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CONFIDENTIAL

April 10, 1998

To: Members of the Executive Board

From: The Secretary

Subject: **Uganda—Initiative for Heavily Indebted Poor Countries (HIPC)—
Completion Point Document**

Attached for the records of Executive Directors is the decision adopted by the Executive Board on Wednesday, April 8, 1998 on the completion point under the Initiative for Heavily Indebted Poor Countries (HIPC) for Uganda. The table, revised as indicated during the Board meeting, reflects the SDR/U.S. dollar exchange rate of April 8, 1998.

Att: (1)

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Department Heads



INTERNATIONAL MONETARY FUND

**Uganda—Initiative for Heavily Indebted Poor Countries (HIPC)—
Completion Point Document**

Executive Board Decision—April 8, 1998

1. The Fund, as Trustee (the Trustee) of the Trust for Special ESAF Operations for the Heavily Indebted Poor Countries and Interim ESAF Subsidy Operations (ESAF/HIPC Trust) established by Decision No. 11436-(97/10) ESAF, February 4, 1997, determines that:

(i) the conditions specified in paragraph (ii) of Decision No. 11491-(97/44), adopted April 23, 1997, for Uganda to reach the completion point have been met;

(ii) the external debt sustainability target for the present value of the debt-to-exports ratio for Uganda is within the range specified in paragraph (iii) of Decision No. 11491-(97/44); and

(iii) satisfactory assurances have been received regarding the exceptional assistance to be provided under the Initiative by Uganda's other creditors.

2. Accordingly, the Trustee confirms that, in accordance with Section III, paragraph 3(d) of the ESAF/HIPC Instrument, the SDR equivalent of \$68.9 million shall be made available by the Trustee to Uganda in the form of a grant that shall be paid on April 15, 1998 to an account for the benefit of Uganda established and administered by the Trustee in accordance with Section III, paragraph 5 of the ESAF/HIPC Trust Instrument; the proceeds of the grant shall be used by the Trustee to meet Uganda's debt service payments on its existing debt to the Fund as they fall due, in accordance with the schedule specified in the table attached hereto.

Table . Uganda: Delivery of IMF Assistance Under the HIPC Initiative, 1998/99-2006/07 1/
(In millions of U.S. dollars, unless otherwise indicated)

	1998/99	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
IMF									
Amount of assistance 2/									
Profile of delivery (in percent of amount deposited in escrow account (principal))	22.0	15.0	13.0	12.0	11.0	9.0	8.0	6.0	4.0
Repayments falling due on current IMF obligations (in millions of SDRs)	42.8	37.0	34.8	31.0	32.1	32.1	26.4	19.4	11.0
IMF HIPC assistance (in millions of SDRs) 2/ 3/	11.3	10.3	8.3	7.5	6.7	5.4	4.7	3.4	2.4
Of which: principal	11.3	7.7	6.7	6.2	5.7	4.6	4.1	3.1	2.1
Proportion of each repayment falling due during the period to be paid by HIPC assistance from the principal deposited in escrow account (in percent)	26.5	20.9	19.2	19.9	17.7	14.4	15.6	15.9	18.7
Scheduled IMF debt service 4/	7.5	5.9	5.0	4.1	3.9	3.6	2.7	1.8	1.0
Of which: covered by IMF HIPC assistance	2.0	1.3	1.1	0.9	0.8	0.7	0.6	0.4	0.3
Memorandum item:									
Exports of goods and nonfactor services (current year)	807.1	893.1	990.6	1,072.9	1,162.6	1,263.4	1,380.9	1,508.6	1,647.3

1/ Uganda's fiscal year, beginning July 1.

2/ U.S. dollar amount to be deposited in SDRs in an escrow account at the completion point. The SDR equivalent is SDR 51.5 million on the basis of a SDR/U.S. dollar exchange rate of 0.747669 (April 8, 1998).

3/ It is assumed that the amounts in escrow earn a rate of return of 4.5 percent in SDR terms. Actual interest earnings may be higher or lower. Interest earned will be accumulated through the fiscal year (July-June) and be used toward payment of the first repayment obligation falling due in the following fiscal year, when it will be used toward payment of the final repayment obligation falling due that year.

4/ In percent of current-year exports of goods and services.