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September 4, 1996

To: Members of the Executive Board

From: The Secretary

Subject: **Official Financing for Developing Countries, Their Debt Situation,
and Recent Developments in Commercial Bank Debt Restructuring**

The attached paper provides background information to the joint Fund/Bank paper on the HIPC debt initiative - elaboration of key features and proposed procedures (EBS/96/135, 8/26/96) and financing a continuation of the ESAF and the Fund's participation in the HIPC initiative (EBS/96/133, 8/23/96), which is tentatively scheduled for discussion on Wednesday, September 11, 1996.

Mr. Boote (ext. 34508) or Mr. Fisher (ext. 38755) for Chapter VI is available to answer technical or factual questions relating to this paper prior to the Board discussion.

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**Official Financing for Developing Countries, Their Debt Situation, and
Recent Developments in Commercial Bank Debt Restructuring**

Prepared by the Policy Development and Review Department

Approved by Jack Boorman

September 4, 1996

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I. INTRODUCTION

This paper summarizes the main developments in official financing for developing countries since the Executive Board's last discussion of the debt situation in September 1995¹ as background to the paper (EBS/96/135 of 8/26/96) on the debt initiative for the heavily indebted poor countries (HIPC) prepared jointly with World Bank staff. It also provides information on developments in commercial bank debt restructuring of developing countries.

Net official development finance declined in real terms by 9 percent in 1995 to the lowest level since 1980. The bulk of such flows is on concessional terms (ODA). Among major ODA contributors, Japan, France, Germany and the United States provided the highest nominal flows, but relative to their GNP the highest contributions were made by the Nordic countries (0.8-0.9 percent).

Multilateral lending rose sharply in 1995 reflecting support provided to Russia and Mexico, and multilateral debt rose to 25 percent of the total debt of developing countries.

The 13 Paris Club reschedulings over the past year included exit reschedulings for Russia and Peru--both providing for a reprofiling of debt beyond the consolidation period--and four stock-of-debt operations on Naples terms (Bolivia, Burkina Faso, Guyana and Mali). All reschedulings with low-income countries were on Naples terms.

Regarding relations with commercial bank creditors, since the last review of the debt situation, Panama has completed its debt and debt-service reduction operation, while Peru moved closer toward completing its agreement with banks. Vietnam has announced an agreement in principle with its bank creditors, while Ethiopia completed a comprehensive buyback of its commercial debt. Once Peru and Vietnam complete their debt and debt-service operations, 28 countries will have restructured a total of \$179 billion of commercial bank debt, reducing the original claims of banks by about \$81 billion at a cost of \$26 billion. In addition, Slovenia and Croatia completed their rescheduling agreements, while Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia (FYRM) made significant progress toward reaching an agreement in the future. Russia and Algeria completed their agreements reached in late 1995.

¹On September 15, 1995, the Board discussed two papers: Official Financing for Developing Countries and their Debt Situation (SM/95/224, 9/1/95 and SM/95/228, 9/8/95) and Private Market Financing for Developing Countries (SM/95/197). See Summing Up by the Chairman, Official and Private Market Financing for Developing Countries and the Debt Situation (Buff 95/101), September 21, 1995. An interim update through mid-March can be found in EBS/96/47 (3/19/96).

Most **HIPCs** remained heavily dependent on official flows for their external finance. Around one half of net ODA in 1994² went to least developed and low-income countries, with over 30 percent to Sub-Saharan Africa (the largest regional recipient); most **HIPCs**, with some notable exceptions, were not major recipients of finance supported by official export credit agencies. **HIPCs** as a group have continued to receive significant net flows from multilateral institutions on increasingly concessional terms, with most **HIPCs** receiving positive net transfers from multilaterals. In consequence, the share of multilateral debt in total **HIPC** debt has risen to nearly one third at end-1995, with nearly three quarters of multilateral debt on concessional terms. Nine of the 10 **HIPCs** that have rescheduled over the past year with official creditors have benefitted from concessional Naples terms from the Paris Club. Since the approval of Naples terms at end-1994, five **HIPCs** have received stock-of-debt operations (all with 67 percent NPV reduction). Some of the **HIPCs** with significant debt remaining to commercial banks made progress towards reaching agreement with these banks on buyback operations.

II. NEW OFFICIAL FLOWS FROM OFFICIAL BILATERAL SOURCES

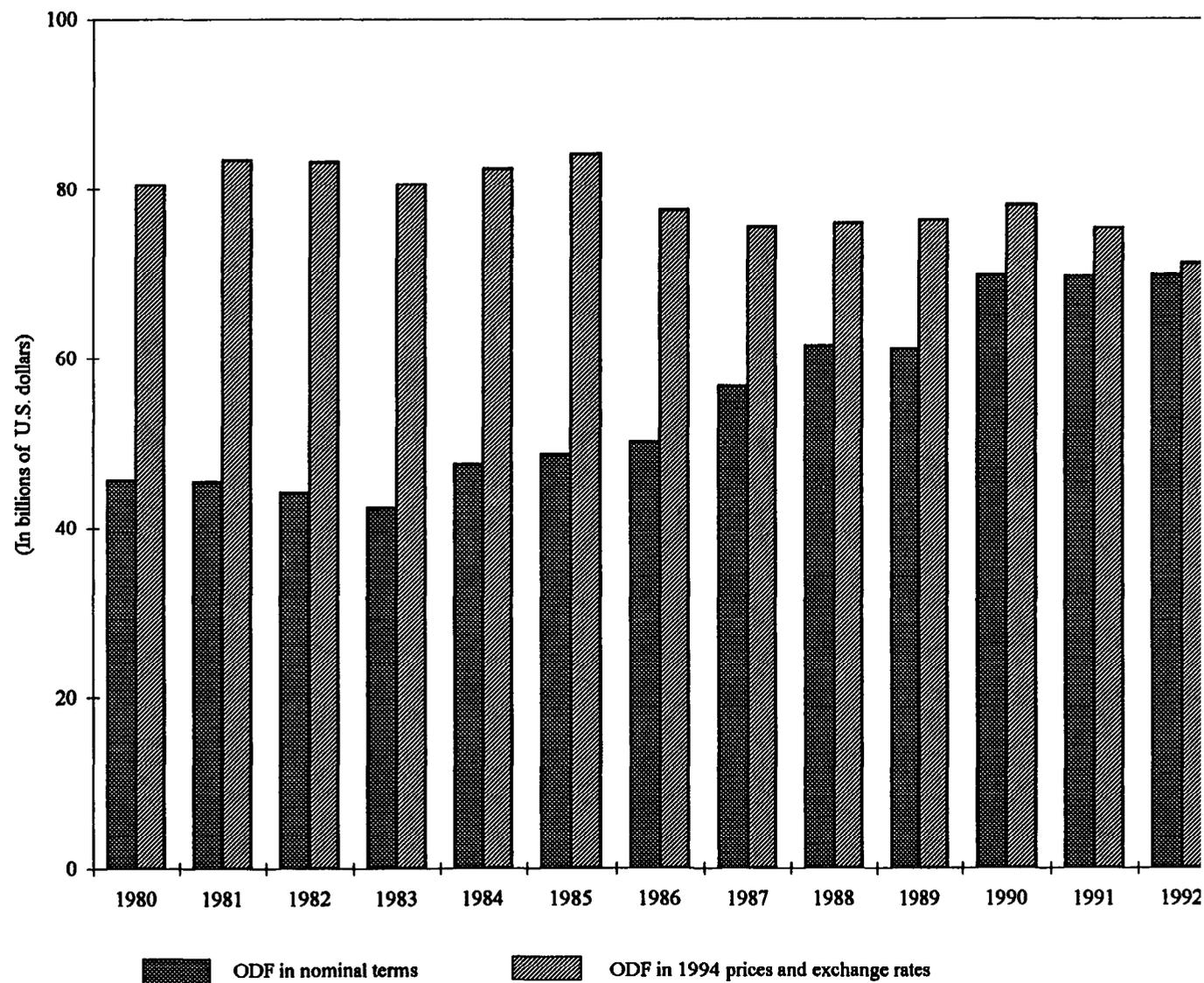
Based on OECD, Development Assistance Committee (DAC) data, between 1990 and 1995, **total net disbursements of official development finance (ODF)** remained relatively unchanged in nominal terms at around \$70 billion p.a. (Table 1).³ Over the same period, however, these disbursements of **ODF** declined by almost 17 percent in **real terms** to the lowest level since 1980 (Chart 1), with a decline of about 9 percent during 1995.

In 1995, net disbursements of **ODF from bilateral sources** fell by 7 percent in nominal terms, reflecting primarily lower disbursements of non-concessional loans. The main reason for this decline was the continuing effort of members of the OECD's DAC toward overall fiscal consolidation and the weakened domestic constituency for external aid. In addition, a reduction in peacekeeping expenditures that qualify as Official Development Assistance (ODA) and delays in approving replenishments of the capital of multilateral development banks also played a part. In contrast, **net disbursements from multilateral institutions** rose by 14 percent in 1995, largely because of a net increase in concessional ODA disbursements. As a result, the share in total net disbursements of ODF from

²1994 is the latest year for which a breakdown of net ODA disbursements by region and by income groups is available.

³Net ODF comprises total official flows (excluding officially supported export credits) from bilateral and multilateral institutions. The OECD records flows in real U.S. dollar terms by adjusting for inflation and changes in the exchange rate between the currency concerned and the U.S. dollar. The latest available series is based on 1994 prices and exchange rates.

Chart 1. Net Official Development Finance (ODF) Flows to Developing Countries



Source: OECD

multilateral institutions reached a high of 36½ percent, and that of bilateral creditors fell to the lowest point since 1980 (63½ percent).⁴

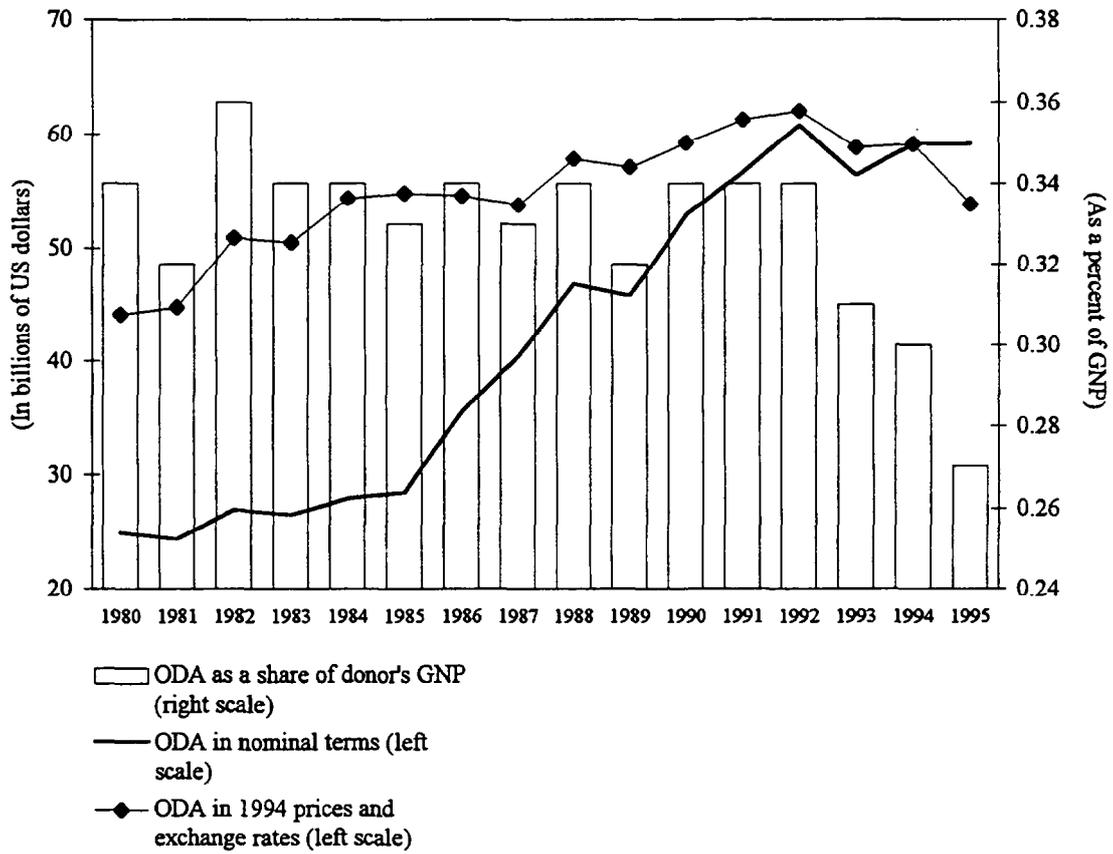
As the bulk of ODF is in the form of concessional flows, or **Official Development Assistance (ODA)**^{5 6} (85-90 percent), developments in both showed the same tendencies in 1995. Total net ODA from all sources rose slightly by 3 percent in nominal terms from the previous year, but disbursements from DAC member countries remained unchanged. Within total bilateral disbursements from DAC member countries, direct flows to recipient countries declined slightly, but this was compensated by increased contributions from DAC member countries to multilateral institutions (Table 2). In real terms, net ODA contributions from DAC member countries fell by 8.9 percent (Chart 2). There were large differences in the development of ODA disbursements among the major DAC countries, with a sharp drop in

⁴ODF excludes IMF financing from the General Resources Account while financing from the Trust Fund, SAF or ESAF is included (see Box 1 of SM/95/228, 9/8/95). Therefore, the IMF lending to Russia and Mexico in 1995 (SDR 12.4 billion) referred to under Section IV is excluded from ODF.

⁵ODA is defined by the OECD as grants or loans to developing countries on Part 1 of the DAC list of aid recipients that are undertaken by the official sector with promotion of economic development and welfare as the main objective and have a grant element (calculated at a discount rate of 10 percent) of at least 25 percent. The bulk of ODA to developing countries is provided by members of the OECD's DAC. Two measures of total net ODA are available. The first measure records the receipt of resources by developing countries, that is, the sum of the disbursements of concessional development finance by multilateral institutions and bilateral donors, as shown in Table 1 (and the memorandum items in Table 2). The second measure sums the disbursements by DAC countries directly to aid recipients (bilateral ODA) and DAC countries' contributions to multilateral institutions, as presented in Table 2. The latter measure is the most commonly used for assessment of the aid performance of DAC members and analysis of trends, as it provides a measure of resources available to multilateral institutions for future disbursements. The measures generally differ because of delays between contributions to multilateral institutions by bilateral donors and disbursements by multilateral institutions to aid recipients, and because developing countries receive resources from non-DAC donors (including intra-developing country flows; see Chart 2 in SM/95/228, 9/8/96).

⁶The non-ODA component of ODF consists largely of non-concessional flows.

Chart 2. Net ODA Disbursements, 1980-1995



Source: OECD, as in Table 2.

disbursements by Italy and the United States⁷ and a significant increase by the Netherlands (Table 3). As a result, there was a major shift in the ranking of individual OECD member countries: the United States, which had recently been the second largest contributor in nominal terms, fell to the fourth place behind Japan, France, and Germany, while Italy dropped to the tenth position (Chart 3).

In relation to their combined GNP, net ODA contributions from DAC members in 1995 fell to 0.27 percent, the lowest ratio recorded since 1970 when the United Nations adopted the target of 0.70 percent. The highest relative contributions were made by Denmark (0.97 percent), Sweden and the Netherlands (0.85 percent and 0.80 percent, respectively) (Chart 3 and Table 3). The lowest relative contributions were from the United States (0.1 percent), and Italy (0.14 percent). Of the 21 DAC member countries, only four countries (Belgium, Finland, Ireland, and the Netherlands) increased their contributions relative to GNP in 1995; Canada's proportion remained unchanged, and for the remaining 16 DAC member countries the ratio of disbursements to GNP fell.

The distribution of net ODA disbursements by region and by income group remained largely unchanged during 1994, the latest year for which such information is available (Table 2⁸). Sub-Saharan Africa, with little market access, continued to receive the largest share of net ODA disbursements (31 percent), followed closely by Asia (27 percent).⁹ For countries in transition (on part II of the DAC list of recipients), available data through end-1994 show a 14 percent increase in net official aid compared to 1993, although total net official financing, which includes non-concessional flows, rose more slowly (Table 1). The distribution of net ODA by income group in 1994 followed closely that of 1993. About a quarter each of net ODA went to the least developed countries, low-income countries and lower middle-income countries (Table 2).

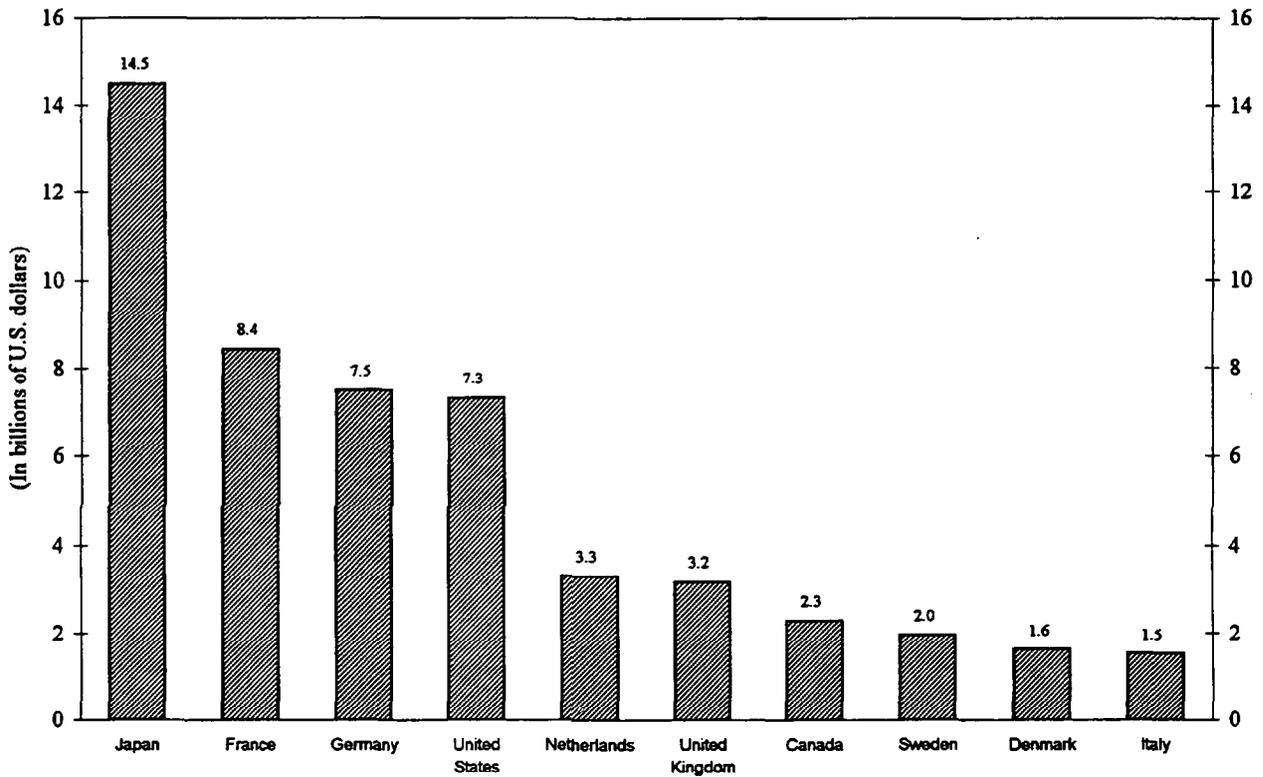
⁷For the United States, the delay in approving the budget for fiscal year 1996 held up contributions of \$1.0 billion in payments to Israel and \$0.7 billion in capital subscriptions to multilateral development banks. However, there was also a significant reduction in expenditures on food assistance and in those peacekeeping expenditures that qualify as aid. In the case of Italy, strict new expenditure controls in the wake of corruption investigations, and sharply reduced allocations for new projects, contributed to the sharp overall reduction in its ODA contributions.

⁸Table 4 shows the distribution of gross official bilateral financing flows.

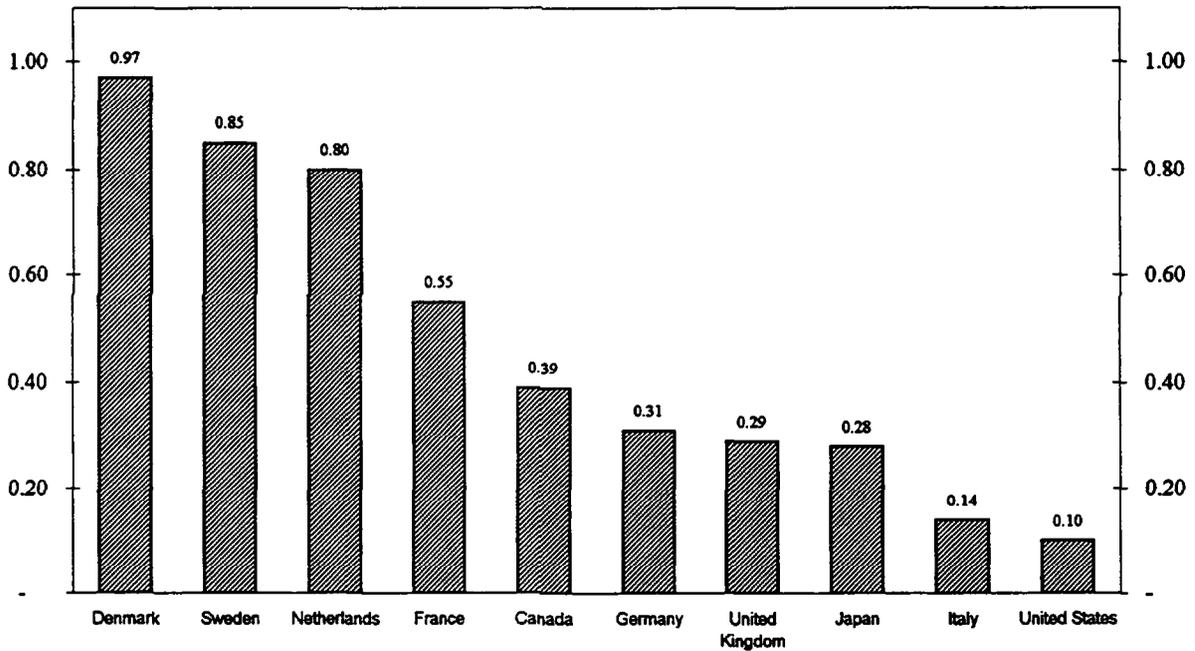
⁹About 70 percent of assistance to Asia went to a few major recipients: Bangladesh, China, India, Indonesia, Pakistan, and the Philippines.

Chart 3. Net ODA Disbursements by Major DAC Donors, 1995

(In billions of U.S. dollars)



(As percent of GNP)



Source: OECD, as in Table 3.

III. RECENT DEVELOPMENTS IN EXPORT CREDITS

- Total export credit exposure to developing countries and economies in transition increased to \$475 billion in 1995; the share of exposure represented by arrears and unrecovered claims continued to deteriorate, reaching about one third (Chart 4).
- Agencies' commitments again increased in 1995 but at a slower rate than in 1994. Most of the new commitments continued to be to agencies' major markets, including China, Indonesia, Thailand, and Turkey (Chart 5).
- The financial performance—measured by net cash flow—of most export credit agencies improved considerably in 1995 with aggregate net cash flow almost in balance (Chart 6).

IV. FINANCING FROM MULTILATERAL INSTITUTIONS¹⁰

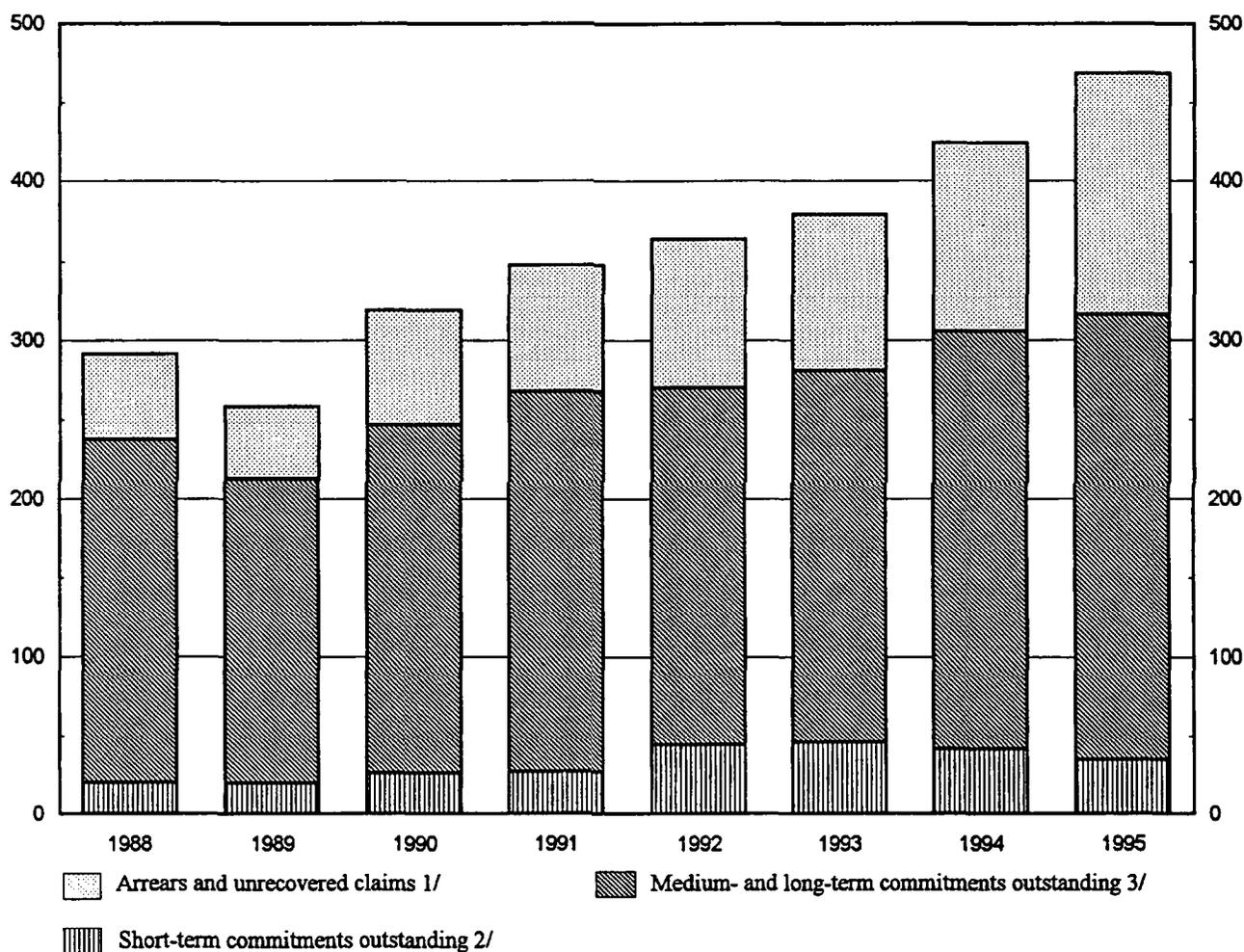
- Multilateral lending to developing countries (gross \$60 billion; and net \$30 billion)¹¹ recorded a sharp increase in 1995 primarily reflecting a surge in IMF lending to Mexico and Russia in support of their comprehensive economic programs (Table 5).¹² Excluding IMF lending to Mexico and Russia, however, gross and net disbursements increased only modestly from 1994 by \$4 billion and \$1 billion, respectively. In terms of the regional allocation of disbursements, net disbursements to the Western Hemisphere and

¹⁰In line with the definition used in the World Bank Debtor Reporting System (DRS), multilateral lending in this chapter refers to lending by international organizations, including the World Bank, regional development banks, and other multilateral and intergovernmental agencies. Lending by the IMF is also included. Lending by funds administered by an international organization on behalf of a single donor government is excluded. The statistical information used in this section is derived mostly from the World Bank Debtor Reporting System supplemented by IMF staff estimates. The data for 1995 are provisional estimates.

¹¹A group of 136 countries reporting to the World Bank Debtor Reporting System. Portugal, which was previously included in the group of 137 countries, is now classified as a high-income country. The data are not consistent with that derived from OECD (DAC) sources used in Chapter II.

¹²Mexico and Russia drew SDR 8.8 billion and SDR 3.6 billion, respectively.

Chart 4. Export Credit Exposure, 1988-95
(In billions of U.S. dollars)



Sources: Berne Union; and IMF staff estimates.

1/ **Arrears and Unrecovered Claims** - overdue payments by borrowers, classified as arrears if overdue payments have not yet resulted in claims on export credit agencies.

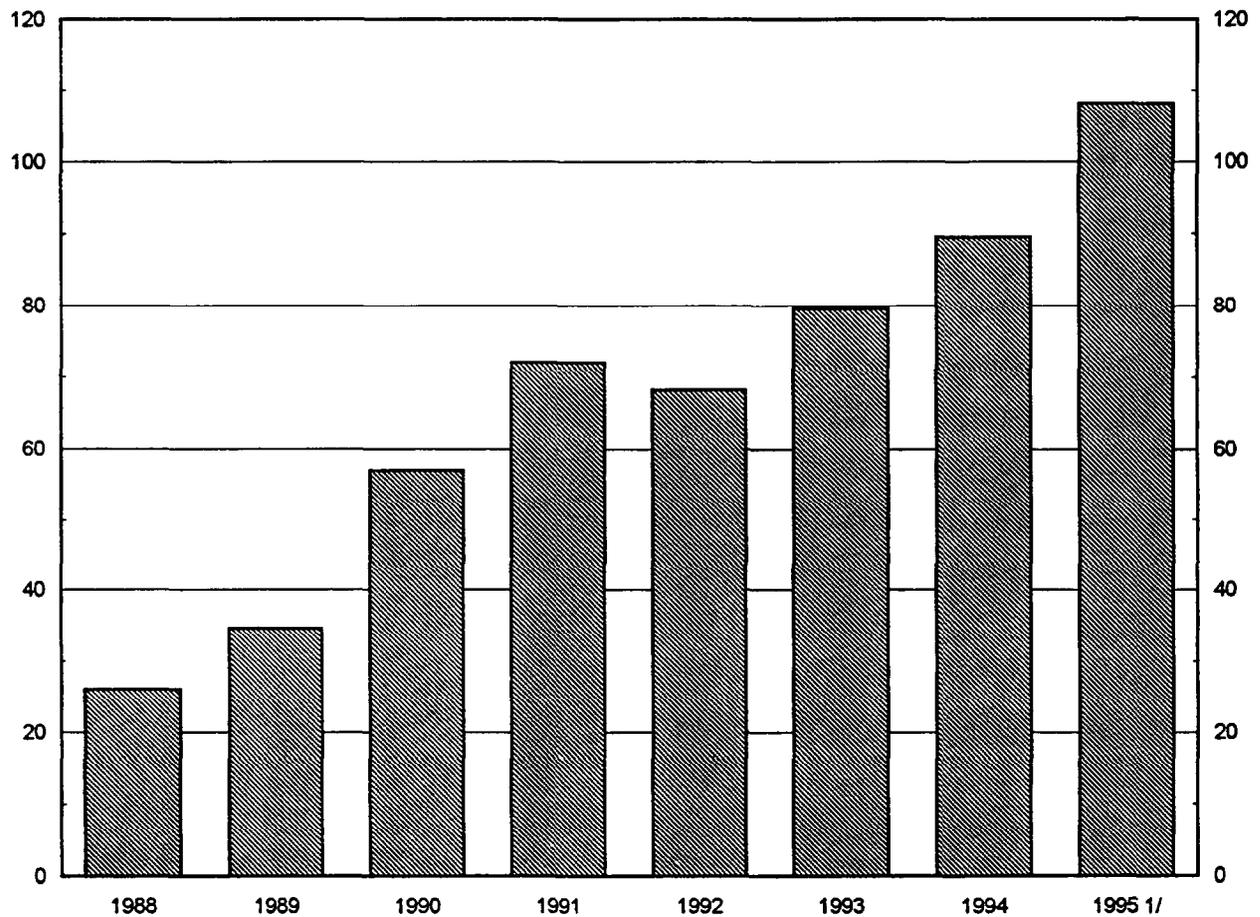
2/ **Commitments** - total amount of loans by, or guaranteed or insured by, an export credit agency, either globally or to entities in a specific country, excluding amounts that are in arrears or on which claims have been paid. Usually includes principal and contractual interest payable by the importing country on disbursed and undisbursed credits, and sometimes includes not only liabilities of the agency but also uninsured parts of the loan.

3/ **Short-term commitments** - commitments which provide repayment within a short period, usually six months. Some agencies define short-term credits as those with repayment terms of up to one or two years.

Note: The 1994 and 1995 figures reflect an enhanced debtor country coverage by the Berne Union of 19 countries with total exposure that amounted to \$9.2 billion in 1994 and \$35.4 billion in 1995. See Chart 5.

Chart 5. Officially Supported Export Credits: New Commitments, 1988-95

(In billions of U.S. dollars)



Sources: Berne Union; and IMF staff estimates.

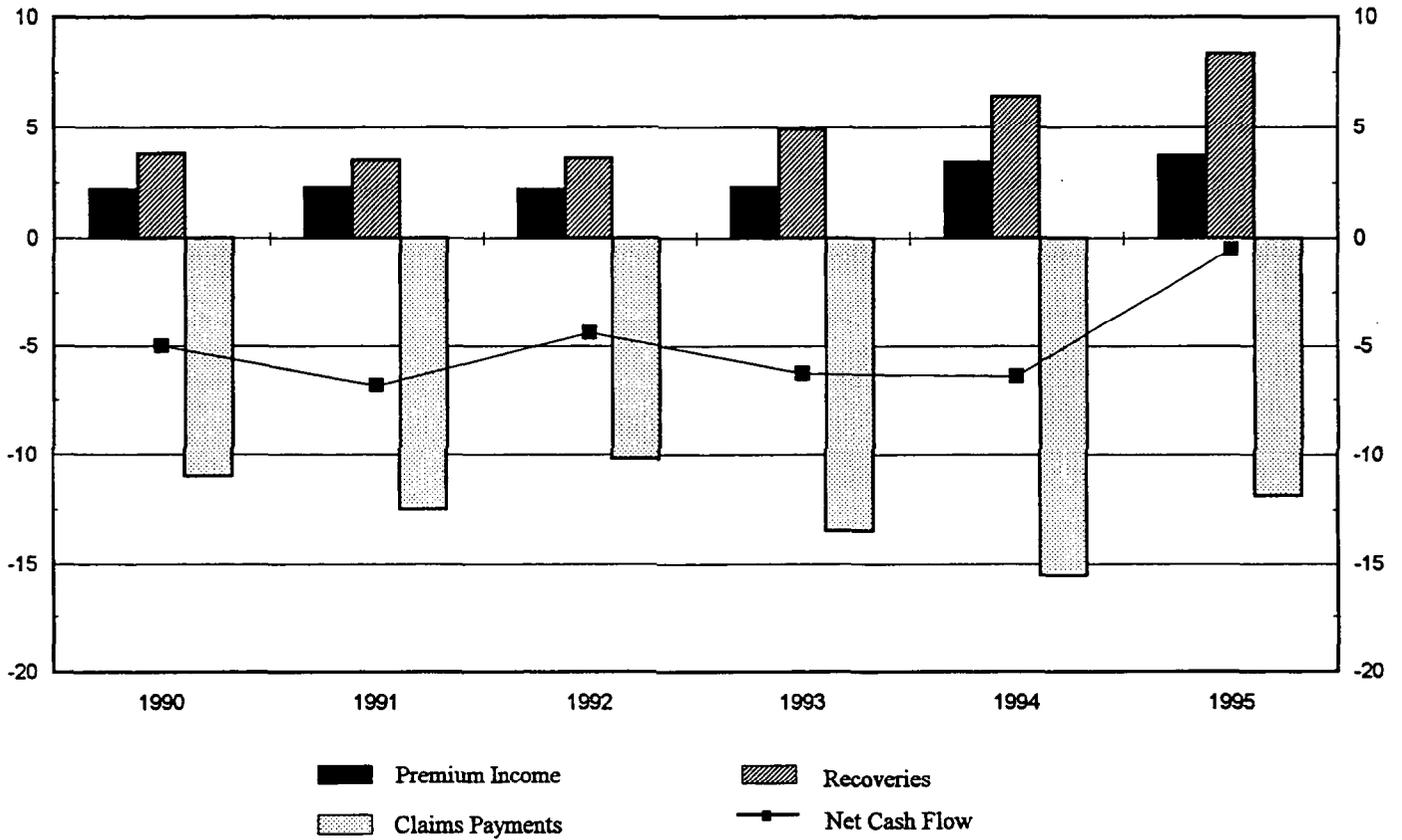
1/ The 1995 figures reflect an increased number of countries (20) reporting to the Berne Union.

New commitments to these countries in 1995 were as follows:

Countries:	(U.S. dollar millions)
Azerbaijan	8
Belarus	60
Costa Rica	74
Croatia	161
Estonia	18
Georgia	127
Greece	1,060
Jamaica	124
Kazakhstan	93
Kyrgyzstan	56
Latvia	12
Lebanon	808
Lithuania	111
Malaysia	4,860
Slovenia	106
Tajikistan	3
Thailand	8,801
Turkmenistan	537
Uzbekistan	461
Vietnam	869
Total:	18 350

Chart 6. Export Credit Agencies: Premium Income, Recoveries, Claims and Net Cash Flow, 1990-95 ^{1/}

(In billions of U.S. dollars)



Sources: Berne Union; and IMF staff estimates.

^{1/} The figures for 1993 through 1995 are for all Berne Union members. The figures for earlier years cover most, but not all, Berne Union members.

“other” countries were up sharply, while net flows to Asia fell by \$1 billion, to North Africa and the Middle East fell modestly, and to Sub-Saharan Africa remained unchanged.¹³

- Gross disbursements by multilaterals to heavily indebted poor countries (HIPCs) increased by 24 percent in 1995 (to \$8 billion), while net disbursements fell somewhat (to \$3.5 billion) (Table 6).¹⁴ Most HIPCs continued to receive positive net flows from multilaterals in 1995 (Table 7); small negative net flows were experienced mostly by countries not undertaking adjustment policies supported by multilateral institutions (e.g., Sudan and Zaïre).

- The share of multilateral debt in the total debt of developing countries increased modestly during the first half of the 1990s to reach 25 percent at end-1995 (Chart 7 and Table 8). For HIPCs, it reached 32 percent at end-1995, up from 26 percent at end-1990, reflecting in part continued support from multilaterals, bilateral debt forgiveness, particularly of ODA claims, and a withdrawal by private creditors.

- The share of concessional debt in total multilateral debt has risen over the last decade (Table 9) to 35 percent at end-1995; for HIPCs it increased by about 25 percentage points to 74 percent at end-1995. IMF loans outstanding to low-income countries (SAF and ESAF) reached a new record of \$8½ billion at end-1995, with about \$6 billion of such loans to HIPCs.

- Multilateral debt service paid by developing countries remained broadly unchanged at around 4 percent of exports of goods and services since 1990 (Chart 8 and Table 10).¹⁵ For HIPCs, the ratio of multilateral debt service paid increased to 11 percent in 1995, reflecting Zambia’s arrears clearance. Excluding Zambia, it remained broadly unchanged at 8 percent. The ratios differ considerably among countries.

- The World Bank remained the largest multilateral creditor (52 percent of the total at end-1995) with an increasing relative share of debt to the International Development Association (IDA); IDA loans constituted 40 percent of total World Bank lending outstanding

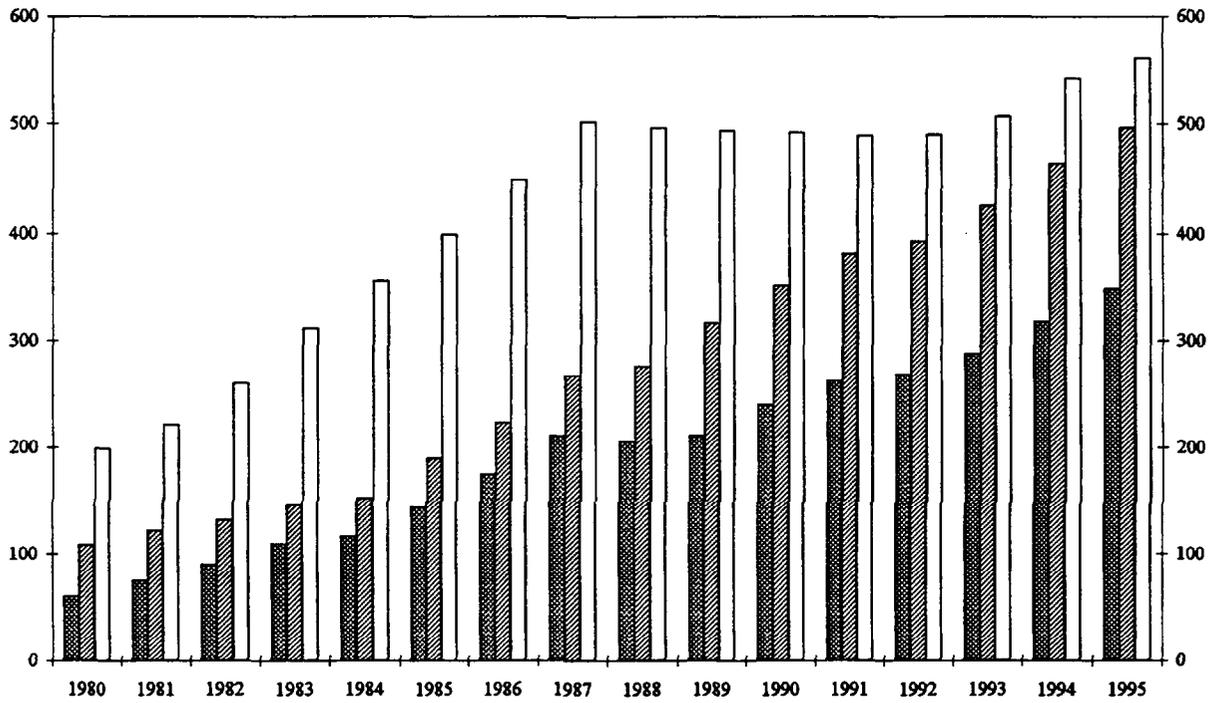
¹³Including the clearance of Zambia's arrears to the IMF involving SDR 830 million, followed by credits under the SAF (SDR 182 million) and the ESAF (SDR 702 million).

¹⁴Similar developments in multilateral flows occurred for the group of low-income rescheduling countries, most of which are included in the group of heavily indebted poor countries.

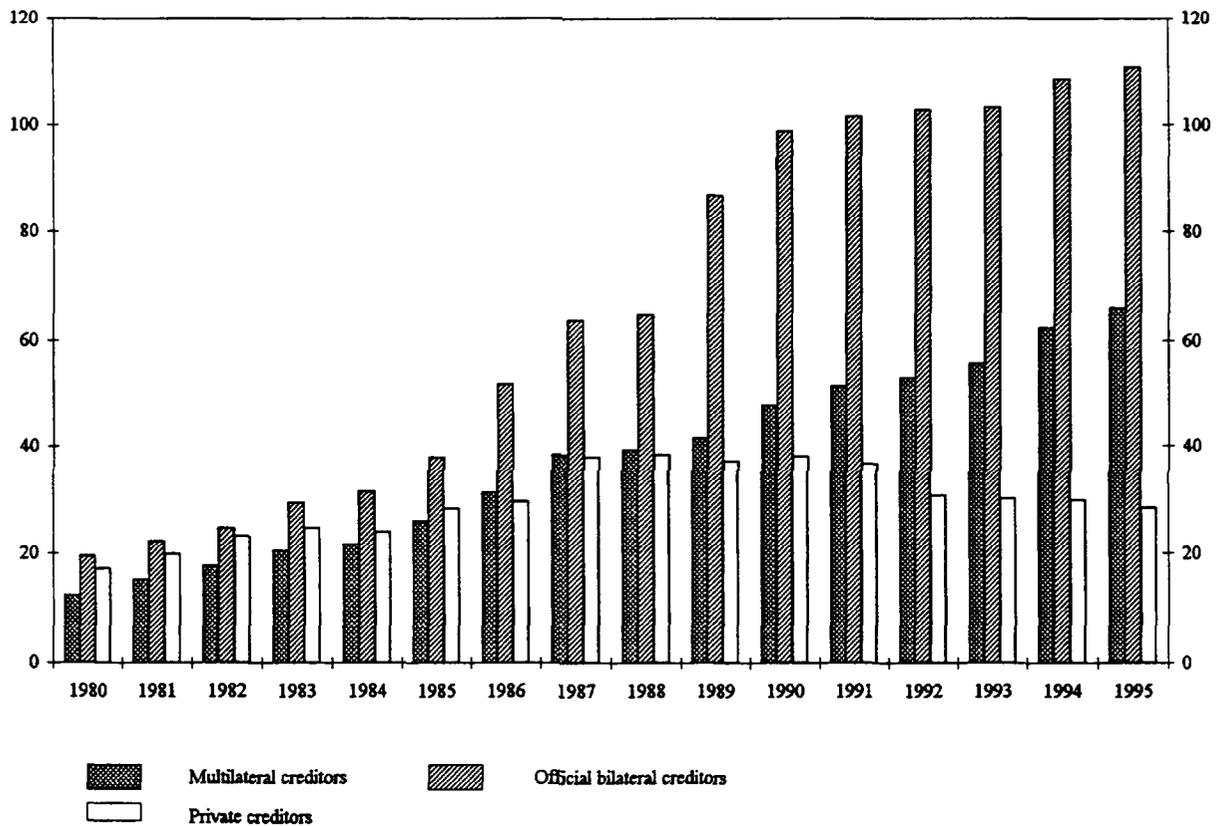
¹⁵Exports of goods and services of the countries for which data for 1995 are not available are estimated on the basis of a stylized nominal export growth rate of 6 percent per annum.

Chart 7. Developing Countries: Public External Debt by Creditor, 1980-95 ^{1/2}
(In billions of U.S. dollars)

a. All developing countries



b. Heavily indebted poor countries



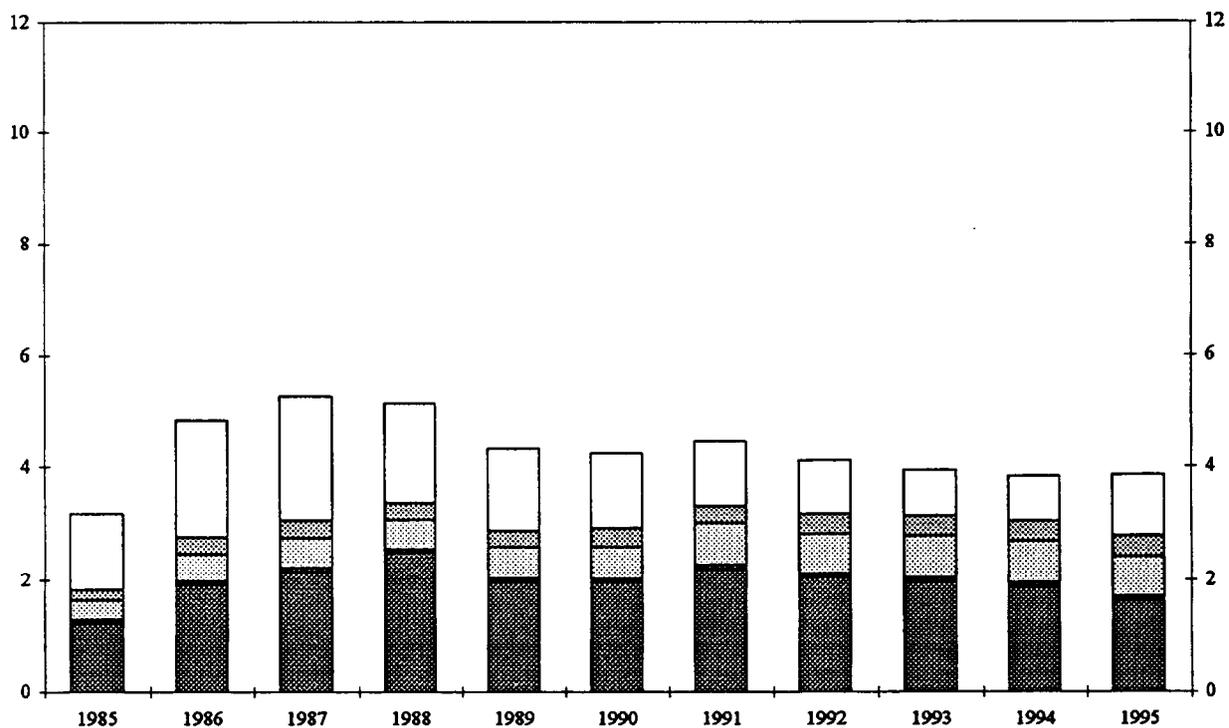
Sources: World Bank Debtor Reporting System (DRS); and IMF staff estimates.

^{1/} Medium- and long-term public and publicly guaranteed debt; including to the IMF.

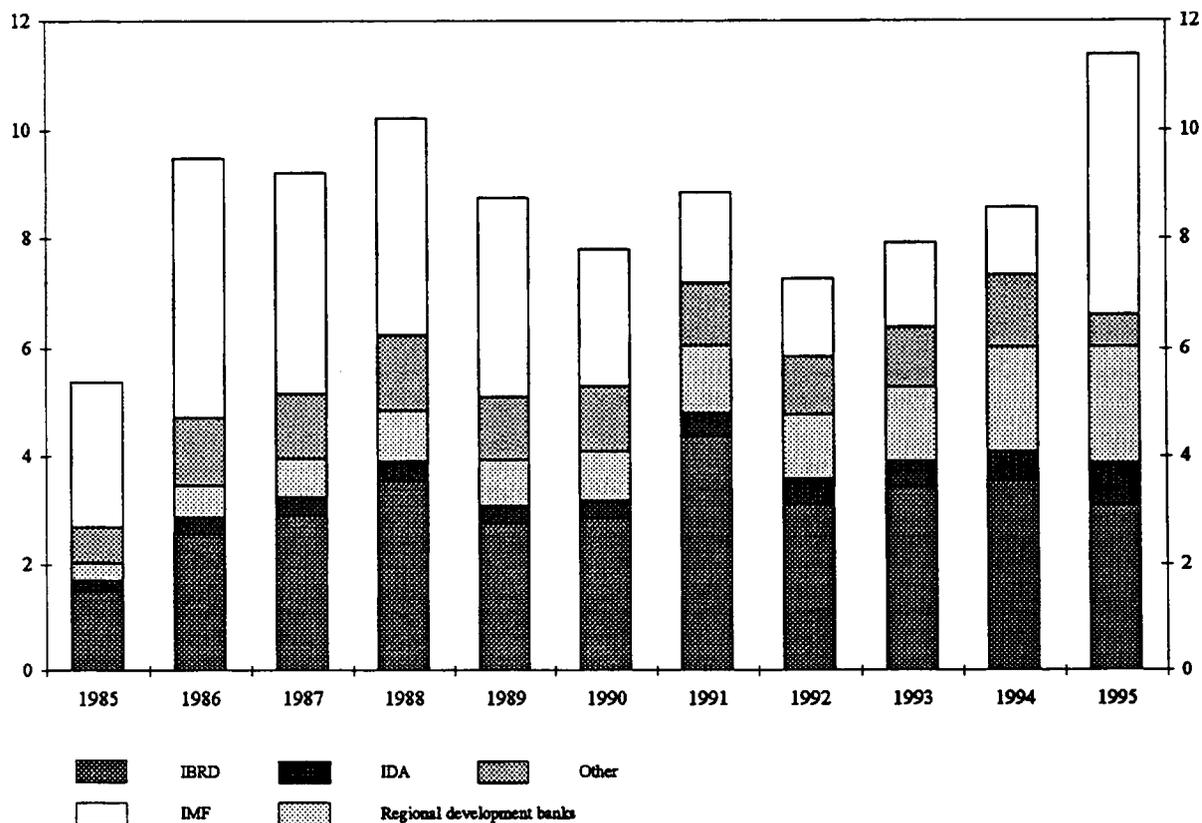
^{2/} The estimates for 1995 are provisional.

Chart 8. Developing Countries: Debt-Service Payments on Multilateral Debt, 1985-95 1/
(In percent of exports of goods and services)

a. All developing countries



b. Heavily indebted poor countries



Sources: World Bank Debtor Reporting System (DRS); and IMF staff estimates.

1/ The estimates for 1995 are provisional.

at end-1995 (Table 11). The share of the IMF increased by nearly 4 percentage points to 17 percent at end-1995, mainly as a result of its lending to Mexico and Russia in 1995.

- The structure of multilateral debt of HIPC's is shown in Table 12, and the average lending terms of major multilateral creditors in Table 13.

V. DEBT RESTRUCTURING BY OFFICIAL BILATERAL CREDITORS

A. Recent Paris Club Debt Restructurings

- 13 reschedulings took place since the last review in August 1995 (Table 14), 9 of which were for low-income countries. Seven agreements were considered "exit" reschedulings, among which the agreements with Bolivia, Burkina Faso, Guyana, and Mali were stock-of-debt operations under Naples terms (Table 15).

- All of the 9 rescheduling agreements with low-income countries during the past year were on Naples terms (Table 16 and Box 1).¹⁶ All four stock-of-debt operations provided for a 67 percent net present value (NPV) reduction, with comprehensive topping-up of amounts previously rescheduled on Toronto or London terms.¹⁷ Flow rescheduling agreements were reached with Cameroon and Honduras with a 50 percent NPV reductions and limited coverage, while Congo,¹⁸ Sierra Leone, and Zambia¹⁹ received a 67 percent NPV reduction, Sierra Leone with a nonconcessional deferral of London terms debt and Zambia with full topping-up of Toronto and London terms debt (Box 2). All agreements except that with Honduras covered principal and interest on pre-cutoff date debt not previously rescheduled and debt previously rescheduled on nonconcessional terms.

¹⁶Ghana obtained a limited deferral of longstanding arrears to a small number of creditors on nonconcessional terms and hence is classified in Table 15, like Kenya, as a lower middle-income country (since it did not receive a concessional rescheduling).

¹⁷Except for small amounts of interest deferred under the 1993 agreement (London terms) for Guyana.

¹⁸The agreement with Congo contains an entry-into-force clause linked to certain payments on post-cutoff date arrears by end-December 1996.

¹⁹The agreement with Zambia provided for the rescheduling of arrears, but excluding late interest. It is subject to an entry-into-force clause that has not yet become effective.

Box 1. Paris Club Naples Terms

Key elements of Naples terms, which at end-1994 replaced the previous concessional (Toronto or London) terms, for low-income countries are

- **Eligibility.** Decided by creditors on a case-by-case basis, based primarily on a country's income level. Countries that have previously received concessional reschedulings (on Toronto or London terms) are eligible for Naples terms.

- **Concessionality.** Most countries receive a reduction in eligible non-ODA debt of 67 percent in net present value (NPV) terms. Some countries with a per capita income of more than \$500 and a ratio of debt to exports in present value terms of less than 350 percent—decided on a case-by-case basis—receive a 50 percent NPV reduction.

- **Coverage.** The coverage (inclusion in the rescheduling agreement) of non-ODA pre-cutoff date debt is decided on a case-by-case basis in the light of balance of payments needs. Debt previously rescheduled on concessional (either Toronto or London) terms is potentially subject to further rescheduling, to top up the amount of concessionality given.¹

- **Choice of options.** Creditors have a choice of two concessional options for achieving a 67 (or 50) percent NPV reduction,² namely

a debt reduction (DR) option (repayment over 23 years with 6 years' grace), or

a debt-service reduction (DSR) option, under which the NPV reduction is achieved by concessional interest rates (with repayment over 33 years).^{3,4}

There is also a commercial or long maturities (LM) option, providing for no NPV reduction (repayment over 40 years with 20 years' grace).⁵

- **ODA credits.** Pre-cutoff date credits are rescheduled on interest rates at least as concessional as the original interest rates over 40 years with 16 years' grace (30 years' maturity with 12 years' grace for 50 percent NPV reduction).⁶

Flow reschedulings provide for the rescheduling of debt service on eligible debt falling due during the consolidation period (generally in line with the period of the Fund arrangement).

Stock-of-debt operations, under which the entire stock of eligible pre-cutoff date debt is rescheduled concessionaly, are reserved for countries with a satisfactory track record for a minimum of three years with respect to both payments under rescheduling agreements and performance under IMF arrangements. Creditors must be confident that the country will be able to respect the debt agreement as an exit rescheduling (with no further reschedulings required) and there must be a consensus among creditors to choose concessional options.

¹Under such topping up, the NPV reduction is increased from the original level given under Toronto or London terms to the new level agreed under Naples terms, namely 67 or 50 percent.

²For a 50 percent NPV reduction, the DSR option provides for repayment over 23 years with 6 years' grace and the LM option for repayment over 25 years with 16 years' grace.

³For flow reschedulings, there is no grace period, and for stock-of-debt operations the grace period is three years.

⁴There is, in addition, a capitalization of moratorium interest (CMI) option, which also achieves the NPV reduction by a lower interest rate over the same repayment (and grace) periods as the DSR option.

⁵Creditors choosing this option undertake best efforts to change to a concessional option at a later date when feasible.

⁶Creditors can also choose an option reducing the NPV of ODA debt by 67 (or 50) percent.

Box 2. Naples Terms Flow Rescheduling Agreements Since August 1995

The five flow rescheduling agreements under Naples terms generally covered principal and interest on pre-cutoff date debt not previously rescheduled and debt previously rescheduled on nonconcessional terms. The coverage of debt previously rescheduled on concessional terms, and of arrears, reflected the circumstances of the particular country.

Regarding debt previously rescheduled on Toronto terms, only Zambia had such debt and the latest rescheduling agreement also covered arrears (excluding late interest) and current maturities on Toronto-terms debt falling due during the consolidation period and topped up the concessions previously granted to a 67 percent NPV reduction.

Regarding debt previously rescheduled on London terms, four countries had such debt. The latest agreements with Cameroon and Sierra Leone only provided for a nonconcessional deferral of London terms arrears and current maturities falling due during the consolidation period¹, while such arrears and maturities were not covered under the latest agreement with Honduras, but were topped-up to a 67 percent NPV reduction under the agreement with Zambia.²

Regarding debt previously rescheduled on Houston terms, payments due in 1996 under the 1990 agreement for Honduras were rescheduled nonconcessionally over 10 years with 5 years' grace.

Certain **short-term payments** falling due under the 1992 agreement (London terms) for Sierra Leone were deferred nonconcessionally. **Moratorium interest** previously deferred in the 1990 agreement (Toronto terms) for Zambia was deferred again over 10 years with 5 years' grace. **Arrears on post-cutoff date debt** were deferred for Cameroon with monthly repayments over one year; for Congo, such arrears, including amounts that were deferred under the 1994 rescheduling agreement, were deferred non-concessionally over the consolidation period; entry-into-force of the agreement is linked to the payment of 25 percent of such arrears by end-1996.

All agreements during the past year featured a **goodwill clause** stating that creditors agreed in principle to consider the matter of a debtor country's stock of debt at the end of the consolidation period, provided the debtor country implements the agreement in full and continues to have an appropriate arrangement with the IMF.³ In the cases of Congo and Cameroon, a significant number of creditors chose the **non-concessional long maturities' option**, including several creditors of Cameroon who had chosen concessional options under the 1994 agreement (London terms).

¹For Cameroon, arrears and current maturities on debt previously rescheduled under the 1993 agreement (London terms) were rescheduled nonconcessionally with a graduated repayment schedule over 16 years with 3 years' grace, and for Sierra Leone, those under the 1992 and 1994 agreements (London terms) over 15 years with 3 years' grace. In both cases, rescheduled arrears included late interest.

²Rescheduled arrears excluded late interest.

³The clauses for Cameroon and Congo were weaker, with creditors agreeing in principle to consider holding a meeting on the matter of the stock of debt.

- The largest of the four rescheduling agreements for middle-income countries was the multiyear exit rescheduling for Russia in April 1996 (see Box 3). Peru also obtained a multiyear exit rescheduling in July 1996 (see Box 4), Gabon²⁰ obtained a nonconcessional flow rescheduling, while Ghana received a limited nonconcessional deferral of long-standing arrears to a small number of creditors. The agreements with both Russia and Peru included a reprofiling of the stock of certain debts at the end of the consolidation period. All cases save that of Ghana involved graduated payments schedules.

- Regarding debt swaps for the low-income and lower middle-income countries, Paris Club creditors agreed in June 1996 to double the amount of commercial debt that can be converted on a voluntary and bilateral basis in the framework of debt-for-nature, debt-for-aid, debt-for-equity, or other local-currency-debt swaps to the greater of 20 percent of consolidated commercial credits outstanding or SDR 15–30 million (the exact figure within this range is decided on a case-by-case basis) per creditor.²¹ There are no limits on debt swaps of official development assistance (ODA) loans.

- Table 17 provides a compendium of amounts rescheduled since 1976.

B. Recent Restructurings with Non-Paris Club Bilateral Creditors

- In April 1996 a preliminary agreement was reached between Nicaragua and the Russian Federation on a debt reduction operation. The final details and ratification by the two parties are still pending, but the main elements of the agreement include: (i) a discount of about 90 percent of the face value of the agreed level of the debt (\$3.45 billion) valued at the official exchange rate of Rub 0.5854/\$1; and (ii) the remaining debt is to be repaid over 15 years carrying an interest rate of LIBOR plus 0.4 percentage points, with a cap on debt-service payments by Nicaragua during the first five years.

²⁰The rescheduling for Gabon covered all pre-cutoff date debt except for that rescheduled in 1994. It entered into force at end-1995 after the receipt of certain payments.

²¹For more details on debt conversions under the Paris Club provisions, see SM/95/228 (9/8/95), page 53.

Box 3. Rescheduling Agreement with the Russian Federation in April 1996

An agreement was reached on April 29, 1996 between official bilateral creditors meeting as the Group of Participating Creditor Countries and Russia on an exit rescheduling covering about \$40 billion. The agreement consists of a multi-year rescheduling (MYRA) for the period from January 1996 to March 1999 and a subsequent stock treatment (reprofiling) of previously rescheduled debt.

The MYRA covered (i) 100 percent of principal and interest (excluding late interest) falling due from January 1, 1996 to December 31, 1998 on non-previously rescheduled pre-cutoff date debt,¹ (ii) 40 percent of such payments falling due in the first quarter of 1999, and (iii) 100 percent of principal falling due from January 1, 1996 to March 31, 1999 on amounts consolidated under the previous rescheduling agreements (1993, 1994, and 1995). Payment of the rescheduled amounts is to be made in 38 semiannual graduated payments starting on February 20, 2002 and ending in 2020.

In addition, the agreement provides for a deferral of (i) 100 percent of principal and interest (excluding late interest) falling due from January 1, 1996 to December 31, 1998 on debts contracted in 1991, (ii) 100 percent of deferred principal payments falling due from January 1, 1996 to March 31, 1999 on short-term debt, debts contracted in 1991, and moratorium interest capitalized under the 1994 and 1995 rescheduling agreements, and (iii) 100 percent of deferred principal payments falling due from January 1, 1996 to December 31, 1996 on moratorium interest capitalized under the 1993 rescheduling agreement. Deferred amounts are to be paid in 30 semiannual graduated payments starting on February 20, 2002 and ending in 2016.

Provided that the EFF arrangement is on track (with completion of the final quarterly review scheduled under the arrangement) and all payments under the agreement have been made, (i) outstanding amounts as of April 1, 1999 of principal on pre-cutoff date debt consolidated under the previous rescheduling agreements (1993, 1994, and 1995) will be reprofiled and are to be repaid in 38 semi-annual graduated payments starting on February 20, 2002 and ending in 2020, and (ii) outstanding amounts of deferred principal payments on short-term debt, debts contracted in 1991, and moratorium interest capitalized under the previous rescheduling agreements (1993, 1994, and 1995)² will be reprofiled and are to be repaid in 30 semiannual graduated payments starting on February 20, 2002 and ending in 2016.

Unlike the previous rescheduling agreements, there is no capitalization of moratorium interest. All other amounts due and not covered by the agreement are to be paid on their due dates, while arrears outstanding as at the date of the present agreement, if any, were to be paid as soon as possible and not later than June 30, 1996.

A termination clause linked to the EFF arrangement would allow creditors, after consultation with the Russian authorities, to terminate the agreement if the scheduled 1996 quarterly reviews under the extended arrangement are not completed. A trigger clause links the continued application of the agreement to approval of the annual arrangements under the extended arrangement for 1997 and 1998 as well as the completion of the final quarterly review scheduled under the extended arrangement.

¹The cutoff date is January 1, 1991.

²Except for moratorium interest capitalized under the 1993 rescheduling agreement.

Box 4. Rescheduling Agreement with Peru in July 1996

The agreement constitutes an exit rescheduling for Peru. It consists of (i) a multi-year rescheduling (MYRA) through the end of 1988, and (ii) a subsequent reprofiling of the stock of debt due under the 1991 rescheduling agreement with Paris Club creditors; both elements were on non-concessional terms. Under the MYRA, some \$1.1 billion were covered. Current maturities on pre-cutoff date commercial debt (not previously rescheduled) falling due from April 1, 1996 through December 31, 1998 were rescheduled with declining coverage (100 percent in 1996, 85 percent in 1997, 60 percent in 1998) over 18 years, including 1 year grace, on a graduated payment schedule.¹ Current maturities on pre-cutoff date commercial debt consolidated under previous reschedulings (1991 and 1993) and falling due during the consolidation period were rescheduled on the same terms, but with somewhat lower coverage in 1998 (50 percent). Pre-cutoff date ODA debt was rescheduled with the same coverage, but over 20 years with 10 years' grace, and with equal semi-annual repayments. Unlike previous reschedulings, there was no capitalization of moratorium interest.

Provided the EFF arrangement is on track (with completion of the last scheduled review), and all payments under the agreement have been made, maturities due on or after January 1, 1999 that were consolidated under the 1991 Paris Club agreement would be reprofiled; these total some \$5.6 billion. Commercial credits would be repaid over 17 years, on a repayment schedule tailored to limit Peru's payments on currently outstanding Paris Club debt to around \$1 billion a year through 2009, rapidly declining thereafter. ODA loans would be repaid over 20 years including 1½ years' grace with equal semi-annual payments. The agreement contains an acceleration clause under which repayments on reprofiled debt would be increased by 20 percent (and thus accelerated) if cumulative real GDP growth over any of the three 5-year periods spanning 1996–2002 exceeds the assumptions in the authorities' medium-term program by more than 3 percentage points.

All other amounts due and not covered by the agreement are to be paid on their due dates, while arrears outstanding as at the date of the present agreement, if any, are to be paid as soon as possible and not later than October 31, 1996.

A trigger clause links the continued application of the agreement to approval of the annual arrangements for 1997 and 1998 under Peru's extended arrangement with the IMF. Also, the Government of Peru for 3 years following the present extended arrangement agreed to maintain a close relationship with the IMF that would include enhanced surveillance and reporting of Peru's economic policies and performance.

¹Annual payments rising gradually through year 16, markedly declining thereafter.

VI. RECENT DEVELOPMENTS IN COMMERCIAL BANK DEBT RESTRUCTURING

Additional progress has been achieved in restructuring the commercial bank debts of heavily indebted developing countries in the first seven months of 1996. The debt- and debt-service reduction (DDSR) operation with Panama was completed, Peru moved toward an expected completion of its DDSR in October 1996, and Vietnam announced an agreement in principle on May 17, 1996. In addition, Ethiopia received support from IDA to fund a full buyback of its commercial bank debt in early January 1996 (Table 18).

Peru is the only middle-income country remaining to complete a DDSR. The agenda in this area now shifts to the heavily indebted low-income countries. The stocks of debt and the limited financing available in some of these cases precludes full buybacks at a discount, and complicates the task of reaching agreement on typical DDSR operations. Creditors will need to show considerable flexibility in reaching agreements to resolve the debts of low-income countries, possibly entailing steeper discounts on debt buybacks and/or higher debt- and debt-service reduction than those creditors have accepted in the past.

Significant progress also has been made by some countries in restructuring their debts with commercial banks. Despite legal challenges by the Federal Republic of Yugoslavia (Serbia and Montenegro), negotiations between banks and the other former Socialist Federal Republic of Yugoslavia successor states are moving quickly to resolve their commercial debt situation. Slovenia and Croatia exchanged instruments with their bank creditors on June 11 and July 31, 1996, respectively. Bosnia and Herzegovina and the Former Yugoslav Republic of Macedonia (FYRM) have obtained waivers to the joint and several liability clause that binds them as former members of the Socialist Federal Republic of Yugoslavia. This is the first step towards negotiating a full restructuring of their commercial obligations. In addition, Algeria completed, and Russia is expected to complete soon, the details on the rescheduling agreements reached in late 1995.

Panama and Peru

On April 17, 1996, **Panama** signed a Brady agreement with commercial bank creditors to restructure almost \$1.9 billion of eligible debt and \$1.45 billion in past due interest (PDI).²² The operation was closed in July 1996. The selection of options by creditors resulted in 81.9 percent of the principal allocated to the interest reduction bond (FLIRB), 13.6 percent to the par bond, and 4.5 percent to the discount bond. The cost of \$192 million was financed with about \$102 million of Panama's own resources, with the rest of the funding provided roughly equally by the World Bank, the IDB, and the Fund.

²²Under the financing plan, PDI was recalculated from an original contractual value of \$1.9 billion.

Following the agreement in principle reached with Peru on October 27, 1995, banks completed the selection of options on July 31, 1996 and Peru agreed to the proposed package on August 12, 1996. Of \$4.2 billion of principal restructured, \$1.6 billion will be eliminated through a buyback, and the remainder will be allocated to a discount bond (14 percent), a par bond (5 percent), and a front-loaded interest reduction bond (43 percent).²³ Peru has been making partial interest payments and will make an additional down payment of \$225 million at the time of the closing of the operation. The remaining stock of PDI, amounting to \$3.7 billion, would be exchanged for a 20-year graduated repayment bond, including a 5-year grace period, which would bear a below-market interest rate for the first 10 years; the PDI bond would not be supported by collateral.

The Peruvian authorities expect the whole operation to be completed by October 15, 1996. The cost of about \$1.6 billion will be covered in part by Peru's own resources (\$600 million) and Japan's Eximbank (\$100 million). The remainder is expected to be financed equally by the World Bank, the IDB, and the Fund. About half of the Fund financing of \$300 million will come from set asides accumulated by Peru under its previous arrangement and carried over into the present arrangement, and the rest is expected to be covered by augmentation of the current arrangement.

Lower-income countries (IDA-eligible)

In January and July 1996, bank creditors made debt restructuring proposals to Côte d'Ivoire containing the basic options available under other Brady operations. The Ivoirien authorities are working on a counter proposal to the latest bank offer aimed principally at lowering the up-front cost implicit in the banks' proposal, increasing the amount of debt reduction affected by the operation, and lowering debt servicing on the new instruments. Negotiations are continuing, and it may be possible to reach an agreement in principle in early 1997.

On May 17, 1996, the Vietnamese authorities announced an agreement in principle with commercial bank creditors on a DDSR operation. This operation would restructure

²³The allocation among the options was determined through a Dutch auction, an innovation in Brady deals. In the first iteration, each bank indicated the amount of debt it would be willing to offer for a buyback, and the (minimum) price, as well as how it would assign the debt among the other options in case the price offered by Peru was lower than its (minimum) selling price. In subsequent iterations, the government adjusted the price until a menu that cleared all the debt within the up-front cash financing constraint of \$1.55 billion was obtained.

about \$900 million of debt in arrears, of which \$509 million is PDI.²⁴ The menu of options in the agreement consists of a par bond, a discount bond, a PDI bond, and a cash buyback. The principal innovation of the deal is that principal payments of the par bond are only partially (as opposed to fully) collateralized. In addition, interest rates on the par bond are fixed significantly below market for the 30-year maturity of the bond. These features are likely to increase the amount of debt reduction and lower the up-front cost of the operation compared with other packages. Depending on the final allocation to the buyback option, the up-front cost could range from \$60 million (with no cash buyback) to \$90 million (if 10 percent is allocated to the cash buyback). The World Bank is expected to contribute \$40 million out of ordinary IDA resources to the financing of the operation. The remainder will be financed from Vietnam's own reserves and, possibly, bilateral support.

On January 12, 1996, **Ethiopia** completed a buyback of about \$230 million of debt at 8 cents on the dollar. This operation was financed through the IDA Debt Reduction Facility. Negotiations are advanced for buyback operations by **Senegal** (\$74 million) and **Mauritania** (\$55 million).

In addition to the low-income countries noted above, **Cameroon, Congo, Guinea, Guyana, Tanzania, and Togo**, which have relatively large debts to commercial banks, are expected to restructure these debts in the near future. Prices for the debt of some of these and other low-income countries have remained significantly above their levels in the early 1990s, and might be out of line with the ability of these countries to service debt over the medium term. Creditors will need to continue showing considerable flexibility in reaching agreements to resolve the debts of these and other low-income countries.

Key parameters in debt- and debt-service reduction operations continue to be a country's medium-term capacity to pay and resource availability to fund the up-front costs of the operations. The menu of options in deals for low-income countries may entail, in addition to steep discounts on debt buybacks, deep discount bonds, par bonds with interest rates substantially below market levels, the write-off or significant discounting of PDI, and the provision of less than full collateralization of principal on bonds issued as part of the package. Many of these elements are already present in the package agreed by Vietnam, and in the proposals being discussed by Côte d'Ivoire and its bank creditors.

Former Socialist Federal Republic of Yugoslavia successor states

The negotiations between commercial bank creditors and the successor states continue to be complicated by legal issues resulting from the division of assets and liabilities of the former Socialist Federal Republic of Yugoslavia. In March 1996, the Federal Republic of

²⁴As part of the package, Vietnam negotiated a reduction in past due interest from \$509 million to \$370 million.

Yugoslavia (Serbia and Montenegro) filed suit in a London court aimed at blocking the agreement reached between Slovenia and its commercial bank creditors. The action was based on the question of whether the 1988 New Financing Agreement precluded a restructuring of Slovenia's debt without the consent of the National Bank of Yugoslavia. Although the legal case has not been resolved, Slovenia finalized the deal with its commercial bank creditors (including the release from the "joint and several liability clause") on June 11, 1996, as planned.²⁵

On April 26, 1996, Croatia signed an agreement in principle with its commercial bank creditors, and on July 31, 1996 exchanged at par new debt instruments for recognized debt under the 1988 NFA and the Trade and Deposit Facility Agreement (TDFA).²⁶ The agreement releases Croatia from the joint and several liability clause, and involves an exchange of recognized debt for new bonds.²⁷ Under the agreement Croatia issued two series of bonds: Series A bonds were exchanged for 29.5 percent of unmatured principal on the NFA,²⁸ payable in 22 equal semiannual installments beginning 3 1/2 years from the date of the exchange, and carrying an annual interest rate of LIBOR plus 13/16. Series B bonds were exchanged for 29.5 percent of past due amounts of principal and interest accrued on the NFA until the date of the exchange, and 19.7 percent of the principal and accrued interest arrears related to the Trade and Deposit Facility. They will be repaid in 20 semiannual installments,²⁹ beginning on the first interest payment date after the date of the exchange, and bear an interest rate of LIBOR plus 13/16. Interest payments will be made semiannually on both series.

²⁵The deal exchanged bonds at par for the recognized debt of \$810 million. This agreement excluded the so-called Alternative Participation Instruments, which were claims held mainly by nonbank creditors. Slovenia has stated that it is prepared to negotiate an agreement on these claims. For a detailed description of Slovenia's agreement, see Private Market Financing for Developing Countries (SM/95/197, 8/14/95) and Recent Developments in Official Bilateral and Commercial Bank Debt Restructuring (EBS/96/47, 3/19/96).

²⁶The NFA with the former Yugoslavia Republic amounts to about \$4.4 billion in principal and \$1.4 billion in PDI. The TDFA is estimated at \$0.3 billion.

²⁷ Creditors connected with the Federal Republic of Yugoslavia (Serbia and Montenegro), entitled "connected persons," are excluded from participation in the final exchange of instruments. A list of such creditors was prepared based on data provided by the Office of Foreign Assets Control of the U.S. Department of Treasury, and on a list of "Controlled Yugoslav Persons" as ruled by an independent arbitrator selected by the Croatian authorities.

²⁸This percentage is a sharing proportion of the original Yugoslav debt rather than a discount.

²⁹The agreement allows for a graduated repayment schedule, rising from 2 percent for the first seven payments to 7 percent from payment 13 onwards.

In late May, the FYRM requested a waiver of the joint and several liability clause under the NFA from the International Coordinating Committee (ICC); the waiver was obtained on June 11, 1996.³⁰ The commercial banks are reportedly willing to accept 5.4 percent as a sharing proportion of the NFA debt, which also appears acceptable to the FYRM.

On June 11, 1996, **Bosnia and Herzegovina** obtained a waiver of the joint and several liability under the NFA. The ICC agreed to recommend the waiver on the basis of Bosnia's designation of a permanent negotiating team; commitment to discussions on debt data in the near future; and agreement to an end-June 1997 deadline for agreeing on terms of the restructuring, with finalization by end-December 1997. Following the consent of their creditors, both Bosnia and Herzegovina and the FYRM are now in a position to begin their London Club debt restructuring negotiations in earnest.

In June and July 1996, the **Federal Republic of Yugoslavia (Serbia and Montenegro)** began talks with the bank committee and appointed a financial adviser to develop a concrete rescheduling proposal. Apparently there is no disagreement on the need for a rescheduling, and the talks have focussed on the share of Yugoslav debt that the Federal Republic of Yugoslavia (Serbia and Montenegro) would be assuming. Commercial banks have been trying to allocate a larger share of the NFA to the least distressed of the successor states.

Algeria and Russia

Russia concluded an agreement in principle for restructuring about \$35 billion in debt to commercial banks on November 16, 1995. Eligible restructured principal will have a maturity of 25 years, including 7 years' grace period; PDI will be repaid over 20 years, including 6 years' grace; both will carry an interest rate of LIBOR plus 13/16, except for U.S. dollar-denominated debt, which will include a cap of 8 percent. The agreement also includes the provision to settle commercial banks' claims denominated in other currencies. Completion

³⁰The exchange by Slovenia on June 11, 1996 and the agreement in principle with Croatia raised the share of the remaining NFA debt held by Serbian creditors, and thereby raised the possibility that these creditors could have a *de facto* veto over waivers of the joint and several liability clause. In the event, all of the successor states, other than the Federal Republic of Yugoslavia (Serbia and Montenegro), obtained the waiver ahead of the deadline. Each of the successor states expects to resolve the issue of claims by the Federal Republic of Yugoslavia (Serbia and Montenegro) creditors in the context of negotiations regarding the division of assets of the former Socialist Federal Republic of Yugoslavia.

of the details and exchange of instruments is expected soon.³¹ This summer, **Algeria** completed the restructuring agreement reached in principle on October 18, 1995.³² The rescheduling covers three categories of debt. The repayment terms on the instruments range from 15 years with 5 years' grace, to 10 1/2 years and a grace period of 3 years, depending upon the category of debt.

³¹The details of the rescheduling agreement with Russia were reported in EBS/96/47 (3/19/96).

³²See SM/95/197 (8/14/95) for details on the Algerian rescheduling.

Table 1. Total Net Official Financing Flows to Developing Countries, 1988-95

	1988	1989	1990	1991	1992	1993	1994	1995 ^{1/}
	<u>(In billions of US dollars)</u>							
Official Development Finance (ODF) ^{2/}	61.4	61.1	69.8	69.7	69.8	70.1	71.6	71.4
Official Development Assistance (ODA) ^{3/}	47.9	49.0	52.9	58.6	58.9	56.4	60.5	62.4
Other	13.5	12.1	16.9	11.1	10.9	13.7	11.1	9.0
Bilateral	43.8	41.9	46.1	46.8	48.8	46.0	48.8	45.4
ODA ^{3/}	36.8	36.6	39.4	42.4	41.4	39.6	41.3	40.4
Other	7.0	5.3	6.7	4.4	7.4	6.4	7.5	5.0
Multilateral ^{4/}	17.6	19.2	23.7	22.9	21.0	24.1	22.8	26.0
ODA	11.1	12.4	13.5	16.2	17.5	16.8	19.2	22.0
Other	6.5	6.8	10.2	6.7	3.5	7.3	3.6	4.0
	<u>(In percent of total ODF)</u>							
Bilateral	71.3	68.6	66.0	67.1	69.9	65.6	68.2	63.6
ODA ^{3/}	59.9	59.9	56.4	60.8	59.3	56.5	57.7	56.6
Other	11.4	8.7	9.6	6.3	10.6	9.1	10.5	7.0
Multilateral	28.7	31.4	34.0	32.9	30.1	34.4	31.8	36.4
ODA	18.1	20.3	19.3	23.2	25.1	24.0	26.8	30.8
Other	10.6	11.1	14.6	9.6	5.0	10.4	5.0	5.6
	<u>(In billions of US dollars)</u>							
<u>Memorandum items:</u>								
ODF (at constant 1994 prices and exchange rates)	75.9	76.3	78.1	75.4	71.2	73.1	71.6	65.2
Total net flows ^{5/}	98.3	116.0	126.3	122.3	147.8	155.8	213.2	252.4
Net official financing to countries in transition ^{6/}	0.0	0.0	8.7	14.1	10.8	14.2	14.9	...
Of which: Net official aid	0.0	0.0	2.3	6.8	6.4	6.5	7.4	...
ODA share of respective ODF (in percent)								
Total	78.0	80.2	75.8	84.1	84.4	80.5	84.5	87.4
Bilateral	84.0	87.4	85.5	90.6	84.8	86.1	84.6	89.0
Multilateral	63.1	64.6	57.0	70.7	83.3	69.7	84.2	84.6

Source: OECD.

^{1/} Provisional.

^{2/} See Box 1 (SM/95/228, 9/8/95) for definitions of ODA, ODF and the list of aid recipients. Based on resource receipts of developing countries on part 1 of the OECD's DAC list of aid recipients.

^{3/} See Box 1 (SM/95/228, 9/8/95) for definitions of ODA. Excluding debt forgiveness of non-ODA claims (including military debt) in 1990 (US\$1.5 billion), 1991 (US\$1.9 billion), and 1992 (US\$1.9 billion). Differs from bilateral ODA in Table 2 because of the inclusion of non-DAC industrial donors (see memorandum items in Table 2).

^{4/} Disbursements by multilateral institutions (see Table 2 for contributions to multilateral institutions). Includes concessional flows from the IMF.

^{5/} Includes ODF, export credits, foreign direct investments, international bank and bond lending, grants by nongovernmental organizations, and other private flows.

^{6/} Comprises countries in transition on part II of the OECD's DAC list of aid recipients, i.e., Belarus, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, the Russian Federation, the Slovak Republic, and Ukraine. Includes official aid, officially supported export credits and other official financing. Intra-country-in-transition flows are excluded. Receipts reported by some country authorities suggest that the OECD figures may understate the flows.

Table 2. Net ODA Disbursements from DAC Countries, 1988-95

	1988	1989	1990	1991	1992	1993	1994	1995 1/
<u>(In billions of US dollars)</u>								
Total Net ODA	47.1	45.7	53.0	56.7	60.8	56.5	59.2	59.2
Bilateral ODA 2/	31.9	32.9	37.2	41.3	41.2	39.4	41.3	40.8
Contributions to multilateral institutions 3/	15.1	12.8	15.8	15.4	19.6	17.1	17.9	18.4
Total Net ODA (at 1994 prices and exchange rates)	58.2	57.1	59.3	61.3	62.0	58.9	59.2	53.9
Bilateral ODA	39.4	41.1	41.6	44.7	42.0	41.1	41.3	37.2
Contributions to multilateral institutions	18.7	16.0	17.7	16.6	20.0	17.8	17.9	16.7
<u>(In percent of donors' GNP)</u>								
Total net ODA	0.34	0.32	0.33	0.33	0.33	0.31	0.30	0.27
Bilateral ODA	0.23	0.23	0.24	0.23	0.24	0.21	0.21	0.18
Contributions to multilateral institutions	0.11	0.09	0.09	0.10	0.09	0.10	0.09	0.09
<u>(In percent of total)</u>								
Distribution 4/								
Net ODA by income group								
Least developed countries	29.9	29.1	27.6	25.9	27.0	26.6	26.7	...
Low income countries	25.6	26.4	27.6	28.9	27.7	25.0	26.2	...
Lower-middle income countries	17.6	17.8	22.1	22.2	22.1	24.6	24.6	...
Upper-middle income countries	3.5	3.8	4.2	3.7	3.0	4.2	3.8	...
High income countries	3.7	3.6	3.1	3.5	3.9	3.0	2.8	...
Unallocated	19.7	19.2	15.4	15.8	16.3	16.6	16.0	...
Net ODA by region								
Sub-Saharan Africa	32.1	32.8	30.9	28.6	31.1	30.6	31.0	...
North Africa and Middle East	10.9	10.3	19.9	19.5	14.8	12.1	13.6	...
Asia	26.6	27.3	22.7	24.1	25.7	25.1	26.7	...
Western Hemisphere	9.5	10.3	9.2	9.7	9.1	9.9	10.1	...
Europe 5/	1.2	0.8	2.5	3.6	3.7	5.6	3.6	...
Other 6/	19.6	18.6	14.8	14.5	15.6	16.8	15.0	...
<u>(In billions of US dollars)</u>								
<u>Memorandum items:</u>								
Total net ODA to developing countries 7/	47.9	49.0	52.9	58.6	58.9	56.4	60.5	...
DAC countries 2/	31.9	32.9	37.2	41.3	41.2	39.4	41.3	...
Multilateral institutions	11.1	12.4	13.5	16.2	17.5	16.8	19.2	...
Other 8/	4.9	3.7	2.2	1.1	0.2	0.2	0.0	...
Total intra-developing countries flows (net ODA) 9/	2.2	1.7	6.0	2.6	1.0	1.2	1.2	...

Sources: OECD and Fund staff estimates.

1/ Provisional

2/ Excludes debt forgiveness of non-ODA claims (including military debt) in 1990 (US\$1.5 billion), 1991 (US\$1.9 billion), and 1992 (US\$1.9 billion).

3/ Includes contributions to the IMF Trust Fund, IMF Interest Subsidy Account, IMF SAF and ESAF, and IMF Administered Account.

4/ Distribution of total net ODA from DAC and other sources, including unspecified. The data is not consistent with the aggregate data because the country level detail of revised aggregate data is not yet available—however, the revisions to the aggregate data were not large.

5/ Excludes countries in transition not on part I of the OECD's DAC list of aid recipients.

6/ Oceania and unspecified.

7/ Excludes intra-developing country resource flows; based on resource receipts of developing countries, consistent with Table 1.

8/ Other industrial countries and unallocated.

9/ Includes flows from Arab countries and other developing country donors (including China, India, South Korea, and Taiwan Province of China).

Table 3. Net ODA Disbursements by Major DAC Donors, 1989-95

	At current prices						At constant	Change 1994/95		Share of	
	1989	1990	1991	1992	1993	1994	1995	At Current	At constant	donor's GNP	
			2/	2/	2/		Prov.	prices	1994 Prices 1/	1995	
										Prov.	
	<u>(In billions of U.S. dollars)</u>						<u>(In percent)</u>				
Canada	2.3	2.5	2.6	2.5	2.4	2.3	2.3	2.3	2.7	1.5	0.39
Denmark	0.9	1.2	1.2	1.4	1.3	1.4	1.6	1.4	12.6	-2.2	0.97
France	5.8	7.2	7.4	8.3	7.9	8.5	8.4	7.4	-0.3	-12.2	0.55
Germany	4.9	6.3	6.9	7.6	7.0	6.8	7.5	6.5	9.7	-5.1	0.31
Italy	3.6	3.4	3.3	4.1	3.0	2.7	1.5	1.5	-43.8	-46.2	0.14
Japan	9.0	9.1	11.0	11.2	11.3	13.2	14.5	13.4	9.4	1.1	0.28
Netherlands	2.1	2.5	2.5	2.8	2.5	2.5	3.3	2.9	31.9	14.1	0.80
Sweden	1.8	2.0	2.1	2.5	1.8	1.8	2.0	1.8	9.0	-3.3	0.85
United Kingdom	2.6	2.6	3.2	3.2	2.9	3.2	3.2	3.0	-0.4	-5.6	0.29
United States	7.7	11.4	11.3	11.7	10.1	9.9	7.3	7.1	-26.4	-28.2	0.10
Ten major donors above 3/	40.7	46.6	49.6	53.3	50.2	52.4	51.7	47.2	-1.4	-9.9	...
Other DAC donors 4/	5.0	6.3	7.1	7.5	6.2	6.8	7.5	6.6	11.5	-1.8	...
Total DAC 3/	45.7	53.0	56.7	60.8	56.5	59.2	59.2	53.9	0.1	-8.9	0.27
(in percent of GNP)	0.32	0.34	0.34	0.34	0.31	0.30	0.27

Source: OECD.

1/ At 1994 prices and exchange rates.

2/ Includes debt forgiveness of non-ODA claims.

3/ Excludes debt forgiveness of non-ODA claims.

4/ Includes Australia, Austria, Belgium, Finland, Ireland, Luxembourg, New Zealand, Norway, Portugal, Spain and Switzerland.

Table 4. Gross Disbursements of Official Bilateral Financing Flows
from DAC Countries by Region and Income Group, 1989-1994

	1989	1990	1991	1992	1993	1994 1/
	<u>(In percent of group total)</u>					
Gross bilateral official disbursements 2/						
By region						
Sub-Saharan Africa	20.1	21.5	17.2	16.7	14.2	13.9
North Africa and Middle East	21.3	22.2	28.4	18.9	17.6	22.3
Asia	25.9	25.3	23.7	29.1	34.2	36.2
Western Hemisphere	18.1	18.0	17.0	22.3	19.3	15.0
Europe	4.0	3.4	3.7	3.6	3.7	3.5
Other (Oceania and unallocated)	10.7	9.7	10.1	9.5	10.9	9.1
By income group						
Least developed countries	12.8	14.6	12.8	12.3	11.2	10.5
Low income countries	29.0	26.4	30.2	24.9	27.5	26.3
Lower- middle income countries	30.8	30.9	28.7	28.8	29.2	31.4
Upper-middle income countries	13.2	14.2	12.6	17.5	15.1	13.1
High income countries	4.6	4.0	5.2	6.4	7.8	9.8
Unallocated	9.7	9.9	10.6	10.2	9.3	9.0
Gross bilateral ODA disbursements 3/						
By region						
Sub-Saharan Africa	27.8	31.1	22.4	25.0	24.0	24.8
North Africa and Middle East	12.1	16.1	26.1	16.6	14.1	15.1
Asia	29.1	24.9	22.0	27.7	26.6	29.4
Western Hemisphere	10.6	9.5	12.4	10.5	12.8	10.7
Europe	2.0	2.7	3.3	3.7	4.3	3.1
Other (Oceania and unallocated)	18.3	15.7	13.7	16.6	18.2	17.0
By income group						
Least developed countries	22.9	22.8	18.3	19.8	19.6	20.9
Low income countries	28.3	28.7	36.1	28.3	28.0	27.7
Lower-middle income countries	20.8	23.1	22.9	24.9	27.1	25.2
Upper-middle income countries	5.1	5.6	4.6	5.4	6.0	5.6
High income countries	5.6	4.3	4.1	5.4	3.9	3.9
Unallocated	17.5	15.5	13.9	16.3	15.5	16.7
	<u>(In billions of U.S. dollars)</u>					
Memorandum items:						
Gross bilateral ODA disbursements 3/	36.3	44.7	55.7	49.2	48.6	47.7
By region						
Sub-Saharan Africa	10.1	13.9	12.5	12.3	11.7	11.8
North Africa and Middle East	4.4	7.2	14.6	8.2	6.8	7.2
Asia	10.6	11.1	12.3	13.6	12.9	14.0
Western Hemisphere	3.9	4.3	6.9	5.2	6.2	5.1
Europe	0.7	1.2	1.8	1.8	2.1	1.5
Oceania	1.3	1.2	1.2	1.4	1.5	1.7
Unallocated	5.4	5.8	6.4	6.8	7.3	6.4

Source: OECD, Geographical Distribution of Financial Flows to Aid Recipients.

1/ Provisional

2/ Total official flows defined as grants, gross ODA loans, and other gross contractual lending including official export credits).

3/ The data is not consistent with the aggregate data for net ODA in Tables 1 and 2 because the country level detail for the gross ODA equivalent of the revised data in Tables 1 and 2 is not yet available—however, the revisions to the aggregate data were not large.

Table 5. Gross and Net Disbursements from Multilateral Institutions by Region, 1980-95 ^{1/}

(In millions of U.S. dollars)

		Annual average			1993	1994	Prov. 1995
		1980-84	1985-89	1990-94			
All countries ^{2/}	Gross	20,926	25,476	36,694	37,208	37,419	60,256
	Net	16,536	9,630	14,664	15,330	11,651	29,892
Sub-Saharan Africa	Gross	3,395	4,315	5,291	4,911	5,819	7,731
	Net	2,751	2,368	3,146	2,938	3,446	3,394
North Africa and the Middle East	Gross	1,257	2,190	3,073	2,792	3,745	3,900
	Net	873	986	1,056	699	1,560	1,315
Asia	Gross	7,439	8,378	11,881	11,723	11,947	11,000
	Net	6,130	3,284	5,778	6,282	4,185	3,413
Western Hemisphere	Gross	6,640	8,530	10,466	11,693	7,780	25,519
	Net	5,139	3,167	1,036	1,508	-1,731	15,232
Other	Gross	2,194	2,063	5,982	6,088	8,128	12,107
	Net	1,642	-175	3,648	3,903	4,191	6,538

Sources: World Bank Debtor Reporting System (DRS); and IMF staff estimates.

1/ Disbursements of medium and long-term public and publicly guaranteed debt, including to the IMF. Differences in coverage and definition make the World Bank data presented in this table incompatible with the OECD data presented in Table 1. See Box 1, SM/95/228, 9/8/95 for an explanation of the differences.

2/ A group of 136 countries reporting to the DRS.

Table 6. Gross and Net Disbursements from Multilateral Institutions by Analytical Group, 1980-95 ^{1/}
(In millions of U.S. dollars)

		Annual average			1993	1994	Prov.
		1980-84	1985-89	1990-94			1995
All countries ^{2/}	Gross	20,926	25,476	36,694	37,208	37,419	60,256
	Net	16,536	9,630	14,664	15,330	11,651	29,892
<u>By debt-servicing record</u>							
Non-rescheduling countries	Gross	8,334	10,650	16,409	15,678	15,735	17,087
	Net	6,864	4,594	8,278	8,211	4,412	6,050
Rescheduling countries ^{3/}	Gross	12,592	14,826	20,285	21,529	21,684	43,169
	Net	9,672	5,036	6,386	7,119	7,239	23,841
Of which: Low-income ^{4/}	Gross	2,554	2,665	3,511	2,963	3,991	5,608
	Net	2,036	1,459	2,135	1,761	2,549	2,322
<u>By debt indicators</u>							
Heavily indebted poor countries ^{5/}	Gross	3,673	4,508	5,594	4,918	6,400	7,955
	Net	2,956	2,511	3,238	2,680	3,847	3,464

Sources: World Bank Debtor Reporting System (DRS); and IMF staff estimates.

1/ Disbursements of medium and long-term public and publicly guaranteed debt, including to the IMF.

2/ A group of 136 countries reporting to the DRS.

3/ A group of 65 countries that have obtained Paris Club rescheduling as of end-1995.

4/ A group of 30 countries that have received concessional treatment from the Paris Club and had not graduated from rescheduling as of end-1995.

5/ A group of 41 Heavily Indebted Poor Countries; for countries covered, see Table 7.

Table 7. Heavily Indebted Poor Countries: Net Disbursements
from Multilateral Institutions, 1980-95 ^{1/2/}

	Annual average			1993	1994	Prov. 1995	Annual average			Prov. 1995
	1980-84	1985-89	1990-94				1980-84	1985-89	1990-94	
	(In millions of U.S. dollars)						(In percent of exports of goods & services)			
Angola	1	7	19	11	33	56	0.0	0.3	0.6	1.7
Benin	26	39	78	76	102	33	9.2	9.0	14.6	6.5
Bolivia	96	147	133	101	218	158	9.8	19.8	13.5	12.1
Burkina Faso	27	41	85	113	100	125	8.8	10.3	16.0	18.0
Burundi	32	68	57	54	28	15	31.9	53.5	50.7	6.5
Cameroon	56	76	68	-83	183	11	2.6	3.2	2.8	0.4
Central African Republic	20	40	46	27	47	30	11.3	22.5	23.5	14.2
Chad	4	29	76	52	66	60	3.8	15.1	35.3	28.0
Congo	40	35	26	0	151	169	3.4	3.7	2.5	12.9
Côte d'Ivoire	305	16	165	-133	429	178	10.6	0.4	5.0	5.6
Equatorial Guinea ^{3/}	6	8	9	16	6	1	1.7	17.1	15.5	1.0
Ethiopia	52	72	200	374	240	151	8.6	8.7	25.8	16.9
Ghana	137	190	182	206	71	135	23.7	23.0	16.1	8.5
Guinea	25	59	136	220	132	146	4.5	8.7	18.2	18.7
Guinea-Bissau ^{3/}	16	25	23	16	11	19	62.1	117.5	54.9	31.5
Guyana	46	19	53	48	2	13	14.1	7.5	17.4	2.3
Honduras	130	25	107	158	21	-7	15.2	2.6	9.7	-0.5
Kenya	203	90	63	68	25	18	11.2	4.9	2.8	0.6
Lao P.D.R. ^{3/}	9	20	66	82	63	85	8.1	24.2	37.8	...
Liberia	74	16	-2	20	-15	0	14.4	3.4	-0.4	0.0
Madagascar	88	108	71	62	37	-4	21.3	25.7	13.5	-0.5
Mali	59	60	90	49	109	115	23.2	17.0	17.7	21.6
Mauritania	53	40	47	34	84	85	16.8	8.3	9.9	17.8
Mozambique	3	55	167	155	240	220	1.2	22.8	45.8	...
Myanmar	87	50	13	1	-10	29	18.3	12.6	2.1	2.1
Nicaragua	52	14	71	33	160	80	9.9	4.9	18.4	23.0
Niger	42	64	29	19	56	29	9.2	16.8	9.5	11.0
Nigeria	118	285	218	200	168	162	0.9	3.6	1.7	1.7
Rwanda	25	50	44	38	16	89	15.2	27.9	37.2	131.0
São Tomé & Príncipe	3	7	20	12	13	15	22.9	70.9	187.8	88.4
Senegal	118	109	85	69	77	143	11.9	9.4	5.7	9.2
Sierra Leone	24	6	35	53	112	105	13.1	4.3	22.9	48.7
Somalia	82	54	11	0	0	0	37.1	61.2	12.1	0.0
Sudan	237	95	96	91	8	-40	21.4	8.8	17.4	-6.6
Tanzania	104	121	169	104	125	97	16.5	25.4	28.4	10.4
Togo	42	35	28	-1	40	60	9.6	6.8	6.0	15.3
Uganda	123	71	207	153	227	232	35.8	20.3	87.3	49.9
Vietnam	15	0	53	-37	300	132	...	0.0	1.0	...
Yemen, Republic of	85	52	37	48	70	35	2.8	2.7	1.4	1.0
Zaire	152	139	72	53	-3	-15	8.0	6.6	3.8	-0.8
Zambia	141	74	86	118	105	503	12.4	8.2	7.3	41.6
Total	2,956	2,511	3,238	2,680	3,847	3,464	6.6	6.7	6.6	7.4

Sources: World Bank Debtor Reporting System (DRS); and IMF staff estimates.

^{1/} Medium and long-term public and publicly guaranteed debt, including to the IMF.

^{2/} The data is derived from the DRS except for the data on lending by the IMF.

^{3/} Annual average of net disbursements in percent of exports of goods and services is calculated only for selected years due to the lack of export data.

Table 8. Developing Countries: Public External Debt by Creditors, 1980-1995 ^{1/}

(In billions of U.S. dollars, and in percent)

	1980	1985	1990	1993	1994	Prov. 1995
All countries ^{2/}						
Total public external debt	367	733	1,084	1,220	1,325	1,405
Of which (in percent):						
Multilateral	16.4	19.7	22.1	23.6	24.0	24.8
IMF	3.2	5.2	3.0	3.2	3.2	4.3
Other	13.2	14.5	19.1	20.4	20.7	20.5
Official bilateral	29.5	25.8	32.4	34.9	35.1	35.3
Private	54.1	54.5	45.5	41.5	40.9	39.9
Low-income rescheduling countries ^{3/}						
Total public external debt	33	60	102	107	113	117
Of which (in percent):						
Multilateral	26.1	29.1	30.2	33.6	35.5	36.6
IMF	7.5	8.1	4.8	4.2	4.6	5.0
Other	18.6	21.0	25.4	29.3	30.9	31.6
Official bilateral	42.5	48.1	52.8	51.3	50.2	50.5
Private	31.4	22.8	17.0	15.1	14.3	12.9
Heavily indebted poor countries ^{4/}						
Total public external debt	49	92	184	189	200	205
Of which (in percent):						
Multilateral	25.1	28.2	25.8	29.4	31.0	32.1
IMF	6.8	7.3	3.7	3.4	3.6	3.9
Other	18.2	20.9	22.2	26.0	27.4	28.2
Official bilateral	39.8	41.2	53.6	54.6	54.1	54.1
Private	35.1	30.7	20.6	16.0	14.8	13.8

Sources: World Bank Debtor Reporting System (DRS); and IMF staff estimates.

1/ Medium and long-term public and publicly guaranteed debt; including to the IMF.

2/ A group of 136 countries reporting to the DRS.

3/ A group of 30 countries that have received concessional treatment from the Paris Club and had not graduated from rescheduling as of end-1995.

4/ A group of 41 Heavily Indebted Poor Countries; for country composition, see Table 7.

Table 9. Developing Countries: Multilateral Debt on Concessional Terms, 1980-1995 ^{1/}

	1980	1985	1990	1993	1994	Prov. 1995
<u>(In millions of U.S. dollars)</u>						
Total multilateral debt						
All countries ^{2/}	60,183	144,408	239,421	287,631	317,676	348,297
Low-income rescheduling countries ^{3/}	8,739	17,518	30,763	35,938	40,147	42,763
Heavily indebted poor countries ^{4/}	12,296	25,868	47,600	55,524	62,158	65,876
Of which:						
Multilateral concessional debt						
All countries ^{2/}	24,399	42,505	75,155	96,801	111,637	121,009
Low-income rescheduling countries ^{3/}	4,616	8,838	18,970	24,841	28,978	32,968
Heavily indebted poor countries ^{4/}	6,477	12,649	28,915	37,731	43,769	48,980
<u>(In percent of total multilateral debt)</u>						
Multilateral concessional debt						
All countries ^{2/}	40.5	29.4	31.4	33.7	35.1	34.7
Low-income rescheduling countries ^{3/}	52.8	50.5	61.7	69.1	72.2	77.1
Heavily indebted poor countries ^{4/}	52.7	48.9	60.7	68.0	70.4	74.4
<u>(In millions of U.S. dollars)</u>						
<u>Memorandum items:</u>						
SAF/ESAF/Trust Fund						
All countries ^{2/}	3,346	2,713	3,659	5,442	6,788	8,484
Low-income rescheduling countries ^{3/}	843	589	1,247	1,742	2,325	3,986
Heavily indebted poor countries ^{4/}	1,228	888	2,474	3,336	4,130	5,823
<u>(In percent of multilateral concessional debt)</u>						
SAF/ESAF/Trust Fund						
All countries ^{2/}	13.7	6.4	4.9	5.6	6.1	7.0
Low-income rescheduling countries	18.3	6.7	6.6	7.0	8.0	12.1
Heavily indebted poor countries	19.0	7.0	8.6	8.8	9.4	11.9

Sources: World Bank Debtor Reporting System (DRS); and IMF staff estimates.

1/ Medium and long-term public and publicly guaranteed debt; including to the IMF.

2/ A group of 136 countries reporting to the DRS.

3/ A group of 30 countries that have received concessional treatment from the Paris Club and had not graduated from rescheduling as of end-1995.

4/ A group of 41 Heavily Indebted Poor Countries; for country composition, see Table 7.

Table 10. Developing Countries: Multilateral Debt Service, 1980-1995^{1/}

	Annual average			1993	1994	Prov. 1995
	1980-84	1985-89	1990-94			
<i>(In millions of U.S. dollars)</i>						
Multilateral debt service						
All countries 2/	9,627	27,380	36,846	37,092	41,196	47,976
Low-income rescheduling countries 3/	1,002	1,913	2,326	2,039	2,347	4,118
Heavily indebted poor countries 4/	1,412	3,227	3,971	3,696	4,221	6,019
<i>(In percent of exports of goods and services)</i>						
Multilateral debt-service ratio 5/						
All countries 2/	1.8	4.5	4.1	3.9	3.8	3.9
Low-income rescheduling countries 3/	4.8	8.7	9.6	9.1	9.9	16.0
Heavily indebted poor countries 4/	3.2	8.6	8.1	7.9	8.6	11.4
<i>(In percent of exports of goods and services)</i>						
<u>Memorandum items: 5/</u>						
Multilateral debt						
All countries 2/	16.8	31.6	30.6	30.5	29.6	28.0
Low-income rescheduling countries 3/	59.4	105.5	145.0	160.1	168.5	166.4
Heavily indebted poor countries 4/	39.8	93.6	109.9	119.0	126.4	124.6

Sources: World Bank Debtor Reporting System (DRS); and IMF staff estimates.

1/ Medium and long-term public and publicly guaranteed debt; including to the IMF.

2/ A group of 136 countries reporting to the DRS.

3/ A group of 30 countries that have received concessional treatment from the Paris Club and had not graduated from rescheduling as of end-1995.

4/ A group of 41 Heavily Indebted Poor Countries; for country composition, see Table 7.

5/ Exports of goods and services of the countries for which data for 1995 is not available are estimated on the basis of a stylized nominal export growth of 6 percent per annum.

Table 11. Developing Countries: Multilateral Debt by Institution, 1980-1995

	1980	1985	1990	1993	1994	Prov. 1995
<u>(In billions of U.S. dollars)</u>						
World Bank	34.2	74.5	140.7	161.2	176.8	181.4
IBRD	22.3	50.2	95.6	102.9	110.3	108.1
IDA	11.9	24.3	45.1	58.3	66.5	73.3
Regional Development Banks <u>1/</u>	8.3	20.1	45.5	62.5	71.4	76.7
AfDB/AfDF	0.7	2.1	8.3	13.4	15.6	17.1
AsDB	2.4	5.9	15.5	22.9	27.7	30.4
IDB	5.2	12.1	21.7	26.2	28.1	29.2
European Institutions <u>2/</u>	2.0	3.5	8.8	12.6	13.7	12.8
Others	4.0	8.6	11.8	12.5	12.9	16.7
IMF	11.6	37.8	32.7	38.9	42.9	60.7
Total	60.2	144.4	239.4	287.6	317.7	348.3
<u>(In percent of total)</u>						
World Bank	56.7	51.6	58.8	56.0	55.6	52.1
IBRD	37.0	34.8	39.9	35.8	34.7	31.0
IDA	19.8	16.8	18.8	20.3	20.9	21.1
Regional Development Banks <u>1/</u>	13.8	13.9	19.0	21.7	22.5	22.0
AfDB/AfDF	1.2	1.4	3.4	4.7	4.9	4.9
AsDB	4.1	4.1	6.5	8.0	8.7	8.7
IDB	8.6	8.4	9.1	9.1	8.9	8.4
European Institutions <u>2/</u>	3.4	2.4	3.7	4.4	4.3	3.7
Others	6.7	6.0	4.9	4.3	4.1	4.8
IMF	19.3	26.2	13.7	13.5	13.5	17.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

Sources: World Bank Debtor Reporting System (DRS); and IMF staff estimates.

1/ Including development funds and other associated concessional facilities.

2/ Council of Europe, European Development Fund, European Community (EC), and European Investment Bank.

Table 12. Heavily Indebted Poor Countries: Structure of Multilateral Debt, 1980-95 ^{1/}

	Shares in total multilateral debt outstanding																
	Multilateral debt outstanding		Total concessional		World Bank				Regional development banks				Other multilaterals		IMF		o/w concessional ^{2/}
					IBRD		IDA		Nonconcess.		Concessional		1985	1995	1985	1995	
	1985	1995	1985	1995	1985	1995	1985	1995	1985	1995	1985	1995					
Prov.		Prov.		Prov.		Prov.		Prov.		Prov.		Prov.					
-(US\$ million)		(In percent of total multilateral debt outstanding)															
Angola	28	216	12	68	0	0	0	37	10	28	2	19	88	16	0	0	0
Berlin	241	896	89	98	0	0	52	56	4	0	14	23	25	12	5	9	9
Bolivia	806	2,640	51	64	26	4	12	29	11	28	33	23	9	6	10	10	10
Burkina Faso	282	1,055	91	96	0	0	53	58	1	2	11	19	32	15	4	7	7
Burundi	261	957	88	97	0	0	53	62	10	3	15	21	16	9	6	5	5
Cameroon	708	1,683	50	38	41	38	32	26	6	20	0	2	18	11	4	3	0
Central African Republic	162	665	76	96	0	0	39	62	3	1	22	22	12	9	24	5	3
Chad	101	695	90	92	0	0	39	55	0	0	26	28	23	11	12	7	5
Congo	342	891	38	54	17	12	19	20	15	12	1	14	45	41	3	2	0
Côte d'Ivoire	1,872	3,879	10	35	52	41	0	21	2	24	0	1	10	3	36	11	9
Equatorial Guinea	27	120	49	97	0	0	12	44	22	3	9	31	10	6	47	16	16
Ethiopia	673	2,349	86	93	7	0	65	62	2	7	10	25	5	3	11	3	3
Ghana	1,228	3,520	36	90	10	2	21	67	2	6	3	5	7	2	57	18	15
Guinea	288	1,524	70	92	19	0	40	56	6	10	3	15	21	13	11	6	6
Guinea-Bissau	106	388	83	95	0	0	42	54	8	2	18	28	29	14	3	2	2
Guyana	360	804	49	82	18	4	8	25	7	10	23	22	19	17	25	21	18
Honduras	1,193	2,167	40	51	31	20	7	18	12	16	26	27	13	14	12	5	2
Kenya	1,840	3,186	31	83	41	14	22	62	1	4	1	5	7	3	28	12	12
Lao P.D.R.	76	663	97	100	0	0	35	43	0	0	35	46	14	2	16	10	10
Liberia	550	775	27	31	18	21	14	14	11	2	3	7	8	13	46	43	5
Madagascar	658	1,683	71	96	4	1	48	66	1	3	6	20	13	5	28	4	4
Mali	498	1,494	82	99	0	0	45	58	2	0	14	22	20	10	20	10	10
Mauritania	376	1,003	60	89	14	1	17	34	3	7	6	14	50	34	11	10	10
Mozambique	77	1,486	49	95	0	0	7	60	42	3	34	18	17	6	0	14	14
Myanmar	811	1,436	91	100	0	0	51	54	1	0	30	36	4	10	14	0	0
Nicaragua	742	1,444	48	58	22	5	8	19	3	11	31	31	37	32	0	3	2
Niger	352	922	67	96	0	0	42	65	5	0	10	11	21	18	22	6	4
Nigeria	1,431	4,987	8	9	95	65	2	5	0	28	0	1	3	1	0	0	0
Rwanda	242	853	99	98	0	0	63	60	1	0	18	22	15	15	4	3	2
São Tomé and Príncipe	22	182	100	95	0	0	0	29	0	0	38	59	62	11	0	0	0
Senegal	848	2,234	52	84	11	2	27	50	5	8	2	11	24	14	32	16	13
Sierra Leone	225	602	58	100	4	0	26	38	3	0	6	18	16	16	45	27	27
Somalia	564	941	73	83	0	0	33	46	1	0	6	13	33	23	27	18	2
Sudan	1,700	2,997	55	65	3	0	30	42	0	2	1	8	22	15	43	32	3
Tanzania	1,167	2,970	73	94	23	3	49	73	4	0	6	9	13	8	5	7	7
Togo	369	825	69	98	7	0	44	66	4	1	8	10	17	11	20	13	13
Uganda	806	2,640	49	98	5	0	35	68	10	2	1	10	11	5	38	16	16
Viet Nam	159	648	80	70	0	0	34	31	0	0	0	11	5	0	61	58	28
Yemen, Republic of	742	1,257	88	99	0	0	47	66	0	0	0	0	47	34	6	0	0
Zaire	1,410	2,798	41	68	3	3	26	47	4	13	1	9	8	10	57	17	8
Zambia	1,523	3,403	18	89	24	5	7	37	3	6	1	5	12	10	53	36	36
Total (US\$ million)	25,868	65,876	12,649	48,980	5,510	7,238	6,688	29,560	992	5,904	1,940	8,550	4,043	6,582	6,695	8,041	5,823
Share of total debt (In percent)	100	100	49	74	21	11	26	45	4	9	7	13	16	10	26	12	9

Sources: World Bank Debtor Reporting System (DRS); and IMF staff estimates.

^{1/} The data is derived from the DRS except for the data on lending by the IMF.^{2/} SAF, ESAF and Trust Fund.

Table 13. Composition and Average Terms of Multilateral Debt by Major Institution, 1985-95 ^{1/2/}

	Debt outstanding				Average terms of new commitments in 1994				
	Amount		Share of total		Interest	Maturity	Grace	Grant element using	
	(US\$ million)		(In percent)					10%	CIRRs ^{4/}
	1985	1994	1985	1994	(In percent)	(In years)	(In percent)		
Concessional debt	42,505	111,637	100.0	100.0	1.38	31.2	8.8	70.4	67.6
IDA	24,267	66,505	57.1	59.6	0.75	37.3	10.1	79.6	74.5
AsDB	2,321	14,017	5.5	12.6	0.75	37.1	9.6	79.0	71.9
AfDF	903	5,871	2.1	5.3	0.75	31.6	10.2	71.6	74.1
IDB	3,317	5,143	7.8	4.6	1.85	40.1	10.4	71.0	70.8
International Fund for Agricultural Development	722	2,058	1.7	1.8	1.24	42.2	9.3	75.6	75.8
Arab Fund for Economic and Social Development	809	2,047	1.9	1.8	4.45	21.0	5.5	37.2	36.4
European Investment Bank	536	1,913	1.3	1.7	2.71	17.9	5.3	46.8	45.9
EC	452	1,230	1.1	1.1	4.50	12.7	6.3	32.7	22.8
European Development Fund	656	1,110	1.5	1.0	1.00	39.3	9.8	77.9	78.0
OPEC Special Fund	1,186	893	2.8	0.8	2.70	15.9	4.6	42.7	42.1
IBRD ^{5/}	1,727	849	4.1	0.8	5.22	15.2	6.1	29.0	19.2
Council of Europe	71	712	0.2	0.6
Islamic Development Bank	333	687	0.8	0.6	0.80	16.6	4.8	53.4	55.5
Other	2,493	1,815	5.9	1.6	3.59	21.7	5.4	42.0	41.1
IMF (SAF/ESAF/Trust Fund)	2,713	6,788	6.4	6.1	0.50	10.0	5.5	49.1	38.4
Nonconcessional debt	101,903	206,040	100.0	100.0	6.69	16.1	4.9	19.3	...
IBRD	48,482	109,425	47.6	53.1	7.25	17.5	5.4	16.5	5.2
IDB	8,747	22,987	8.6	11.2	6.72	20.6	5.4	21.2	10.5
AsDB	3,620	13,678	3.6	6.6	6.53	22.3	4.8	22.7	5.3
AfDB	1,105	9,316	1.1	4.5	7.98	22.9	5.5	12.7	1.7
EC	2	3,670	0.0	1.8	7.37	4.4	3.4	7.2	2.1
European Investment Bank	997	2,764	1.0	1.3	7.24	17.0	5.9	16.6	15.6
Council of Europe	744	2,309	0.7	1.1	8.64	10.2	6.0	6.2	...
Central American Bank for Economic Integration	369	1,139	0.4	0.6	7.08	8.3	2.4	9.6	2.3
Islamic Development Bank	115	606	0.1	0.3	7.43	5.9	2.0	4.7	0.7
Corporacion Andina de Fomento	121	574	0.1	0.3	7.63	9.6	3.4	9.6	0.0
Other	2,536	3,455	2.5	1.7	7.42	17.7	3.0	11.5	10.2
IMF (General Resources Account)	35,065	36,119	34.4	17.5	4.99	7.85	3.96	20.8	9.8

Sources: World Bank Debtor Reporting System (DRS); OECD Press Releases; Annual Reports of the World Bank, AfDB/AfDF, AsDB, and IDB; and IMF staff estimates.

1/ Multilateral debt (including that to the IMF) of a group of 136 countries reporting to the World Bank Debtor Reporting System.

2/ Major institution is defined as one with US\$0.5 billion or more outstanding at end-1994. The interest rates, maturities, and grace periods are averages weighted by the amounts of the loans or arrangements.

3/ For the purpose of calculating the grant element, loans are assumed to be repaid in equal semiannual installments of principal and the grace period is defined as the interval to first repayment minus one payment period.

4/ Commercial Interest Reference Rates. For the World Bank and the main regional development banks (AfDB/AfDF, AsDB, and IDB) the CIRR-based discount rate is derived from the weighted average of average CIRRs either over the last ten years or six months, depending on the loan maturity, for the top five currencies in which the outstanding loans are repayable. For other institutions average CIRRs for either U.S. dollar, ECU, or SDR are used. The calculation method follows the one currently used in determining concessionality for the purpose of setting borrowing limits in IMF arrangements.

5/ Single-currency loans outstanding.

Table 14. Reschedulings of Official Bilateral Debt, 1995-96

(In Chronological Order)

Debtor Countries	Number of Reschedulings 1/	Date of Agreement Mo./Day/Yr	Amount Consolidated 2/ (In millions of U.S. dollars)	Type of Debt		Consoli- dation Period (In months)	Terms 4/	
				Non-previously rescheduled	Previously rescheduled		Grace	Maturity
<u>1995</u>								
Guinea	IV	01/25/95	156	PIAL	Partial PIAL	12	Naples terms 5/	
Cambodia	I	01/26/95	249	PIAL	PIAL	30	Naples terms	
Chad	II	02/28/95	24	PIAL	PIAL	12	Naples terms	
Uganda	VI	02/20/95	110	-	Stock	-	Naples terms	
Togo	X	02/23/95	237	-	Partial PIAL	33	Naples terms	
Guinea-Bissau	III	02/23/95	195	PIAL	PIAL	36	Naples terms	
Croatia	I	03/21/95	861	AL	PAL	12	2	14
Nicaragua	II	03/22/95	848	PIAL	Partial PI	27	Naples terms 6/ 7/	
Bolivia	V	03/24/95	482	PIAL	Partial PIAL	36	Naples terms 6/	
Senegal	XI	04/20/95	169	PIAL	Partial PIAL	29	Naples terms	
Haiti	I	05/30/95	117	PIAL	-	13	Naples terms	
Russian Federation 8/	III	06/03/95	6,400	PI	Partial I	12	3	15
Mauritania	VI	06/28/95	66	PI	Partial PI	36	Naples terms 7/	
FYR Macedonia	I	07/17/95	288	PIAL	PIAL	12	3	15
Algeria	II	07/21/95	7,320	PI	-	36 9/	3	15
Cameroon	IV	11/16/95	1,129	PIAL	PIAL	12	Naples terms 5/ 6/10/	
Gabon	VII	12/12/95	1,030	PIAL	Partial PIAL	36	2	15 11/
Bolivia	VI	12/14/95	881	Stock	Stock	-	Naples terms	
<u>1996</u>								
Zambia 12/	VI	2/28/96	566	PIA	PIA	36	Naples terms 11/	
Honduras	III	3/1/96	112	PIA	Partial P	13	Naples terms 5/13/	
Sierra Leone	VII	3/28/96	39	PI	PIAL	24	Naples terms 10/	
Ghana	I	4/15/96	93	Partial A	-	-	0	3
Russian Federation 8/	IV	4/29/96	40,200 14/	PI	P	39	4	23
Mali	IV	5/20/96	33	Stock	Stock	-	Naples terms	
Guyana	IV	5/23/96	793	Stock	Stock	-	Naples terms	
Burkina Faso	III	6/20/96	33	Stock	Stock	-	Naples terms	
Congo	IV	7/16/96	1,552	PIAL	PIAL	36	Naples terms 6/ 11/	
Peru 12/	VI	7/20/96	6,724 14/	PI	PI	33	1	18

Sources: Agreed Minutes of debt reschedulings; and IMF staff estimates.

- 1/ Roman numerals indicate, for each country, the number of debt reschedulings in the period beginning 1976.
- 2/ Includes debt service formally rescheduled as well as deferred.
- 3/ Key: P - Principal; I - Interest; A - Arrears on principal and interest; L - Late interest. P, I, and A are on medium- and long-term debt.
- 4/ Calculated from the midpoint of the consolidation period (plus 6 months).
- 5/ Naples terms with a 50 percent NPV reduction.
- 6/ Some creditors chose the nonconcessional long-maturities option.
- 7/ Current maturities falling due under London terms were consolidated and deferred nonconcessionally.
- 8/ Creditors met under the chairmanship of the Group of Participating Creditor Countries.
- 9/ Principal payments were consolidated over 36 months and interest due over 12 months.
- 10/ Arrears and current maturities falling due under London terms were rescheduled on nonconcessional terms.
- 11/ Arrears were rescheduled with a shorter grace and maturity.
- 12/ Agreement subject to an entry-into-force clause.
- 13/ Principal payments falling due under Houston terms were deferred nonconcessionally.
- 14/ Including a reprofiling of the stock of certain debts at the end of the consolidation period.

Table 15. Status of Paris Club Rescheduling Countries (as of July 20, 1996) ^{1/}
(Dates refer to end of current or last consolidation period) ^{2/}

Low-income ^{3/}		Lower middle-income ^{4/}		Other middle-income		Total
<u>Countries that graduated from reschedulings ^{5/}</u>						
** <u>Bolivia</u>	12/95	Dominican Republic	3/93	Argentina	3/95	
** <u>Burkina Faso</u>	6/96	Ecuador	12/94	Bulgaria	4/95	
<u>Gambia, The</u>	9/87	<u>Egypt</u>	6/94 ^{6/}	Brazil	8/93	
** <u>Guyana</u>	5/96	El Salvador	9/91	Chile	12/88	
** Haiti	3/96	Ghana	4/96 ^{7/8/}	Costa Rica	6/93 ^{7/}	
Malawi	5/89	Guatemala	3/93	Croatia	12/95	
** <u>Mali</u>	5/96	Jamaica	9/95 ^{7/}	FYR Macedonia	6/96	
** <u>Uganda</u>	2/95	Kenya	1/94 ^{7/9/}	Mexico	5/92	
* Vietnam	12/93 ^{7/}	Morocco	12/92	Panama	3/92	
		Philippines	7/94 ^{10/}	Romania	12/83	
		<u>Poland</u>	4/91	Trinidad and Tobago	3/91	
				Turkey	6/83	
Subtotal	2		11		12	32
<u>Countries with rescheduling agreements in effect</u>						
** Cambodia	6/97	Gabon	11/98	Algeria	5/98	
** Cameroon	9/96	Jordan	5/97	<u>Russian Federation</u>	3/99 ^{11/}	
** Congo	6/99 ^{12/}	<u>Peru</u>	12/98 ^{11/}			
* Cote d'Ivoire	3/97					
** Guinea-Bissau	12/97					
** Honduras	1/97					
** Mauritania	12/97					
** Nicaragua	6/97					
** Senegal	8/97					
** Sierra Leone	12/97					
** Togo	9/97					
** Zambia	12/98 ^{12/}					
Subtotal	12		3		2	17
<u>Countries with previous rescheduling agreements, but without current rescheduling agreements, which have not graduated from reschedulings</u>						
Angola	9/90					
* Benin	12/95	Nigeria	3/92	Yugoslavia ^{13/}	6/89	
* C.A.R.	3/95					
** Chad	3/95 ^{14/}					
* Equatorial Guinea	2/96					
* Ethiopia	10/95					
** Guinea	12/95					
Liberia	6/85					
Madagascar	6/91 ^{15/}					
* Mozambique	6/95 ^{14/}					
* Niger	3/95 ^{14/}					
Somalia	12/88					
Sudan	12/84					
* Tanzania	6/94					
Zaire	6/90 ^{15/}					
Total	15		1		1	17
All countries	36		15		15	66

Source: Paris Club.

1/ Includes agreements of the Russian Federation and Turkey with official bilateral creditors.

2/ In the case of a stock-of-debt operation, canceled agreements, or arrears only rescheduling, date shown is that of relevant agreement.

3/ "*" denotes rescheduling on London terms, and "**" denotes rescheduling on Naples terms (stock treatment underlined).

4/ Defined here as countries that obtained lower middle-income but not concessional terms with Paris Club reschedulings; stock treatment underlined.

5/ For some countries, this inevitably represents an element of judgment: in certain circumstances, for example if hit by an external shock, further reschedulings may be required. Some of the low-income countries may be eligible for enhanced action under the proposed HIPC initiative.

6/ The last of the three stages of debt reduction under the 1991 agreement has not yet been implemented.

7/ Rescheduling of arrears only.

8/ Limited deferral of long-standing arrears to three creditors on non-concessional terms.

9/ Nonconcessional rescheduling at the authorities' request.

10/ The 1994 rescheduling agreement was canceled at the authorities' request.

11/ Agreement includes a reprofiling of the stock of certain debts at the end of the consolidation period.

12/ Agreement subject to entry-into-force clause.

13/ Former Socialist Federal Republic of Yugoslavia.

14/ Fund arrangement in place, on which a rescheduling is expected.

15/ Last rescheduling on Toronto terms.

Table 16. Evolution of Paris Club Rescheduling Terms

	Middle-income Countries	Lower-middle income countries (Houston Terms) 1/	Low-income Countries 2/											
			Toronto Terms Options			London Terms 3/ Options				Naples terms - 67 percent NPV debt reduction 4/5/ Options				
			DR	DSR	LM	DR	DSR	CMI	LM	DSR				
										DR	Flows	Stocks	CMI	LM
Implemented		Since Sept. 1990	Oct. 1988 - June 1991			Dec. 1991 - Dec. 1994				Since January 1995				
Grace	5-6 1/	up to 8 1/	8	8	14	6	--	5	16 6/	6	--	3	8	20
Maturity	9 1/	15 1/	14	14	25	23	23	23	25	23	33	33	33	40
Repayment schedule	Flat/ graduated	Flat/ graduated	----- Flat -----			----- Graduated -----				----- Graduated -----				
Interest rate 7/	Market	Market	Market	Market	Reduced 8/	Market	Reduced 9/	Reduced 9/	Market	Market	Reduced 10/	Reduced 10/	Reduced 10/	Market
Reduction in net present value	--	--	33	20-30 11/	--	--	50	50	50	67	67	67	67	--
Memorandum items:														
ODA credits														
Grace	5-6	up to 10	14	14	14	12	12	12	16	16	16	16	16	20
Maturity	10	20	25	25	25	30	30	30	25	40	40	40	40	40

Source: Paris Club.

1/ Since the 1992 agreements with Argentina and Brazil, creditors have made increasing use of graduated payments schedules (up to 15 years maturity and 2-3 years grace for middle income countries; up to 18 years maturity for lower middle-income countries).

2/ DR refers to the debt reduction option; DRS to the debt-service reduction option; CMI denotes the capitalization of moratorium interest; LM denotes the nonconcessional option providing longer maturities. Under both London and Naples terms there is a provision for a stock-of-debt operation, but no such operation took place under London terms.

3/ These have also been called "Enhanced Toronto" and "Enhanced Concessions" terms.

4/ For a 50 percent level of concessionality, terms are equal to London terms, except for the debt-service reduction option under a stock-of-debt operation which includes a three-year grace period.

5/ Most countries are expected to secure a 67 percent level of concessionality; countries with a per capita income of more than US\$500, and an overall indebtedness ratio on net present value loans of less than 350 percent of exports may receive a 50 percent level of concessionality decided on a case-by case basis.

6/ Before June 1992, 14 years.

7/ Interest rates are based on market rates and are determined in the bilateral agreements implementing the Paris Club Agreed Minute.

8/ The interest rate was 3.5 percentage points below the market rate or half of the market rate if the market rate was below 7 percent.

9/ Reduced to achieve a 50 percent net present value reduction.

10/ Reduced to achieve a 67 percent net present value reduction; under the DSR option for the stock operation the interest rate is slightly higher reflecting the three year grace period.

11/ The reduction of net present value depends on the reduction in interest rates and therefore varies. See footnote 8.

Table 17. Reschedulings of Official Bilateral Debt: Amounts Consolidated in Successive Reschedulings, 1976-July 1996

Country/Agreement	Amount under successive agreements (In millions of U.S. dollars)											Total 1/	Number of Agreements
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI		
Angola	446											446	1
Cambodia	249											249	1
Croatia	861											861	1
El Salvador	135											135	1
Ethiopia	441											441	1
FYR Macedonia	288											288	1
Gambia, The	17											17	1
Ghana	93 2/											93	1
Guatemala	440											440	1
Haiti	117											117	1
Kenya	535											535	1
Vietnam	791											791	1
Algeria	5,345	7,320										12,665	2
Chad	38	24										62	2
Chile	146	157										303	2
Dominican Republic	290	850										1,140	2
Egypt	6,350	27,864 3/										34,214	2
Nicaragua	722	848										1,570	2
Panama	19	200										219	2
Romania	234	736										970	2
Somalia	127	153										280	2
Trinidad and Tobago	209	110										319	2
Benin	193	129	25									347	3
Bulgaria	640	251	200									1,091	3
Burkina Faso	63	36	33 4/									132	3
Guinea-Bissau	25	21	195									241	3
Honduras	280	180	112									572	3
Jordan	587	603	1,147									2,337	3
Malawi	25	26	27									78	3
Mexico	1,199	1,912	2,400									5,511	3
Nigeria	6,251	5,600	3,300									15,151	3
Turkey	1,300	1,200	3,000									5,500	3
Brazil	2,337	4,178	4,992	10,500								22,007	4
Cameroon	535	1,080	1,259	1,129								4,003	4
Congo	756	1,052	1,175	1,552								4,535	4
Equatorial Guinea	38	10	32	51								131	4
Guinea	196	123	203	156								678	4
Guyana	195	123	39	793 4/								1,150	4
Liberia	35	25	17	17								94	4
Mali	63	44	20	33 4/								160	4
Mozambique	283	361	719	440								1,803	4
Russian Federation	14,363	7,100	6,400	40,200 3/								68,063	4
Sudan	487	203	518	249								1,457	4
Tanzania	1,046	377	199	691								2,313	4
Yugoslavia	500	812	901	1,291								3,504	4
Argentina	2,040	1,260	2,450	1,476	2,701							9,927	5
Costa Rica	136	166	182	139	58							681	5
Philippines	757	862	1,850	1,096	586							5,151	5
Bolivia	449	226	300	65	482	881 4/						2,403	6
C. A. R.	72	13	14	28	4	32						163	6
Ecuador	142	450	438	397	339	293						2,059	6
Mauritania	68	27	90	52	218	66						521	6
Morocco	1,152	1,124	1,008	969	1,390	1,303						6,946	6
Peru	420	466	704	5,910	1,527	6,724 3/						15,751	6
Poland	2,110	10,930	1,400	9,027	10,400	29,871 3/						63,738	6
Uganda	30	19	170	89	39	110 4/						457	6
Zambia	375	253	371	963	917	566						3,445	6
Cote d'Ivoire	230	213	370	567	934	806	1,849					4,969	7
Gabon	63	387	326	545	498	1,360	1,030					4,209	7
Jamaica	105	62	124	147	179	127	291					1,035	7
Madagascar	140	107	89	128	212	254	139					1,069	7
Sierra Leone	39	37	25	86	164	42	39					432	7
Niger	36	26	38	34	37	48	116	160				495	8
Togo	260	232	300	75	27	139	76	88	52	237		1,486	10
Zaire	270	170	40	1,040	500	1,497	408	429	671	1,530		6,555	10
Senegal	75	74	72	122	65	79	143	107	114	237	169	1,257	11
Total	58,259	80,812	37,274	80,057	21,277	44,198	4,091	784	837	2,004	169	329,762	257

Sources: Agreed Minutes of debt reschedulings; and IMF staff estimates.

1/ Includes significant double-counting in cases where previously rescheduled debt has been rescheduled.

2/ Limited terms of reference rescheduling of certain long-standing arrears.

3/ Total value of debt restructured.

4/ Stock-of-debt operation under Naples terms.

Table 18 . Commercial Bank Debt and Debt-Service Reduction Operations, 1987-August 1996 1/

	Debt Restructured Under DDSR Operation 3/ (1)	Debt and Debt-Service Reduction (DDSR) 2/					Prepayments Through Collateralization (6)	Total (7)=(2)+..+(6)	Total Debt and Debt-Service Reduction/ Debt Restructured (8)=(7)/(1)	Cost of Reduction 5/
		Debt Reduction		Debt-Service Reduction		Principal Collateralized Par Bond 4/ (4)				
		Buy-back (2)	Discount Exchange 4/ (3)	Other Par Bond 4/ (5)						
(Concluded agreements)										
Albania (1995)	371	146	--	225	--	--	371	100.0	97	
Argentina (1992)	19,397	--	2,356	4,291	--	2,739	9,386	48.4	3,059	
Bolivia	643	331	232	29	--	20	612	95.2	61	
(1987)	473	253	182	--	--	7	442	93.5	35	
(1993)	170	78	50	29	--	13	170	100.0	26	
Brazil (1992)	40,600	--	4,974	3,996	337	3,891	13,198	32.5	3,900	
Bulgaria (1993)	6,186	798	1,865	--	421	443	3,527	57.0	652	
Chile (1988)	439	439	--	--	--	--	439	100.0	248	
Costa Rica (1989) 6/	1,456	991	--	--	101	36	1,128	77.5	196	
Dominican Republic (1993)	776	272	177	--	--	63	511	65.8	149	
Ecuador (1994)	4,522	--	1,180	826	--	596	2,602	57.5	583	
Ethiopia (1996)	230	230	--	--	--	--	230	100.0	18	
Guyana (1992)	69	69	--	--	--	--	69	100.0	10	
Jordan (1993)	736	--	84	111	--	117	312	42.5	118	
Mexico 6/	51,902	--	7,953	6,484	--	7,777	22,214	42.8	7,677	
(1988)	3,671	--	1,115	--	--	555	1,670	45.5	555	
(1989)	48,231	--	6,838	6,484	--	7,222	20,544	42.6	7,122	
Mozambique (1991)	124	124	--	--	--	--	124	100.0	12	
Nicaragua (1995)	1,099	1,099	--	--	--	--	1,099	100.0	88	
Niger (1991)	111	111	--	--	--	--	111	100.0	23	
Nigeria (1991) 6/	5,811	3,390	--	651	--	352	4,393	75.6	1,708	
Panama (1995)	1,914	--	38	98	353	82	571	30.0	92	
Philippines	5,812	2,602	--	516	116	467	3,701	63.7	1,795	
(1989)	1,339	1,339	--	--	--	--	1,339	100.0	670	
(1992)	4,473	1,263	--	516	116	467	2,362	52.8	1,125	
Poland (1994)	9,989	2,424	2,427	796	74	611	6,332	63.4	1,933	
São Tomé and Príncipe (1994)	10	10	--	--	--	--	10	100.0	1	
Sierra Leone (1995)	233	233	--	--	--	--	233	100.0	32	
Uganda (1993)	152	152	--	--	--	--	152	100.0	18	
Uruguay (1991)	1,608	633	--	160	--	95	888	55.2	463	
Venezuela (1990)	19,700	1,411	511	2,012	471	1,639	6,043	30.7	2,585	
Zambia (1994)	200	200	--	--	--	--	200	100.0	22	
Total	174,090	15,665	21,797	20,195	1,873	18,927	78,457	45.1	25,540	

Table 18. Commercial Bank Debt and Debt-Service Reduction Operations, 1987-August 1996 ^{1/} (Concluded)

Debt Restructured Under DDSR Operation ^{3/} (1)	Debt and Debt-Service Reduction (DDSR) ^{2/}						Total Debt and Debt-Service Reduction/Debt Restructured (8)=(7)/(1)	Cost of Reduction ^{5/}	
	Debt Reduction		Debt-Service Reduction		Prepayments Through Collateralization (6)	Total (7)=(2)+..+(6)			
	Buy-back (2)	Discount Exchange ^{4/} (3)	Principal Collateralized Par Bond ^{4/} (4)	Other Par Bond ^{4/} (5)					
(Pending agreements)									
Memorandum items:									
Peru (1995) ^{7/}	4,157	1,608	247	94	467	138	2,554	61.4	798
Vietnam (1996) ^{8/}	399	40	87	78	-	29	234	58.7	46

Source: IMF staff estimates.

^{1/} Debt and debt-service reduction are estimated by comparing the present value of the old debt with the present value of the new claim, and adjusting for prepayments made by the debtor. The methodology is described in detail in Annex I of *Private Market Financing for Developing Countries* (Washington: International Monetary Fund, December 1992). The amounts of debt reduction contained in this table exclude debt extinguished through debt conversions. Year in parenthesis refers to the date of the agreement in principle.

^{2/} The figure for debt-service reduction represents the expected present value of the reduction in future interest payments arising from the below-market fixed interest rate path on the new instruments relative to expected future market rates. The calculation is based on the estimated term structure of interest rates for U.S. treasury bond at the time of agreement in principle.

^{3/} Excludes past due interest and includes debt restructured under new money options for Mexico (1989), Uruguay (1991), Venezuela (1989), the Philippines (1992), Poland (1994), Panama (1995), and Peru (1995); the Philippines' (1989) new money option was not tied to a specific value of existing debt.

^{4/} Excludes prepayment of principal and interest through guarantees.

^{5/} Cost at the time of operation's closing. Includes principal and interest guarantees, buy-back costs, and for Venezuela, resources used to provide comparable collateral for bonds issued prior to 1990. Excludes cash downpayments related to past due interest.

^{6/} Includes estimated value recovery clauses.

^{7/} The illustrative scenario assumes an allocation of 40 percent to the par bond, and 30 percent to the discount and FLIRB bond, respectively, excluding a buyback of US\$1.5 billion.

^{8/} The illustrative scenario assumes an allocation of 10 percent to the buyback option, and 45 percent to the par and discount bond options, respectively.

