

INTERNATIONAL MONETARY FUND AND
INTERNATIONAL DEVELOPMENT ASSOCIATION

Enhanced HIPC Initiative—Completion Point Considerations

Prepared by the Staffs of the IMF and World Bank

Approved by Jack Boorman and Cheryl Gray

August 17, 2001

	Contents	Page
I.	Introduction	2
II.	Assessment of the Need for Additional HIPC Relief.....	4
	A. Debt Sustainability Analysis (DSA) at the Completion Point	4
	B. Comprehensive Assessment of Economic Circumstances	4
III.	Determination of Additional HIPC Relief	8
	A. General Considerations	8
	B. Calculation of Additional HIPC Relief	9
IV.	Other Operational and Financing Issues	10
	A. Consultations with all Creditors Involved.....	10
	B. Financing and Burden Sharing	10
	C. Delivery of Additional HIPC Relief.....	11
V.	Issues for Discussion.....	11
Box		
1.	Identifying Countries for Additional HIPC Relief at the Completion Point.....	5
Appendix		
I.	Decision Point Projections: NPV Debt-to-Exports Ratio at the Completion Points.....	13
Appendix Table		
1.	Enhanced HIPC Initiative: Countries with Projected NPV of Debt-to-Export Ratios Above 150 Percent at their Completion Points.....	14

I. INTRODUCTION

1. The enhanced Initiative for Heavily Indebted Poor Countries (HIPC) provides the international community with the option to consider additional assistance under the Initiative at the completion point beyond that committed at the decision point if there has been a fundamental change in a country's economic circumstances at that time, and the change was clearly due to an exogenous development.¹ In April 2001, following discussion of the staff paper on maintaining long-term external debt sustainability in HIPCs, the Executive Boards of the IMF and the World Bank reconfirmed that this provision of the current framework would only need to be invoked in exceptional circumstances.² The International Monetary and Financial and the Development Committees also reaffirmed this option of the enhanced HIPC Initiative in their joint communiqué of the 2001 Spring Meetings.³

2. So far, two countries (Uganda and Bolivia) have reached their completion points under the enhanced HIPC Initiative with debt indicators at the completion point and beyond below the sustainability targets of the enhanced Initiative. More countries are approaching their completion points, including countries whose net present value (NPV) of debt relative to exports was projected at the decision point to stay above the sustainability target of 150 percent at their completion points and for a period thereafter, mainly due to new borrowing for economic reconstruction and reform. The Executive Boards approved these countries' decision points, noting that HIPC relief committed at the decision point would provide a good basis for achieving external debt sustainability, but that this also requires continued adherence to sound economic policies including prudent debt management and adequate concessional external support. In the context of discussing the challenge of

¹ *Modification to the Heavily Indebted Poor Countries (HIPC) Initiative* (EBS/99/138, July 23, 1999 and IDA/SecM99-475, July 26, 1999). Paragraph III.3 (e) of the PRGF/HIPC Trust Instrument, as modified by the Executive Board of the Fund on January 27, 2000 (Decision 12132-(00/9)) states "The Trustee retains the right to provide additional assistance at the completion point beyond that committed at the decision point if there has been a fundamental change in the member's economic circumstances adversely affecting its debt sustainability, which is due to exogenous circumstances."

² *The Challenge of Maintaining Long Term External Debt Sustainability* (SM/01/94, March 21, 2001 and IDA/SecM2001-0204, March 20, 2001). Also see the Acting Chairman's Summing Up in the IMF Executive Board (BUFF/01/56, April 18, 2001).

³ *International Monetary and Financial Committee and Development Committee Communiqué* (April 29, 2001) states that "In exceptional circumstances when exogenous factors cause fundamental changes in a country's circumstances, we affirmed that within the HIPC framework the option exists, at the completion point, to consider additional debt relief."

maintaining long-term debt sustainability in HIPCs, several Executive Directors requested that the operational guidelines be clearly delineated as to when and how to exercise the option of increasing debt relief at the completion point.

3. Against this backdrop, this paper spells out possible operational elements of a completion point option to increase HIPC relief and makes a number of specific proposals for its application. The proposed operating procedures are guided by the principles set forth by the Executive Boards of the Fund and the Bank under the existing framework of the HIPC Initiative, namely that any additional debt relief would need to be:

- *exceptional*: In approving the modifications to the HIPC Initiative in the fall of 1999, Executive Boards of the Fund and the Bank agreed that the adoption of a decision point-based calculation of debt relief implied no automatic reassessment of the amount of relief provided at the completion point as the new sustainability targets would already provide a substantial safety cushion.⁴
- *based on a fundamental change in a country's circumstances due to exogenous developments*: A clear demonstration was required that a country's economic circumstances had fundamentally changed at the completion point, adversely affecting its long-term debt sustainability. The fundamental change in a country's economic circumstances should be due to exogenous factors.
- *based on a full account of debt relief*: In discussing the staff paper on the challenge for maintaining debt sustainability in HIPCs, Executive Directors stressed that an assessment of a HIPC's external debt situation at the completion point should take account of all debt relief, not only enhanced HIPC Initiative assistance, but also additional debt forgiveness provided and/or committed by official bilateral and commercial creditors.

4. The paper is organized as follows. Section II discusses the approach for arriving at a judgment on whether a HIPC's economic circumstances at the completion point warrant the consideration of additional HIPC relief. The methodology for determining the amount of additional HIPC relief is proposed in Section III. Section IV discusses issues related to the consultation with creditors, financing, and relief delivery. Finally, Section V lists possible issues for discussion.

⁴ Although the size of this safety margin has never been formally defined, the NPV debt-to-export target was lowered from the original range of 200–250 percent to 150 percent under the enhanced Initiative. The NPV debt-to-fiscal revenue target was lowered from 280 to 250 percent and the qualifying thresholds from 40 percent to 30 percent (export-to-GDP ratio) and from 20 percent to 15 percent (revenue-to-GDP ratio).

II. ASSESSMENT OF THE NEED FOR ADDITIONAL HIPC RELIEF

A. Debt Sustainability Analysis (DSA) at the Completion Point

5. Under the enhanced framework, the DSA prepared for all countries reaching the completion point would assess the extent to which long-term debt sustainability was being achieved. This DSA would provide the basis for assessing whether a country had experienced a fundamental change in its economic circumstances since the decision point. This assessment needs to be comprehensive, taking into account all factors relevant to a country's external public debt and its payment capacity. Key indicators, as in the decision point analysis, would include the NPV of debt-to-exports ratio, the NPV of debt-to-central government revenue ratio (for countries qualifying under the fiscal window), and the debt service-to-exports ratio.

6. The completion point DSA would reflect the overall indebtedness of each HIPC, including both "old debt" incurred prior to the decision point and "new debt" accumulated after the decision point. It should be noted that, while some new borrowing had been envisaged for all HIPCs that have reached their decision points, the actual amount of new borrowing and its terms, as well as the evolution of exports, would be influenced by a debtor country's economic policies. As such, the impact of new debt on the debt indicators and overall debt sustainability needs to be analyzed carefully.

7. Similarly, the DSA update at the completion point would take account of both the debt relief under the enhanced HIPC Initiative and any additional (bilateral) debt relief already provided and/or committed after the decision point. In undertaking the DSA update, the staffs will use the same methodology as at the decision point. More specifically, the debt indicators at the completion point will be calculated using actual data on a three-year backward-looking average of exports, the latest year central government revenues, and the six-monthly average of the commercial interest reference rates (CIRRs) as currency-specific discount rates.

B. Comprehensive Assessment of Economic Circumstances

8. Whenever the DSA at the completion point indicates that the NPV of debt as a ratio of exports or government revenue exceeds the HIPC sustainability benchmarks (150 percent and 250 percent, respectively) the staffs will include in the joint completion point document a comprehensive assessment of the country's economic circumstances and of the debt sustainability outlook. This assessment will seek to determine whether there has been a fundamental change in the country's economic circumstances, and if yes, whether this change could be attributed to domestic or external exogenous developments that have taken place since the country reached its decision point (see Box 1). It would also be expected that the HIPC government would have responded appropriately to any deviations from program assumptions made at the time of its decision point or any unforeseen exogenous development

Box 1. Identifying Countries for Additional HIPC Relief at the Completion Point

To identify cases that warrant the consideration of additional HIPC relief, an assessment of a country's economic circumstances is to be made at the completion point, based on the completion point DSA, with the decision point DSA as a reference point. The assessment would follow these steps:

1. **Identifying possible cases.** The DSA at the completion point will identify countries with actual NPV of debt-to-export (or revenue) ratios above 150 percent (or 250 percent).
2. **Comprehensive assessment.** For these countries, a comprehensive examination would focus on a number of key aspects, including:
 - Projection for NPV of debt-to-exports (or, in fiscal window cases, NPV of debt-to-revenue) ratio after the completion point, after enhanced HIPC assistance and additional bilateral debt relief: how does it compare to the decision point projection; and what is the trend over the medium and long term?
 - Debt service-to-exports ratio: does it exceed 15–20 percent at the completion point and for how long?
 - Do these indicators stay above the HIPC Initiative thresholds for more than 3–5 years?
 - Has there been a sizeable new borrowing and on what terms? How does it compare to the assumptions in the decision point projections?
 - Has there been a fundamental change in the country's economic circumstances since the decision point?
 - Were there exogenous factors beyond the control of the country's authorities, notwithstanding prudent macroeconomic management?
 - How has economic policy reacted to the exogenous developments?
3. **Conclusion and staff recommendation.** Based on the assessment, does this case meet the exceptional circumstances in which additional HIPC relief at the completion point is justified? If so, the staffs would recommend eligibility for additional HIPC relief at the completion point and the amount of additional assistance for consideration by Executive Boards of the IMF and the World Bank (see Section III).

9. It should be recalled that the amount of debt relief committed by the international community at the time of the decision point is (a) based on actual historical data for the calendar or fiscal year prior to the decision point and not on any projections of economic developments in the subsequent period; and (b) designed to deliver sufficient assistance so as to lower the NPV of outstanding debt to the debt sustainability targets (150 percent of exports or 250 percent of government revenue, whichever is applicable) at the decision point. The DSA at the decision point covers a period of typically 20 years and is based on a broad range of assumptions (agreed between the authorities and Bank and Fund staffs) about *inter alia* the likely output and export growth, fiscal developments, exchange rate and interest rate developments, and the volume and terms of new public sector external borrowing. It is on this basis that for a small number of HIPCs the DSA projections at the decision point

indicated that the NPV of their debt would exceed the sustainability targets at or even beyond their expected completion points. As indicated in Appendix I, a major reason behind this has been the projected new borrowing, *inter alia* to finance their planned investment projects or their reconstruction needs.

10. The DSA at the completion point could very well differ from that projected at the decision point as a result of differences between the assumed and the actual trends in domestic economic developments and the external economic environment. Modest deviations from the DSA assumptions would be natural and should not be surprising. Large adverse deviations, however, could be indicative of exogenous shocks and/or major policy slippages excessive optimism in the original analysis. Nonetheless, for the HIPCs that reach their completion points, the presumption would be that their policies since their decision points have been broadly satisfactory, as required by the completion point triggers, including satisfactory implementation of the PRSP⁵ and broad macroeconomic stability as evidenced by their performance under PRGF-supported programs. These requirements would tend to imply that before reaching their completion points, the HIPCs would have responded appropriately to any deviations from program assumptions made at the time of their decision points or any unforeseen exogenous developments. The DSA at the completion point would be based implicitly on the assumption that policies for the period ahead would also be broadly appropriate, as the reform efforts of the HIPCs would continue to be supported by financial assistance from the international community, including from the Fund and the Bank. In the event of adverse exogenous shocks, it may not always be sufficient or desirable for domestic policy adjustments to fully offset the impact of these shocks on the external accounts and the debt sustainability outlook.

11. Against this background, the key operational questions will be what constitutes a fundamental change in a country's economic circumstances and its debt sustainability and, if there was such a change, was it caused by exogenous factors. These are not easy questions to answer definitively *ex ante*. Obviously, if the debt indicators at the completion point exceeded the sustainability targets by large margins and were projected to do so over the long term, it would be a clear case of a fundamental and unsustainable worsening in the debt outlook. In practice, however, the question becomes how large should these margins be and for how long should they be exceeded in order to constitute a fundamental change. The questions call for assessments by the staff on a case-by-case basis, drawing on a broad range of indicators and considerations, which would need to be explicitly justified in the HIPC completion point document. These indicators include the full range of debt indicators (namely the NPV of debt to exports and government revenue, and the ratio of debt service to exports and government revenue); the growth of output and exports; actual aid flows

⁵ Adoption of a PRSP by retroactive cases, and a one-year implementation report of the PRSP for other HIPCs.

including the degree of concessionality compared to decision point projections;⁶ trends in primary commodity prices and the outlook for world demand; the projected outlook for government revenue and the budget balance; the projected saving and investment balances for the government (public) and private sectors; and the projected inflation trends. The exogeneity question, i.e., if a fundamental change is due to an exogenous shock, policy decisions by the authorities, or a slow or modest response of the economy to policy initiatives or reforms introduced by the authorities, can only be answered based on the analysis of each individual case.

12. A number of operational guidelines are suggested to facilitate the work of the staffs.

- First, in determining whether additional HIPC relief should be provided, some allowance would need to be made for small deviations of the debt indicators (say a margin of up to 5 percentage points) from the sustainability targets in the DSA projections in a particular year; the judgment should preferably be based on trends over time, rather than specific single year projections.
- Second, in full collaboration with the country authorities, the staffs would need to identify changes in the external environment (such as declines in the terms of trade), incidents of natural calamities (such as prolonged droughts, hurricanes, and earthquakes) that have taken place during the period between the decision point and the completion point.
- Third, the staffs would need to demonstrate that the quantitative impact of these shocks has been of a sufficiently large magnitude to account for the worsening in the debt indicators at the completion point and in the medium- to long-term debt outlook. Given the inherent difficulties in judging ex ante whether the effects of a particular exogenous shock would be temporary or permanent, medium-term projections should be used to help arrive at reasonable judgments on whether such shocks result in fundamental changes in a country's situation.⁷ As a rule of thumb, the adverse effects of a shock should be expected to last for at least 3–5 years to be considered fundamental.
- Fourth, it goes without saying that, in assessing the adequacy of the projected policy stance in the period after the completion point, the staffs should emphasize the

⁶ It should be recalled that the provision of HIPC debt relief is meant to be additional and not a substitute of other aid flows. Given the need to promote external debt sustainability, the aid flows after the decision points are expected for practically all HIPCs to be in the form of grants or of highly concessional loans.

⁷ It is possible that a one-year (exogenous) shock to exports depresses the three-year average significantly, resulting in a relatively large change in the debt indicators.

importance of effective implementation of the PRSP, including sound macroeconomic policies.⁸

13. Overall, it may well be the case that not all HIPC's with debt indicators exceeding the debt sustainability targets at and beyond their completion points would qualify for additional HIPC relief. Under the existing HIPC Initiative framework, only in exceptional cases when exogenous factors cause a fundamental worsening in a country's economic circumstances would such additional HIPC relief from the international community be considered. Moreover, it should be noted that beyond this potential additional debt relief at the completion point, no further debt relief is envisaged under the existing HIPC framework. The challenge thus for all HIPC's is not only to achieve external debt sustainability, but to maintain or even improve further such a debt position over the longer term through the pursuit of appropriate macroeconomic and structural policies and a judicious foreign borrowing policy (both in terms of volume and terms). As it was highlighted in the joint staff paper on the challenge for maintaining long-term external debt sustainability, crucial in this regard would be the attainment of an improved business environment so as to facilitate the expansion of private savings and investment, which would contribute in turn to a strengthening of export and output growth.

III. DETERMINATION OF ADDITIONAL HIPC RELIEF

A. General Considerations

14. If a country is deemed to warrant the consideration of additional HIPC relief at the completion point, the determination of the amount of such relief would need to be consistent with the following principles or requirements of the enhanced framework of the HIPC Initiative:

- The additional debt relief should aim to achieve the objectives of the enhanced HIPC Initiative, i.e., to provide the HIPC's with a robust exit from debt rescheduling and pave the way toward long-term debt sustainability. This implies that the NPV of debt should be reduced through additional relief to a level closely related to the sustainability targets of the enhanced Initiative (there is no explicit requirement in the existing framework that specifies the debt sustainability thresholds for the additional HIPC relief).
- The methodology used in the calculation of the additional relief should be consistent with the HIPC Initiative framework. In particular, the amount of additional relief

⁸ Based on these broad guidelines, the six countries with projected NPV of debt/exports ratios in excess of 150 percent at their completion points could be among the countries for which comprehensive staff assessments will be made in their completion point documents.

should be calculated based on actual data at the completion point, in line with the methodology used in the decision point calculation.

- The provision of additional assistance should minimize the moral hazard risks on both the debtor and creditor sides. In this regard a staff assessment of the policy response to adverse exogenous shocks will be important in the decision to recommend additional assistance. As the calculation of additional debt relief would cover new debt accumulated after the decision point, debtor countries may have an incentive to increase the volume of their foreign borrowing and/or accept less concessional terms than necessitated by their economic circumstances, although ceilings on nonconcessional external borrowing under IMF-supported programs would help contain such incentives. In contrast, the potential eventuality of having to provide additional debt relief may discourage some creditors from providing adequate new lending. The determination of any additional HIPC relief, however, should not discourage future lending to HIPCs.

B. Calculation of Additional HIPC Relief

15. For countries that would require topping-up of HIPC Initiative assistance, the amount of additional relief in NPV terms would be determined to reduce a qualifying HIPC's debt outstanding at the completion point after full account of all debt relief, including additional bilateral debt forgiveness, to a targeted level. The calculation will be based on the actual data available at the completion point. After a careful review of the advantages and disadvantages of the two possible alternative approaches that suggest themselves for this calculation (see below), the staffs would recommend the use of the same debt sustainability targets as at the decision point.

16. Under the recommended approach, the additional debt relief could be calculated to allow a country to lower its NPV of debt relative to exports or fiscal revenue at the completion point to the debt sustainability targets used at the decision point (NPV of debt equivalent to 150 percent of exports, or in fiscal window cases, 250 percent of government revenue). Such an approach would have the obvious and important advantage of consistency in the analytical framework, and would be transparent.

17. An alternative approach that was considered would be to use the same debt sustainability targets as at the decision point *plus a small margin*, of, say, a few percentage points. Such an approach would make use of the unspecified cushion built into the enhanced HIPC Initiative. It would also reduce the difference with other HIPCs that might have debt indicators at the completion point and beyond that exceed their debt sustainability thresholds by a margin not sufficiently large to constitute a fundamental change in their economic circumstances, or whose worsened debt outlook could not be attributed to exogenous developments, thus not qualifying for the additional HIPC relief. At the margin, it would reduce the potential costs of additional debt relief to creditors. However, this approach would introduce new sustainability targets to the Initiative. On balance, and in view of the expected

exceptional nature of, or expected infrequent need to provide, additional HIPC relief at the completion point, this approach was rejected.

IV. OTHER OPERATIONAL AND FINANCING ISSUES

A. Consultations with all Creditors Involved

18. A fundamental tenet of the HIPC Initiative is the equitable participation by all creditors. Once a case of additional HIPC Initiative assistance has been identified, consultations would need to be undertaken to seek consent from all creditors involved. The HIPC completion point document will include the staffs' recommendation for additional debt relief and its breakdown among creditors. The Boards' decision in principle to grant this relief would not be effective until satisfactory assurances are obtained from other creditors of their participation.⁹ The HIPC's authorities would be assisted in the consultation process by Bank and Fund staffs, who would seek to facilitate the exchange of views among the creditors and potential donors to foster consensus and to mobilize financial support and participation. Once satisfactory assurances from creditors have been reached for additional assistance, the staffs would inform the Executive Boards accordingly, thus enabling delivery of the additional HIPC relief.

B. Financing and Burden Sharing

19. The costs of the enhanced HIPC Initiative estimated by the staffs so far do not include additional debt relief to be considered at the completion point. To the extent that additional relief is required, this would increase the overall cost of the Initiative. Additional funding would thus be needed to cover these costs. However, the amount of financing need arising from additional completion point HIPC relief would be difficult to establish ex ante, if for no other reason because we cannot predict exogenous shocks. This uncertainty could delay the mobilization of financing and the provision of additional assistance.¹⁰

20. It is suggested that the burden sharing for the provision of additional debt relief would be based on the exposure of each creditor in the NPV of public external debt outstanding at the completion point after enhanced HIPC Initiative assistance and additional bilateral debt relief. Thus creditors that have provided new loans to HIPCs between the decision and

⁹ Similar assurances are required for the provision of HIPC debt relief at the completion point.

¹⁰ Given the difficulties encountered in mobilizing financing for the cost to multilateral creditors of providing debt relief under the enhanced HIPC Initiative, significant difficulties and long delays in raising additional financing for the topping-up of HIPC debt relief at the completion point cannot be excluded.

completion points (or additional debt forgiveness) would have a larger (smaller) share of the additional debt relief than under enhanced relief.

21. The staffs have considered the advantages and disadvantages of using the creditor breakdown of outstanding debt at either the decision point or the completion point as a basis for determining the sharing of the burden of the additional debt relief. Use of the decision point basis, with credit given to the countries that have subsequently provided additional debt relief, would have the advantage of not adding any moral hazard risk against additional lending. The disadvantages would be that such a calculation may appear backward looking, without adequately taking into account the latest available data, including the possibility that no debt may be left to some creditors, on which relief could be delivered. Also, this method could give the impression that the decision point creditors might be bailing out new creditors that contributed to the worsening of the debt indicators after the decision point. The alternative calculation using completion point data would avoid these disadvantages. On balance, the staffs recommend the latter method.

C. Delivery of Additional HIPC Relief

22. The enhanced HIPC Initiative envisages that the full HIPC relief will be delivered unconditionally once the floating completion point is reached. The staffs thus suggest that any additional HIPC relief should also be delivered in full and unconditionally at the completion point, or as soon as possible thereafter. This recognizes the fact that the delivery of additional relief could be delayed until satisfactory assurances of creditor participation have been obtained and the necessary funding for the additional debt relief has been secured.

23. At the same time, to the extent that a country's economic situation has fundamentally changed, it may well decide to seek additional financial assistance from the Fund and the Bank and the donor community in support of the necessary additional policy adjustment to reach a stable macroeconomic situation and sustainable external position, based on an updated PRSP. While the provision of additional HIPC relief will be unconditional, it is clear that satisfactory progress in implementing the PRSP during the period before the necessary financing for the additional debt relief becomes available would help ensure the effective use of additional HIPC relief for poverty reduction.

Decision Point Projections: NPV Debt-to-Exports Ratio at the Completion Points

24. Of the 23 countries that have reached their decision point under the enhanced HIPC Initiative as of end-July 2001, six countries were projected to have NPV of debt-to-exports ratios above 150 percent at the completion point and beyond (Table 1). No country in this group qualified for HIPC relief under the fiscal window. The average debt/exports ratio for these six countries is 185 percent, of which 47 percentage points is due to the projected accumulation of new debt after the decision point. A contributing factor to the projected high NPV debt-to-exports ratio at completion point is that the three-year backward-looking average exports in Chad, Malawi, and Niger were expected to be lower at their completion points than at the decision point. The already committed additional bilateral debt forgiveness is projected to lower the average debt/exports ratio to about 163 percent. Two countries (Niger and Rwanda) are expected to have NPV of debt-to-export ratios above 150 percent three years after the completion point even if additional debt forgiveness is taken into account. The NPV debt-to-exports ratio in Chad was projected to remain above 200 percent until 2004, even after additional bilateral debt forgiveness, due to the envisaged large new borrowing on commercial terms for oil sector investment; with the start of significant oil exports in 2005, the ratio is projected to drop to 84 percent in that year.

Table A1. Enhanced HIPC Initiative: Countries with Projected NPV of Debt-to-Export Ratios Above 150 Percent at their Completion Points

Completion Point Ratio after HIPC Relief	Additional Bilateral Debt Relief 1/	Ratio after Additional Bilateral Debt Relief 2/		New debt Accumulated During the Interim Period 4/	Memorandum Items		Projected Completion Point Date	
		At the completion point	Three years after the completion point		Projected exports relative to exports at the decision point 5/			
(1)	(2)	(3)	(4)	(5)	At the completion point	Three years after the completion Point		
(NPV projections prepared at decision points; in percent of exports)								
Chad	210.4	2.5	207.9	83.9 3/	51.4	95.4	301.0	2002
Malawi	180.7	24.0	156.7	145.0	24.7	89.2	105.1	2002
Niger	184.8	13.0	171.8	169.9	40.2	91.0	111.6	2002
Rwanda	197.0	11.0	186.0	156.5	58.3	119.0	180.4	2002
Tanzania	177.9	21.0	156.9	139.8	52.4	102.3	196.0	2002
Zambia	161.0	62.0	99.0	78.0	52.3	123.7	172.2	2003
Average 6/	185.3	22.3	163.1	128.9	46.6			

Sources: Decision point documents.

1/ Percentage point reduction in NPV of debt-to-export ratio at the decision point due to additional bilateral debt relief.

2/ Estimates based columns (1) and (2).

3/ Chad's exports are expected to rise significantly starting in 2005 as new oil production comes on stream.

4/ New debt accumulated between the decision point and the completion point relative to the three-year backward-looking average of exports at the completion point.

5/ Projected exports (three-year backward-looking average) as percentage of exports at decision point (three-year average).

6/ Simple average.