	0
Honduras	...	...	0	1	5	0	5	8	5	12	0	0	0
Madagascar	...	...	0	1	2	4	4	7	7	2	0	0	0
Malawi	...	...	0	3	0	2	8	7	6	7	1	1	0
Mali	...	...	1	7	9	10	14	12	8	6	4	0	0
Mauritania	...	...	5	8	11	11	8	5	5	2	0	0	0
Mozambique	...	14	31	27	18	12	14	16	16	11	6	1	0
Nicaragua	...	...	0	0	1	2	9	25	25	19	18	9	0
Niger	...	...	0	1	1	4	7	7	6	5	2	0	0
Rwanda	...	...	0	9	4	0	3	8	8	8	6	3	0
São Tomé and Príncipe	...	...	0	0	0	0	0	0	0	0	0	0	0
Sierra Leone	...	...	...	...	30	30	19	7	3	12	11	11	11
Senegal	...	...	2	4	5	7	13	15	8	0	0	0	0
Tanzania 4/	...	...	7	21	22	16	16	12	12	11	11	10	0
Uganda 4/	...	15	21	29	24	22	26	22	12	8	2	0	0
Zambia	...	...	0	151	154	152	107	111	0	0	0	0	0
<b>TOTAL</b>	<b>6</b>	<b>47</b>	<b>91</b>	<b>300</b>	<b>333</b>	<b>338</b>	<b>364</b>	<b>362</b>	<b>184</b>	<b>186</b>	<b>187</b>	<b>144</b>	<b>103</b>
<i>Memorandum item:</i>													
<i>Average Annual Debt</i>													
<i>Service Reduction 6/</i>	1%	10%	21%	43%	32%	50%	51%	50%	39%	38%	42%	44%	54%

Sources: HIPC country documents and staff estimates.

1/ Under Original and Enhanced HIPC Initiative.

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

3/ The figures for 1998-2002 shown in the table represent actual payments made by the DRC to the IMF, including the settlement of its arrears on June 12, 2002.

4/ Fiscal year data.

5/ Using SDR/U.S. dollar exchange rate at the completion point (for original HIPC assistance) or at the decision point (for enhanced HIPC assistance). Includes projected investment income.

6/ Weighted average.

**Table 7. Status of Bilateral Donor Pledges to the HIPC Trust Fund  
(Nominal amounts as of February, 2004 in millions of U.S. dollars)**

Donor	Inception through end-September 2002				Since October 2002 3/			
	Commitments			Paid-in Contributions Including EC- ACP Contribution	Commitments			Paid in Contributions
	EC-ACP Contribution	Bilateral	Total		EC-ACP Contribution 4/	Bilateral	Total	
Australia		14	14	14				
Austria	18	26	44	44	6		6	
Belgium	26	20	46	46	10	9	18	
Canada		114	114	114		51	51	51
Denmark	15	45	60	60	5	15	20	4
Finland	10	25	35	35	3	13	16	13
France	166	21	187	187	60	11	71	
Germany	160	72	232	232	58	43	101	
Greece	9	3	12	12	3	2	5	2
Iceland		2	2	2		1	1	
Ireland	4	20	24	24	1		1	
Italy	86	70	156	156	31	31	61	
Japan		200	200	200		56	56	19
Korea						10	10	10 5/
Luxembourg	2	1	3	2	1		1	
Netherlands 1/	36	138	174	174	13	56	68	
New Zealand		2	2	2				
Norway		80	80	80		47	47	47
Portugal	7	15	22	22	2		2	
Russian Federation						10	10	10
Spain	40	85	125	125	15	25	40	
Sweden	19	58	77	77	6	26	32	
Switzerland		60	60	60		33	33	33
United Kingdom 2/	88	221	309	261	32	95	127	
United States		600	600	600		150	150	
<i>EC-ACP Contributions</i>	<i>685</i>	<i>685</i>			<i>246</i>	<i>246</i>		<i>126</i>
<b>Total</b>	<b>685</b>	<b>2,575</b>	<b>2,575</b>	<b>2,527</b>	<b>246</b>	<b>928</b>	<b>928</b>	<b>315</b>
Memo: Total contributions less contributions earmarked for IDA	<b>685</b>	<b>2,515</b>	<b>2,515</b>		<b>246</b>	<b>928</b>	<b>928</b>	<b>315</b>

Source: IDA

**Note:** Many donors have also provided debt relief through other initiatives and mechanisms including: the Debt Reduction Facility for IDA-only Countries (providing financing for commercial debt reduction efforts), specific country-held multilateral debt relief facilities and the Central American Emergency Trust Fund. Bilateral donor funding for such measures has been (in US\$ million) of: Spain-US\$30; Norway-US\$15.3; Netherlands-US\$12.8; Switzerland-US\$18.3; Italy-US\$12; United Kingdom-US\$16.3; Austria-US\$2.7; Canada-US\$5.4; Germany-US\$13.2; Sweden-US\$23.4; United States-US\$25; and Denmark-US\$10.9 (through a bilateral trust fund administered by IDB). These resources are not included herewith as the debt relief under HIPC is additional to these efforts. Figures in the table might not add up due to rounding.

1/ In addition, the Netherlands provided US\$20 million for debt relief provided by the IMF to Zambia over and above the debt relief called for under the HIPC Debt Initiative. This amount is not included in the contribution amount presented above.

2/ In addition, the United Kingdom contributed SDR31.5 million to the HIPC Trust Fund for the IMF for debt relief to Uganda. This amount is not included in the contribution amount presented above.

3/ These figures correspond to the Chairman's Summary of HIPC Technical Meeting of Oct. 24, 2002, adjusted to take into account the new EC-ACP contributions that were included as part of the EU Member States pledges. The bilateral attribution is based on each donor's share in EDF9. Subsequent contributions include Greece (EUR3 million), Korea (\$10 million) and Russia (\$10 million). Many donors linked the level of their additional pledges to specific funding gap estimates. In addition, a number of donors have increased the amount of their pledges including Canada, Finland, Norway, and the UK.

4/ On May 16, 2003, the ACP-EU Council bringing together Ministers from African, Caribbean, and Pacific countries and EU Member States approved a new contribution to the HIPC Trust Fund of EUR 200 million (\$246 million). This contribution is funded from resources already allocated to EU-ACP co-operation through the 8th and 9th European Development Fund.

5/ Promissory notes with encashment schedule.

**Table 8A. HIPC Initiative: Estimated Paris Club Costs, by Creditor Country**  
(In millions of U.S. dollars, in 2003 NPV terms)

	Total (27 countries)	Benin	Bolivia	Burkina Faso	Cameroon	Chad	Dem. Rep. Congo	Ethiopia	The Gambia	Ghana	Guinea	Guinea- Bissau	Guyana	Honduras
<b>Total</b>	<b>12,974</b>	<b>74</b>	<b>479</b>	<b>26</b>	<b>992</b>	<b>16</b>	<b>3,457</b>	<b>442</b>	<b>6</b>	<b>868</b>	<b>175</b>	<b>173</b>	<b>205</b>	<b>194</b>
Australia	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Austria	418	-	34	3	200	0	44	3	3	9	4	-	-	-
Belgium	652	-	30	-	88	-	444	2	-	2	3	5	-	-
Brazil	362	-	-	-	-	-	1	-	-	-	4	8	-	-
Canada	219	-	0	-	72	-	23	0	-	17	-	-	1	7
Denmark	31	-	1	-	25	-	-	-	-	-	-	-	1	5
Finland	13	-	-	-	1	-	-	0	-	7	-	-	-	-
France	2,070	35	30	10	311	14	558	1	1	77	58	6	1	20
Germany	1,502	3	126	-	123	0	251	16	-	72	2	2	3	5
Israel	14	-	-	-	-	-	-	-	-	-	-	-	-	-
Italy	1,045	-	-	5	74	2	134	66	-	24	9	86	-	8
Japan	2,019	-	147	-	0	-	539	5	-	426	9	-	1	75
Netherlands	423	9	24	5	7	0	210	0	-	62	-	-	4	3
Norway	71	24	-	-	-	-	10	-	2	-	7	-	-	0
Portugal	218	-	-	-	-	-	-	-	-	-	-	57	-	-
Russia	1,058	-	-	1	-	0	-	328	-	-	67	6	2	-
South Africa	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Spain	331	-	34	2	2	-	1	-	-	37	3	3	-	18
Sweden	126	-	-	-	32	-	55	3	-	24	-	-	-	-
Switzerland	50	-	-	-	23	-	10	-	-	-	-	-	-	2
Trinidad and Tobago	130	-	-	-	-	-	-	-	-	-	-	-	130	-
United Kingdom	807	4	32	1	24	-	93	14	-	104	2	-	58	-
United States	1,413	-	23	-	12	-	1,084	4	-	8	8	-	3	52

**Table 8A (concluded). HIPC Initiative: Estimated Paris Club Costs, by Creditor Country**

(In millions of U.S. dollars, in 2003 NPV terms)

	Madagascar	Malawi	Mali	Mauritania	Mozam- bique	Nicara- gua	Niger	Rwanda	Sao Tome and Principe	Senegal	Sierra Leone	Tanzania	Uganda	Zambia
<b>Total</b>	<b>441</b>	<b>149</b>	<b>130</b>	<b>158</b>	<b>1,198</b>	<b>1,002</b>	<b>121</b>	<b>40</b>	<b>23</b>	<b>145</b>	<b>197</b>	<b>868</b>	<b>138</b>	<b>1,255</b>
Australia	-	-	-	-	-	0	-	-	-	-	-	-	-	-
Austria	16	8	-	49	10	1	-	5	-	-	0	17	5	7
Belgium	15	-	-	-	-	-	2	-	0	1	10	51	-	-
Brazil	-	-	-	23	161	45	-	-	-	-	-	69	-	51
Canada	14	-	-	-	-	-	-	5	-	1	-	27	-	52
Denmark	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finland	-	-	-	-	-	-	-	-	-	-	-	-	5	-
France	124	4	76	30	199	48	94	23	2	106	16	58	21	146
Germany	34	-	-	3	115	273	-	-	5	0	9	42	1	418
Israel	1	-	-	-	-	1	-	-	-	-	-	-	13	-
Italy	64	-	0	0	281	63	-	-	6	7	25	57	59	74
Japan	57	132	4	4	36	-	1	5	-	0	66	330	5	176
Netherlands	-	-	2	23	-	5	-	-	-	5	19	45	-	0
Norway	-	-	-	-	-	-	-	-	-	11	6	6	5	-
Portugal	-	-	-	-	155	-	-	-	6	-	-	-	-	-
Russia	44	-	41	-	111	393	-	-	1	-	-	58	-	3
South Africa	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Spain	39	3	-	14	7	141	8	-	2	13	0	0	5	-
Sweden	6	-	-	-	6	-	-	-	-	-	-	-	-	-
Switzerland	2	-	-	-	-	2	-	-	-	-	11	-	-	-
Trinidad and Tobago	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United Kingdom	13	-	6	8	91	1	10	-	-	0	3	99	18	226
United States	11	-	0	3	26	29	6	1	-	1	30	11	1	102

Sources: HIPC documents; and staff estimates.

**Table 8B. HIPC Initiative: Paris Club Debt Relief 1/  
Status as of February 2004**

Country	Date of Enhanced Decision/ Completion Point	Interim Relief Provided?	Topping up or New Rescheduling	Date of Paris Club Rescheduling	Comments
<b>1. Enhanced completion point reached</b>					
<b>Benin</b>	Jul-00 / Mar-03	yes	new rescheduling	23-Apr-03	Paris Club stock operation on Cologne terms.
<b>Bolivia</b>	Feb-00 / Jun-01	yes	new rescheduling	10-Jul-01	Paris Club stock operation on Cologne terms. No interim relief beyond original HIPC relief from the Paris Club.
<b>Burkina Faso</b>	Jul-00 / Apr-02	yes	topping up	19-Jun-02	As the decision point under the enhanced HIPC Initiative and the completion point under the original framework were reached on the same day, creditors did not grant a stock operation but a flow rescheduling on Lyon terms. After Burkina Faso reached completion point, creditors agreed to a stock operation on Cologne terms, and, in principle, to provide topping-up relief. In December 2002, it was agreed that the share in topping-up would take account of any additional bilateral debt relief.
<b>Guyana</b>	Nov-00 / Dec-03	no	new rescheduling	14-Jan-04	Paris Club and Trinidad and Tobago stock operation on Cologne terms. The majority of Paris Club creditors (Denmark, France, Germany, the Netherlands, and the UK) offered to provide complete write-off of their debts.
<b>Mali</b>	Sep-00 / Mar-03	yes	new rescheduling	12-Mar-03	Paris Club stock operation on Cologne terms.
<b>Mauritania</b>	Feb-00 / Jun-02	yes	new rescheduling	8-Jul-02	Paris Club stock operation on Cologne terms.
<b>Mozambique</b>	Apr-00 / Sep-01	yes	new rescheduling	20-Nov-01	Paris Club stock operation on Cologne terms.
<b>Nicaragua</b>	Dec-00 / Jan-04	yes	new rescheduling	4-Mar-04	Paris Club and Costa Rica stock operation on Cologne terms.
<b>Tanzania</b>	Apr-00 / Nov-01	yes	new rescheduling	14-Jan-02	Paris Club stock operation on Cologne terms. In a side letter Japan agreed to a deferral over three years of maturities due under the 1997 rescheduling in light of the continuing delays in signing bilateral agreements.
<b>Uganda</b>	Feb-00 / May-00	yes	new rescheduling	11-Sep-00	Paris Club stock operation on Cologne terms. No interim relief from the Paris Club beyond original HIPC relief because of the short time period between decision and completion points.
<b>2. Other retroactive cases</b>					
<b>2a. No assistance under original framework</b>					
<b>Senegal</b>	Jun-00	yes	topping up	24-Oct-00	70 percent of payments falling on non-ODA due between July 12, 2000 and April 19, 2002 on the 1995 Naples flow rescheduling and the 1998 Naples stock operation were canceled or rescheduled. In the case of creditors that rescheduled, moratorium interest on the rescheduling was capitalized. At the completion point the rescheduled amounts and capitalized moratorium interest will be treated so as to secure comparable treatment with the creditors that cancelled debt. In April 2003, Paris Club decided to extend the terms of the 1998 Paris Club agreement to cover the period of the arrangement until the time of the expected completion point around the end of 2003. In January 2002, Paris Club creditors agreed to extend the consolidation period for about six months.
<b>3. New decision point cases</b>					
<b>Cameroon</b>	Oct-00	yes	new rescheduling	24-Jan-01	Arrears on pre-cutoff date debt accumulated during October–December 2000 and all maturities on pre-cutoff date debt falling due during January 2001–December 2003 were rescheduled on Cologne terms. Arrears outstanding at end-September were rescheduled on Naples terms. In December 2003, creditors extended the consolidation period in line with the extension of the PRGF and agreed on the entry into force of the third phase under the 2001 Agreed Minute.
<b>Chad</b>	May-01	yes	new rescheduling	12-Jun-01	Arrears on pre-cutoff date debt at April 30, 2001 were rescheduled on Naples terms. Maturities on all pre-cutoff date debt falling due during May 2001–March 2003 were rescheduled on Cologne terms. In April 2003, the Paris Club decided to extend the consolidation period until the end of the current PRGF arrangement.
<b>Democratic Republic of Congo</b>	Jul-03	yes	topping up	17-Nov-03	Paris Club rescheduling on Naples terms covering the period from 1 July 2002 up to 30 June 2005. In November 2003, Paris Club creditors agreed to top-up their debt relief to Cologne terms, following the DRC's reaching of the decision point.
<b>Ethiopia</b>	Nov-01	yes	topping up	18-Apr-02	Paris Club agreed to provide a topping up to Cologne terms from existing Naples terms. In January 2004, creditors agreed to see Ethiopia for a rescheduling in May provided that the Board meetings of the Fund and the Bank take place by that time.

**Table 8B (concluded). HIPC Initiative: Paris Club Debt Relief 1/  
Status as of February 2004**

Country	Date of Enhanced Decision Point	Interim Relief Provided?	Topping up or New Rescheduling	Date of Paris Club Rescheduling	Comments
<b>Gambia, The</b>	Dec-00	yes	n.a.	9-Jan-03	Paris Club provided a Cologne flow rescheduling on the maturities falling due from July 17, 2002 to July 17, 2005. Given the absence of Fund program, in October 2003, creditors agreed to send a letter informing the authorities of the non-entry into force of the second phase of the consolidation period under the January 2003 Agreed Minute.
<b>Ghana</b>	Feb-02	yes	new rescheduling	16-May-02	Creditors established a new cut-off date, thus increasing the amounts treated concessionally, and agreed to a flow rescheduling of arrears and maturities on pre-cut-off date debt, under Cologne terms through the end of PRGF in Nov. 2002. In March 2003, creditors extended the consolidation period under the May 2002 Agreed Minute to April 2004 in anticipation of a new PRGF and to provide financing assurances for that program.
<b>Guinea</b>	Dec-00	yes	new rescheduling	15-May-01	Maturities on pre-cut-off, non-ODA debt falling due during December 2000–March 2004 were rescheduled on Cologne terms (90 percent debt reduction). Arrears on pre-cut-off date debt outstanding at end-November 2000 were rescheduled on Naples terms. In June 2003, Paris Club creditors agreed that in the absence of a Fund supported program the third phase of the 2001 Agreed Minute will not enter into force.
<b>Guinea-Bissau</b>	Dec-00	yes	new rescheduling	26-Jan-01	Maturities on pre-cut-off date debt falling due during December 2000–December 2003 were rescheduled on Cologne terms (except the payments on a deferral in the context of the 1995 agreement, which were deferred again on nonconcessional terms). Arrears on pre-cut-off date debt were rescheduled on Naples terms. Given the absence of a Fund program, in January 2003, creditors decided on the explicit non-entry into force of the phase envisioned under the Agreed Minute.
<b>Honduras</b>	Jul-00	yes	n.a. - see comments	13-Apr-99	Given the fact that Honduras had been granted a total payment deferral during November 1998–March 2002 following Hurricane Mitch, creditors considered that interim relief had already been provided to Honduras. [Creditors agreed to reschedule Honduras' debt on Cologne terms in the context of a new PRGF agreement approved in February 2004.]
<b>Madagascar</b>	Dec-00	yes	new rescheduling	7-Mar-01	Maturities on all pre-cut-off date debt falling due during December 2000–February 2004 were rescheduled on Cologne terms. In October 2003, creditors agreed to extend the consolidation period from February to November 2004 in line with the extension of the PRGF.
<b>Malawi</b>	Dec-00	yes	new rescheduling	25-Jan-01	Maturities on all pre-cut-off date debt falling due during December 2000–December 2003 were rescheduled on Cologne terms. Also, creditors moved the cutoff date from January 1, 1982 to January 1, 1997, which made all of Malawi's debt pre-cut-off date debt. Given Malawi's off-track performance, in January 2003, creditors decided on the explicit non-entry into force of the phase envisioned under the 2001 Agreed Minute. In November 2003, creditors agreed to extend the consolidation period in line with the extension of the PRGF.
<b>Niger</b>	Dec-00	yes	new rescheduling	25-Jan-01	Maturities on all pre-cut-off date debt falling due during December 2000–December 2003 were rescheduled on Cologne terms. Arrears on pre-cut-off date debt were rescheduled on Naples terms. Arrears on post-cut-off date debt received varying levels of debt reduction. In January 2004, creditors agreed to see Niger for a rescheduling in March provided that the Board meetings of the Fund and the Bank take place by that time.
<b>Rwanda</b>	Dec-00	yes	topping up	TOR	The April 2000 Paris Club rescheduling agreement on Naples terms was topped up to Cologne terms (by mail) for the period December 2000–April 2002, which was subsequently extended until end-June 2004.
<b>São Tomé and Príncipe</b>	Dec-00	to be provided	topping up	TOR	The Paris Club agreed in May 2000 to a rescheduling on Naples terms. However, phases 2 and 3 covering the period from May 2001 until April 2003 did not take effect because of PRGF interruptions.
<b>Sierra Leone</b>	Mar-02	yes	topping up	10-Jul-02	The October 2001 Paris Club rescheduling on Naples terms was topped up to Cologne terms after Sierra Leone reached the decision point, covering maturities falling due on pre-cut-off date debt during March 2002– Sep. 2004.
<b>Zambia</b>	Dec-00	yes	topping up	13-Sep-02	The April 1999 Paris Club rescheduling agreement on Naples terms was topped up to Cologne terms, covering maturities on pre-cut-off date debt falling due during Jan 2001–March 2003. In June 2003, Paris Club agreed to provide financing assurances for Zambia. Creditors agreed to extend the consolidation period once a new PRGF arrangement is approved.

Source: Paris Club Secretariat.

1/ For the 27 countries that have already reached the decision point under the Enhanced HIPC Initiative.

**Table 9A. HIPC Initiative: Estimated Non-Paris Club Official Bilateral Creditors' Costs, by Creditor Country**

(In millions of U.S. dollars, in 2003 NPV terms)

	Total: (27 countries)	Benin	Bolivia	Burkina Faso	Cameroon	Chad	Dem. Rep. Congo	Ethiopia	The Gambia	Ghana, The	Guinea	Guinea- Bissau	Guyana	Honduras
<b>Non-Paris Club official bilateral</b>	<b>3,386.7</b>	<b>14.6</b>	<b>22.1</b>	<b>71.0</b>	<b>15.3</b>	<b>21.9</b>	<b>219.4</b>	<b>87.8</b>	<b>14.6</b>	<b>35.3</b>	<b>71.3</b>	<b>70.2</b>	<b>31.9</b>	<b>50.6</b>
Algeria	210.3			1.3				2.8				4.1		
Angola	27.7											6.1		
Argentina	<b>4.4</b>	<b>2.7</b>											<b>1.8</b>	
Brazil	8.1		5.8										<b>2.3</b>	
Bulgaria	99.1							8.7			1.3		0.2	
Burundi 1/	1.3						1.1							
Cameroon 1/	0.0					0.0								
Cape Verde 1/	0.2													
China	297.7	<b>5.0</b>	9.6	2.0	<b>5.6</b>	3.9	27.1	<b>8.7</b>	2.6	<b>9.6</b>	<b>9.4</b>	<b>1.1</b>	4.8	
Colombia	4.2													4.2
Costa Rica	435.2													5.4
Côte d'Ivoire	<b>11.2</b>			<b>10.5</b>		0.0								
Cuba	2.2											<b>0.4</b>	0.2	
Czech Republic	6.1													
Congo, Dem. Rep. of 1/	0.3	0.3												
Egypt	11.0						7.3				<b>3.5</b>			
Former Yugoslavia	91.0						29.5	21.3			1.6		0.2	
Guatemala 2/	<b>413.5</b>													
Honduras	<b>112.0</b>													<b>5.7</b>
Hungary	14.9							<b>1.9</b>						
India	34.4									<b>1.0</b>			<b>0.9</b>	
Iran	62.3													
Iraq	91.1										0.7			
Israel 1/	14.5					0.1	14.4							
Kuwait	308.0	<b>6.0</b>		<b>16.2</b>	<b>6.5</b>	<b>5.6</b>	33.1	4.1	1.3	<b>12.2</b>	<b>18.5</b>	14.6	7.4	<b>7.3</b>





**Table 9A (continued). HIPC Initiative: Estimated Non-Paris Club Official Bilateral Creditors' Costs, by Creditor Country**

(In millions of U.S. dollars, in 2003 NPV terms)

	Madagascar	Malawi	Mali	Mauritania	Mozambique	Nicaragua	Niger	RwandaSao Tome and Prine	Senegal	Sierra Leone	Tanzania	Uganda	Zambia	
<b>Non-Paris Club official bilateral</b>	<b>81.7</b>	<b>16.8</b>	<b>62.2</b>	<b>142.7</b>	<b>270.3</b>	<b>1,436.5</b>	<b>120.1</b>	<b>24.1</b>	<b>11.3</b>	<b>98.4</b>	<b>42.8</b>	<b>220.1</b>	<b>69.1</b>	<b>64.5</b>
Algeria	14.4		4.4	21.3	109.4	20.8	8.7		0.4	2.0	20.5			
Angola	0.6				12.9				7.0		1.1			
Argentina														
Brazil														
Bulgaria					7.5	69.5					10.4		1.5	
Burundi 1/												0.2		
Cameroon														
Cape Verde 1/									0.2					
China	7.1		21.2	19.3	6.4	3.3	4.7	4.6	2.2	16.0	31.5	43.0	12.3	36.9
Colombia														
Costa Rica						429.8								
Côte d'Ivoire			0.7											
Cuba					1.6									
Czech Republic						5.1					0.9		0.1	
Congo, Dem. Rep. of 1/														
Egypt											0.2			
Former Yugoslavia					1.0	4.5			1.5		20.5		10.9	
Guatemala 2/						407.9								
Honduras						112.0								
Hungary					4.5	5.6					2.9			
India					2.4	1.4					9.3	8.7	10.7	
Iran						32.8					29.5			
Iraq	26.8		3.0	20.7	21.3		0.0			0.0	18.0	0.0	0.4	
Israel														
Kuwait	4.3	1.5	7.6	30.0	21.4		21.2	8.7		36.6	8.0	23.9	11.9	

**Table 9A (concluded). HIPC Initiative: Estimated Non-Paris Club Official Bilaterals' Costs, by Creditor Country**

(In millions of U.S. dollars, in 2003 NPV terms)

	Madagascar	Malawi	Mali	Mauritania	Mozambique	Nicaragua	Niger	Rwanda	Sao Tome and Prine	Senegal	Sierra Leone	Tanzania	Uganda	Zambia
Libya	25.2		1.3	12.0	34.8	65.4	11.6	0.4				23.0	17.3	
Mexico						47.6								
Morocco											2.4			
Namibia														
Niger 1/ Nigeria													1.8	
Oman					0.2					1.4				
Pakistan														1.9
People's Democratic Republic of Korea						1.9						0.2	5.8	
Peru						8.7								
Poland						6.7						1.8		
Republic of Korea					4.0									1.9
Romania												0.0		3.9
Rwanda					29.7								0.6	
Saudi Arabia	2.5		18.3	35.0			23.8	9.4		24.9	0.9	8.0	2.6	0.1
Senegal														
Slovak Republic						22.3								
South Africa					8.7									
Taiwan Province of China		15.3			4.4	137.2	47.8			13.0			3.7	
Tanzania														
Thailand 1/ Togo														
United Arab Emirates 3/ Venezuela	0.8		5.7	4.5		54.2	2.2	1.0		4.5		6.5	0.4	
Zambia 1/ Zimbabwe 1/												0.2	0.1	

Sources: HIPC country documents; and IMF staff estimates.

Note: Figures surrounded by a box indicate some relief has been delivered. Numbers in bold indicate commitment to deliver debt relief.

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

2/ Guatemala's claims on Nicaragua were taken over by Spain in a debt swap. Spain has agreed to provide HIPC relief to Nicaragua on those claims.

3/ Includes Abu Dhabi.

**Table 9B. HIPC Initiative: Assistance by Non-Paris Club Creditors**  
**Status as of February 2004**  
(In millions of U.S. dollars, 2003 NPV terms)

Creditor country	Total costs	Percent of total costs
		(In percent)
<b>I. Delivered debt relief on all claims on HIPCs:</b>		
Argentina	4.4	0.1
Brazil 1/	8.1	0.2
Rwanda	30.5	0.9
Slovak Republic	22.3	0.7
South Africa 1/	8.7	0.3
Tanzania	3.7	0.1
Total	77.7	2.3
<b>II. Committed to deliver debt relief on all claims on HIPCs:</b>		
Cote d'Ivoire	11.2	0.3
Honduras	112.0	3.3
Hungary	14.9	0.4
India 2/	34.4	1.0
Libya	231.3	6.8
Mexico	58.4	1.7
Morocco	5.4	0.2
Oman	1.8	0.1
Pakistan	4.3	0.1
Republic of Korea	10.2	0.3
Total	483.9	14.3
<b>III. Committed to provide debt relief on some, but not all, claims on HIPCs: 3/</b>		
Algeria	210.3	6.2
Bulgaria	99.1	2.9
China	297.7	8.8
Costa Rica	435.2	12.8
Cuba	2.2	0.1
Czech Republic	6.1	0.2
Egypt	11.0	0.3
Guatemala 4/	413.5	12.2
Kuwait	308.0	9.1
Poland	12.8	0.4
Saudi Arabia	196.8	5.8
United Arab Emirates 5/	87.5	2.6
Venezuela	61.8	1.8
Total	2,141.9	63.2
<b>IV. Not yet committed to deliver HIPC relief: 6/</b>		
Angola	27.7	0.8
Burundi	1.3	0.0
Cameroon 7/	0.0	0.0
Cape Verde 7/	0.2	0.0
Colombia	4.2	0.1
Congo, Dem. Rep. of 7/	0.3	0.0
Former SFR Yugoslavia	91.0	2.7
Iran	62.3	1.8
Iraq	91.1	2.7
Israel 1/	14.5	0.4
Namibia	0.5	0.0
Niger 7/	0.3	0.0
Nigeria	1.8	0.1
People's Democratic Republic of Korea	20.7	0.6
Peru	8.7	0.3
Romania	9.5	0.3
Senegal 7/	0.0	0.0
Taiwan Province of China	343.7	10.1
Thailand	0.5	0.0
Togo 7/	0.0	0.0
Zambia 7/	4.8	0.1
Zimbabwe 7/	0.1	0.0
Total	683.3	20.2
<b>Grand Total</b>	<b>3,386.7</b>	<b>100.0</b>

Sources: HIPC country documents, country authorities; and staff estimates.

1/ Some claims have been dealt with in the context of the Paris Club.

2/ In June 2003, India announced its intention to write off all claims on HIPCs. However, most bilateral agreements have not yet been finalized or signed.

3/ In many cases, commitments to provide relief may only materialize at the completion point of the debtor countries.

4/ Guatemala's claims on Nicaragua were taken over by Spain in a debt swap. Spain has agreed to provide HIPC relief to Nicaragua on those claims.

5/ Includes Abu Dhabi.

6/ Including no information received by the staffs of the World Bank and the International Monetary Fund.

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

**Table 10A. Summary of Debt Service for the 27 HIPCs that have Reached Decision Point**

(In millions of US dollars, unless otherwise indicated)

	1998	1999	2000	2001	2002	2003	2004	2005	2006
	Actual					Preliminary	Projected		
<b>African Countries</b>									
Debt service paid	2,632.6	2,451.0	2,425.2	1,773.3	1,718.8	1,939.0			
Total debt service due after enhanced HIPC Initiative relief 1/							2,049.7	1,915.4	1,992.5
Ratio of debt service to exports (in percent) 2/	16.0	14.5	14.3	9.8	9.3	9.0	8.4	7.2	7.0
Ratio of debt service to government revenue (in percent) 2/	24.2	22.7	23.6	16.4	14.1	13.3	12.2	10.4	9.8
Ratio of debt service to GDP (in percent) 2/	3.4	3.1	3.3	2.3	2.1	2.0	2.0	1.7	1.6
<b>Latin American Countries</b>									
Debt service paid	1,063.4	728.3	706.1	677.5	700.4	789.6			
Total debt service due after enhanced HIPC Initiative relief 1/							661.1	618.5	800.9
Ratio of debt service to exports (in percent) 2/	19.9	14.4	12.6	12.2	12.4	12.8	10.1	9.1	11.2
Ratio of debt service to government revenue (in percent) 2/	28.3	19.3	17.4	16.8	17.5	19.2	14.9	13.2	15.9
Ratio of debt service to GDP (in percent) 2/	6.3	4.6	3.7	3.5	3.7	4.0	3.3	2.9	3.6
<b>Total (27 countries)</b>									
Debt service paid	3,696.0	3,179.3	3,131.3	2,450.8	2,419.2	2,728.5			
Debt service due after enhanced HIPC Initiative relief 1/							2,710.8	2,533.8	2,793.5
<b>Weighted average (27 countries)</b>									
Debt service/exports (in percent)	16.9	14.5	13.9	10.4	10.0	9.8	8.7	7.6	7.9
Debt service/government revenue (in percent)	25.2	21.8	21.8	16.5	14.9	14.6	12.8	10.9	11.0
Debt service/GDP (in percent)	3.9	3.4	3.4	2.5	2.4	2.4	2.2	1.9	1.9

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

1/ The debt service figures for 2000 largely reflect pre-HIPC relief debt service because many countries did not reach their decision point until late in 2000 or later. Thus, the full impact of relief for them will not be felt until 2001 and thereafter. See Table 5 for a detailed breakdown.

2/ Weighted averages.

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

**Table 10B. Debt Service for HIPCs that have Reached Decision Point, by Country, 1998-2006**  
(In millions of US dollars, unless otherwise indicated)

	1998	1999	2000	2001	2002	2003	2004	2005	2006
	Actual					Preliminary	Projected		
<b>Benin</b>									
Debt service paid	64.1	66.0	54.5	36.2	36.8	45.0			
Debt service due after enhanced HIPC Initiative relief 1/							39.4	43.1	47.0
Debt service/exports (in percent)	16.1	17.1	15.8	10.0	9.9	9.2	6.3	6.7	6.7
Debt service/government revenue (in percent)	17.1	17.3	14.6	9.4	8.0	7.6	5.4	5.3	5.3
Debt service/GDP (in percent)	2.8	2.8	2.4	1.5	1.4	1.3	0.9	0.9	0.9
<b>Bolivia</b>									
Debt service paid	390.0	249.4	268.3	260.5	274.9	399.1			
Debt service due after enhanced HIPC Initiative relief 1/ 2/							325.9	305.6	467.5
Debt service/exports (in percent)	28.6	19.0	18.3	17.1	17.6	21.4	16.7	15.9	23.7
Debt service/government revenue (in percent)	19.2	12.7	13.7	14.1	15.6	23.7	17.7	15.6	21.7
Debt service/GDP (in percent)	4.5	3.0	3.2	3.3	3.5	5.1	4.1	3.6	5.3
<b>Burkina Faso</b>									
Debt service paid	57.1	60.6	57.4	35.3	44.0	51.0			
Debt service due after enhanced HIPC Initiative relief 1/							45.0	45.0	51.0
Debt service/exports (in percent)	17.7	23.9	24.2	13.6	16.1	13.1	9.4	8.4	9.0
Debt service/government revenue (in percent)	15.7	15.8	18.6	11.4	11.8	9.8	6.7	6.0	5.9
Debt service/GDP (in percent)	2.0	2.2	2.2	1.3	1.4	1.2	0.9	0.8	0.8
<b>Cameroon 3/ 4/</b>									
Debt service paid	401.0	401.0	437.2	260.9	223.1	279.5			
Debt service due after enhanced HIPC Initiative relief 1/ 5/							283.5	313.1	330.2
Debt service/exports (in percent)	18.0	14.6	16.1	9.6	8.2	9.2	9.5	10.4	10.7
Debt service/government revenue (in percent)	28.0	24.1	26.3	14.9	11.7	12.0	11.5	12.2	12.2
Debt service/GDP (in percent)	4.0	4.4	4.9	3.1	2.3	2.3	2.1	2.3	2.2
<b>Chad 4/</b>									
Debt service paid	26.0	29.6	33.5	14.3	32.3	52.8			
Debt service due after enhanced HIPC Initiative relief 1/							48.0	45.3	53.4
Debt service/exports (in percent)	8.0	12.3	14.0	5.6	13.2	9.4	2.7	2.2	2.8
Debt service/government revenue (in percent)	20.0	24.0	29.4	11.4	20.4	22.9	13.5	9.9	11.1
Debt service/GDP (in percent)	2.2	1.9	2.4	0.9	1.6	2.0	1.2	1.0	1.2
<b>Democratic Republic of Congo</b>									
Debt service paid	1.0	2.7	...	...	34.2	141.1			
Debt service due after enhanced HIPC Initiative relief 1/							144.4	208.9	317.6
Debt service/exports (in percent)	0.1	0.3	...	...	2.9	10.2	9.4	12.3	16.9
Debt service/government revenue (in percent)	0.4	1.4	...	...	7.4	25.0	17.8	18.6	22.1
Debt service/GDP (in percent)	0.0	0.1	...	...	0.6	2.5	2.3	3.1	4.4
<b>Ethiopia 3/ 4/</b>									
Debt service paid	101.0	127.0	119.2	188.9	108.4	82.9			
Debt service due after enhanced HIPC Initiative relief 1/							108.4	92.5	98.5
Debt service/exports (in percent)	9.7	13.9	12.1	19.3	11.0	7.3	9.3	7.1	7.1
Debt service/government revenue (in percent)	8.6	11.0	10.2	15.5	8.9	6.4	7.6	5.8	5.6
Debt service/GDP (in percent)	1.5	2.0	1.8	2.9	1.8	1.2	1.5	1.2	1.2
<b>Gambia, The 2/ 4/</b>									
Debt service paid	26.1	19.6	20.4	17.4	11.0	15.3			
Debt service due after enhanced HIPC Initiative relief 1/							16.4	12.3	14.7
Debt service/exports (in percent)	12.4	15.0	19.2	18.6	10.5	15.3	12.1	8.7	9.9
Debt service/government revenue (in percent)	12.4	25.5	29.2	31.3	21.9	30.7	28.2	19.8	22.2
Debt service/GDP (in percent)	6.2	4.5	4.9	4.2	3.0	4.2	4.4	3.2	3.5
<b>Ghana 4/</b>									
Debt service paid	560.1	521.5	533.2	242.6	267.0	166.8			
Debt service due after enhanced HIPC Initiative relief 1/							103.6	111.6	116.4
Debt service/exports (in percent)	22.1	21.1	21.9	10.1	10.2	5.8	3.5	3.5	3.5
Debt service/government revenue (in percent)	41.0	53.4	78.1	25.7	39.1	17.7	9.9	7.1	6.2
Debt service/GDP (in percent)	7.5	6.7	10.7	4.6	4.3	2.2	1.2	1.2	1.2
<b>Guinea 4/</b>									
Debt service paid	128.2	131.5	143.8	75.3	85.2	91.8			
Debt service due after enhanced HIPC Initiative relief 1/							97.8	79.3	78.3
Debt service/exports (in percent)	15.5	17.6	19.6	9.2	10.9	10.7	10.5	8.3	7.9
Debt service/government revenue (in percent)	33.5	35.3	45.5	22.2	22.0	23.6	24.4	18.4	17.0
Debt service/GDP (in percent)	3.6	3.8	4.6	2.5	2.7	2.6	2.8	2.1	1.9
<b>Guinea-Bissau 4/</b>									
Debt service paid	7.0	6.0	13.1	0.4	2.2	5.1			
Debt service due after enhanced HIPC Initiative relief 1/							5.8	4.0	4.6
Debt service/exports (in percent)	23.5	10.7	19.1	0.7	3.8	8.9	8.9	5.7	6.1
Debt service/government revenue (in percent)	62.6	15.5	31.6	1.2	7.1	13.1	11.7	9.6	10.6
Debt service/GDP (in percent)	3.4	2.7	6.0	0.2	1.1	2.2	2.4	1.5	1.7

**Table 10B (continued). Debt Service for HIPC's that have Reached Decision Point, by Country, 1998-2006**  
(In million of US dollars, unless otherwise indicated)

	1998	1999	2000	2001	2002	2003	2004	2005	2006
	Actual					Preliminary	Projected		
<b>Guyana 4/ 6/</b>									
Debt service paid	130.8	70.0	78.0	52.8	59.0	52.3			
Debt service due after enhanced HIPC Initiative relief 1/							32.8	31.2	32.5
Debt service/exports (in percent)	19.0	10.4	11.2	8.0	8.8	7.7	4.7	4.5	4.9
Debt service/government revenue (in percent)	65.5	35.0	34.4	24.0	25.4	23.0	13.7	12.5	12.7
Debt service/GDP (in percent)	18.2	10.1	11.0	7.6	8.2	7.1	4.3	4.0	4.2
<b>Honduras 7/</b>									
Debt service paid	311.2	239.8	175.1	210.9	208.5	229.8			
Debt service due after enhanced HIPC Initiative relief 1/							219.3	184.9	182.4
Debt service/exports (in percent)	12.6	10.6	7.0	8.7	8.4	9.5	8.7	7.0	6.4
Debt service/government revenue (in percent)	31.6	23.0	16.4	18.1	17.3	17.7	15.5	12.4	11.5
Debt service/GDP (in percent)	5.9	4.4	2.9	3.3	3.2	3.4	3.0	2.4	2.2
<b>Madagascar 4/ 12/</b>									
Debt service paid	166.1	106.3	64.9	44.9	50.5	53.6			
Debt service due after enhanced HIPC Initiative relief 1/							72.5	72.7	78.3
Debt service/exports (in percent)	20.6	11.7	5.5	3.4	6.9	4.8	5.8	4.9	4.6
Debt service/government revenue (in percent)	41.7	25.0	14.4	9.7	13.8	9.5	10.3	9.4	9.1
Debt service/GDP (in percent)	4.3	2.8	1.7	1.0	1.1	1.0	1.2	1.1	1.2
<b>Malawi 4/ 9/</b>									
Debt service paid	90.1	64.6	91.6	82.6	53.9	106.3			
Debt service due after enhanced HIPC Initiative relief 1/							124.8	50.7	57.7
Debt service/exports (in percent)	15.6	13.0	20.0	16.9	11.2	22.4	24.8	9.5	10.3
Debt service/government revenue (in percent)	21.9	20.5	32.5	29.4	18.1	30.5	33.4	13.7	13.9
Debt service/GDP (in percent)	5.1	3.6	5.4	4.9	2.8	6.1	7.4	2.8	3.1
<b>Mali</b>									
Debt service paid	74.0	83.6	77.3	54.6	66.5	65.9			
Debt service due after enhanced HIPC Initiative relief 1/							62.2	65.5	67.2
Debt service/exports (in percent)	11.5	12.3	12.0	6.2	6.1	5.9	5.3	5.3	5.2
Debt service/government revenue (in percent)	17.4	19.6	20.3	12.7	11.9	9.3	7.8	7.7	7.2
Debt service/GDP (in percent)	2.8	3.1	2.9	1.8	2.0	1.6	1.4	1.4	1.3
<b>Mauritania 9/</b>									
Debt service paid	88.0	81.4	87.2	74.2	74.1	55.5			
Debt service due after enhanced HIPC Initiative relief 1/							65.9	59.7	60.1
Debt service/exports (in percent)	22.0	22.4	23.0	19.2	19.4	14.1	15.5	13.1	9.2
Debt service/government revenue (in percent)	35.0	30.4	36.1	36.6	19.9	17.8	18.9	16.7	14.7
Debt service/GDP (in percent)	10.0	8.5	9.1	7.5	7.5	5.0	5.5	4.7	4.1
<b>Mozambique</b>									
Debt service paid	104.0	60.2	18.0	27.1	42.0	43.5			
Debt service due after enhanced HIPC Initiative relief 1/							50.3	57.8	66.2
Debt service/exports (in percent)	41.0	9.4	2.5	2.7	3.5	3.5	3.1	3.3	3.5
Debt service/government revenue (in percent)	23.2	12.3	4.1	6.7	8.3	7.1	7.3	7.4	7.6
Debt service/GDP (in percent)	2.5	1.5	0.5	0.8	1.2	1.0	1.0	1.1	1.1
<b>Nicaragua 4/ 10/</b>									
Debt service paid	231.4	169.1	184.7	153.3	158.0	108.4			
Debt service due after enhanced HIPC Initiative relief 1/							83.1	96.7	118.5
Debt service/exports (in percent)	27.9	20.3	19.3	16.2	17.5	10.9	8.1	8.7	10.0
Debt service/government revenue (in percent)	43.2	29.7	23.3	19.5	19.4	12.1	8.9	9.9	11.5
Debt service/GDP (in percent)	10.5	12.5	4.7	3.8	3.9	2.6	1.9	2.2	2.6
<b>Niger 4/</b>									
Debt service paid	17.0	18.9	22.4	34.1	53.0	31.1			
Debt service due after enhanced HIPC Initiative relief 1/							23.1	25.6	30.9
Debt service/exports (in percent)	5.0	5.9	7.9	12.2	17.5	8.1	5.3	5.4	6.3
Debt service/government revenue (in percent)	9.0	10.6	14.3	19.1	21.5	10.0	6.5	6.5	7.1
Debt service/GDP (in percent)	1.3	0.9	1.2	1.8	2.4	1.2	0.8	0.9	1.0
<b>Rwanda 4/ 5/</b>									
Debt service paid	18.0	37.0	37.3	11.7	13.7	12.8			
Debt service due after enhanced HIPC Initiative relief 1/							17.8	18.9	16.6
Debt service/exports (in percent)	30.0	39.0	24.9	7.5	10.3	10.1	13.1	12.3	9.8
Debt service/government revenue (in percent)	16.0	23.0	23.4	6.2	7.0	6.1	7.9	8.0	6.4
Debt service/GDP (in percent)	2.0	2.4	2.1	0.7	0.8	0.8	1.0	1.0	0.8

**Table 10B (concluded). Debt Service for HIPCs that have Reached Decision Point, by Country, 1998-2006**  
(In million of US dollars, unless otherwise indicated)

	1998	1999	2000	2001	2002	2003	2004	2005	2006
	Actual					Preliminary	Projected		
<b>São Tomé and Príncipe 4/</b>									
Debt service paid	6.6	2.0	3.9	4.7	4.9	3.4			
Debt service due after enhanced HIPC Initiative relief 1/							13.0	2.3	2.7
Debt service/exports (in percent)	55.0	11.8	25.0	29.3	25.0	14.9	52.1	8.1	8.5
Debt service/government revenue (in percent)	84.1	21.4	38.7	46.4	39.2	24.1	67.5	10.7	12.1
Debt service/GDP (in percent)	16.3	4.1	8.4	9.8	9.1	5.7	20.3	3.4	3.8
<b>Senegal</b>									
Debt service paid	207.0	178.0	170.6	167.2	198.4	226.5			
Debt service due after enhanced HIPC Initiative relief 1/							204.7	96.3	101.3
Debt service/exports (in percent)	15.0	12.0	13.0	11.9	13.0	12.4	10.9	4.9	4.8
Debt service/government revenue (in percent)	26.0	22.0	21.4	20.6	19.0	18.4	15.5	6.8	6.7
Debt service/GDP (in percent)	4.0	4.0	3.9	3.6	3.9	3.5	3.0	1.3	1.3
<b>Sierra Leone</b>									
Debt service paid	8.9	36.5	55.2	94.7	21.0	21.5			
Debt service due after enhanced HIPC Initiative relief 1/							23.0	14.4	11.4
Debt service/exports (in percent)	9.4	39.6	50.3	82.1	14.7	12.0	11.1	5.4	3.5
Debt service/government revenue (in percent)	18.2	77.4	76.2	90.3	18.4	16.1	17.9	9.9	7.0
Debt service/GDP (in percent)	1.3	5.5	8.7	12.6	2.7	2.4	2.9	1.7	1.2
<b>Tanzania 3/ 11/</b>									
Debt service paid	224.0	193.0	154.4	92.0	109.0	100.3			
Debt service due after enhanced HIPC Initiative relief 1/							129.6	150.0	150.6
Debt service/exports (in percent)	20.7	16.2	11.8	6.4	7.3	5.8	7.0	7.4	7.0
Debt service/government revenue (in percent)	29.0	19.8	16.1	9.1	10.2	8.9	10.0	10.1	8.8
Debt service/GDP (in percent)	2.8	2.2	1.7	1.0	1.2	1.0	1.3	1.3	1.2
<b>Uganda 3/</b>									
Debt service paid	110.0	98.0	91.0	72.0	65.0	100.3			
Debt service due after enhanced HIPC Initiative relief 1/							129.6	150.0	150.6
Debt service/exports (in percent)	15.0	11.8	13.7	10.6	9.3	12.7	14.6	15.6	14.9
Debt service/government revenue (in percent)	16.0	12.9	14.2	11.5	9.3	14.0	15.8	16.9	15.3
Debt service/GDP (in percent)	1.7	1.7	1.6	1.2	1.1	1.7	2.1	2.3	2.1
<b>Zambia 4/</b>									
Debt service paid	147.3	126.0	139.1	142.1	122.7	187.0			
Debt service due after enhanced HIPC Initiative relief 1/							241.0	196.4	87.0
Debt service/exports (in percent)	16.0	14.9	15.9	13.5	11.4	14.2	16.3	11.3	4.5
Debt service/government revenue (in percent)	24.3	22.9	18.7	23.6	20.0	24.4	28.6	23.4	9.8
Debt service/GDP (in percent)	4.5	4.0	4.3	3.9	3.3	4.4	5.4	4.4	1.9
<b>Total debt service paid 4/</b>	<b>3,696.0</b>	<b>3,179.3</b>	<b>3,131.3</b>	<b>2,450.8</b>	<b>2,419.2</b>	<b>2,728.5</b>			
<b>Total debt service due 1/</b>							<b>2,710.8</b>	<b>2,533.8</b>	<b>2,793.5</b>
<b>Ratio of debt service to exports (in percent)</b>									
<b>Simple average</b>	18.8	15.8	16.4	13.7	11.3	10.7	11.3	8.0	8.1
<b>Weighted average</b>	16.9	14.5	13.9	10.4	10.0	9.8	8.7	7.6	7.9
<b>Ratio of debt service to government revenue (in percent)</b>									
<b>Simple average</b>	28.2	23.8	26.0	20.0	16.8	16.4	16.3	11.5	11.2
<b>Weighted average</b>	25.2	21.8	21.8	16.5	14.9	14.6	12.8	10.9	11.0
<b>Ratio of debt service to GDP (in percent)</b>									
<b>Simple average</b>	4.9	3.9	4.2	3.3	2.9	2.8	3.2	2.1	2.1
<b>Weighted average</b>	3.9	3.4	3.4	2.5	2.4	2.4	2.2	1.9	1.9

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

1/ Debt service due after the full use of traditional debt relief mechanism and assistance under the enhanced HIPC initiative. For Bolivia and Mozambique, these figures are also after additional bilateral assistance beyond HIPC.

2/ Debt service is higher than anticipated at the decision point due to higher new borrowing than previously projected.

3/ On fiscal year basis, i.e. 2000 column shows FY 1999/2000.

4/ The debt service figures for 2000 largely reflect pre-HIPC relief debt service because these countries did not reach their decision point until late in 2000 or later. Thus, the full impact of relief for did not take effect until 2001 and thereafter.

5/ Debt service is lower than anticipated at the decision point due to lower financing needs than previously projected.

6/ Debt service in 2002 is higher than anticipated at the decision point because the completion point has been delayed.

7/ Honduras received less interim relief in 2001 than anticipated at the decision point.

8/ The relief for Madagascar is indicative and subject to change. The Madagasy authorities and Paris Club creditors would need to revisit the outstanding bilateral debt numbers. Also, minor adjustments need to be incorporated in the case of three multilateral creditors. Consequently, the IMF Board approved US\$790 million in HIPC relief with the understanding that Madagascar's exact level of HIPC assistance will be determined once such revisions are made.

9/ Debt service figures differ from those in the decision point document due to exchange rate changes.

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

11/ Debt service reflects some payments to commercial creditors and payments on moratorium interest not reflected in the completion point document.

12/ The debt service figures for 2003 have been revised upwards because of the delay in reaching the completion point and benefitting from debt relief. Also historical data has been revised after reconciliation in November 2003.

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



**Table 11A. Summary of Poverty-Reducing Expenditures by the 27 HIPCs that have Reached Decision Point**

	1999	2000	2001	2002	2003	2004	2005	2006
	Actual				Preliminary	Projected		
<i>(In millions of US dollars)</i>								
<b>Poverty reducing expenditure 1/</b>								
African Countries	4,267.3	4,084.8	4,742.1	5,547.0	7,033.9	8,595.5	9,108.2	9,843.4
Latin American Countries	1,799.7	1,849.5	1,969.4	2,033.7	2,070.0	2,236.6	2,412.3	2,621.5
Total	6,066.9	5,934.3	6,711.6	7,580.7	9,103.9	10,832.1	11,520.6	12,464.9
<i>(In percent)</i>								
<b>Ratio of poverty reducing expenditure to government revenue 2/</b>								
African Countries	38.6	39.7	43.8	45.6	48.1	51.2	49.2	48.2
Latin American Countries	47.6	45.6	48.9	50.7	50.5	50.5	51.6	52.2
Total	40.9	41.4	45.2	46.8	48.6	51.0	49.7	49.0
<b>Ratio of poverty reducing expenditure to GDP 2/</b>								
African Countries	5.5	5.5	6.1	6.7	7.4	8.2	8.1	8.1
Latin American Countries	10.8	9.7	10.3	10.7	10.6	11.1	11.4	11.8
Total	6.4	6.4	7.0	7.5	8.0	8.7	8.6	8.7

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

1/ Data is not available for all countries, for all years. To aggregate, the last available data were used for future years, thus understating the likely level of poverty reducing expenditure.

2/ Weighted averages.

**Table 11B. Poverty-Reducing Expenditures by HIPCs that have Reached Decision Point, by Country 1/**  
(In millions of US dollars)

	1999	2000	2001	2002	2003	2004	2005	2006
	Actual				Preliminary	Projections		
<b>Benin</b>								
Poverty Reducing Expenditure 1/	114.5	110.2	161.0	162.2	182.5	296.8	296.8	296.8
Poverty Reducing Expenditure/Government Revenue (in percent)	30.0	29.4	41.7	35.4	31.0	40.4	36.5	33.3
Poverty Reducing Expenditure/GDP (in percent)	4.8	4.9	6.7	6.0	5.2	6.9	6.2	5.7
<b>Bolivia</b>								
Poverty Reducing Expenditure 2/	882.0	899.6	978.2	981.6	959.4	1018.4	1080.6	1146.5
Poverty Reducing Expenditure/Government Revenue (in percent) 23/	44.8	45.8	52.8	55.9	57.0	55.4	55.0	53.2
Poverty Reducing Expenditure/GDP (in percent)	10.7	10.7	12.2	12.6	12.2	12.8	12.9	13.1
<b>Burkina Faso</b>								
Poverty Reducing Expenditure 3/	113.8	98.1	135.4	156.7	221.0	283.9	284.5	284.8
Poverty Reducing Expenditure/Government Revenue (in percent)	29.6	31.9	43.5	42.0	42.7	42.6	37.6	32.9
Poverty Reducing Expenditure/GDP (in percent)	4.0	3.7	4.8	4.9	5.3	5.6	4.8	4.4
<b>Cameroon</b>								
Poverty Reducing Expenditure 1/	264.0	286.7	335.6	365.0	489.0	515.0	556.0	605.0
Poverty Reducing Expenditure/Government Revenue (in percent)	15.8	17.3	19.2	19.2	21.1	20.9	21.7	22.3
Poverty Reducing Expenditure/GDP (in percent)	2.9	3.2	3.9	3.7	4.0	3.9	4.0	4.1
<b>Chad</b>								
Poverty Reducing Expenditure 4/	190.0	149.0	191.7	205.2	278.0	341.6	403.5	452.2
Poverty Reducing Expenditure/Government Revenue (in percent)	149.8	130.9	153.1	129.9	120.7	96.3	88.0	93.8
Poverty Reducing Expenditure/GDP (in percent)	12.1	10.6	11.5	10.3	10.5	8.9	9.3	10.0
<b>Democratic Republic of Congo</b>								
Poverty Reducing Expenditure 5/	...	...	...	26.2	68.0	387.0	185.0	293.0
Poverty Reducing Expenditure/Government Revenue (in percent)	...	...	...	5.7	12.0	47.7	16.4	20.4
Poverty Reducing Expenditure/GDP (in percent)	...	...	...	0.5	1.2	6.3	2.8	4.0
<b>Ethiopia</b>								
Poverty Reducing Expenditure 6/	710.0	534.2	733.0	884.0	1001.0	1292.0	1380.0	1523.0
Poverty Reducing Expenditure/Government Revenue (in percent) 24/	61.0	45.9	60.0	72.6	77.0	90.0	86.9	87.4
Poverty Reducing Expenditure/GDP (in percent)	11.0	8.2	11.3	14.6	15.1	17.6	17.5	17.8
<b>The Gambia</b>								
Poverty Reducing Expenditure 7/	23.5	20.8	23.0	21.1	18.6	17.6	18.4	19.7
Poverty Reducing Expenditure/Government Revenue (in percent)	30.2	29.7	41.4	42.1	37.3	30.3	29.6	29.7
Poverty Reducing Expenditure/GDP (in percent)	5.4	4.9	5.5	5.7	5.0	4.7	4.7	4.7
<b>Ghana</b>								
Poverty Reducing Expenditure 8/	344.8	189.2	236.3	277.2	503.8	575.2	624.2	675.9
Poverty Reducing Expenditure/Government Revenue (in percent)	35.3	27.7	25.1	26.6	31.9	30.5	29.6	30.2
Poverty Reducing Expenditure/GDP (in percent)	4.4	3.8	4.5	4.5	6.7	6.6	6.7	6.7
<b>Guinea</b>								
Poverty Reducing Expenditure 9/	85.1	79.8	102.9	104.9	110.4	113.8	117.3	120.9
Poverty Reducing Expenditure/Government Revenue (in percent)	22.8	25.3	30.3	27.1	28.4	28.4	27.3	26.3
Poverty Reducing Expenditure/GDP (in percent)	2.5	2.6	3.4	3.3	3.1	3.2	3.1	3.0
<b>Guinea-Bissau</b>								
Poverty Reducing Expenditure 1/	...	...	...	6.3	7.3	7.6	8.0	8.6
Poverty Reducing Expenditure/Government Revenue (in percent)	...	...	...	20.3	18.6	15.2	19.4	19.9
Poverty Reducing Expenditure/GDP (in percent)	...	...	...	3.1	3.1	3.1	3.1	3.1
<b>Guyana</b>								
Poverty Reducing Expenditure 10/	87.0	111.8	144.4	150.1	147.2	147.9	154.7	159.5
Poverty Reducing Expenditure/Government Revenue (in percent)	43.6	49.4	65.7	64.5	64.8	61.9	62.1	62.3
Poverty Reducing Expenditure/GDP (in percent)	12.5	15.7	20.7	20.9	20.1	19.5	20.0	20.4
<b>Honduras</b>								
Poverty Reducing Expenditure 11/	487.7	476.4	638.4	493.7	512.5	583.2	662.7	763.6
Poverty Reducing Expenditure/Government Revenue (in percent)	46.9	44.5	54.7	40.9	39.6	41.2	44.6	48.3
Poverty Reducing Expenditure/GDP (in percent)	9.0	7.9	10.0	7.5	7.5	8.1	8.7	9.4
<b>Madagascar</b>								
Poverty Reducing Expenditure 12/	156.0	126.0	162.0	172.0	216.0	306.0	327.0	373.0
Poverty Reducing Expenditure/Government Revenue (in percent)	36.7	27.9	35.2	47.1	38.3	43.5	42.1	43.3
Poverty Reducing Expenditure/GDP (in percent)	4.2	3.3	3.6	3.8	4.0	5.2	5.2	5.5
<b>Malawi</b>								
Poverty Reducing Expenditure 13/	208.0	161.0	135.0	190.0	194.0	186.0	202.0	0.0
Poverty Reducing Expenditure/Government Revenue (in percent)	66.1	57.1	48.0	63.8	55.6	49.7	54.4	0.0
Poverty Reducing Expenditure/GDP (in percent)	11.5	9.4	8.0	10.0	11.2	11.0	11.3	0.0
<b>Mali</b>								
Poverty Reducing Expenditure 14/	103.4	150.0	134.7	184.5	271.3	271.7	292.8	314.9
Poverty Reducing Expenditure/Government Revenue (in percent)	24.3	39.5	31.3	33.0	38.2	34.0	34.4	33.5
Poverty Reducing Expenditure/GDP (in percent)	3.8	5.6	4.5	5.5	6.6	6.1	6.2	6.1

**Table 11B (concluded). Poverty-Reducing Expenditures by HIPCs that have Reached Decision Point, by Country 1/**  
(In millions of US dollars)

	1999	2000	2001	2002	2003	2004	2005	2006
	Actual				Preliminary	Projections		
<b>Mauritania</b>								
Poverty Reducing Expenditure 15/	85.0	69.8	78.6	104.9	127.6	150.7	165.2	189.1
Poverty Reducing Expenditure/Government Revenue (in percent) 24	34.7	28.9	38.8	28.2	41.0	43.2	46.1	46.2
Poverty Reducing Expenditure/GDP (in percent)	9.0	7.3	8.0	10.6	11.4	12.5	12.9	12.9
<b>Mozambique</b>								
Poverty Reducing Expenditure 11/	543.0	629.8	590.7	656.6	789.9	899.4	872.4	910.1
Poverty Reducing Expenditure/Government Revenue (in percent) 24	52.8	143.3	145.5	129.9	129.7	129.5	111.5	103.8
Poverty Reducing Expenditure/GDP (in percent)	6.3	17.4	17.2	18.2	18.3	18.1	16.1	15.3
<b>Nicaragua</b>								
Poverty Reducing Expenditure 16/	342.9	350.3	359.2	408.3	450.9	487.0	514.3	551.9
Poverty Reducing Expenditure/Government Revenue (in percent) 23/	60.1	44.2	45.8	50.2	50.2	52.0	52.7	53.6
Poverty Reducing Expenditure/GDP (in percent)	15.5	8.9	9.0	10.2	11.0	11.4	11.6	11.9
<b>Niger</b>								
Poverty Reducing Expenditure 1/	104.4	84.2	94.8	118.2	187.7	225.2	251.9	270.5
Poverty Reducing Expenditure/Government Revenue (in percent)	58.2	53.9	53.1	47.9	60.5	63.8	64.2	62.2
Poverty Reducing Expenditure/GDP (in percent)	5.1	4.7	4.9	5.4	6.9	7.9	8.4	8.6
<b>Rwanda</b>								
Poverty Reducing Expenditure 17/	75.2	72.4	90.6	105.7	109.9	120.4	126.9	130.0
Poverty Reducing Expenditure/Government Revenue (in percent)	39.5	45.4	48.1	53.7	52.1	53.3	53.9	50.4
Poverty Reducing Expenditure/GDP (in percent)	3.9	4.0	5.3	6.1	6.5	7.0	6.9	6.6
<b>São Tomé and Príncipe</b>								
Poverty Reducing Expenditure 1/	8.0	7.8	11.9	10.4	11.6	14.3	15.2	15.0
Poverty Reducing Expenditure/Government Revenue (in percent)	87.8	77.9	117.9	83.3	82.2	74.2	70.7	67.2
Poverty Reducing Expenditure/GDP (in percent)	17.0	16.8	24.9	19.4	19.5	22.4	22.6	21.0
<b>Senegal</b>								
Poverty Reducing Expenditure 18/	254.3	227.4	242.6	304.6	423.7	545.9	629.7	725.4
Poverty Reducing Expenditure/Government Revenue (in percent)	30.8	28.5	30.0	29.2	34.5	41.3	44.5	48.1
Poverty Reducing Expenditure/GDP (in percent)	5.3	5.2	5.3	6.0	6.6	7.9	8.6	9.3
<b>Sierra Leone</b>								
Poverty Reducing Expenditure 19/	...	23.5	36.7	57.5	63.7	66.8	72.3	78.8
Poverty Reducing Expenditure/Government Revenue (in percent) 24	...	32.3	35.0	50.6	47.8	52.1	49.8	48.0
Poverty Reducing Expenditure/GDP (in percent)	...	3.7	4.9	7.3	7.3	8.3	8.3	8.3
<b>Tanzania</b>								
Poverty Reducing Expenditure 20/	412.3	524.7	581.2	790.9	937.8	1055.1	1313.7	1447.7
Poverty Reducing Expenditure/Government Revenue (in percent)	42.8	54.6	57.3	74.0	83.2	81.4	88.3	84.6
Poverty Reducing Expenditure/GDP (in percent)	4.8	5.8	6.2	8.4	9.7	10.2	11.5	11.5
<b>Uganda</b>								
Poverty Reducing Expenditure 21/	306.0	402.5	447.5	553.1	719.9	817.8	810.6	831.8
Poverty Reducing Expenditure/Government Revenue (in percent) 24	40.4	62.6	71.3	79.3	100.6	99.5	91.4	84.6
Poverty Reducing Expenditure/GDP (in percent)	5.3	7.1	7.8	9.8	12.4	13.0	12.4	11.9
<b>Zambia 2/</b>								
Poverty Reducing Expenditure 22/	166.0	149.0	66.4	89.6	101.0	105.7	154.8	171.0
Poverty Reducing Expenditure/Government Revenue (in percent)	30.1	20.1	11.0	14.6	13.2	12.5	18.4	19.3
Poverty Reducing Expenditure/GDP (in percent)	5.3	4.6	1.8	2.4	2.4	2.4	3.5	3.7
<b>Total Poverty Reducing Expenditure 25/</b>	6,066.9	5,934.3	6,711.6	7,580.7	9,103.9	10,832.1	11,520.6	12,464.9
<b>Ratio of Poverty Reducing Expenditure to government revenue</b>								
Simple average	46.4	47.8	53.9	50.6	52.2	53.0	51.0	50.2
Weighted average	40.9	41.4	45.2	46.8	48.6	51.0	49.7	49.0
<b>Ratio of Poverty Reducing Expenditure to GDP</b>								
Simple average	7.4	7.2	8.2	8.2	8.6	9.3	9.2	9.2
Weighted average	6.4	6.4	7.0	7.5	8.0	8.7	8.6	8.7

Sources: HIPC country documents; and staff estimates.

1/ Data refer to health and education spending

2/ Refers to poverty related spending by the public sector. Includes spending on health, education, basic sanitation, and selected urban and rural development, both current and capital. Excludes education spending at the university level, pension contributions, and health and education spending by the Ministry of Defense.

3/ Spending on health, education, roads, youth and employment, promotion of women, agriculture, environment and justice

4/ Spending on health, education, rural development, infrastructure, and good governance.

5/ As defined in PRSP update, including: agriculture and related activities, rural development, infrastructure, transportation, environment, water, electricity, community development, public health, education, social protection, courts, reintegration of demobilized soldiers. For 2005-2006, the amount estimated is based on HIPC assistance projected.

6/ Spending on health, education, rural infrastructure

7/ Spending on education, health and agriculture

8/ From 2001 onward, reflects GPRS definition of poverty expenditure by Federal government, including primary healthcare, basic education, agriculture, rural water, feeder roads, and rural electricity (and total education and health spending before 2001).

9/ Spending on justice, agriculture, fisheries and aquaculture, public works, urbanization, health, social affairs, primary education, professional and technical education.

10/ Spending on health, education, housing, water, and severances

11/ As defined in the PRSP, to include education, health, agriculture, infrastructure and governance

12/ Spending on health, education and water

13/ Spending on education, health, social security, welfare, housing, community amenities.

14/ Spending on education, health, and social safety nets

15/ Spending on education, health, and poverty reduction programs

16/ Education, health, rural infrastructure and food assistance

17/ Spending on internal affairs, agriculture, commerce, education, youth and sports, health, transport and communication, energy and water resources, gender, public service, lands and resettlement, and support to local government.

18/ Health, education and promotion of women

19/ Spending on health, education, social welfare, and some economic services and security-related services

20/ Spending on education, health, water, agricultural research and extension, lands, roads, and judiciary

21/ Contains spending on education, health, roads, agriculture, water and public order, all of which are defined as priorities in the PEAP. PAF spending is a subset.

22/ Coverage extended since 2001: health, education, housing, welfare, information services, and general social

23/ Level of government includes central, local, and public enterprises

24/ Level of government includes central and local

25/ For countries without projections, the last available data are used in the aggregate total for future years, thus understating the likely level of social spending.