INTERNATIONAL DEVELOPMENT ASSOCIATION AND
INTERNATIONAL MONETARY FUND

Heavily Indebted Poor Countries (HIPC) Initiative Perspectives on the Current Framework and Options for Change—Supplement on Costing

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I. INTRODUCTION AND ASSUMPTIONS

1. This supplement presents updated estimates of the costs of the HIPC Initiative under the current framework, and in a range of possible alternative frameworks.[1] It updates the estimates provided in the note "HIPC Initiative—Tentative Costing of Illustrative Scenarios" but broadens that analysis by providing creditor-specific information and additional estimates, based on the latest country information available to staff (Box 1).[2]

2. As in earlier costing exercises, a number of **important caveats** apply. The cost estimates rely on key assumptions, and on macroeconomic projections and debt numbers which have mostly not been fully reconciled between creditors and debtor governments (Box 2). Therefore, the estimates need to be interpreted with caution and should be seen as subject to a substantial margin of uncertainty. In making estimates for the current framework, staff has aimed to provide realistic but conservative estimates of costs; thus, in cases where a choice of targets or timing was required, the option implying a higher cost was used. The costing exercise is not intended to prejudge the results of the country-specific tripartite debt sustainability analyses, or the Boards' decisions regarding the eligibility of individual countries to qualify for assistance under the HIPC Initiative, the NPV of debt-to-export targets, the decision points, or completion points to be set for those countries. Finally, the inclusion of alternatives to the current HIPC Initiative in the present note does not imply any endorsement by staff or management, nor does the exclusion of other proposals imply a rejection.

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[1] Descriptions of the proposals made by various commentators and member countries of the IMF and World Bank are provided in the main paper (EBS/99/52, April 2, 1999, and IDA/SecM99-155), and a supplement providing the specific proposals received in the consultation process has been forwarded to the Boards.
[2] EBD/99/32 and IDA/R99-19 (February 16, 1999). The tentative costing paper used the database and analytical framework developed for "The Initiative for Heavily Indebted Poor Countries—Review and Outlook," (EBS/98/152 and IDA/SecM98-480, August 25, 1998).

Box 1. The Database

- The costing analysis is based on the most recent country-specific debt sustainability analyses (DSAs) presented to the Boards, supplemented in some cases by more recent information prepared by Bank and Fund staff.

- Country coverage for these costing estimates is based on the original list of 41 HIPCs, excluding Nigeria which is not eligible to borrow on IDA-only terms from the World Bank, and adding Malawi on the basis of its recent DSA. The countries are: **Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Dem. Rep. of Congo, Rep. of Congo, Côte d'Ivoire, Equatorial Guinea, Ethiopia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Laos, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Vietnam, Yemen, Zambia.**

- **Ghana**, **Kenya, Laos, Liberia, Malawi, Somalia, and Sudan** have never received a concessional rescheduling from the Paris Club. Countries must make full use of traditional debt-relief mechanisms to be eligible for debt relief under the HIPC Initiative.

- **Liberia, Somalia,** and **Sudan** are included in some aggregate cost estimates, but not in creditor-specific costing breakdowns because of the relatively poor database and uncertainty regarding the treatment of their large arrears.

- Nine countries have not yet met the **entry requirement** to begin qualifying for the HIPC Initiative by having in place Fund- and Bank-supported adjustment and reform programs in the period since September 1995: **Angola**, **Burundi, Democratic Republic of Congo**, **Equatorial Guinea**, **Liberia**, **Myanmar**, **São Tomé and Príncipe**, **Somalia**, and **Sudan.** These countries would need to begin such programs before end-2000 to qualify for the Initiative (see the Review and Outlook paper—footnote 2).

- Formal DSAs are unavailable or out-of-date for: **Burundi, Democratic Republic of Congo, Liberia, Myanmar, and Somalia**. For these countries information is especially unreliable, and cost estimates involve considerable uncertainty.

- It is likely that some proposals for change of the HIPC Initiative could extend eligibility to countries outside of this group of 41 countries. Staff has not, however, included other countries for this analysis, both because the debt data are for the most part poor, and because most other countries have not received concessional reschedulings from Paris Club creditors and in many cases the full use of traditional debt relief mechanisms would be sufficient for debt sustainability.

Timing of decision and completion points

3. The baseline for timing of decision points which has been assumed for the purposes of these costing estimates is the earliest that might be proposed under the current framework of the Initiative (Table 1). Based on actual performance under reform programs, some decision points may be reached later. All countries found eligible for HIPC assistance are assumed to have completion points three years following the decision point under the

baseline scenario. In alternative scenarios, the performance period is shortened according to the various proposals made.

Box 2. Assumptions used for Cost Estimates

- **Macroeconomic framework**: The estimates are based on the medium-term macro-economic frameworks developed by staff country teams, including especially the export and debt data and projections. These data are subject to wide margins of uncertainty.
- **Timing of assistance**: It is assumed that all countries which are potentially eligible for HIPC Initiative assistance actually request such assistance, and that assistance is delivered without delays (meaning no slippages in implementing economic and social reform programs).
- **Debt sustainability targets**: In proposals (including the current framework) in which a range of NPV of debt-to-export targets or NPV of debt-to-revenue targets is suggested, the costing estimates assume that all countries receive the lowest available target except countries which (i) have already reached the decision point, (ii) have had preliminary HIPC discussions at the Boards. The latter assumptions are relaxed in scenarios which cost retroactive application of new criteria. All countries are assumed to receive assistance based on whichever window provides the largest amount of relief.
- **Burden-sharing**: For those countries which have already received commitments of assistance, the division of costs by creditor group reflects the amounts of assistance shown in each decision point document (unless retroactivity is applied). For prospective cases, burden sharing is assumed to be fully proportional after full application of traditional debt relief mechanisms (67 percent NPV reduction on eligible debt under Naples terms). For simplicity, proportional burden sharing is also assumed in scenarios with retroactivity, thus excluding the additional, exceptional costs undertaken by the Bank and Fund for Mozambique.

II. UPDATED COSTING UNDER THE CURRENT FRAMEWORK

Aggregate cost estimates

4. Total costs for the HIPC Initiative, as currently structured, are now estimated at US$12½ billion in 1998 NPV terms, up by 29 percent from the estimates made in August 1998 (Table 2).[3] [4] As presaged in the Tentative Costing note, lower commodity prices have

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[3] This estimate uses a rate of 6 percent to discount country-specific costs at the respective completion points to 1998 NPV terms. The NPV of debt at the completion point, and thus assistance at the completion point, are calculated using currency-specific discount rates (Commercial Interest Reference Rates published by the OECD).

[4] Excluding Liberia, Somalia, and Sudan. Total costs including rough estimates for these three countries are US$19 billion, in comparison with the US$16 billion estimated in the Tentative Costing note using the 1998 database. Potential costs for Liberia, Somalia, and Sudan remain highly uncertain, and thus are shown only in Table 5. However, firm estimates of these costs are not provided here because the data and underlying assumptions remain highly uncertain. As in last year's estimates, HIPC Initiative costs for these three countries are calculated assuming that arrears to multilateral creditors have been cleared with a concessional refinancing at

affected the export base for many potentially eligible countries. Lower projected exports (which may also include some export volume changes) contribute roughly two-thirds of this increase. Further, market interest rates used to discount debt service streams have generally declined, contributing to a higher estimate of the present value of debt.[5] Finally, in some countries, revised estimates of the outstanding debt have affected assistance.

5. It is now estimated that 29 countries could potentially be eligible for debt relief under the current framework of the HIPC Initiative (Table 3). In comparison with the 23 countries expected in last year's costing estimates, **Cameroon**, **Chad**, **Republic of Congo**, **Guinea**, **Malawi**, and **Sierra Leone** are added. Of the 29, three are estimated to receive HIPC assistance under the fiscal criteria: **Côte d'Ivoire** and **Guyana**, which have already reached their decision points, and **Republic of Congo**.[6]

6. Baseline costs for selected country groups indicate that all of the increase in costs is attributable to the group of countries which have met the entry requirement, but have not yet reached the preliminary document stage (Table 2). Large increases in costs were estimated for **Republic of Congo**, **Nicaragua**, and **Zambia**, mostly on the basis of revisions to the outstanding debt stocks, while new export projections have also contributed. The wide variation in the estimates of debt stocks reflects again the poor quality of the data. Cost estimates generally improve with economic and institutional conditions, particularly as the country approaches the decision point, when a reconciled, loan-by-loan DSA is prepared.

7. Following the practice of earlier analyses, country-specific costings are not presented here, as they might create misleading expectations when in many cases the basis for these individual estimates is not firm and could change substantially. Tentative costing estimates will be provided in individual DSAs as they are prepared. Country-specific indicators including the debt burden of each country with respect to the export and fiscal base at the completion point are shown in Table 4. This table also presents the status of each country with respect to the fiscal thresholds at the decision point.[7]

Costs by creditor group

8. Under the current framework, the shares of HIPC Initiative costs for bilateral and multilateral creditors are estimated to remain roughly equal. The World Bank's costs would be US$2.4 billion, up from US$2.0 billion in the 1998 exercise. The IMF's costs have

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the decision point. Such an approach has not been agreed, and financing would need to be identified. In this scenario, debt at the completion point, and HIPC Initiative costs, would be lower than in an alternative scenario in which arrears were cleared nonconcessionally.

[5] Lower interest rates reduce the effective concessionality of fixed-rate debt, thus increasing its present value.

[6] Honduras is not eligible under the current framework because it does not meet the 20 percent revenue-to-GDP threshold in the fiscal criteria (see Table 4). Honduras' debt situation will be presented to the Boards shortly.

[7] Similar information was provided in "Cap Paper for the Preliminary HIPC Initiative Documents for Bolivia, Burkina Faso, Cote d'Ivoire, and Uganda," (EBS/97/59 and IDA/SecM97-104), April 1, 1997, and "HIPC Initiative—Guidelines for Implementation," (EBS/97/75 and IDA/R97-35), April 21, 1997.

increased from US$0.8 billion to US$1.2 billion in the current estimates (excluding Liberia, Somalia, and Sudan).[8]

9. In some cases, the assistance provided by Paris Club creditors through Lyon terms (up to 80 percent NPV reduction on eligible debt) and the assumption of comparable treatment from other bilateral and commercial creditors may not provide sufficient assistance to reach the bilateral creditors' required share of assistance.[9] This has already occurred in the case of **Mozambique**. Based on current cost estimates, a similar situation will arise in varying degrees for **Burundi**, **Guinea-Bissau**, **Madagascar, Malawi, Nicaragua**, **Madagascar**, **Mauritania**, **Myanmar**, **Rwanda**, **São Tomé and Príncipe, Sierra Leone,** and **Zambia**.[10] But it should be noted that the breakdown into pre- and post-cutoff date debt is often uncertain until a loan-by-loan reconciliation is done, and this information is thus subject to considerable uncertainty.

III. Costing Some Alternatives to the Current Framework

10. Tables 5–7 present costings of a number of possible alternative frameworks for the HIPC Initiative, and Table 8 presents country eligibility under each framework. As in the Tentative Costing note, the costings are presented excluding retroactive treatment of countries which have already reached their decision point, with an indication of the component due to retroactivity shown separately.[11]

11. Staff has attempted to encompass a number of the proposals described in the main paper within these estimates, although there are elements of each proposal which are not readily costed—such as the political or governance tests some would apply for HIPC Initiative assistance. Relief on ODA claims would provide further debt relief under many of these proposals; nominal costings of proposals made by major creditors with respect to ODA are discussed below.

Breakdown of costs by creditor

12. Cost sharing among creditors for a group of alternative proposals are shown in Tables 9 and 10, excluding and including retroactive costs for countries which have already reached

[8] This is equivalent to SDR 1.4 billion on the "as-needed basis" used in financing analysis for the ESAF-HIPC Trust.

[9] As noted in the main paper, several creditors have suggested that this constraint should be relaxed.

[10] The cost estimates include assistance above 80 percent NPV reduction where this is necessary for proportional burden sharing.

[11] Retroactivity is defined such that countries which would have been eligible for earlier timing or lower targets under new rules, would have their debt situation reevaluated on the basis of the latest actual data in 1999 (as of end-1998). Thus, for instance, Uganda's debt situation is reevaluated as of 1998 data, rather than based on the 1997 data used is at its completion point.

the decision point, respectively. As in the current framework, multilateral and bilateral creditors share costs approximately evenly in proposals using the baseline timing assumptions of the current framework. Bilateral creditors take on a slightly larger share of assistance if delivery is brought forward by eliminating the second stage. This occurs because new multilateral lending is projected to be greater than new bilateral lending during the second stage, and thus multilaterals would hold a larger share of claims at a later completion point. The country-specific distribution of assistance is also likely to have an effect on this result. For reference, the total stock of claims in nominal terms of the IMF and World Bank on the 41 countries considered here was US$9.4 billion and US$39.2 billion, respectively, as at end-February 1999 (Tables 11 and 12).

Debt relief on ODA claims

13. A number of proposals from creditor countries (and others) have suggested *additional* action on ODA claims. While such claims have been forgiven in the past by several creditors, either completely or partially, it is estimated that approximately US$24 billion in ODA claims on the 41 HIPCs remains outstanding to DAC members, and roughly the same amount to non-DAC bilateral creditors, both stated in face-value terms. The nominal value of full cancellation of ODA claims by all creditors would potentially be on the order of US$40–50 billion. [12] Under traditional debt relief mechanisms (Naples terms) as well as Lyon terms, ODA claims are rescheduled over 40 years with 16 years' grace period at no higher than the original concessional interest rates. Such treatment, on an illustrative basis, is estimated to lead to a profile of debt service having a grant element of about 25 percent (and an unchanged nominal value).[13] Cancellation of ODA debt service for a generation (30 years), as suggested by France, could—again on an illustrative basis—reduce the present value of ODA by two-thirds.

14. The impact of ODA debt relief on the cost of assistance under the HIPC Initiative depends on the timing of such action. First, if it is delivered prior to the completion point, it reduces the overall cost of the HIPC Initiative—as previous ODA cancellation has done. Second, if it is delivered as part of HIPC assistance, it reduces the need for bilateral creditors to provide debt relief on other types of claims. Finally, if it is delivered after the completion

[12] The data sources do not allow the calculation of the NPV of these claims. These estimates of face-value amounts are derived from some information provided directly by creditors, supplemented by further information based on the World Bank Debtor Reporting System data, and are not reconciled with the other data presented in this paper. Information on ODA claims remains limited; some amounts included may represent rescheduled claims originally extended on commercial terms.

[13] This estimate reflects a simulation based on outstanding claims of major Paris Club creditors and market-based interest rates. The DAC uses a fixed 10 percent discount rate to determine the minimum 25 percent grant element of ODA loans. In contrast, the grant element under the HIPC Initiative is lower because it is based on market-related discount rates, and also varies considerably across currencies.

point as suggested by some creditors, it would be additional to HIPC Initiative assistance and lead to lower debt outcomes below HIPC target levels.[14] [15]

[14] Japan has indicated it will provide additional relief on ODA claims after the completion point in exceptional cases. Canada and Norway have indicated they are prepared to do so on a case-by-case basis for commercial claims.
[15] From a broader perspective, overall additionality could be affected by possibly related decisions on aid flows.

Box 3. The Nominal Amount of HIPC Initiative Debt Relief

For countries which have reached the decision point, staff has provided a rough translation from HIPC Initiative relief—expressed in NPV terms—into nominal debt service relief, i.e., the undiscounted sum of the future debt service that would not have to be paid as a result of HIPC Initiative assistance. The ratio of nominal debt service relief to NPV relief *measured at the completion point* has typically been about 2:1. Total debt relief *in 1998 NPV terms* would be subject to a slightly larger ratio, since, for most countries, the NPV reduction delivered at the completion point is discounted back to 1998 terms. However, this ratio depends on the profile of delivery of assistance, which differs for each multilateral creditor and is often not known with precision before the completion point. For instance, the ratio was lower than 2:1 for Bolivia, since its debt relief was frontloaded to help smooth an early hump in debt servicing.

IV. CASH FLOW IMPLICATIONS

15. The cash flow of assistance under the HIPC Initiative has attracted a good deal of interest, as noted in the Options paper before the Boards. It is particularly hard to measure cash flow, however, since different creditors provide their assistance over different time profiles. The cash flow effects of HIPC Initiative assistance using the set of countries which have reached the decision point is shown in Table 13. On average, assistance under the HIPC Initiative is estimated to reduce debt service *due* in the period following the completion point by 18 percent (within a wide range). In comparison to the debt service *paid* prior to HIPC debt relief, the reduction is about 2 percent on average, within a wide range, and some countries are expected to experience an increase in debt service due even after HIPC assistance. In part this reflects the fact that debt service due to Paris Club creditors rises with a stock-of-debt operation compared with a flow rescheduling under which interest falling due is also rescheduled. Furthermore, the real burden of future debt service is expected to decline as it would represent a shrinking proportion of the export or fiscal base as HIPCs continue to grow after the completion point.[16]

16. An approximate range of the early profile of nominal debt service relief for a given NPV reduction is given in the final column of Table 13. On average, HIPCs which have reached the decision point are expected to receive annual nominal debt service relief representing 9 percent of the NPV value of HIPC assistance at the completion point in the early years. Higher frontloading (13 percent per year) was provided for Bolivia in light of the high debt service burden in the years just following the completion point. Less frontloading was provided to Mozambique (5 percent per year), with a relatively large share of debt owed to bilateral creditors. (The debt service due to bilateral creditors under Naples terms is

[16] The country-specific information underlying these results is presented in Annex 1, Chart 1, page 46 of the main options paper.

already very low in the early years, so the additional relief provided by bilateral assistance under the HIPC Initiative is small.)

17. The cash flow impact of proposals to change the HIPC Initiative will be developed when the options have been narrowed further. The profile of delivery of multilateral assistance, including the possibility of advancing some assistance into the second stage, will need to reflect the availability of multilateral institutions' financing.

V. Time Profile of Debt Relief Commitments

18. The time profile of commitments of HIPC assistance under the current framework is shown in Table 14, based on the assumed earliest decision points presented in Table 1. On this basis, 24 percent of total commitments (in 1998 dollar terms) were made by end-1998. A large number of countries are costed on the basis of decision points assumed to be in 1999, and on that basis nearly 50 percent of total commitments would be made during this year. Past experience suggests that at least some countries would be expected to be delayed from this earliest possible timing. The time profile of commitments of assistance under the four alternative scenarios from Table 9, while not shown, reflect approximately the same annual shares as shown in Table 14.

VI. Financing

19. It is beyond the scope of this paper to consider the financing of various alternative proposals to change the HIPC Initiative framework. However, even the current framework is now estimated to be some US$2.8 billion more costly than last year's assistance, and this alone will require identification of new resources for multilateral creditors.[17] Any discussion of changing the Initiative needs to be informed by a careful consideration of the source of additional financing. Based on the guidance on directions for change provided by the Boards of the Bank and Fund, and by the Development and Interim Committees, staff of the two institutions will provide further information on the financial constraints and possible sources of additional support.

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[17] For example, as a result of the higher estimated baseline cost of the HIPC Initiative, the total financing requirement for the IMF's ESAF-HIPC Trust for its contribution under the HIPC Initiative and for interim ESAF subsidies has increased from US$2.1 billion to US$2.5 billion in NPV terms at end-1998. Thus far the Trust has received bilateral contributions from nine countries of approximately US$75 million; there are positive indications of bilateral contributions for another US$1.1 billion. Taking into account direct contributions from the IMF of US$0.1 billion, the residual financing requirement for the ESAF-HIPC Trust would be US$1.2 billion. Under the alternative frameworks shown on Table 9, the residual financing requirement would be between US$1.4 billion and US$1.9 billion.With regard to the current ESAF, subsidy resources are sufficient, and the Fund has received pledges for loan resources from Canada, France, and Germany of around US$1.3 billion--more than half-way towards the target of an additional US$2.1 billion in loan resources.

Table 1. HIPC Initiative--Earliest Timing of Decision Points 1/

1997 *Actual*	1998 *Actual*	1999	2000	2001	2002 or later
Benin	Cote d'Ivoire	Chad	Cameroon	Central African Rep.	Angola
Bolivia	Mali	Ethiopia	Congo, Rep.		Burundi
Burkina Faso	Mozambique	Ghana	Guinea-Bissau		Congo, Dem. Rep.
Guyana	Senegal	Guinea	Kenya		Equatorial Guinea
Uganda		Honduras 2/	Madagascar		Liberia
		Laos	Rwanda		Myanmar
		Malawi	Sierra Leone		Sao Tome and Principe
		Mauritania			Somalia
		Nicaragua			Sudan
		Niger			
		Tanzania			
		Togo			
		Vietnam			
		Yemen			
		Zambia			
(5 countries)	(4 countries)	(15 countries)	(8 countries)	(1 country)	(8 countries)

Source: Staff estimates.

1/ The timing shown in this table assumes that countries would reach their decision point at the earliest possible date under the framework of the Initiative on the basis of uninterrupted satisfactory performance under the IMF- and IDA-supported adjustment programs. It should be emphasized that, when uncertainties in timing of decision points arose, the earlier timing has been presented on this table in order to make conservative (higher rather than lower) estimates of costs.

2/ A decision point in 1999 for Honduras would require exceptional treatment under the current framework.

Table 2. HIPC Initiative--Costs by Creditor Compared with August 1998 Estimates 1/
(US$ billion in 1998 NPV terms, excluding Liberia, Somalia and Sudan)

	Total		Countries at or approaching decision point 2/		Other countries which have met entry requirement 3/		Countries which have not met entry requirement 4/		Memo item: Current baseline (In 1999 NPV terms) 5/
	August 1998 baseline	Current baseline	August 1998 baseline	Current baseline	August 1998 baseline	Current baseline	August 1998 baseline	Current baseline	
Total costs	9.7	12.5	4.1	3.9	2.8	6.9	2.8	1.7	13.1
Bilateral and commercial creditors	4.7	6.3	1.8	1.7	1.1	3.6	1.8	0.9	6.6
Paris Club	4.1	5.2	1.4	1.4	0.9	2.9	1.8	0.9	5.4
Other official bilateral	0.5	1.0	0.4	0.3	0.2	0.6	0.0	0.0	1.0
Commercial	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Multilateral creditors	5.0	6.2	2.3	2.2	1.7	3.2	1.0	0.8	6.5
World Bank	2.0	2.4	1.1	1.0	0.5	1.1	0.4	0.3	2.5
IMF	0.8	1.2	0.3	0.3	0.3	0.7	0.2	0.1	1.2
AfDB/AfDF	0.8	1.0	0.4	0.3	0.2	0.4	0.3	0.2	1.0
IDB	0.4	0.5	0.2	0.2	0.2	0.3	0.0	0.0	0.5
Other	0.9	1.3	0.3	0.3	0.5	0.8	0.1	0.1	1.3

Source: IMF and World Bank staff estimates.

1/ Costs are discounted from the assumed completion points to 1998 NPV terms using a 6 percent discount rate. Cost estimates were based on the fully propo approach to burden sharing; they reflect HIPC Initiative documents for those countries which have already reached the decision point.
2/ Bolivia, Burkina Faso, Cote d'Ivoire, Ethiopia, Guinea-Bissau, Guyana, Mali, Mauritania, Mozambique, and Uganda.
3/ Cameroon, Chad, Congo, Rep. of, Guinea, Madagascar, Malawi, Nicaragua, Niger, Rwanda, Sierra Leone, Tanzania, and Zambia.
4/ Burundi, Dem. Rep. of Congo, Myanmar, and Sao Tome and Principe.
5/ Equivalent to amounts shown in the second column, but expressed in 1999 NPV terms.

Table 3. HIPC Initiative—Countries for Which Costs are Estimated
Under the Current Framework of the Initiative

Countries for which costs are projected under the current framework (29)	Cost projection based on:			
	Decision point or completion point reached (agreed NPV of debt-to-export target in parentheses)	Preliminary HIPC document discussed by IMF and Bank Boards (assumed NPV of debt-to-export target in parentheses)	Additional countries potentially eligible under fiscal criteria (costs based on NPV of debt-to-fiscal revenue target of 280 percent)	Other countries (assumed NPV of debt-to-export target of 200 percent)
Bolivia	Bolivia 2/	Guinea-Bissau	Congo, Rep. of	Burundi
Burkina Faso	(225%)	(200%)		Cameroon
Burundi	Burkina Faso	Ethiopia		Chad
Cameroon 1/	(205%)	(200%)		Congo, Dem. Rep.
Chad 1/	Côte d'Ivoire	Mauritania		Guinea
Congo, Dem. Rep.	(141%)	(200%)		Liberia
Congo, Rep. 1/	Guyana			Madagascar
Côte d'Ivoire	(107%)			Malawi
Ethiopia	Mali			Myanmar
Guinea 1/	(200%)			Nicaragua
Guinea-Bissau	Mozambique			Niger
Guyana	(200%)			Rwanda
Liberia	Uganda 2/			São Tomé and Prínc.
Madagascar	(202%)			Sierra Leone
Malawi 1/				Somalia
Mali				Sudan
Mauritania				Tanzania
Mozambique				Zambia
Myanmar				
Nicaragua				
Niger				
Rwanda				
São Tomé and Prínc.				
Sierra Leone 1/				
Somalia				
Sudan				
Tanzania				
Uganda				
Zambia				

Source: IMF and World Bank staff estimates, based on preliminary, decision point, and completion point final HIPC documents and most recent DSAs.

1/ Country added since August 1998 costing analysis.

2/ Completion point reached. Costing based on completion point documents.

Table 4. Key Indicators under the HIPC Initiative
Based on Timing Under Current HIPC Initiative Framework 1/

Country	Decision point date date used for costing analysis	NPV of debt-to-exports ratio at completion point 1/ 2/ (in percent)	NPV of debt-to-revenue ratio at completion point 1/ 2/ (in percent)	Exports-to-GDP ratio at decision point 1/ (in percent)	Revenue-to-GDP ratio at decision point 1/ (in percent)
Angola	2003	65	124	73	33
Benin	1997	187	166	26	14
Bolivia 3/	1997	221	175	19	23
Burkina Faso 3/	1997	250	203	8	12
Burundi	2002	567	462	8	13
Cameroon	2000	219	278	25	15
Central African Republic	2001	175	288	17	10
Chad	1999	218	308	18	8
Congo, Dem. Rep. of	2003	270	466	26	13
Congo, Rep. of	2000	187	410	67	26
Cote d'Ivoire 3/	1998	146	293	44	21
Equatorial Guinea	2002	16	86	95	19
Ethiopia 3/	1999	251	184	16	19
Ghana	1999	138	175	27	18
Guinea	1999	224	347	20	11
Guinea-Bissau 3/	2000	783	666	32	33
Guyana 3/	1997	151	470	103	33
Honduras	1999	158	297	47	18
Kenya	2000	103	91	28	28
Laos	1999	129	291	34	12
Madagascar	2000	223	327	22	11
Malawi	1999	263	521	26	16
Mali 3/	1998	221	324	22	15
Mauritania 3/	1999	266	363	42	28
Mozambique 3/	1998	548	638	26	20
Myanmar	2002	217	510	8	2
Nicaragua	1999	447	469	43	25
Niger	1999	248	274	16	8
Rwanda	2000	534	200	6	10
Sao Tome and Principe	2002	651	971	34	20
Senegal	1998	126	242	46	23
Sierra Leone	2000	262	427	19	7
Tanzania	1999	233	243	15	13
Togo	1999	136	291	34	16
Uganda 3/	1997	246	260	12	10
Vietnam	1999	69	140	48	21
Yemen	1999	186	171	40	35
Zambia	1999	446	634	32	19

1/ Indicators provide the latest data which would be available at the decision or completion point, i.e. that of the previous year.

2/ NPV of debt measured after full use of traditional debt relief mechanisms.

3/ Ratios may reflect new information since most recent HIPC Initiative document.

Table 5: Estimated Costings of Illustrative Changes in HIPC Initiative Framework

All 41 Countries 1/

	Assumed targets and thresholds (percent):			Number of countries receiving assistance:		Estimated costs (in 1998 US$ bn. NPV) 3/ Track record assumptions:				
	NPV debt-to-export target	Fiscal window thresholds 2/	NPV debt-to-revenue target	Total under baseline track record	Of which: under fiscal criterion	Baseline track record 4/	Additional costs of retroactivity 5/	Eliminate first stage 6/	Eliminate second stage 7/	Shorten second stage by one year 8/
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. Current framework 9/	200	40/20	280	29	3	19.0	--	22.3	23.3	21.0
2. Lower NPV debt/export target	150	40/20	280	32	3	26.1	2.0	29.2	30.3	28.2
3. Lower NPV debt/fiscal target and thresholds										
(a) Lower thresholds only	200	20/10	280	32	13	20.3	0.3	23.5	26.3	22.8
(b) Lower target and thresholds	200	20/10	250	32	15	21.8	1.2	25.0	28.3	24.3
4. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds										
(a) With lower thresholds	150	30/15	250	33	6	26.8	2.7	29.8	31.5	29.1
(b) with lower thresholds	150	20/10	250	34	9	27.0	2.7	30.1	32.0	29.5
(c) With no thresholds	150	--/--	200	35	20	30.1	4.0	33.6	37.1	32.8
(d) With no thresholds	100	--/--	150	38	14	38.5	6.9	42.7	45.8	41.3
5. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds for countries with GNP/capita < US$500	150	30/15	250	32	5	24.8	1.3	27.9	29.1	26.9
Memorandum item:										
Total NPV-of-debt at completion point after traditional mechanisms but before action under HIPC Initiative						112.8		111.8	104.1	110.3

Source: IMF and World Bank staff estimates. Costs expressed in NPV terms in 1998 US dollars using a 6 percent discount rate.

1/ The countries are: Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Dem. Rep. of, Congo, Rep. of, Cote d'Ivoire, Equatorial Guinea, Ethiopia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Lao P.D.R., Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanamar, Nicaragua, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Vietnam, Yemen, and Republic of Zambia.

2/ First number refers to the minimum ratio of exports/GDP (percent) and second threshold refers to minimum ratio of fiscal revenue/GDP (percent needed to qualify for NPV debt-to-revenue target. -- / -- means no minimum thresholds applied.

3/ Excluding costs which would arise from retroactive application of alternative targets and thresholds to countries that have reached decision or completion points, except in column 7.

4/ Track record as agreed by the Boards for early cases, and three years after assumed decision point for other countries.

5/ The additional costs beyond that shown in column 6 which is due to applying alternative targets/thresholds to countries that have reached completion point (Bolivia and Uganda) and decision point (Benin, Burkina Faso, Côte d'Ivoire, Guyana, Mali, Mozambique, and Senegal).

6/ Implying an overall track record of three years with countries reaching decision points as soon as possible followed by a three-year second stage; assumes no delays in implementation.

7/ Implying an overall track record of three years with countries reaching decision and completion points simultaneously and no second stage; assumes no delays in implementation.

8/ Implying an overall track record of five years, with a three-year first stage to the decision point and a two-year second stage to the completion point; assumes no delays in implementation.

9/ Costings of the current framework are based on targets chosen by Boards for existing cases, and assume an NPV of debt-to-exports target of 200 for all future countries; retroactive application of an NPV of debt-to-export target of 200 percent would cost an additional US$0.3 billion.

Table 6: Estimated Costings of Illustrative Changes in HIPC Initiative Framework

41 Countries excluding Liberia, Somalia, Sudan 1/

	Assumed targets and thresholds (percent):			Estimated costs (in 1998 US$ bn. NPV) 3/ Track record assumptions:				
	NPV debt-to-export target (1)	Fiscal window thresholds 2/ (2)	NPV debt-to-revenue target (3)	Baseline track record 4/ (4)	Additional costs of retroactivity 5/ (5)	Eliminate first stage 6/ (6)	Eliminate second stage 7/ (7)	Shorten second stage by one year 8/ (8)
1. Current framework 9/	200	40/20	280	12.5	--	14.1	15.2	14.1
2. Lower NPV debt/export target	150	40/20	280	19.0	2.0	20.6	21.6	20.7
3. Lower NPV debt/fiscal target and thresholds								
(a) Lower thresholds only	200	20/10	280	13.7	0.3	15.3	18.1	15.8
(b) Lower target and thresholds	200	20/10	250	15.2	1.2	16.8	20.1	17.3
4. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds								
(a) With lower thresholds	150	30/15	250	19.6	2.7	21.2	22.9	21.6
(b) With lower thresholds	150	20/10	250	19.9	2.7	21.4	23.3	21.9
(c) With no thresholds	150	--/--	200	23.0	4.0	24.9	28.4	25.2
(d) With no thresholds	100	--/--	150	30.8	6.9	33.5	36.6	33.2
5. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds for countries with GNP/capita < US$500	150	30/15	250	17.7	1.3	19.2	20.5	19.3
Memorandum item:								
Total NPV-of-debt at completion point after traditional mechanisms but before action under HIPC Initiative				98.7		98.1	90.4	96.5

Source: IMF and World Bank staff estimates. Costs expressed in NPV terms in 1998 US dollars using a 6 percent discount rate.

1/ The countries are: Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Dem. Rep. of, Congo, Rep. of, Cote d'Ivoire, Equatorial Guinea, Ethiopia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Lao P.D.R., Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanamar, Nicaragua, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Tanzania, Togo, Uganda, Vietnam, Yemen, and Republic of Zambia.

2/ First number refers to the minimum ratio of exports/GDP (percent) and second threshold refers to minimum ratio of fiscal revenue/GDP (percent needed to qualify for NPV debt-to-revenue target. -- / -- means no minimum thresholds applied.

3/ Excluding costs which would arise from retroactive application of alternative targets and thresholds to countries that have reached decision or completion points, except in column 5.

4/ Track record as agreed by the Boards for early cases, and three years after assumed decision point for other countries.

5/ The additional costs beyond that shown in column 6 which is due to applying alternative targets/thresholds to countries that have reached completion point (Bolivia and Uganda) and decision point (Benin, Burkina Faso, Côte d'Ivoire, Guyana, Mali, Mozambique, and Senegal).

6/ Implying an overall track record of three years with countries reaching decision points as soon as possible followed by a three-year second stage; assumes no delays in implementation.

7/ Implying an overall track record of three years with countries reaching decision and completion points simultaneously and no second stage; assumes no delays in implementation.

8/ Implying an overall track record of five years, with a three-year first stage to the decision point and a two-year second stage to the completion point; assumes no delays in implementation.

9/ Costings of the current framework are based on targets chosen by Boards for existing cases, and assume an NPV of debt-to-exports target of 200 for all future countries; retroactive application of an NPV of debt-to-export target of 200 percent would cost an additional US$0.3 billion.

Table 7: Estimated Costings of Illustrative Changes in HIPC Initiative Framework

32 Countries which have met HIPC Initiative Entry Requirements 1/

	Assumed targets and thresholds (percent):			Estimated costs (in 1998 US$ bn. NPV) 3/ Track record assumptions:				
	NPV debt-to-export target (1)	Fiscal window thresholds 2/ (2)	NPV debt-to-revenue target (3)	Baseline track record 4/ (4)	Additional costs of retroactivity 5/ (5)	Eliminate first stage 6/ (6)	Eliminate second stage 7/ (7)	Shorten second stage by one year 8/ (8)
1. Current framework 9/	200	40/20	280	10.8	--	11.7	12.8	12.2
2. Lower NPV debt/export target	150	40/20	280	16.0	2.0	16.8	17.9	17.5
3. Lower NPV debt/fiscal target and thresholds								
(a) Lower thresholds only	200	20/10	280	11.4	0.3	12.4	15.2	13.3
(b) Lower target and thresholds	200	20/10	250	12.6	1.2	13.6	16.9	14.5
4. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds								
(a) With lower thresholds	150	30/15	250	16.6	2.7	17.4	19.1	18.4
(b) With lower thresholds	150	20/10	250	16.8	2.7	17.6	19.5	18.6
(c) With no thresholds	150	--/--	200	18.7	4.0	19.6	23.2	20.6
(d) With no thresholds	100	--/--	150	25.9	6.9	26.8	30.0	28.0
5. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds for countries with GNP/capita < US$500	150	30/15	250	14.6	1.3	15.5	16.7	16.1
Memorandum item:								
Total NPV-of-debt at completion point after traditional mechanisms but before action under HIPC Initiative				82.6		82.4	74.7	80.5

Source: IMF and World Bank staff estimates. Costs expressed in NPV terms in 1998 US dollars using a 6 percent discount rate.

1/ From the list of 41 countries, exluded here are: Angola, Burundi, Congo, Dem. Rep. of, Equatorial Guinea, Liberia, Myanmar, Sao Tome and Principe, Somalia, and Sudan.
2/ First number refers to the minimum ratio of exports/GDP (percent) and second threshold refers to minimum ratio of fiscal revenue/GDP (percent needed to qualify for NPV debt-to-revenue target. -- / -- means no minimum thresholds applied.
3/ Excluding costs which would arise from retroactive application of alternative targets and thresholds to countries that have reached decision or completion points, except in column 5.
4/ Track record as agreed by the Boards for early cases, and three years after assumed decision point for other countries.
5/ The additional costs beyond that shown in column 6 which is due to applying alternative targets/thresholds to countries that have reached completion point (Bolivia and Uganda) and decision point (Benin, Burkina Faso, Côte d'Ivoire, Guyana, Mali, Mozambique, and Senegal).
6/ Implying an overall track record of three years with countries reaching decision points as soon as possible followed by a three-year second stage; assumes no delays in implementation.
7/ Implying an overall track record of three years with countries reaching decision and completion points simultaneously and no second stage; assumes no delays in implementation.
8/ Implying an overall track record of five years, with a three-year first stage to the decision point and a two-year second stage to the completion point; assumes no delays in implementation.
9/ Costings of the current framework are based on targets chosen by Boards for existing cases, and assume an NPV of debt-to-exports target of 200 for all future countries; retroactive application of an NPV of debt-to-export target of 200 percent would cost an additional US$0.3 billion.

Table 8. HIPC Initiative--Additional Countries Expected to Qualify for Assistance under Various Options 1/

	Baseline Track Record	Shorter Track Record Additional Countries to column (1)		
		Eliminate First Stage 2/	Eliminate Second Stage 3/	Shorten Second Stage by One Year 4/
	(1)	(2)	(3)	(4)
1. Current framework	See footnote 1 (29 countries)	C.A.R.	None	None
2. Lower NPV debt/export target	C.A.R., Honduras, and Yemen	C.A.R., Honduras, and Yemen	Benin, C.A.R., Ghana, Laos, and Togo	C.A.R., Ghana, Honduras, and Yemen
3. Lower NPV debt/fiscal target and thresholds				
(a) Lower thresholds only	Honduras, Laos, and Togo	C.A.R., Honduras, Laos, and Togo	Honduras, Laos, and Togo	Honduras, Laos, and Togo
(b) Lower target and thresholds	Honduras, Laos, and Togo	C.A.R., Honduras, Laos, and Togo	Benin, Honduras, Laos, Senegal, and Togo	Honduras, Laos, and Togo
4. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds				
(a) With lower thresholds	C.A.R., Honduras, Togo, and Yemen	C.A.R., Honduras, Togo, and Yemen	Benin, C.A.R., Ghana, Honduras, Laos, Senegal, and Togo	C.A.R., Ghana, Honduras, Togo, and Yemen
(b) With lower thresholds	C.A.R., Honduras, Laos, Togo, and Yemen	C.A.R., Honduras, Laos, Togo, and Yemen	Benin, C.A.R., Ghana, Honduras, Laos, Senegal, and Togo	C.A.R., Ghana, Honduras, Laos, Togo, and Yemen
(c) With no thresholds	C.A.R., Honduras, Laos, Senegal, Togo, and Yemen	C.A.R., Honduras, Laos, Senegal, Togo, and Yemen	Benin, C.A.R., Ghana, Honduras, Laos, Senegal, and Togo	C.A.R., Ghana, Honduras, Laos, Senegal, Togo, and Yemen
(d) With no thresholds	Benin, C.A.R., Ghana, Honduras, Kenya, Laos, Senegal, Togo, and Yemen	Angola, Benin, C.A.R., Ghana, Honduras, Kenya, Laos, Senegal Togo, and Yemen	Angola, Benin, C.A.R., Ghana, Honduras, Kenya, Laos, Senegal, Togo, and Yemen	Benin, C.A.R., Ghana, Honduras, Kenya, Laos, Senegal, Togo, and Yemen
5. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds for countries with GNP/capita < US$500	C.A.R., Togo, and Yemen	C.A.R., Togo, and Yemen	Benin, C.A.R., Ghana, Laos, and Togo	C.A.R., Ghana, Togo, and Yemen

Source: HIPC Initiative Review and Outlook, and staff estimates based on information collected for that paper.

1/ Beyond countries that have or are expected to qualify under existing framework, namely Bolivia, Burkina Faso, Burundi, Cameroon, Chad, Congo, Dem. Rep. of, Congo, Rep. of, Cote d'Ivoire, Ethiopia, Guinea, Guinea-Bissau, Guyana, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, Sao Tome and Principe, Sierra Leone, Somalia, Sudan, Tanzania, Uganda, and Zambia
2/ Implying an overall track record of three years with countries reaching decision points as soon as possible and a three-year second stage.
3/ Implying an overall track record of three years with countries reaching decision and completion points simultaneously and no second stage.
4/ Implying an overall track record of five years, with a three-year first stage to the decision point and a two-year second stage to the completion point.

Table 9. HIPC Initiative--Estimates of Potential Costs by Creditor

Current Framework and Selected Alternative Scenarios **with Retroactivity**

(US$ billion in 1998 NPV terms, excluding Liberia, Somalia, and Sudan) 1/

	Current Framework	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Memorandum: Total NPV of of debt at decision point after traditional mechanisms
Scenario criteria						
NPV debt/exports target	200	150	200	200	150	
NPV debt/revenue target	280	280	250	280	250	
Export/GDP, Revenue/GDP thresholds	40/20	40/20	20/10	40/20	30/15	
Track record	Baseline	Baseline	Baseline	Elim. 2nd stage	Baseline	
Total costs (including retroactivity)	12.5	21.0	16.3	17.4	22.4	90.4
Bilateral and commercial creditors	6.5	10.0	8.3	9.4	10.8	50.1
Paris Club	5.3	8.3	6.9	7.6	8.8	36.2
Other official bilateral	1.0	1.4	1.1	1.2	1.4	6.1
Commercial	0.2	0.4	0.4	0.6	0.5	7.7
Multilateral creditors	6.3	11.0	8.0	8.0	11.6	40.3
World Bank	2.4	4.4	3.1	3.1	4.6	16.0
IMF	1.2	1.8	1.5	1.6	1.9	6.4
AfDB/AfDF	1.0	1.5	1.2	1.3	1.6	5.3
IDB	0.5	0.8	0.6	0.5	0.9	2.6
Other	1.3	2.4	1.7	1.5	2.6	10.0

Source: IMF and World Bank staff estimates.

1/ Proportional burden-sharing among creditors is assumed.

Table 10. HIPC Initiative--Estimates of Potential Costs by Creditor

Current Framework and Selected Alternative Scenarios **without Retroactivity**

(US$ billion in 1998 NPV terms, excluding Liberia, Somalia, and Sudan) 1/

	Current Framework	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Memorandum: Total NPV of of debt at decision point after traditional mechanisms
Scenario criteria						
NPV debt/exports target	200	150	200	200	150	
NPV debt/revenue target	280	280	250	280	250	
Export/GDP, Revenue/GDP thresholds	40/20	40/20	20/10	40/20	30/15	
Track record	Baseline	Baseline	Baseline	Elim. 2nd stage	Baseline	
Total costs (excluding retroactivity)	12.5	19.0	15.2	15.2	19.6	90.4
Bilateral and commercial creditors	6.3	9.3	7.7	8.2	9.6	50.1
Paris Club	5.2	7.8	6.5	6.8	8.0	36.2
Other official bilateral	1.0	1.3	1.0	1.2	1.3	6.1
Commercial	0.1	0.2	0.1	0.2	0.2	7.7
Multilateral creditors	6.2	9.8	7.5	7.0	10.0	40.3
World Bank	2.4	3.9	2.8	2.7	4.0	16.0
IMF	1.2	1.6	1.4	1.4	1.7	6.4
AfDB/AfDF	1.0	1.4	1.1	1.2	1.4	5.3
IDB	0.5	0.6	0.6	0.5	0.7	2.6
Other	1.3	2.3	1.6	1.3	2.3	10.0

Source: IMF and World Bank staff estimates.

1/ Proportional burden-sharing among creditors is assumed. The figures reflect HIPC Initiative documents for those countries which have already reached the decision point.

Table 11. HIPCs--Outstanding Obligations to the IMF

In millions of US dollars at end-February, 1999

		General Resources Account		ESAF/SAF/Trust Fund			Memo:
		Outstanding:	of which:	Outstanding:	of which:	Other	Arrears
	Total		Arrears		Arrears	Arrears	total
Angola	--	--	--		--	--	--
Benin	92	--	--	92	--	--	--
Bolivia	253	--	--	253	--	--	--
Burkina Faso	109	--	--	109	--	--	--
Burundi	18	--	--	18	--	--	--
Cameroon	151	41	--	111	--	--	--
Central African Rep.	16	2	--	14	--	--	--
Chad	62	2	--	60	--	--	--
Congo, Dem. Rep. of	505	292	292	202	190	11	494
Congo, Rep. of	33	14	--	19	--	--	--
Cote d'Ivoire	625	--	--	625	--	--	--
Equatorial Guinea	10	--	--	10	--	--	--
Ethiopia	101	--	--	101	--	--	--
Ghana	324	--	--	324	--	--	--
Guinea	123	--	--	123	--	--	--
Guinea-Bissau	15	--	--	15	--	--	--
Guyana	144	--	--	144	--	--	--
Honduras	107	65	--	43	--	--	--
Kenya	186	--	--	186	--	--	--
Lao People's Dem Rep.	60	--	--	60	--	--	--
Liberia	635	568	568	42	42	24	635
Madagascar	55	--	--	55	--	--	--
Malawi	93	7		87	--	--	--
Mali	193	--	--	193	--	--	--
Mauritania	105	--	--	105	--	--	--
Mozambique	199	--	--	199	--	--	--
Myanmar	--	--	--	--	--	--	--
Nicaragua	139	--	--	139	--	--	--
Niger	73	2	--	71	--	--	--
Rwanda	53	31	--	22	--	--	--
Sao Tome & Principe	--	--	--	--	--	--	--
Senegal	284	5	--	278	--	--	--
Sierra Leone	185	16	--	169	--	--	--
Somalia	272	239	239	23	23	10	272
Sudan	1,561	1,456	1,456	106	106		1,561
Tanzania	294	--	--	294	--	--	--
Togo	92	--	--	92	--	--	--
Uganda	382	--	--	382	--	--	--
Vietnam	379	50	--	330	--	--	--
Yemen	326	205	--	120	--	--	--
Zambia	1,152	--	--	1,152	--	--	--
Total HIPCs	**9,405**	**2,994**	**2,555**	**6,365**	**361**	**45**	**2,962**
Memorandum items:							
Countries which have reached decision point 1/	1,904	--	--	1,904	--	--	--
Countries approaching decision point 2/	220	--	--	220	--	--	--
Other countries which have entered the Initiative	4,278	439		3,840	--	--	--
Countries which have not yet entered 4/	3,002	2,555	2,555	401	361	45	2,962
of which: Congo Dem. Rep.of, Liberia, Somalia and Sudan	2,974	2,555	2,555	373	361	45	2,962

Source: IMF.

1/ Bolivia, Burkina Faso, Côte d'Ivoire, Guyana, Mali, Mozambique, and Uganda

2/ Ethiopia, Guinea-Bissau, and Mauritania

3/ Those countries which have had Fund- and Bank supported programs in the period since September 1995 are defined as having entered: Benin, Cameroon, Central African Republic, Chad, Congo, Rep. of, Ghana, Guinea, Honduras, Kenya, Lao P.D.R., Madagascar, Malawi, Nicaragua, Niger, Rwanda, Senegal, Sierra Leone, Tanzania, Togo, Vietnam, Yemen, Zambia

4/ See footnote 3; Angola, Burundi, Congo, Dem. Rep. Of, Equatorial Guinea, Myanmar, São Tomé and Príncipe, Liberia, Somalia, and Sudan.

Data converted at end of February exchange rate US$/SDR: 1.36556

Table 12. HIPCs: Outstanding Obligations to the World Bank

In millions of US$ at end-February, 1999

	Total	IBRD	IDA	Arrears
Angola	178	--	178	--
Benin	548	--	548	--
Bolivia	1,056	23	1,033	--
Burkina Faso	697	--	697	--
Burundi	590	--	590	--
Cameroon	1,020	332	688	--
Central African Republic	401	--	401	--
Chad	475	--	475	--
Congo, Dem. Rep. of	1,400	24	1,168	208
Congo, Rep. of	244	48	163	34
Côte d'Ivoire	2,197	869	1,328	--
Equatorial Guinea	50	--	50	--
Ethiopia	1,601	--	1,601	--
Ghana	2,917	22	2,895	--
Guinea	988	--	988	--
Guinea-Bissau	228	--	226	2
Guyana	244	15	229	--
Honduras	810	226	584	--
Kenya	2,307	144	2,163	--
Lao P.D.R.	385	--	385	--
Liberia	397	7	92	298
Madagascar	1,295	1	1,294	--
Malawi	1,534	24	1,510	--
Mali	999	--	999	--
Mauritania	401	3	398	--
Mozambique	1,303	--	1,303	--
Myanmar	735	--	713	22
Nicaragua	497	14	483	--
Niger	670	--	670	--
Rwanda	624	--	624	--
São Tomé and Príncipe	59	--	59	--
Senegal	1,277	7	1,270	--
Sierra Leone	291	1	291	--
Somalia	427	--	377	50
Sudan	1,261	2	1,129	130
Tanzania	2,432	20	2,412	--
Togo	603	--	603	--
Uganda	1,902	--	1,902	--
Vietnam	868	--	868	--
Yemen, Republic of	1,602	--	1,602	--
Zambia	1,652	41	1,611	--
Total	**39,169**	**1,824**	**36,601**	**744**
Memorandum items:				
Countries which have reached decision point 1/	8,398	907	7,491	--
Countries approaching decision point 2/	2,230	3	2,225	2
Other countries which have entered the Initiative 3/	23,443	880	22,528	34
Countries which have not yet entered 4/	5,098	33	4,357	708
of which: Liberia, Somalia, Sudan	2,085	10	1,598	478

Sources: Loan and Accounting Department, World Bank.

1/ Bolivia, Burkina Faso, Côte d'Ivoire, Guyana, Mali, Mozambique, and Uganda

2/ Ethiopia, Guinea-Bissau, and Mauritania

3/ Those countries which have had Fund- and Bank supported programs in the period since September 1995 are defined as having entered: Benin, Central African Republic, Chad, Congo, Rep. of, Ghana, Guinea, Honduras, Kenya, Lao P.D.R., Madagascar, Malawi, Nicaragua, Niger, Rwanda, Senegal, Sierra Leone, Tanzania, Togo, Vietnam, Yemen, Zambia

4/ See footnote 3; Angola, Burundi, Congo, Dem. Rep. Of, Equatorial Guinea, Myanmar, São Toméand Príncipe, Liberia, Somalia, and Sudan.

Table 13. Illustrative Estimates of Cash Flow Impact of HIPC Initiative Assistance
Based on Impact on First Seven Cases 1/

Scenario	Change in average annual debt service due after HIPC Assistance (completion point to 2005)		Memorandum item:
	vs. average annual debt service paid 1993-98	vs. average annual debt service due after traditional mechanisms	HIPC annual cash flow reduction as a percentage of total NPV reduction
	(In percent)	(In percent)	(In percent)
Current framework			
Average	-1.9	-17.8	9.3
Range (7 countries)	-32.8 to 42.1	-39.1 to -5.1	4.5 to 13.1

Source: IMF and World Bank staff estimates.

1/ Data are from estimated cash flow profiles for Bolivia, Burkina Faso, Cote d'Ivoire, Guyana, Mali, Mozambique, and Uganda.
2/ See Table 9 for a description of the alternative scenarios.

Table 14. HIPC Initiative: Total Potential Costs Committed at Decision Points 1/
Annual Profile According to Year Committed
Current framework without retroactivity
(41 countries excluding Liberia, Somalia and Sudan, in billions of US dollars in 1998 present value terms)

	1997	1998	1999	2000	2001	2002 and later	Totals
Bilateral and commercial credito	**0.3**	**1.0**	**3.0**	**1.0**	**0.0**	**0.9**	**6.3**
Paris Club	0.3	0.8	2.3	0.9	0.0	0.9	5.2
Other bilateral creditors	0.0	0.2	0.6	0.1	0.0	0.0	1.0
Commercial creditors	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Multilateral creditors	**0.8**	**0.8**	**3.0**	**0.9**	**0.0**	**0.8**	**6.2**
World Bank	0.3	0.4	1.1	0.3	0.0	0.3	2.4
IMF	0.1	0.1	0.6	0.1	0.0	0.1	1.2
AfDB/AfDF	0.0	0.2	0.4	0.1	0.0	0.2	1.0
IaDB	0.2	0.0	0.3	0.0	0.0	0.0	0.5
Other multilateral creditors	0.1	0.1	0.5	0.4	0.0	0.1	1.3
Totals	**1.2**	**1.8**	**5.9**	**1.9**	**0.0**	**1.7**	**12.5**
Memorandum item							
As a percent of total assistance	9.4	14.6	47.4	15.3	0.0	13.4	100.0
Cumulative	9.4	23.9	71.3	86.6	86.6	100.0	

Sources: Final HIPC documents and completion point documents, and IMF and World Bank staff estimates.

1/ Annual costs on a commitment basis at earliest possible decision point, for delivery in NPV terms at the completion point.