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**Statement by the Staff Representative on the Enhanced HIPC Initiative—
Considerations Regarding the Calculation of Additional Debt Relief
at the Completion Point
Executive Board Meeting
September 3, 2003**

The joint Bank-Fund paper on the calculation of completion point topping up for the Initiative for Heavily Indebted Poor Countries (SM/03/295, 8/18/03), which has been circulated for the information of the Executive Directors, was prepared at the request of the Executive Directors. It updates the cost estimates for topping up under the current methodology and also for two alternative methodologies—excluding additional bilateral assistance from the topping-up calculations and excluding new borrowing from such calculations at the decision point.

Directors also requested that the staff prepare estimates of the financing costs associated with the alternative topping-up methodologies. For the Fund, the available resources are estimated to be sufficient to cover the cost of subsidizing PRGF lending through end-2005 and of the Fund's participation in the enhanced HIPC Initiative. Current projections would also indicate that available resources could fully cover the Fund's share of potential topping-up HIPC assistance of about US\$61 million under the current methodology. The cost associated with Alternative Methodology I is substantially higher, and could not be accommodated without risk to financing of PRGF and HIPC operations within currently available resources. The financing issues are discussed in detail in *Update on the Financing of PRGF and HIPC Operations and the Subsidization of Post-Conflict Emergency Assistance* (SM/03/296, 8/19/03)."

The staff is not in a position to provide information on the financing implications for the World Bank.