

DOCUMENT OF INTERNATIONAL MONETARY FUND AND FOR OFFICIAL USE ONLY

EBD/08/89

August 28, 2008

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI)—Status of Implementation**

Attached for the **information** of Executive Directors is a paper, prepared jointly by the staffs of the International Development Association and the Fund, on the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI)—Status of Implementation.

It is intended that this paper will be published on the Fund's external website after **Friday, September 5, 2008**.

Questions may be referred to Mr. Joly (ext. 34674), Mr. Perone (ext. 38760), and Ms. Unigovskaya (ext. 35641) in PDR.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL DEVELOPMENT ASSOCIATION
AND INTERNATIONAL MONETARY FUND

**Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief
Initiative (MDRI)—Status of Implementation**

Prepared by the Staffs of IDA and IMF

Approved by Danny Leipziger and Mark Allen

August 27, 2008

	Contents	Page
Executive Summary	6
I. Introduction	8
II. Debt Relief in HIPCs: What has Been Achieved Since Monterrey?	8
A. Background	8
B. Recent Developments and Implementation of the Consensus Recommendations	9
C. Conclusions	16
III. An Update on the Costs of the HIPC Initiative and the MDRI	18
IV. Remaining Challenges	20
A. Taking Remaining Countries through the HIPC Initiative Process	21
B. Ensuring the Full Participation of All Creditors	27
C. Ensuring Financing of the HIPC Initiative	36
V. Debt Outlook in Post-Completion-Point Countries	37
A. Overview	37
B. The Fund and the Bank's Efforts to Foster Debt Sustainability	42
Tables		
Table 1. List of Heavily Indebted Poor Countries (as of end-July 2008)	10
Table 2. HIPC Initiative: Costs by Main Creditor and Country Group	18
Table 3. MDRI Costs by Creditor and Country Group	20
Table 4. Debt Relief to Post-Completion-Point HIPCs from Non Paris Club Bilateral Creditors	30
Table 5. HIPC Initiative: Commercial Creditor Lawsuits against HIPCs	34

Figures

Figure 1. Average Debt Service and Poverty Reducing Expenditures	14
Figure 2. Distribution of Potential Costs under the HIPC Initiative and MDRI by Creditor	19
Figure 3. Policy Performance and Prevalence of Conflicts in HIPCs	21
Figure 4. Duration of the Interim Period under the HIPC Initiative	23
Figure 5. Post-Decision Point HIPCs' Debt Stock under Different Debt Relief Stages	37
Figure 6. Dispersion of the NPV of Debt-to-Exports Ratio and Risk of Debt Distress in Low Income Countries	38
Figure 7. Risk of Debt Distress Ratings of Post-Completion-Point Countries	39
Figure 8. Distribution of the NPV of debt-to-exports ratio in post completion point HIPCs	40

Boxes

Box 1. Debt Relief, Poverty-Reducing Expenditures (PRE), and Revenue Mobilization	15
Box 2. Liberia's Path to the Decision Point	26
Box 3. The IDA-Debt Reduction Facility: Recent Modifications	32
Box 4. High Risk of Debt Distress in Post-Completion-Point HIPCs	41

Annexes

Annex I. Enhanced HIPC Initiative: Implementation Status by Country	45
A. Pre-Decision-Point Countries	45
B. Interim Countries	51
C. Post-Completion-Point Countries	58
Annex II. Country Coverage, Data Sources, and Assumptions for the HIPC Initiative and MDRI Costing Exercise	70

Appendix Tables

Table 1. Summary of Debt Service and Poverty Reducing Expenditures 1999-2012	72
Table 2. Debt Service of 33 Post-Decision-Point HIPCs, 2001-2012	73
Table 3. Poverty-Reducing Expenditure of 33 Post-Decision-Point HIPCs 2001-2012	76
Table 4. HIPC Initiative and MDRI: Committed Debt Relief and Outlook	79
Table 5. HIPC Initiative: Cost Estimates to Multilateral Creditors and Status of their Commitments to Post-Completion-Point HIPCs	80
Table 6A. Status of Delivery of HIPC Initiative and MDRI Assistance by the World Bank	81
Table 6B. World Bank Group Debt Service after HIPC Initiative and MDRI Debt Relief, 2000-2011	82
Table 7A. Implementation of the HIPC Initiative and MDRI by the IMF	84

Table 7B. IMF HIPC Initiative and MDRI Debt Relief, 1998-2008	85
Table 8A. Status of Delivery of HIPC Initiative and MDRI Assistance by the African Development Bank (AfDB) Group	86
Table 8B. AfDB Group Debt Service after HIPC Initiative and MDRI Debt Relief, 2000- 2011	87
Table 9. Status of Delivery of HIPC and IaDB-07 Initiatives Assistance by the Inter- American Development Bank (IaDB)	89
Table 10. Status of Bilateral Donor Pledges to the HIPC Trust Fund	90
Table 11. HIPC Initiative: Cost Estimates to Paris Club Official Bilateral Creditors by Creditor Country	91
Table 12. Debt Relief Committed and Delivered by the Paris Club Official Bilateral Creditors	92
Table 13. Paris Club Official Bilateral Creditors' Delivery of Debt Relief under Bilateral Initiatives beyond the HIPC Initiative	93
Table 14. HIPC Initiative: Cost Estimates to Non-Paris Club Official Bilateral Creditors by Creditor Country	94
Table 15. Delivery of HIPC Initiative Debt Relief by Non-Paris Club Official Bilateral Creditors by Creditor Country	96
Table 16. Commercial Creditor Lawsuits Against HIPCs	97

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
AfDF	African Development Fund
AFESD	Arab Fund for Social and Economic Development
AFRITAC	Africa Regional Technical Assistance Centers
AMF	Arab Monetary Fund
AsDB	Asian Development Bank
BADEA	Arab Bank for Economic Development in Africa
BCEAO	Central Bank of West African States
BDEAC	Banque de Développement des États de l'Afrique Centrale (Central African States Development Bank)
BDEGL	Banque de Développement des Etats des Grand Lacs (Development Bank of Great Lake States)
BEAC	Banque des Etats de l'Afrique Centrale (Bank of Central African States)
BIAPE	Banco Interamericano de Ahorro y Préstamo
BOAD	Banque Ouest Africaine de Developpement (West African Development Bank)
CABEI	Central American Bank for Economic Integration
CAF	Corporación Andina de Fomento
CDB	Caribbean Development Bank
CEMLA	Centro de Estudios Monetarios Latinoamericanos
CIRR	Commercial Interest Reference Rate
CMCF	CARICOM Multilateral Clearing Facility
CPIA	Country Policy and Institutional Assessment
CP	Completion Point
DeMPA	Debt Management Performance Assessment
DP	Decision Point
DRC	Democratic Republic of the Congo
DRF	Debt Reduction Facility
DRI	Debt Relief International
DSA	Debt Sustainability Analysis
DSF	Debt Sustainability Framework
EADB	East African Development Bank
EBID	ECOWAS Bank for Investment and Development
EDF	European Development Fund
EFF	Extended Fund Facility
EIB	European Investment Bank
EITI	Extractive Industries Transparency Initiative
EPCA	Emergency Post-Conflict Assistance
ESF	Exogenous Shocks Facility
EU	European Union
FEGECE	Fonds d'Entraide et de Garantie des Emprunts du Conseil de l'Entente (Fund of Aid and of Loans Guarantee of the Agreement Council)
FOCEM	Fondo Centroamericano de Estabilización Monetaria
FONPLATA	Fund for the Financial Development of the River Plate Basin
FSID	Fonds de solidarité islamique pour le développement (Islamic Fund for Solidarity and Economic Development)
GDP	Gross Domestic Product
HIPC	Heavily Indebted Poor Countries

IaDB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDA15	Fifteenth Replenishment of IDA
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
IsDB	Islamic Development Bank
JSAN	Joint Staff Advisory Note
KIA	Kuwait Investment Authority
LICs	Low Income Countries
MDB	Multilateral Development Bank
MDGs	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative
MEFMI	Macroeconomic and Financial Management Institute for Eastern and Southern Africa
MTDS	Medium-Term Debt Management Strategy
NDF	Nordic Development Fund
NIB	Nordic Investment Bank
NPV	Net Present Value
NTF	Nigerian Trust Fund
ODA	Official Development Assistance
OPEC	Organization of Petroleum Exporting Countries
OFID	OPEC Fund for International Development
PEFA	Public Expenditure and Financial Accountability
PRE	Poverty Reducing Expenditures
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
PTA	Eastern and Southern African Trade and Development Bank
RAP	Rights Accumulation Program
SAF	Structural Adjustment Facility
SBA	Stand-By Arrangement
SCA	Special Contingent Account
SDR	Special Drawing Rights
SMP	Staff Monitored Program
UNCTAD	United Nations Conference on Trade and Development
WAEMU	West African Economic and Monetary Union
WAIFEM	West African Institute for Financial and Economic Management

Executive Summary

This report provides an update on the status of implementation, impact and costs of the Enhanced Heavily Indebted Poor Country (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI).¹ With a view to the upcoming Financing for Development meetings in Doha, the report not only reports on recent progress since mid-2007, but also on developments since the Monterrey Consensus recommendations on external debt relief.

Substantial steps have been taken since 2002 to meet these recommendations and as a result debt burdens have been reduced markedly for many HIPCs:

- Substantial progress has been made in the implementation of the HIPC Initiative. More than three quarters of eligible countries (33 out of 41) have passed the decision point and qualified for HIPC Initiative assistance. Of those, 23 countries have reached the completion point and qualified for irrevocable debt relief under the HIPC Initiative and MDRI, most of them since the Monterrey conference.
- Further debt relief has been provided through the MDRI to accelerate progress towards the MDGs.
- Assistance in the amount of US\$117 billion (in nominal terms) has been committed to the 33 post-decision-point HIPCs, mostly under the HIPC Initiative and through the MDRI. This represents on average about 50 percent of these countries' 2007 GDP. After the full delivery of debt relief their debt burden is expected to be reduced by about 90 percent.
- While preserving the core HIPC Initiative principles, flexibility has been applied in implementing the Initiative to facilitate HIPCs' progress towards debt relief.

Despite the achievements described above, a number of challenges remain to be addressed for a full implementation of the Initiative:

- Many pre-decision and pre-completion-point HIPCs have to strengthen their policies and institutions and will require continued support from the international community to be brought to the point where they can benefit from full debt relief.
- Another challenge is to ensure that HIPCs get full debt relief from all their creditors. These include smaller multilateral creditors, non-Paris Club bilateral official creditors, and private creditors, which together are expected to bear about 25 percent of the total HIPC Initiative cost. In this regard, the large increase in

¹ Henceforth for brevity references to the enhanced HIPC Initiative will drop the word "enhanced."

the delivery of debt relief by commercial creditors last year is a welcome development which confirms the value of a proactive and cooperative approach, including to prevent litigation. Recent changes made to IDA's Debt Reduction Facility are expected to catalyze further creditor participation in the HIPC Initiative.

- A final challenge will be to ensure that the HIPC Initiative and the MDRI are fully financed.

Although HIPC Initiative and MDRI debt relief have reduced substantially the debt burden of many HIPCs, maintaining debt sustainability beyond the completion point remains a concern. Debt sustainability analyses (DSAs) confirm that post-completion-point countries are in a better debt situation than other HIPCs, and also than non-HIPCs. However, only about 40 percent of them have a low risk of debt distress according to the most recent DSAs and the number of countries with a high risk rating increased from one to four since last year. Post-completion-point countries' debt sustainability remains vulnerable to shocks, particularly those affecting exports, and is highly sensitive to the terms of new financing. These results highlight the need for these countries to implement sound borrowing policies and strengthen their capacity in public debt management, two areas where the Bank and the Fund have stepped up their efforts to better assist their low-income members.

I. Introduction²

1. **This report reviews the implementation of the Heavily Indebted Poor Country (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI).** With a view to the upcoming Financing for Development meetings in Doha, which will focus on the implementation of the Monterrey Consensus, this year's report takes stock of the progress made by the World Bank and IMF in implementing the Consensus recommendations on external debt relief (Section II).³ Section III updates the information on the estimated costs of HIPC Initiative and MDRI debt relief. Section IV discusses the remaining challenges in implementing the HIPC Initiative, namely: (i) entering and/or completing the HIPC Initiative process for pre-completion-point HIPCs; (ii) ensuring full participation of all creditors; and (iii) mobilizing additional resources to finance debt relief under both initiatives. Section V discusses the debt sustainability outlook in post-completion-point HIPCs.

II. Debt Relief in HIPCs: What has Been Achieved Since Monterrey?

A. Background

2. **The international community reached a consensus in March 2002 on a global response to address the challenges for financing development.** Mobilizing and increasing the effective use of financial resources was seen as a crucial first step to help create the national and international conditions necessary for meeting internationally agreed development goals.

3. **Key recommendations were put forward regarding external debt relief.** The Monterrey Consensus noted that external debt relief could play a key role in liberating resources that could then be directed towards activities consistent with attaining sustainable growth and development. Debt relief measures should, where appropriate, be pursued vigorously and expeditiously. More specifically, the Consensus:

² This paper was prepared by Gallina Vincelette, Luca Bandiera, Doerte Doemeland, Boris Gamarra, Juan Pedro Schmid, Mona Prasad, Henry Mooney, and Marta Bruska from the World Bank, and Hervé Joly, Perry Perone, Anna Unigovskaya, Christian Beddies, Jayendu De, Alberto Espejo, Ritha Khemani, and Cecilia Mongrut from the IMF.

³ Monterrey Consensus refers to the document adopted at the International Conference on Financing for Development in Monterrey (Mexico) in 2002. It represents an agreement on common goals in financing development forged among heads of states, representatives of international organizations, NGOs, and other stakeholders. Since its adoption, the Monterrey Consensus has become a key reference point for international development cooperation.

- welcomed initiatives that had already been undertaken, such as the HIPC Initiative, and invited further measures as appropriate;
- called for the speedy, effective, and full implementation of the HIPC Initiative, which should be fully financed through additional resources;
- stressed the importance of continued flexibility, particularly regarding the application of the eligibility criteria;
- recommended that debt relief analysis at the completion point take into account any exogenous factors, such as worsening global growth prospects or declining terms of trade; and
- suggested taking into account the impact of debt relief on progress towards the achievement of the Millennium Development Goals (MDGs).

B. Recent Developments and Implementation of the Consensus Recommendations

4. **Substantial progress has been made in the implementation of the HIPC Initiative.** More than three quarters of eligible countries (33 out of 41) have passed the decision point and qualified for HIPC Initiative assistance. Of those, 23 countries have reached the completion point and qualified for irrevocable debt relief under the HIPC Initiative and MDRI, most of them (19) since the Monterrey conference (Table 1). Since the last *Status of Implementation* report, the Central African Republic and Liberia reached the decision point in September 2007 and March 2008, respectively, bringing the number of interim HIPCs to ten, and The Gambia reached the completion point in December 2007.⁴

⁴ Initiative for Heavily Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiative (MDRI)—Status of Implementation (SM/07/310, August 30, 2007)

Table 1. List of Heavily Indebted Poor Countries (as of end-July 2008)

23 Post-Completion-Point Countries ^{1/}		
Benin	Honduras	Rwanda
Bolivia	Madagascar	São Tomé and Príncipe
Burkina Faso	Malawi	Senegal
Cameroon	Mali	Sierra Leone
Ethiopia	Mauritania	Tanzania
Ghana	Mozambique	Uganda
Guyana	Nicaragua	Zambia
Gambia, The	Niger	
10 Interim Countries ^{2/}		
Afghanistan	Congo, Dem. Rep. of the	Haiti
Burundi	Congo, Rep. of	Liberia
Central African Republic	Guinea	
Chad	Guinea-Bissau	
8 Pre-Decision-Point Countries ^{3/}		
Côte d'Ivoire	Kyrgyz Republic ^{4/}	Sudan
Comoros	Nepal	Togo
Eritrea	Somalia	

Notes: ^{1/} Countries that have qualified for irrevocable debt relief under the HIPC Initiative and have received MDRI relief. ^{2/} Countries that have qualified for assistance under the HIPC Initiative (i.e., reached decision point), but have not yet reached completion point. ^{3/} Countries that are potentially eligible and may wish to avail themselves of the HIPC Initiative. ^{4/} The Kyrgyz authorities indicated in early 2007 that they did not wish to avail themselves of the HIPC initiative but subsequently expressed interest for the MDRI. At end-2007, indebtedness indicators were estimated to be below the applicable HIPC Initiative thresholds, while income levels were estimated to be above the IMF MDRI thresholds.

5. **The overall assistance committed to the 33 post-decision-point HIPCs amounts to US\$117 billion (in nominal terms), including US\$49 billion under the MDRI.** This represents on average about 50 percent of these countries' 2007 GDP. As a result of this debt relief, as well as relief under traditional mechanisms and additional beyond HIPC relief from some creditors, the debt burden of the 33 post-decision-point HIPCs is expected to be reduced by about 90 percent, compared to their pre-decision-point debt stock.

6. **While preserving the HIPC Initiative's core principles, flexibility has been often exercised to facilitate HIPCs' receipt of debt relief.** In particular, as the universe of countries in need of debt relief changed, with a growing share of post-conflict cases, operational modalities were adapted to fit their challenging circumstances better.

- **Eligibility criteria were reviewed to ensure that no country with debt burdens in excess of the HIPC Initiative's thresholds would be left without a comprehensive framework to address its debt problems.** Eligibility initially required meeting the Initiative's debt and income criteria, and having started a Fund- or IDA-supported program in the period following the launch of the Initiative in 1996. A sunset clause

on eligibility was introduced early (and renewed four times) to prevent the Initiative from becoming permanent, minimize potential moral hazard arising from excessive borrowing in anticipation of debt relief, and encourage early adoption of reforms. In 2006, the Executive Boards of the IMF and the IDA endorsed and closed (“ring-fenced”) the list of countries eligible or potentially eligible at that time but clarified that it could be amended to include other countries that would meet, in the future, the Initiative’s income and indebtedness criteria using end-2004 data.⁵ For instance, Afghanistan, although not on the 2006 list, was later found to be eligible for HIPC Initiative assistance and reached the decision point in July 2007.

- **The definition of a satisfactory track record of policy performance—a requirement for reaching both decision and completion point under the HIPC Initiative—has also been applied flexibly.** While the PRGF-HIPC Trust Instrument provides for a track record of normally three years of sound policies under a Fund or IDA-supported program to reach the decision point and another three years to reach the completion point, the practice in recent years has been to consider satisfactory a much shorter track record, with a minimum of six months in each case. The instruments that may be used to establish the pre-decision-point track record have been modified: since 2003, programs supported under Emergency Post-Conflict Assistance (EPCA) have also been used (in addition to programs supported under the PRGF, ESF, EFF, SBAs, RAP and SAF) to establish the pre-decision-point track record (e.g., Haiti). Since early 2008, to give credit to countries implementing sound economic policies but where the existence of protracted arrears precludes other forms of Fund engagement, performance under staff-monitored programs (SMPs) that have been found by the Fund’s Executive Board to have policies meeting the standards required for arrangements in the upper credit tranches or under the PRGF may count toward the track record for the decision point (e.g. Liberia).⁶
- **The HIPC Initiative provides incentives for early pre-decision-point clearance of arrears.** Clearance of arrears has been allowed to be counted towards a creditor’s expected debt relief under the Initiative. Since 2002, multilateral creditors have cleared arrears in Burundi, Central African Republic, Democratic Republic of the Congo, Haiti, Liberia, Togo, and Côte d’Ivoire. The Bank and the Fund coordinate

⁵ Whereas for the Bank the two criteria are bound by end-2004 data, for the Fund only the indebtedness criterion is. So far, this difference has not resulted in different assessments of eligibility by the two institutions.

⁶ The amendment also added these qualifying SMPs to the list of instruments that members may use to establish eligibility for HIPC Initiative debt relief. See “Proposal to Modify the PRGF-HIPC Trust Instrument--Further Considerations and Proposed Decision”, EBS/07/152.

closely with other Multilateral Development Banks' arrears clearance operations.⁷ IDA has also developed a framework to provide additional concessional financing for fragile states before and after arrears clearance and to help countries improve government accountability and strengthen institutional capacity.⁸

- **There has also been flexibility regarding the preparation and implementation of poverty reduction strategies.** The ability to reach the decision point on the basis of a satisfactory poverty reduction strategy set out in an *interim* poverty reduction strategy paper has allowed countries with limited administrative capacity to reach the decision point more easily. A full PRSP (including a one-year implementation period) is required only for reaching the completion point. Most HIPC countries have availed themselves of this flexibility at the decision point.
- **Interim relief limits have been increased in exceptional cases.** Both the Bank and the Fund have established caps on their provision of relief between the decision and completion point to provide incentives for the timely implementation of reform programs. For the Bank, the assistance is normally capped at one third of the relief committed at the decision point; for the Fund, it is capped at 60 percent of the relief committed at the decision point (and no more than 20 percent for each 12-month period) but in exceptional circumstances interim assistance can be raised to 75 percent (and 25 percent for each 12-month period). The Bank raised its cap to 50 percent for Guinea, Guinea-Bissau and Haiti; and the Fund has applied its exceptional circumstances limit for Zambia and Sierra Leone, to align the provision of HIPC interim assistance with the profile of their debt service to the Fund.⁹
- **Judgment has been used to assess progress towards completion-point triggers.** Based on staffs' assessment of progress in implementing the completion-point triggers, the IDA Board has flexibility in deciding if the country reaches completion point in spite of not fully meeting all the triggers, while the Fund Board can formally grant waivers. To date, 14 of the 23 post-completion-point HIPC countries were granted

⁷ See "HIPC Debt Initiative: The Chairman's Summary of the Multilateral Development Banks' Meeting," March 6, 1998, IDA/Sec M98-90.

⁸ Among the 18 pre-completion point HIPC countries, currently seven post-conflict countries receive additional IDA resources and three re-engaging countries receive exceptional IDA allocations under IDA's policy to support fragile states. For IDA policies in fragile states see "Operational Approaches and Financing in Fragile States", IDA 15, June 2007; "Further Elaboration of a Systematic Approach to Arrears Clearance", June 2007, IDA/SecM2007-0443; and "Establishment of a State- and Peace-Building Fund", March 2008, IDA/R2008-0056.

⁹ For IDA interim relief delivery see "Enhanced HIPC Initiative: Proposals Concerning Sunset Clause and Provision of Interim Relief" IDA/R2004-0234 (September 15, 2004).

waivers at the completion point for failing to implement one or more triggers. Judgment has been applied in cases of long interim periods, which increase the likelihood that unforeseen events make some triggers less relevant or adapted to the country's evolving situation.

7. **The HIPC Initiative framework has been adapted to take into account the impact of exogenous factors on debt relief recipients.** Additional debt relief ("topping-up assistance") has been provided when, by the time a HIPC reached the completion point, debt burden indicators had deteriorated because of factors beyond the country's control. The additional relief helps ensure that the debt burden is still lowered to no more than the HIPC Initiative thresholds. Topping-up is provided when a country's economic conditions have suffered a fundamental change because of unanticipated exogenous developments such as natural calamities or a decline in the terms of trade.¹⁰ Six of the 23 countries that have reached the completion point have benefited from topping-up assistance (Burkina Faso, Ethiopia, Malawi, Niger, Rwanda, and São Tomé and Príncipe).

8. **Further debt relief has been provided through the MDRI to accelerate progress towards the MDGs.** The MDRI was first proposed in June 2005 by the Group of 8 (G-8) major industrial countries and was implemented in 2006 by the IMF, IDA, and the African Development Fund (AfDF). In early 2007, the Inter-American Development Bank (IaDB) also decided to provide similar debt relief to the five HIPCs in the Western Hemisphere. Under the MDRI, debt relief is provided in respect of 100 percent of these institutions' eligible debt claims on countries that reach the completion point under the HIPC Initiative.¹¹ The objective was to provide substantial additional debt relief to free up resources to help HIPCs reach the MDGs.

9. **While poverty-reducing expenditures have increased and debt service has declined concomitantly, the impact of debt relief on attaining the MDGs has been hard to quantify.** One would intuitively expect debt relief, especially when massive, to contribute significantly to poverty reduction, by freeing up resources for poverty-reducing spending.¹²

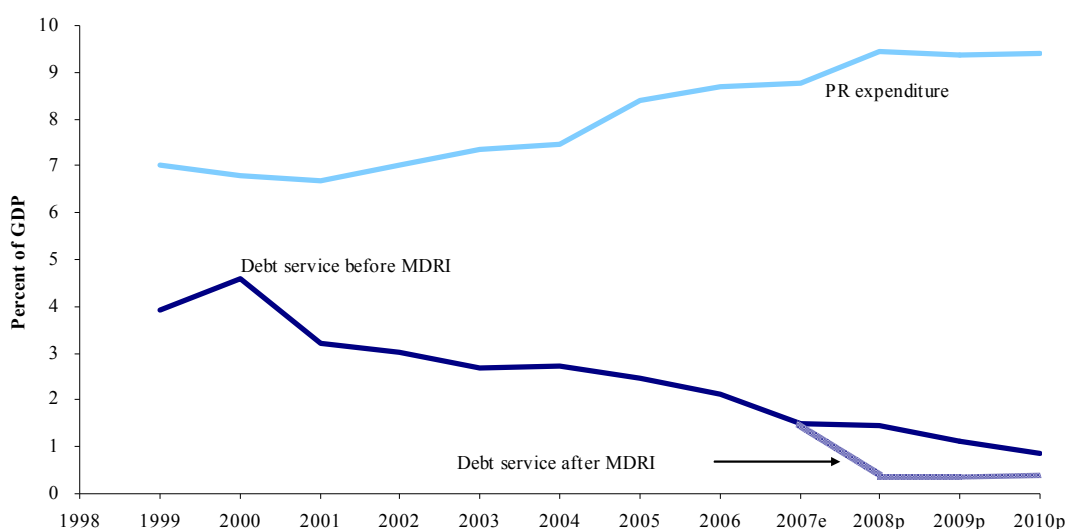
¹⁰ Topping-up assistance is calculated after debt relief committed by all creditors at the completion point has been taken into account, including relief from official bilateral creditors beyond HIPC but excluding MDRI relief.

¹¹ MDRI debt relief generally covers debt disbursed before end-2004 (for the IMF, AfDF, and IaDB) or end-2003 (for IDA) and still outstanding at the time the member reaches the completion point under the HIPC Initiative. The IMF also provided assistance under the MDRI to Cambodia and Tajikistan—two non-HIPCs with annual income per capita below US\$380 (See footnote 30 in last year's report (SM/07/310)).

¹² Debt relief would also eliminate debt-related constraints on investment and growth. However, the studies on the effects of debt relief on growth have been inconclusive. For example, Clements et al. ("Can Debt Relief Boost Growth in Poor Countries?", IMF Economic Issues 34) suggests that debt relief has significant indirect effect on growth through higher public investment. However, Chauvin and Kraay ("Who Gets Debt Relief?", (continued)

However, this result has been difficult to establish empirically, given data limitations and the multiplicity of channels at play. Empirical work has instead focused on the link between debt relief and poverty reducing expenditures, which is easier to measure than social outcomes. For HIPC, there appears to be a strong positive correlation between the reduction in debt service and the increase in poverty-reducing spending: as Figure 1 shows, poverty-reducing spending has increased by about 2 percent of GDP in HIPC since the late 1990s, while debt service has decreased by about the same amount. Recent empirical research also seems to suggest that debt relief has not affected negatively revenue mobilization, an important development if debt relief is to increase fiscal space (Box 1).

Figure 1: Average Debt Service and Poverty Reducing Expenditures^{1/}



Sources: HIPC documents; and IMF staff estimates.

^{1/} Prior to 2006, figures represent debt-service paid, and thereafter, debt-service figures are projected. For detailed country data refer to Appendix Table 2.

Box 1. Debt Relief, Poverty-Reducing Expenditures (PRE), and Revenue Mobilization

Debt relief could contribute to higher PRE in two ways. First, debt relief creates fiscal space that may be used for PRE. Second, a reduction in the debt stock eases the government's intertemporal budget constraint, and may facilitate borrowing to raise PRE. The first effect would be limited if debt relief is provided in the form of arrears clearance, which would not reduce debt service due. The latter channel may not work in countries which are still credit constrained, like HIPC countries in the interim period.

Empirical research on the effect of debt relief on PRE has been sparse, mainly due to difficulties in obtaining consistent data across countries.^{1/} Usually PRE include expenditures on health and education, but also in some countries capital expenditures on infrastructure, land irrigation, etc. The results of recent studies have been mixed:

- Chauvin and Kraay (2005) focused on the effects of debt relief on expenditures on health and education and did not find any significant effect. However, partly due to difficulties in obtaining debt service relief data, this study only looked at the effect of the reduction in debt stocks.
- Thomas (2006) attempted to take into account a number of factors that may affect social expenditure (defined as expenditure on health and education), in addition to debt relief. Among those factors are foreign aid, output per capita, urbanization, and a target variable—the literacy rate. The study includes both LICs and MICs (110 countries) over 1985-2004. The results suggest that a decline in debt-service costs helps raise health and education expenditures significantly in LICs (a 1 percent decline in debt service increases these expenditures by 0.35 percent of output in the long run).
- Cassimon and Van Campenhout (2006), using vector autoregressive techniques, found a positive effect of debt relief on overall investment spending, rather than PRE, in African HIPC countries.

A related issue concerns the effect of aid, including in the form of debt relief, on incentives to collect revenue. Some argue that aid, especially in the form of fungible grants, could reduce the incentive to collect more revenue, particularly when it entails politically difficult decisions.^{2/} If true, the impact of debt relief on freeing up financial resources for PRE could be diminished. The counterargument, however, is that debt relief allows revenue efforts to be used on domestic programs, rather than for the service of external debt; in this sense, revenue efforts have more direct benefits for the population and are easier to justify and undertake.

- In a survey of earlier studies, Gupta, Powell, and Yang (2006) found that the empirical evidence on how aid flows affect domestic revenue collection is mixed, with the magnitude, sign, and significance of the impact of aid varying by study. With a few notable exceptions, however, the impact of aid is found to be either negative or insignificant.
- Two recent studies on HIPC countries do not find evidence of adverse effect of debt relief on revenue efforts. Cassimon and Van Campenhout (2006) found a significant positive response of tax revenue to debt relief. Kpodar and Unigovskaya (forthcoming) compare the revenue effort of HIPC countries to that of other LICs (a sample of other PRGF-eligible countries is used as a control group) using panel data analysis. They find no evidence of an adverse effect. The result of both studies, however, should be treated with caution due to data limitations.

^{1/} See: Chauvin and Kraay, "What Has 100 Billion Dollars Worth of Debt Relief Done for Low-Income Countries?" (September 2005). Available at SSRN: <http://ssrn.com/abstract=818504>; and Thomas, "Do Debt-Service Savings and Grants Boost Social Expenditures?", IMF Working Paper No. 2006/180. Available at: <http://www.imf.org/external/pubs/cat/longres.cfm?sk=19272.0>.

^{2/} See: Cassimon and Van Campenhout, "Aid Effectiveness, Debt Relief and Public Finance Response. Evidence from a Panel of HIPC countries", WIDER Research Paper No. 2007/59, Helsinki: UNU-WIDER; Kpodar and Unigovskaya, "Does debt Relief Under the HIPC Initiative Undermine Domestic Revenue Mobilization Effort?", IMF Working Paper, (forthcoming); and Gupta, Powell, and Yang "Macroeconomic Challenges of Scaling Up Aid to Africa", IMF, 2006.

C. Conclusions

10. **The Bank and the Fund, together with the international community, have taken substantial steps to meet the Monterrey Consensus commitments on debt relief, and as a result debt burdens have been reduced markedly for many HIPC.** Progress was made on each of the recommendations. Together, the Bank and the Fund have already committed debt relief amounting to US\$16.3 billion (in end-2007 NPV terms) to the 33 post-decision-point countries under the HIPC Initiative and an additional US\$17.8 billion has been delivered to the 23 post-completion-point countries under the MDRI.

11. **Completing the implementation of the HIPC Initiative will require sustained efforts from the international community—creditor and pre-completion-point countries.** Despite the achievements described above, a number of challenges remain to be addressed for a full implementation of the Initiative, such as: (i) full financing of the HIPC initiative and MDRI; (ii) full participation of official and commercial creditors to the Initiative; and (iii) support to the remaining countries to reach completion point.

12. **Debt relief, while welcome, addresses only a relatively small part of HIPC's financing needs and cannot ensure debt sustainability permanently.** Debt relief savings accrue through time and generally constitute only a fraction of net aid inflows to HIPCs.¹³ Addressing HIPC's, and more generally LIC's, development needs therefore requires higher new aid flows in addition to debt relief. New flows also allow for a quick and targeted response to address any emerging issues, such as the recent surge in food and fuel prices.¹⁴ These new flows need to be on appropriate terms to make sure that debt sustainability, which has been restored through debt relief, is maintained in the future.¹⁵

¹³ See Chapter 3 of the IMF-World Bank 2008 Global Monitoring Report.

¹⁴ Simulations suggest that the reserve position of eight pre-completion point countries may substantially deteriorate if commodity prices increase further. Most of these countries are also highly fiscally vulnerable (with a CPIA rating on the criteria for fiscal and debt management policies below 3), with limited capacity to help absorb these kinds of shocks. See "Food and Fuel Price—Recent Developments, Macroeconomic Impact and Policy Responses", IMF, June 2008. Simulations assume a 20 percent increase in oil and food prices compared to baseline projection of the Spring 2008 WEO and do not assume policy or behavioral responses to the increase in prices. For this analysis on HIPCs, a reserve deterioration is considered as "substantial" if reserves coverage drops to less than 3 months of next year's imports of goods and services as a consequence of the increase in food or oil prices or a combined shock.

¹⁵ The IMF and the World Bank stand ready to provide policy advice and balance of payment and budget support to the affected countries. The IMF provides financing through augmentations of PRGF arrangements. The Exogenous Shocks Facility is also being streamlined to ease access. The World Bank has launched the Global Food Crisis Response Program in May 2008 targeted at vulnerable IDA countries with priority to the most fragile states. To June 2008, seven HIPCs, including two pre-completion point countries have benefited from augmentations of PRGF arrangements. As of end of July 2008, the World Bank has already approved US\$64 million in grants to six countries, including three pre-completion point HIPCs. The Bank and the Fund

(continued)

13. **In recognition that debt relief alone would not be sufficient to ensure long-term debt sustainability, the Monterrey Consensus also called for other measures, which are supported by the Bank and the Fund.** The Monterrey Consensus: (i) highlighted the role of comprehensive strategies in reducing the vulnerability of debtor countries; (ii) called for debtors and creditors to share the responsibility for preventing and resolving unsustainable debt situations; and (iii) called for the strengthening of technical assistance for debt management and debt tracking. In the past few years, the Bank and the Fund have actively helped HIPC's preserve the benefits from debt relief and mobilize resources to meet their development needs in a sustainable manner. Bank and Fund efforts in this area are detailed in Section V.

provide also policy advice to help countries quantify needs and implement measures to protect the poor while minimizing the additional fiscal costs.

III. An Update on the Costs of the HIPC Initiative and the MDRI

14. **The total cost to creditors of HIPC Initiative debt relief is estimated at US\$71 billion** in end-2007 NPV terms (Table 2).¹⁶ Nearly half of the cost, or US\$35 billion, represents irrevocable debt relief to the 23 post-completion-point countries. The cost for the 10 interim countries amounts to US\$16 billion, an increase of almost 25 percent from last year mainly on account of the inclusion of two new post-decision-point countries—the Central African Republic and Liberia (US\$0.6 billion and US\$2.8 billion, respectively). The estimated cost of HIPC Initiative debt relief to the remaining eight pre-decision-point HIPCs is estimated to be US\$20 billion, most of which is accounted for by three countries—Sudan, Côte d’Ivoire and Somalia. Topping-up assistance (received so far by six HIPCs) only represents 3 percent of the total HIPC Initiative cost.

Table 2. HIPC Initiative: Costs by Main Creditor and Country Group
(In billions of U.S. dollars, in end-2007 NPV terms, unless otherwise indicated)

	Post-Completion- Point HIPCs (23)	Interim HIPCs (10)	Total Post-Decision- Point HIPCs (33)	Pre-Decision-Point HIPCs (8)	Total (41)
	(I)	(II)	(III) = (I) + (II)	(IV)	(V) = (III) + (IV)
Multilateral creditors	18.9	6.9	25.8	6.7	32.5
IDA	9.3	2.7	12.0	2.3	14.3
IMF	2.8	1.5	4.3	1.8	6.1
AfDB Group	2.5	1.9	4.3	0.7	5.1
IaDB	1.6	0.1	1.6	0.0	1.6
AsDB	0.0	0.1	0.1	0.3	0.3
Other	2.8	0.7	3.5	1.5	5.0
Bilateral and commercial creditors	16.0	9.3	25.3	13.4	38.7
Paris Club	11.4	7.1	18.5	7.1	25.5
Other Official Bilateral	3.7	0.8	4.6	4.5	9.1
Commercial	0.9	1.4	2.2	1.8	4.0
Total Costs	34.9	16.1	51.1	20.1	71.2
Memorandum Items					
Total Costs from Previous Report 1/	34.9	12.9	47.8	23.4	71.2
Total Change in Costs (percent):	0.2	24.9	6.9	-14.1	0.0

Sources: Country authorities, and World Bank and IMF staff estimates.

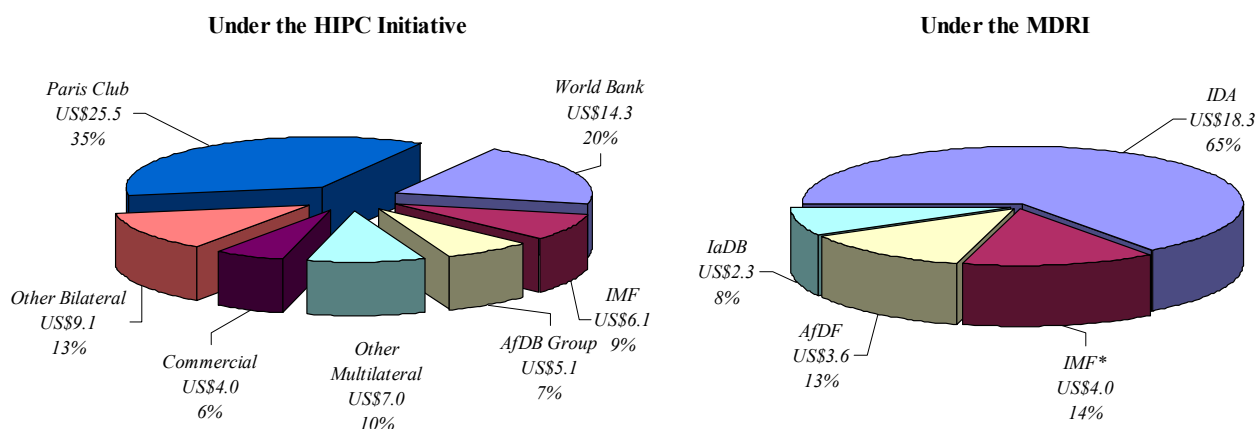
1/ Total costs as reported in Table 3 of "HIPC Initiative and MDRI: Status of Implementation, September 2007", discounted to end-2007 terms.

2/ Since August 2007, the Gambia reached completion point; the Central African Republic and Liberia reached the decision point.

¹⁶ No cost is computed for the Kyrgyz Republic as its indebtedness ratios at end-2007 are estimated to be below the applicable HIPC Initiative thresholds.

15. **Multilateral and Paris Club creditors shoulder most of the total HIPC Initiative cost** (46 percent and 36 percent respectively; Figure 2). Among multilateral creditors, the heaviest burdens are borne by IDA (20 percent), the IMF (9 percent) and the AfDB Group (7 percent). The share of total cost borne by multilateral creditors is higher for post-completion-point countries (at 54 percent) than for interim countries (43 percent) or pre-decision-point countries (33 percent). The share of Paris Club creditors is about one third for post-completion-point and pre-decision-point countries, but much higher (44 percent) for interim countries.

Figure 2. Distribution of Potential Costs under the HIPC Initiative and MDRI by Creditor



Sources: HIPCs decision and completion point documents.
Note: * Excludes non-HIPCs.

16. **With respect to MDRI, the total cost to the four participating creditors is estimated at US\$28 billion in end-2007 NPV terms** (Table 3). About two thirds has already been delivered to the 23 post-completion-point countries. Two thirds of the total estimated MDRI cost will be borne by IDA, with the share of the IMF, AfDF and IaDB amounting to 14, 13, and 8 percent, respectively.

Table 3. MDRI Costs by Creditor and Country Group
(In billions of U.S. dollars and in end-2007 NPV terms)

	Assistance in Nominal Terms 2/			Assistance in end-2007 NPV Terms
	Principal	Foregone Interest	Total	Principal and Foregone Interest
Post-Completion-Point HIPC's 1/	38.9	4.4	43.3	22.6
IDA	26.9	2.7	29.6	14.5
IMF 3/	3.2	...	3.2	3.3
AfDB	5.9	0.8	6.7	2.8
IaDB	3.0	0.9	3.9	2.0
Interim and Pre-Decision-Point HIPC's 2/	10.0	0.9	10.9	5.6
IDA	7.2	0.6	7.8	3.8
IMF 3/	0.8	...	0.8	0.7
AfDB	1.5	0.2	1.7	0.8
IaDB	0.4	0.1	0.5	0.3
All HIPC's	48.9	5.3	54.2	28.1
IDA	34.1	3.3	37.4	18.3
IMF 3/	4.0	...	4.0	4.0
AfDB	7.4	1.0	8.4	3.6
IaDB	3.4	1.0	4.4	2.3
Non-HIPC's 4/	0.2	0.2	0.2	0.2

Sources: Country authorities, and World Bank, IMF, AfDB and IaDB staff estimates.

1/ These countries have qualified for MDRI relief. Figures are based on actual disbursements and commitments.

2/ Estimates are preliminary and subject to a number of assumptions, including the timing of HIPC decision and completion points, and, where applicable, of arrears clearance.

3/ The estimated costs for IMF reflect the stock of debt eligible for MDRI relief, which is the debt outstanding (principal only) as of end-2004 and that has not been repaid by the member and is not covered by HIPC assistance (EBS/05/158 Revision 1, 12/15/2005).

4/ IMF MDRI assistance to Cambodia and Tajikistan.

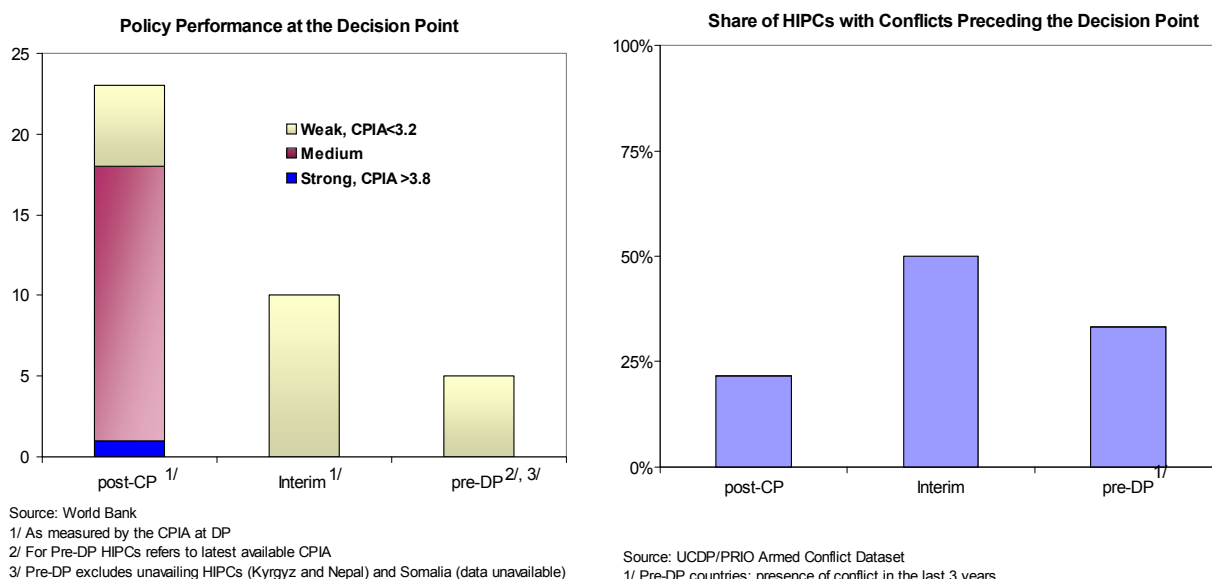
IV. Remaining Challenges

17. Completing the implementation of the HIPC Initiative will entail addressing three main challenges: (i) taking the remaining 18 pre-completion-point countries to the completion point; (ii) ensuring full participation of all creditors; and (iii) mobilizing additional resources to finance debt relief to all remaining HIPC's.

A. Taking Remaining Countries through the HIPC Initiative Process

18. **Many of the 18 pre-completion-point HIPCs face common challenges, beyond meeting the HIPC Initiative's requirements.** These challenges include preserving peace and stability, and improving governance and delivery of basic services. Most of these countries are fragile states.¹⁷ Almost half of pre-completion-point countries have been affected by war in recent years, and many remain at a high risk of conflict and/or political instability. Most of those countries have weak policies and institutions: they are all poor performers according to the Country Policy and Institutional Assessment (CPIA) rating and their performance is on average worse than that of post-completion-point countries (Figure 3).¹⁸

Figure 3: Policy Performance and Prevalence of Conflicts in HIPCs



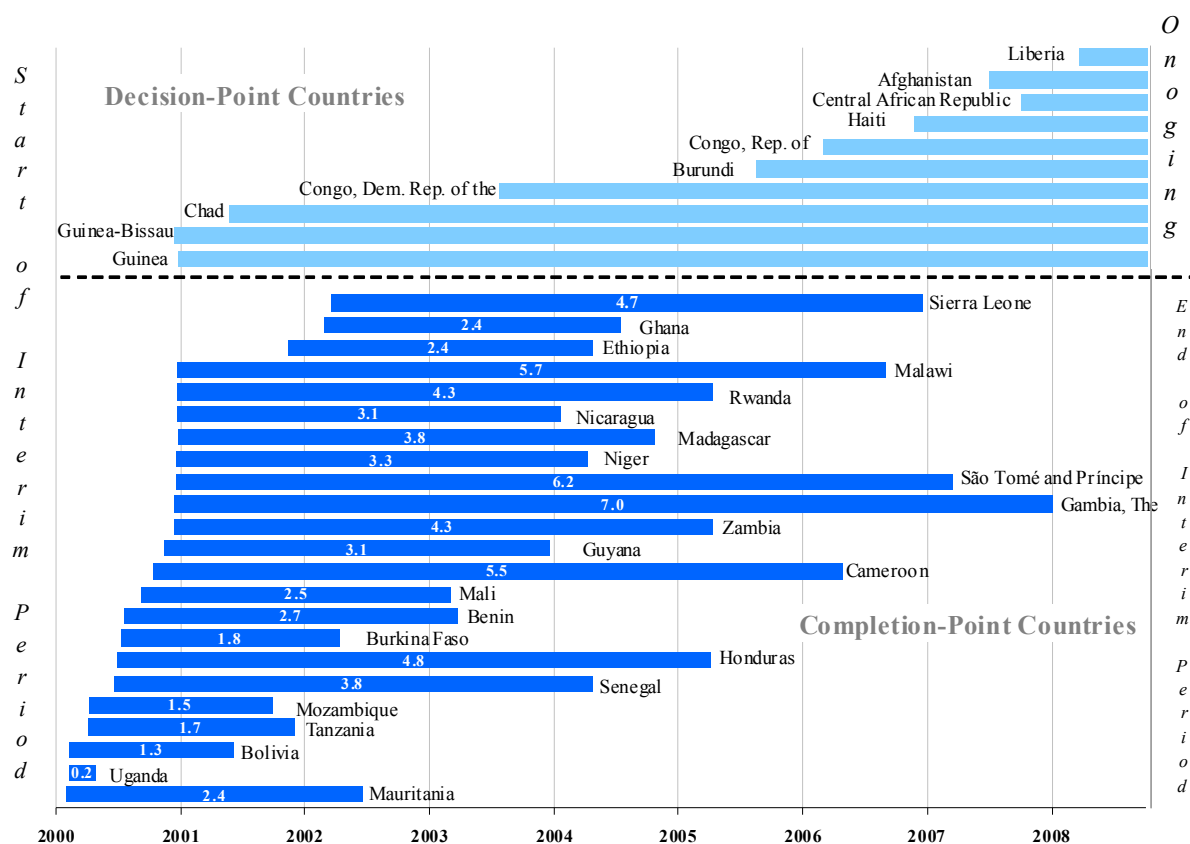
¹⁷ For the purposes of this report, *fragile states* are IDA-eligible countries with an average CPIA rating of 3.2 and below. However, different organizations use different parameters to judge fragility, in general combining aspects of the capacity and accountability of institutions with indicators related to conflict risks. See “IDA15: Operational Approaches and Financing in Fragile States”, June 2007.

¹⁸ The World Bank’s CPIA is done annually for all its borrowing countries. It has evolved into a set of 16 criteria, which are grouped in four clusters: (a) economic management; (b) structural policies; (c) policies for social inclusion and equity; and (d) public sector management and institutions. The Bank discloses for all IDA-eligible countries, including blend countries (i.e., countries that are currently eligible for funding from IDA and IBRD): (i) the scores for the 16 criteria; (ii) the cluster averages; and (iii) the overall score. See IDNR2004-0210 “Disclosing IDA Country Performance Ratings” (August 9, 2004).

19. Despite these challenges, more than half of these countries are making progress under the Initiative:

- Three pre-decision-point HIPC—Comoros, Côte d’Ivoire, and Togo—are making progress towards the decision point. This year, Côte d’Ivoire and Togo cleared arrears to major creditors, including IDA, and are on track with the implementation of their Fund-supported programs (EPCA and PRGF respectively). Both countries are making notable progress with the preparation of their PRSPs. Togo and Côte d’Ivoire could reach the decision point by end-2008. Comoros cleared its arrears to the AfDB and, following the resolution of a short internal conflict, Fund support under EPCA is being discussed with the authorities.
- Seven interim countries—Afghanistan, Burundi, the Central African Republic, Guinea, Guinea-Bissau, Haiti, and Liberia—are advancing towards the completion point. All of them are currently on track with the implementation of their Fund-supported programs (all but Guinea-Bissau have a PRGF-supported program), although some have faced challenges, as indicated in the appended country notes, in the implementation of the floating completion point triggers. Burundi and Guinea—one of the countries with the longest interim period—are expected to reach the completion point in late 2008 or early 2009 (Figure 4).

Figure 4. Duration of the Interim Period under the HIPC Initiative
(In years)



Source: HIPC Decision and Completion Point documents.

20. The main obstacles to the other eight countries' progress under the Initiative are of a political or security nature:

- The Kyrgyz Republic and Nepal, which both have declining debt ratios, have not expressed a willingness to avail themselves of the HIPC Initiative.
- Somalia and Sudan have protracted arrears to multilateral institutions. Prior to reaching the decision point, they will first need to mobilize resources to finance the clearance of their arrears. Mobilizing such resources will be challenging, given the size of arrears. In addition, the two countries will need to resolve their security situation.
- Eritrea's authorities indicated in 2008 discussions that they would give serious consideration to seeking HIPC initiative assistance once the external security situation improves.

- Finally, the existence of natural resources gives Chad and the Republic of Congo access to alternative sources of external financing which may have reduced the urgency of getting debt relief and contributed to these countries' slow progress towards the completion point. In the case of the Democratic Republic of the Congo, although an unsatisfactory track record of policy implementation has been the primary factor in delaying access to debt relief, the recent contracting of a large resource-backed nonconcessional government-guaranteed debt is causing further delays.

21. The absence of progress under the HIPC Initiative may have a number of negative consequences for the concerned countries:

- Some pre-decision-point HIPCs whose debt ratios are improving may at some point no longer meet the debt qualification criteria.¹⁹ Such a situation might create an incentive not to service outstanding debt and to run arrears to ensure that debt remains high enough for qualification purposes. These arrears, in turn, may prevent financing from traditional donors, including the IFIs, and lead these HIPCs to pursue other more expensive sources of financing, such as collateralized nonconcessional borrowing.
- For interim HIPCs, the lack of progress may result in an exhaustion of interim assistance provided by some creditors and difficulties servicing external debt obligations. In a fragile environment, where major financing needs for reconstruction and basic social services exist, inability to reach the completion point and benefit from full HIPC Initiative and MDRI debt relief may create the incentive to resort to collateralized nonconcessional borrowing.²⁰

22. Modifying the HIPC Initiative framework would be unlikely to help tackle these issues.²¹ Given the political and security constraints in fragile HIPCs described above, the only change to the framework that could accelerate access to full debt relief would be to give

¹⁹ In these countries the debt ratios have declined usually as a result of high GDP and export growth and/or a reduction in borrowing while continuing to service existing debt.

²⁰ For IDA, for example, the interim assistance to four HIPCs (Chad, Guinea, Guinea-Bissau, and Haiti) has exceeded the one-third limit of interim assistance committed at the decision point. This limit is usually one-third of the NPV of debt relief, but IDA may, on a case-by-case basis and subject to staff assessment of satisfactory progress in policy performance, increase the limit on interim assistance to interim HIPCs to up to 50 percent of the NPV of total debt relief committed at decision point. See "Enhanced HIPC Initiative: Proposals Concerning Sunset Clause and Provision of Interim Relief" IDA/R2004-0234 (September 15, 2004).

²¹ A Technical Briefing to the IDA Board on the issue was delivered on July 22nd, 2008.

this relief unconditionally to all the countries meeting the Initiative's debt and income criteria. However, conditionality under the HIPC Initiative is aimed to provide assurances that resources freed by debt relief will be used productively by HIPC's through the establishment of a stable macroeconomic environment and the implementation of a poverty reduction strategy. In absence of any conditionality, there would be little or no assurance that debt relief resources would be put to best use, particularly in some of the challenging situations described above.

23. **The HIPC Initiative framework can address a wide range of country circumstances.** Liberia's recent experience shows that the most difficult cases in the area of debt relief can be addressed within the flexible architecture of the HIPC Initiative (see Box 2). The flexible implementation of the requirements has been guided at each stage by the very objective of the Initiative to reduce the level of external debt burdens in reforming HIPC's. In addition, it should be recognized that the HIPC Initiative is only one of the many instruments for addressing development problems in fragile and conflict-affected states.²²

²² For IDA for example, see "Operational Approaches and Financing in Fragile States" IDA15, June 2007; and "Establishment of a State- and Peace-Building Fund", March 2008, IDA/R2008-0056.

Box 2. Liberia's Path to the Decision Point

Liberia's reaching the decision point is an illustration of the commitment by the international community in addressing the daunting challenges in a fragile, post-conflict country while preserving the HIPC Initiative's principles.

After over twenty years of political instability, Liberia had accumulated an unprecedented level of arrears: at end-June 2007, of the estimated US\$4.7 billion public and publicly-guaranteed external debt, 96 percent was in arrears. In 2006, Liberia began a bold reform program under the leadership of newly-elected President Johnson-Sirleaf but arrears to the Fund and other multilateral institutions prevented it from accessing Fund resources. Additionally, because Liberia's economic situation required that it be eligible for debt relief on any new financing related to an arrears clearance operation, financing assurances for such relief were necessary before Liberia could engage in any of the available Fund-supported programs that then qualified as a track record of policy performance towards the decision point. Therefore, despite Liberia's strong track record of reform, the difficulty of mobilizing financing assurances for arrears clearance operation and ultimately HIPC Initiative debt relief risked delaying Liberia's reaching the decision point. In addition, the lack of reliable information on private debt—most government records were destroyed during the preceding conflict—was a serious challenge for the estimation of the needed debt relief.

Taking into account Liberia's special situation and the need to support its reform momentum, as well as the recognition of potentially similar issues for other countries with strong policies and performance records, but lacking financing assurances to start a qualifying decision-point track record program, a number of steps were undertaken.

First, the Fund's PRGF-HIPC Trust instrument was amended to address the problem regarding the inability to establish a qualifying track record as faced by Liberia and other countries in similar situation. Specifically, in January 2008, the Fund's Executive Board amended the PRGF-HIPC Trust Instrument to add SMPs to the list of instruments that may be used to establish eligibility for HIPC Initiative debt relief, and that may be used to build a track record for reaching the decision point, in cases where the Executive Board agrees with the staff's assessment that the macroeconomic and structural policies under the SMP meet the policy standards associated with upper credit tranche or PRGF arrangements.^{1/}

Second, a methodology was developed with the assistance of Liberia's financial advisers and agreed to with private creditors to facilitate commercial debt reconciliation.^{2/}

Third, exceptional funds were allocated for arrears clearance by multilateral institutions. Liberia's arrears to the World Bank were cleared in December 2007 through a bridge loan provided by a bilateral donor. Liberia then used the proceeds of a Development Policy Operation to repay the bridge loan. This operation was financed with an exceptional allocation of IDA resources provided on grant terms. IDA's share of HIPC Initiative debt relief was delivered in full through the arrears clearance operation. On the Fund's side, the necessary financing assurances were acquired largely through commitments by donors of resources arising from a partial refund of SCA-1^{3/} resources and of deferred charges-related adjustments. In March 2008, an arrears clearance operation was conducted with resources from a bridge loan provided by the U.S. Treasury which was followed on the same day by Board approval of Liberia's exceptional access to Fund financing and its reaching of the decision point. Arrears to the African Development Bank Group were also cleared in December 2007 through an operation under their framework for assisting post-conflict countries. Strategies for arrears clearance with Liberia's six smaller multilateral creditors were also agreed upon or have been under discussion.

^{1/} See "Proposals to Modify the PRGF-HIPC trust Instrument—Further Considerations and Proposed Decision" (EBS/07/152, 12/21/07).

^{2/} See Box 1 in IDA and IMF Republic of Liberia Enhanced HIPC Initiative Decision Point Document. (February 28, 2008).

^{3/} A special account established specifically to protect the IMF against the risk of loss of principal resulting from arrears.

B. Ensuring the Full Participation of All Creditors

24. Smaller multilateral institutions, non-Paris Club official bilateral creditors, and commercial creditors still need to participate more fully in the HIPC Initiative. Together, they are expected to bear about 25 percent of the total HIPC Initiative cost, and therefore their participation does make a significant difference for HIPCs. In addition, their participation is essential for the credibility of the Initiative, to limit the perception of free-riding, and maintain the goodwill of traditional donors.

Multilateral and Paris Club Creditors

25. **The World Bank, the African Development Bank, the IMF and the Inter-American Development Bank, as well as all Paris Club creditors, continue to provide debt relief in line with their commitments under the HIPC Initiative,** including by providing interim relief to countries that have reached the decision point. Paris Club creditors also continue to provide additional “beyond HIPC Initiative” relief on a bilateral basis.

26. **The remaining multilateral creditors represent about 7 percent of the total estimated HIPC Initiative cost.**²³ Their share of the cost of providing HIPC Initiative relief to post-completion-point countries amounts to US\$2.7 billion in end-2007 NPV terms. Twenty creditors, representing 99 percent of the amount above, have indicated their intention to participate in the HIPC Initiative (see Appendix Table 5). The other eight creditors have not yet indicated their intention to provide relief under the HIPC Initiative.²⁴

27. **Due to incomplete information, delivery of HIPC Initiative assistance by smaller multilateral creditors cannot be estimated at this juncture.** The majority of the 20 participating creditors has reportedly agreed on the modalities to deliver HIPC Initiative debt relief to their post-completion-point HIPC debtors. Six creditors representing 62 percent of the cost, are known to have provided debt relief in the interim period through debt service reduction or rescheduling of arrears and maturities falling due.²⁵

²³ Twenty eight creditors comprise the group of remaining multilateral creditors.

²⁴ These creditors are: Bank of Central African States (BEAC), Central African States Development Bank (BDEAC), ECOWAS Bank for Investment and Development (EBID), Eastern and Southern African Trade and Development Bank (PTA Bank), Development Bank of Great Lake States (BDEGL), Fund of Aid and of Loans Guarantee of the Agreement Council (FEGECE), Fondo Centroamericano de Estabilización Monetaria (FOCEM), and the Islamic Fund for Solidarity and Economic Development (FSID).

²⁵ These creditors are Arab Bank for Economic Development in Africa, Central American Bank for Economic Integration (to Honduras only), European Commission, European Investment Bank, Islamic Development Bank and OPEC Fund for International Development.

28. **Staffs are working with their counterparts in many of these institutions to improve the availability of information.** At the latest annual meeting of multilateral development banks on debt issues, participating institutions agreed on a methodology to compile comprehensive data on their delivery of HIPC Initiative debt relief and on new lending to low-income countries.²⁶ These efforts should allow staffs to report more extensively on this issue in next year's report.

Non-Paris Club Official Bilateral Creditors

29. **The share of HIPC Initiative debt relief delivered by non-Paris Club bilateral creditors, which represent about 13 percent of the total cost, remains low, at around 40 percent** (Table 4 and Appendix Table 15).²⁷ Only eight creditors have provided full relief, 22 creditors have provided partial relief, while 21 creditors have not yet delivered any HIPC Initiative debt relief at all. This latter group includes two large creditors (Costa Rica and Taiwan Province of China) accounting for more than 20 percent of the expected debt relief from non-Paris Club creditors.

30. **Progress since last year's report has been limited.** Hungary completed its delivery of HIPC Initiative relief and Tanzania confirmed the delivery of full debt relief by Egypt, bringing to eight the number of creditors having provided the expected relief in full.²⁸ China, Kuwait, and Venezuela signed debt relief agreements with a number of HIPCs in the course of last year.

31. **A few creditors are making efforts to lift constraints that hinder their delivery of HIPC Initiative debt relief.** Colombia has informed staffs that its congress recently passed a bill to permit the provision of debt relief to Honduras, its only HIPC debtor. Kuwait, a strong supporter of the HIPC Initiative through the Kuwait Fund for Arab Economic Development, reported that it is considering a modification of the rules and laws governing the operations of the Kuwait Investment Authority (KIA) to make them more compatible with the HIPC Initiative.

²⁶ See "Meeting of Multilateral Development Banks on Debt Issues Washington D.C., July 9-10, 2008 - Chairman's Summary" (SecM2008-0338).

²⁷ As in 2007, this update of earlier staff estimates is based on responses to a survey of post-completion-point HIPCs and their bilateral non-Paris Club creditors (except for creditors that have provided full HIPC Initiative debt relief, have small or no remaining claims, are also HIPCs themselves (except Honduras, which is a large creditor), generally participate in Paris Club meetings, and are not members of the IMF). Responses were received from 21 of the 23 post-completion point HIPCs but only 12 creditors (out of 28 contacted). The survey did not include pre-completion-point HIPCs and thus does not account for the relief that has been provided to them by some of their creditors. For details on the methodology, see SM/07/323.

²⁸ Egypt, Hungary, Jamaica, Morocco, Republic of Korea, Rwanda, South Africa and Trinidad and Tobago.

32. HIPC's situation regarding delivered relief from these creditors varies significantly across countries. Four HIPC's (Honduras, São Tomé and Príncipe, Madagascar, and Zambia) have received less than 15 percent of their expected debt relief from non-Paris club creditors. On the other hand, some HIPC's (Benin, Cameroon, Ghana and Sierra Leone) have received more than 75 percent of the expected debt relief, but these HIPC's account for less than 4 percent of the expected HIPC Initiative relief from non-Paris Club creditors.

33. Bank and Fund staffs have continued to encourage non-Paris Club creditors to deliver full HIPC Initiative debt relief. They have prepared technical notes for a few creditors that requested additional information on the methodology for calculating HIPC Initiative debt relief. Discussions with creditors and debtors have continued to take place during Article IV consultation missions. Staffs and the Paris Club Secretariat have conducted joint briefings of debtors on HIPC Initiative implementation issues and ways to maximize debt relief delivery from their creditors.²⁹ Delivery of debt relief has been increasingly monitored in staff reports or debt sustainability analyses on post-completion-point HIPC's. In addition, with the objective of providing information to the public, the estimated delivery of HIPC Initiative debt relief by each of these creditors to post-completion-point HIPC's has been published on the Fund and Bank's external websites in November 2007 and updated in April 2008.³⁰ Although staffs will maintain their dissemination efforts and provision of technical support, bilateral peer pressures may be required to see additional progress in non-Paris Club bilateral creditor participation.

²⁹ The Paris Club secretariat has also stepped up its technical assistance to these countries on the issue of comparability of treatment.

³⁰ See the latest update of delivery of HIPC Initiative Relief by Non-Paris Club Official Bilateral Creditors (April 2008) at <http://www.imf.org/external/np/pp/eng/2008/041008.pdf> and <http://siteresources.worldbank.org/INTDEBTDEPT/Resources/hipscorecard.pdf?resourceurlname=hipscorecard.pdf>

Table 4. Debt Relief to Post-Completion-Point HIPC's from Non Paris Club Bilateral Creditors

	Expected Debt Relief		Debt Relief Delivered	
	2007 NPV terms (US\$ millions)	Percent of Total Relief	2007 NPV terms (US\$ millions)	Percent of Total Relief
Total Debt Relief Expected 1/	3,740	100	1,319-1,517	35-41
By Creditor Countries				
Relief Fully Delivered (8 creditors)	39	1	39	100
Relief Partially Delivered (22 creditors)	2441	65	1,280-1,479	52-61
No Relief Delivered (20 creditors)	1260	34	0	0
Larger Creditors				
Costa Rica	527	14	0	0
Guatemala	501	13	494	99
Taiwan Province of China	331	9	0	0
Kuwait	322	9	228	71
China	301	8	138-183	46-61
Libya	295	8	28-49	9-17
Algeria	258	7	13	5
Saudi Arabia	172	5	81-134	47-76
Iraq	118	3	0	0
By Debtor Countries				
Smaller Debtors (15 countries)	686	18	239 - 315	35 - 46
of which:				
Malawi	29	1	10	34
Bolivia	27	1	11	42
Sao Tome & Principe	21	1	0	0
Benin	17	0	16	93
Cameroon	19	0	15 - 19	79 - 100
The Gambia	15	0	0	0
Larger Debtors (8 countries)	3,055	82	1,319 - 1,516	35 - 41
of which:				
Nicaragua	1,742	47	713	41
Mozambique	332	9	81	25
Tanzania	252	7	63 - 114	25 - 45
Mauritania	173	5	66	38
Niger	170	5	67 - 90	39 - 53
Ethiopia	155	4	34 - 83	22 - 54
Senegal	119	3	45	38
Madagascar	112	3	11	10

Sources: HIPC documents; country authorities; and staff estimates.

1/ Estimates based on information received as of end-June 2008.

Commercial Creditors

34. **The delivery of HIPC Initiative relief by commercial creditors increased markedly last year.** Commercial creditors only account for 6 percent of the total HIPC Initiative cost and delivery of the related relief had so far constituted a challenge, with participation in the low single digits until last year. This share increased significantly through March 2008 thanks to a large London Club operation and two successful buybacks supported by the IDA Debt Reduction Facility (DRF).³¹

35. **In December 2007, the authorities of the Republic of Congo reached a debt restructuring agreement with their commercial creditors, organized as a creditors' committee (previously known as the London Club).** The restructuring operation entailed the issuance of US\$477 million of Eurobonds maturing in 2029 in exchange for commercial claims totaling US\$2 billion (equivalent to 58 percent of Congo's external commercial debt). Private creditors, including banks, a few suppliers, and some distressed debt funds, accepted the authorities' offer with a participation rate of over 92 percent. The debt relief provided by this operation is estimated by staffs to be in line with the effort expected from these creditors under the HIPC Initiative.

36. **Since last year's report, the DRF has helped finance two important debt buybacks—for Mozambique and Nicaragua—and prepare a buyback for Liberia.**³² The IDA DRF operations in Mozambique and Nicaragua together extinguished about US\$1.5 billion of commercial external debt on terms at least as favorable as those under the HIPC Initiative. In Nicaragua, US\$1.3 billion of commercial debt was extinguished, accounting for 95 percent of the total reconciled eligible commercial debt. In the case of Mozambique, all four eligible commercial external creditors tendered their debt in the buyback operation. In April 2008, a DRF preparation grant for Liberia was approved by IDA's Executive Board; other operations in HIPCs are at preparatory stages.

37. **These developments show the value of a proactive and cooperative approach to debt restructurings involving HIPCs.** Such an approach, which staffs encourage HIPCs to implement, is at the core of DRF-supported operations and can lead to mutually beneficial outcomes. In this regard, recent policy modifications will allow the DRF to act more quickly

³¹ The rate of participation, estimated at around 33 percent, is based on information received from HIPC authorities in the context of the 2008 survey on commercial creditor participation and litigation.

³² As a result of revisions introduced in 2006 and 2008 the DRF fosters commercial creditor participation in the HIPC Initiative by providing grants to help reforming, heavily indebted, IDA-only countries reduce their sovereign external commercial debt, as part of a debt resolution program. Once approved by the IDA Board, these grants support countries in the preparation and implementation of commercial debt reduction operations. Since its establishment in 1989, the DRF has helped extinguish about US\$9 billion of commercial external debt at a deep discount through 24 buyback operations in 19 HIPCs and 2 other IDA-only countries.

in supporting the preparation of commercial debt reduction operations in countries approaching the HIPC Initiative decision point, and to be more effective in resolving commercial debt burdens in a single operation by ensuring higher creditor participation (Box 3).

Box 3. The IDA-Debt Reduction Facility: Recent Modifications^{1/}

In April 2008, the IDA's Executive Board approved changes to the DRF's policies and practices. The modifications will enable the DRF to be even more effective in helping reforming, heavily indebted IDA-only countries to reduce their sovereign commercial external debt as part of a broader debt resolution program. These modifications incorporate past experience from DRF negotiations and feedback from stakeholders including the Paris Club, the G7 debt experts group, recent DRF-beneficiary governments, and their financial and legal advisers.

The approved modifications include:

- a. Eligibility for DRF preparation grants was extended, on a case-by-case basis, to pre-decision point HIPCs. In 2004, the IDA Board had decided to limit eligibility of the DRF to post-decision-point HIPCs only. This modification gives reforming pre-decision-point HIPCs access to preparation grants to enable them to move faster to decision point. However, eligibility for implementation grants remains at decision point.
- b. Formerly bilateral debts that were sold to commercial creditors after the HIPC decision point reference date will normally no longer be considered eligible for buyback. This modification aims to prevent distressed debt funds from making a profit by buying bilateral claims at a deep discount and tendering them for a buyback under the DRF. It is also aimed to discourage the sale of debt from official to commercial creditors.
- c. For the same reason, formerly domestic debts sold to external creditors after the HIPC reference date will normally be considered ineligible for buyback.
- d. Participation thresholds stipulated for buybacks, including second buybacks, will normally not be below 90 percent. Participation rates in earlier operations were below 80 percent in six cases and below 65 percent in two cases. The increase to 90 percent aims to help resolve the commercial debt problem more comprehensively as well as avoid second buybacks and increase in the value of holdout claims.
- e. IBRD contributions to DRF will normally not exceed 50 percent of the costs of any given implementation grant. Exceptions were made to the earlier limit of US\$10 million in seven of the 22 DRF operations. Hence, the limit was modified to reflect financing needs better.
- f. Staff will be allowed more flexibility on advisory fees – particularly in larger and more complex cases. Preparation grants had been capped at US\$800,000-900,000, regardless of the size or complexity of the operation and without inflation adjustments. This modification is expected to enhance the ability of participating countries to hire the best qualified financial and legal advisers.

^{1/} See Debt Reduction Facility for IDA-Only Countries: Progress Update and Proposed Amendments to Policies and Practices (IDA/R2008-0066/1, April 14, 2008).

Commercial Creditor Litigation against HIPC

38. **Information available to staffs indicate that at least 54 court cases have been filed by commercial creditors against 12 HIPCs over the past decade.**³³ In most cases, a court award has already been granted, for a total estimated cost of US\$1.2 billion (excluding the court awards extinguished through the recent DRF-supported buybacks; see below). The potential impact of such awards varies from less than 0.5 percent of the debtor's GDP to 49 percent in the case of Liberia. The HIPCs facing the most litigation cases are Liberia, the Republic of Congo, Uganda, and Sierra Leone, with ten, eight, six, and five lawsuits, respectively. The authorities of Liberia, a country that reached the decision point in March 2008 and was covered for the first time by the survey this year, have reported 10 lawsuits, of which two are still in court while judgments have been issued in the other cases. No new case of litigation against HIPCs was reported to have been filed in the past year (Table 5 and Appendix Table 16).³⁴

39. **Some court judgments against Nicaragua have been settled through the recent DRF-supported buyback.** All four litigating creditors of Nicaragua, which had secured court judgments in the order of US\$276 million, participated in the buyback operation. These four creditors accepted the proposed discount of principal and interest and took a significant cut in the value of their legal claims. The Nicaragua buyback has extinguished 20 percent of the overall value of reported court judgments against post-decision-point HIPCs, and about 70 percent of such judgments against post-completion-point HIPCs.

40. **Active and cooperative negotiation aimed at debt restructuring agreements can be a successful strategy to limit creditor litigation and, where appropriate, should be a HIPC's first line of defense.** The participation of litigating creditors in Nicaragua's buyback suggests that pressure from the public opinion and a cooperative stance could help moderate litigation. Non-litigating creditors can help too, for instance by agreeing not to sell their claims on HIPCs to creditors unwilling to provide debt relief, as was done in 2007 by Paris Club members and in May 2008 by European Union countries.³⁵

³³ Information derived from a survey on commercial creditor participation and commercial creditor litigation undertaken annually by staffs. The survey was extended this year to all HIPCs (it was previously limited to post-decision-point HIPCs). Responses were received from 33 countries, including 28 post-decision-point HIPCs and five pre-decision-point HIPCs.

³⁴ No new case of litigation has been reported by the authorities of HIPCs that responded to the survey last year. Among the new respondents, Liberia and Sudan reported cases had that been brought against them in court sometime ago.

³⁵ Meeting of the Council of the European Union in Brussels, 26 and 27 May 2008, *Council Conclusions: Speeding up progress towards the Millennium Development Goals (MDGs)*. EU countries agree not to sell claims on HIPCs to creditors unwilling to provide debt relief, and support: (i) dialogue with other creditors

(continued)

Table 5. HIPC Initiative: Commercial Creditor Lawsuits against HIPCs
Status at end-2007 ^{1/}

	Commercial Creditor Lawsuits 2/				
	Number of Litigating Creditors 3/	Claims of Litigating Creditors		Court Awards 4/	
		(In millions of U.S. dollars)	(In percent of GDP)	(In millions of U.S. dollars)	(In percent of GDP)
23 Completion-Point HIPCs					
TOTAL	28	521		121	
Benin	0	...	...	...	...
Bolivia	0	...	...	...	...
Burkina Faso	0	...	...	...	...
Cameroon	4	158	0.8	51	0.2
Ethiopia	2	187	1.0	...	...
Gambia, The	...	...	...	...	...
Ghana	0	...	...	...	...
Guyana	3	46	4.5	...	...
Honduras	1	1	0.0	...	...
Madagascar	...	...	...	...	...
Malawi	0	...	...	...	...
Mali 5/	...	...	...	...	...
Mauritania	0	...	...	...	...
Mozambique	0	...	...	...	...
Nicaragua 6/	5	9	0.2	0.0	0.0
Niger	0	...	...	...	...
Rwanda	0	...	...	...	...
São Tomé and Príncipe 7/	0	...	...	...	...
Senegal	0	...	...	...	...
Sierra Leone	5	29	1.7	25	1.5
Tanzania	0	...	...	...	...
Uganda	6	36	0.3	30	0.3
Zambia 5/	2	55	0.5	16	0.1
10 Interim HIPCs					
TOTAL	19	805		901	
Afghanistan	0	...	...	...	...
Burundi	0	...	...	...	...
Central African Republic	0	...	...	...	...
Chad 5/	...	...	...	...	...
Congo, Dem. Rep. of the 8/	1	100	1.0	100	1.0
Congo, Rep. of 5/	8	575	7.5	443	5.8
Guinea 5/	...	...	...	...	...
Guinea-Bissau	0	...	...	...	...
Haiti	0	...	...	...	...
Liberia	10	130	17.8	357	49.0
8 Potentially Eligible Countries	3	151		146	
Comoros 5/	...	...	...	...	...
Côte d'Ivoire	...	...	...	...	...
Eritrea 5/	...	...	...	...	...
Kyrgyz Republic	0	...	...	...	...
Nepal	...	...	...	...	...
Somalia 9/	...	...	...	...	...
Sudan	3	151	0.3	146	0.3
Togo	...	...	...	...	...
Post Decision-Point and Potentially Eligible HIPCs	50	1,477		1,168	

Source: Survey on Commercial Creditor Participation and Creditor Lawsuits against HIPCs.

1/ Commercial creditors lawsuits against HIPCs are reported without assessing the merits of these disputes. The information reported in this table reflects responses to the survey only, and it should not be considered a complete summary of all commercial creditor proceedings against HIPCs.

2/ Responses were received from 33 countries, including 28 post-decision-point HIPCs and five pre-decision-point HIPCs and by 4 out of 7 potentially eligible HIPCs.

3/ HIPCs that did not respond to the survey are shown in bold, and three dots indicate no information.

4/ Judgement was awarded, but in few cases out of court settlements were reached after a court decision was issued.

5/ The authorities did not respond to the survey.

6/ Excludes court awards extinguished through DRF-supported buyback.

7/ A previously reported lawsuit against São Tomé and Príncipe has been determined to be an official claim against Angola.

8/ The response to the survey 2008 did not include a previously reported case against DRC. The staff has excluded this case until further clarifications are received.

9/ The survey was not sent to Somalia.

(bilateral, multilateral, commercial) and with borrowing countries;(ii) technical assistance to strengthen the debt management capacities of low income countries and assist efficient debt negotiations; and (iii) commercial debt buy-backs complementary to HIPC debt relief operations.

41. **The range of instruments to support HIPCs facing litigation has increased.** In April 2008, the Executive Board of the African Development Bank approved a proposal to establish the African Legal Support Facility.³⁶ The Facility would provide (i) technical legal advice to members of the Facility in creditor litigation, and (ii) technical legal assistance to members of the Facility to strengthen their legal expertise and negotiating capacity in matters pertaining to debt management, natural resources and extractive industries management and contracting, investment agreements, and related commercial and business transactions. The Commonwealth Secretariat recently established the HIPC Clinic to provide legal advice to HIPCs that are facing or likely to face debt litigation. The Clinic, which employs a resident legal advisor, aims to support sovereign debtors and assist member countries as well as other non Commonwealth HIPCs, and it intends to hold regional seminars to raise awareness about legal aspects of debt management, legal soundness of loan agreements, debt restructuring, and how to deal with litigation threats.³⁷

³⁶ The African Legal Support Facility will come into existence when the Agreement creating the Facility is signed by at least ten participating states or international organizations, as well as instruments of ratification/approval are deposited by at least seven of those participating states or international organizations. Membership in the Facility will be open to: member states of the African Development Bank; the African Development Bank; other states; and international organizations and institutions.

³⁷ See [HIPC Legal Clinic at The Commonwealth Secretariat](#)

C. Ensuring Financing of the HIPC Initiative

42. **For the World Bank, the HIPC Debt Initiative Trust Fund facilitates the fulfillment of commitments of multilateral creditors, including eligible regional and sub-regional creditors, to provide HIPC Initiative debt relief.** To date, donors have pledged close to US\$4.0 billion to the HIPC Trust Fund to support these creditors, and have contributed more than US\$3.7 billion in the form of cash and promissory notes. The HIPC Trust Fund has reimbursed close to US\$2.8 billion towards the cost of debt relief to IDA out of allocations from IBRD's net income and creditor-specific contributions made by donors to the HIPC Trust Fund.³⁸ Disbursements from the HIPC Trust Fund to eligible regional and sub-regional creditors now total more than US\$2.8 billion.³⁹

43. **Mobilizing additional resources to finance debt relief to all remaining HIPCs may, however, pose challenges to the Fund.** Resources available in the PRGF-HIPC Trust are currently insufficient to finance the cost of debt relief to all pre-decision point HIPCs (to whom such resources are available on a first-come, first-served basis). This is because the cost of debt relief to Sudan and Somalia, as well as to other countries that entered the Initiative after 2006, were not included in the original financing framework.⁴⁰ Should these two countries progress to the decision point, mobilizing resources would become an urgent task, and as demonstrated in the case of Liberia, could be challenging.⁴¹

³⁸ Since May 2006, donor contributions under the IDA14 arrangements have been used to cover IDA's cost of HIPC debt relief.

³⁹ Regional and sub-regional eligible creditors include: AfDB, BOAD (West African Development Bank), CABI (Central American Bank for Economic Integration), CAF (Corporación Andina de Fomento), CDB (Caribbean Development Bank), CMCF (CARICOM Multilateral Clearing Facility), EADB (East African Development Bank), FONPLATA (Fund for the Financial Development of the River Plata Basin), IADB, IFAD (International Fund for Agricultural Development), and NDF (Nordic Development Fund).

⁴⁰ The original HIPC-MDRI financing framework did not include Afghanistan, countries newly identified in the 2006 ring-fencing exercise (Eritrea, Haiti, the Kyrgyz Republic, and Nepal), and the three protracted arrears cases (Liberia, Sudan, and Somalia).

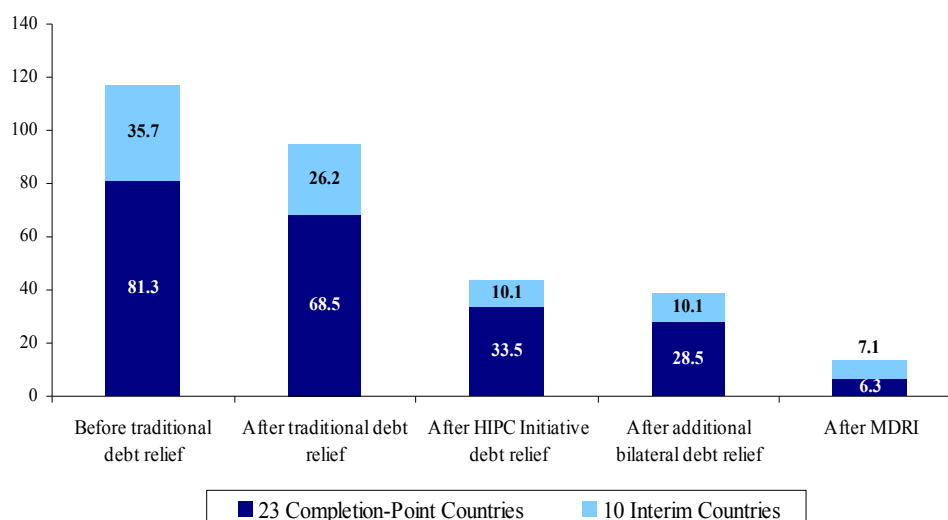
⁴¹ The total stock of arrears of Sudan and Somalia to the Fund as of end-June 2008 amounted to SDR 1.2 billion (equivalent to US\$2 billion).

V. Debt Outlook in Post-Completion-Point Countries

A. Overview

44. **Debt relief provided to post-completion-point countries is expected to reduce their external debt stock by more than 90 percent in end-2007 NPV terms (Figure 5).** Most of this reduction (76 percent) would be delivered in the context of the HIPC Initiative and the MDRI. The remainder is attributable to traditional debt relief and voluntary bilateral debt relief beyond HIPC. Debt stocks in the 10 interim period countries are expected to decline by a similar factor.

Figure 5. Post-Decision Point HIPCs' Debt Stock under Different Debt Relief Stages
 (In billions of U.S. dollars, in end-2007 NPV terms)



Sources: HIPC Initiative country documents, and IDA and IMF staff estimates.

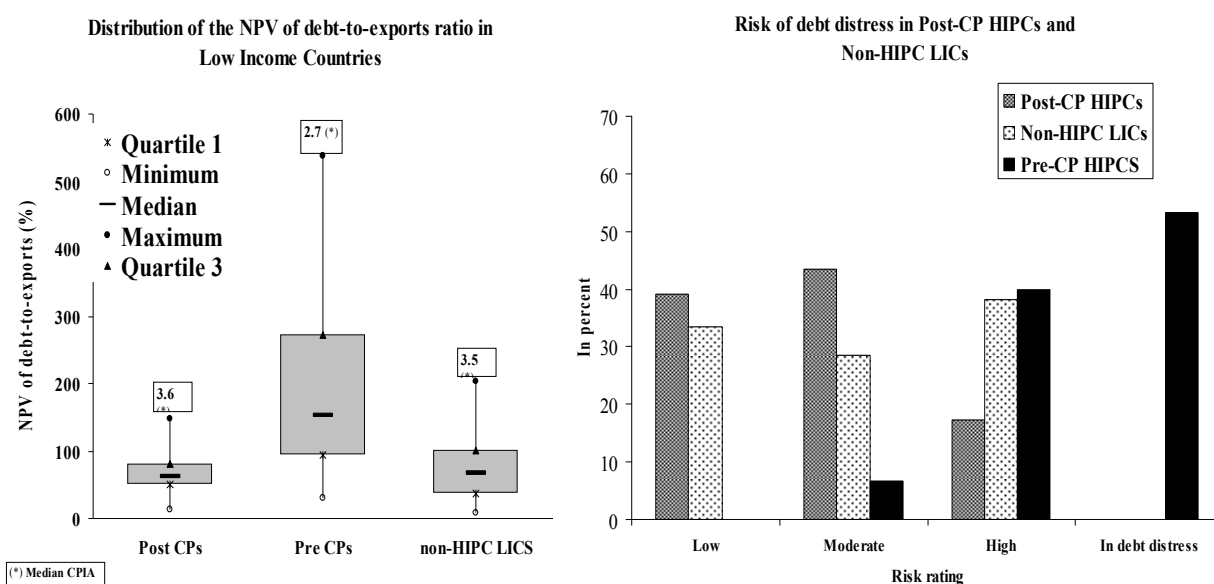
Note: Estimates based on decision point debt stocks.

45. **Debt sustainability analyses (DSAs) performed under the Debt Sustainability Framework (DSF) provide a comprehensive view of the debt outlook of post-completion-point countries.** Their forward-looking nature allows for a nuanced assessment of risks that goes beyond the consideration of current debt ratios. The remainder of this section analyzes the information contained in DSAs conducted so far on these countries.

46. **DSAs confirm that post-completion-point countries are in a better debt situation than other HIPCs, and also than non-HIPCs.** At end-2007, the NPV of the debt-to-export ratio for post-completion-point HIPCs averaged 63 percent. This contrasts with an average of

200 percent for pre-completion-point HIPCs.⁴² Reflecting their heavier debt burden, all but one pre-completion-point HIPC have been assessed either to be in debt distress or to have a high risk of debt distress, while most post-completion-point countries have a low or moderate risk rating (Figure 6). The distribution of risk ratings is also better for post-completion-point countries than for non-HIPC LICs. The better rating distribution reflects both lower debt ratios—a direct outcome of debt relief—and the fact that post-completion-point countries tend to have, on average, better policies and institutions than other HIPCs and, to a lesser extent, non-HIPCs, as measured by the CPIA rating. Better policies and institutions lead to a higher capacity to carry debt and translates, in the DSF, in higher indicative thresholds.

Figure 6. Dispersion of the NPV of Debt-to-Exports Ratio and Risk of Debt Distress in Low Income Countries



Sources: Latest joint Bank/Fund DSAs available for LICs.

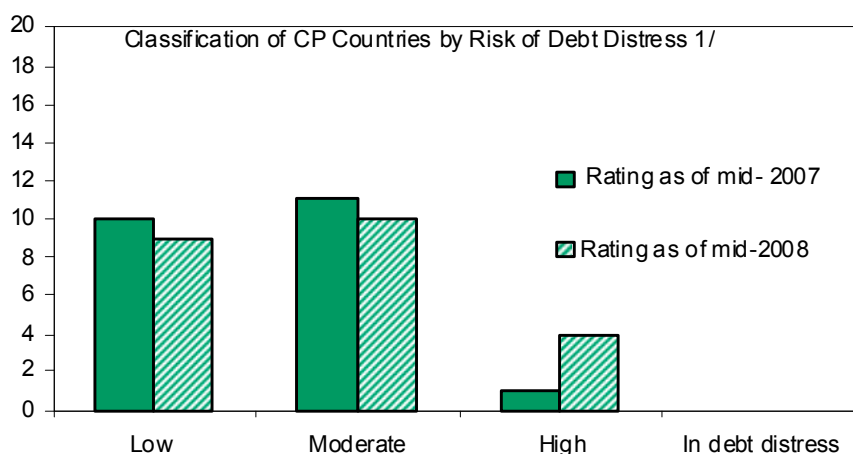
Note: Based on the actual/projected NPV of debt-to-exports ratio under the baseline scenario.

47. **However, long-term debt sustainability remains a challenge in many post-completion-point countries.** Despite the significant decline of debt burdens thanks to debt relief, only nine post-completion-point HIPCs (or about 40 percent) have a low risk of debt distress according to the most recent DSAs. In addition, the distribution of ratings has deteriorated since last year (Figure 7), with the number of countries with a high risk rating increasing from one to four. A new DSA for Rwanda confirmed the high risk rating of the previous DSA. New DSAs for Burkina Faso and São Tomé and Príncipe changed these

⁴² For HIPCs in the interim period, debt ratios incorporate only the impact of interim debt relief.

countries' risk ratings from moderate to high. Finally, The Gambia, which reached the completion point in December 2007, was assessed at that time as having a high risk of debt distress.

Figure 7. Risk of Debt Distress Ratings of Post-Completion-Point Countries



Sources: Latest joint Bank/Fund DSAs available for post-completion point HIPC

48. **The four high-risk countries share a number of vulnerabilities.** A close look at the individual DSAs shows that the high risk ratings are generally associated with a limited capacity to carry debt due to: (i) a low export base, concentrated in a few commodities, and therefore also highly susceptible and sensitive to shocks (e.g., droughts and price volatility); and (ii) a poor, or deteriorating, quality of policies and institutions as measured by the CPIA index (Box 4).

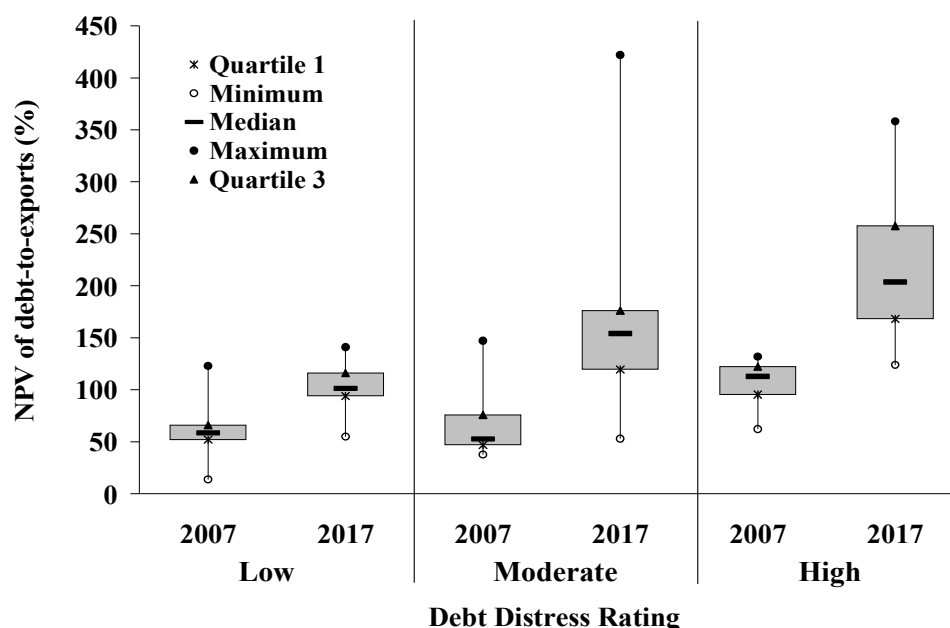
49. **DSAs show that most post-completion-point HIPC**s share, to various extents, a vulnerability to export shocks.⁴³ With the exception of two high-risk countries, the NPV of external debt to exports ratio is below its relevant threshold in 2007 in post-completion-point countries. In contrast, the projections under the most extreme stress tests in each DSA, which involves in most cases a shock to exports,⁴⁴ show a large increase in the ratio after 10 years (Figure 8). In low-risk countries, which have on average lower initial debt ratios and a higher capacity to carry debt thanks to better policies and institutions, the external debt ratio, although much higher after the shock, remains at manageable levels. For moderate-risk

⁴³ The following analysis focuses on the NPV of external debt to exports ratio, which was found to be the indicator breaching most often its indicative threshold, and therefore most likely to drive the risk rating.

⁴⁴ The DSF includes a standardized shock to exports and one combining a shock to exports with a shock to GDP and non-debt creating flows.

countries, the increase is on average much larger and brings the ratio above the indicative thresholds, in light of a lower capacity to carry debt.⁴⁵ The dispersion of outcomes is also much larger than for low-risk countries. These developments are magnified in the case of high-risk countries.

Figure 8. Distribution of the NPV of debt-to-exports ratio in post completion point HIPC



Sources: Latest joint Bank/Fund DSAs available for post-completion point HIPC
Note: 2007 figures refer to the baseline scenario and 2017 figures to the most extreme test.

50. **DSAs also show that post-completion-point countries' debt outlook is highly sensitive to the terms of new financing.** To help borrowers and lenders in their decision-making, the DSF includes a standard alternative scenario that assumes less favorable terms for new borrowing.⁴⁶ In about 60 percent of DSAs for post-completion-point HIPC, this alternative scenario leads the NPV of external debt-to-exports ratio beyond its threshold, compared to 30 percent for non-HIPCs. This result confirms that these countries should approach nonconcessional financing with caution.

⁴⁵ This likely reflects a higher vulnerability to shocks, which is measured in the DSF by historical macroeconomic volatility.

⁴⁶ The test assumes a 2 percent increase in the interest rate charged on new loans. This scenario mimics one in which there is an increase in less-concessional loans to cope with lower than expected highly concessional or grant financing.

Box 4. High Risk of Debt Distress in Post-Completion-Point HIPCs

As of end-June 2008, Burkina Faso, The Gambia, Rwanda, and São Tomé and Príncipe had a high risk of debt distress. With the exception of The Gambia, all these countries were granted topping-up assistance at the completion point. Debt relief at the completion point is expected to reduce the 2007 NPV of debt-to-exports ratio of these countries to levels below (Burkina Faso and Rwanda) or close to (São Tomé and Príncipe and The Gambia) the relevant indicative threshold. However, DSAs show that these countries' debt situation remain highly vulnerable.

NPV of debt-to-exports ratio (in percent)				
	DSF indicative threshold	end-2007	end-2017	
			Baseline projection	Projection under B2 bound test 2/
Burkina Faso	150	118	178	356
The Gambia	100	107	130	182
Rwanda	150	62	149	199
Sao Tome and Principe 1/	100	119	4	8
Average other post-CP HIPCs		63	---	---
Average non-HIPC LICs		66	---	---

1/ The decrease in the ratio for Sao Tome and Principe in 2017 relates to the start of oil production projected for 2014.

2/ Export value growth at historical average minus one standard deviation in the second and third projection year.

This reflects structural weaknesses and/or weak macroeconomic management. In particular:

- **A narrow export base is often a key factor leading to high risk ratings.** The share of the top three commodities in the total exports of goods in these countries in 2006 was 80 percent on average, way above that of other post-completion point countries and PRGF-eligible IDA-only non-HIPCs (about 62 percent).^{1/} This very high concentration means a higher vulnerability to export shocks, which are frequent in these countries. For instance, in the case of São Tomé and Príncipe, the reclassification from a moderate to a high risk of debt distress derives mainly from revisions to the timing and levels of oil production. In addition, both São Tomé and Príncipe and Rwanda have very low export bases (less than 10 percent of GDP in 2007), which means that their capacity to carry debt (based on the NPV of debt to export ratio) is very limited.
- **The quality of policies and institutions also plays an important role.** The Gambia and São Tomé and Príncipe are classified as weak performers according to the World Bank's CPIA. Weak policies and institutions mean a lower capacity to carry debt, which is operationalized in the DSF by lower indicative thresholds. Poor policies in the interim period have contributed to The Gambia's high risk rating. The Gambia did not receive topping-up assistance at the completion point, despite an NPV of debt to export ratio way above the HIPC Initiative threshold of 150 percent. This is because this high ratio mostly reflected inappropriate policies during the earlier part of the interim period which affected negatively export volumes and led to excessive external borrowing.^{3/} Burkina Faso, previously a strong performer, has been reclassified as a medium performer following a decline of its CPIA rating in 2006 and 2007. The reclassification has led to a lowering of indicative thresholds and contributed to the downgrade of Burkina Faso's risk rating.

^{1/} Estimates based on data from the UN-Comtrade Database

^{2/} The actual shares were 88 percent for Burkina Faso, 87 percent for Rwanda, 82 percent for São Tomé and Príncipe and 65 percent for The Gambia.

^{3/} See *The Gambia: Enhanced HIPC Initiative—Completion Point Document and MDRI*, IMF Country Report No. 08/109, March 2008 and World Bank Report No. 41413-GM (IDA/R2007-0279/2, December 2007).

B. The Fund and the Bank's Efforts to Foster Debt Sustainability

51. **The above results highlight the need for post-completion-point HIPCs to implement sound borrowing policies and strengthen their capacity in public debt management.** Considering the improved macroeconomic and financial outlook of some low-risk post-completion-point HIPCs, their attractiveness for private and nontraditional official creditors has risen. While welcome, given the extent of development needs, this situation raises additional risks for debt sustainability.

52. **In 2006 and 2007, some HIPCs have borrowed non-concessionally to finance public investments.** Ghana, Mali, Mauritania, Rwanda (all post-completion point) and the Democratic Republic of Congo (a resource rich interim country) have contracted substantial external debt at terms exceeding the concessional element established under the IDA Non-Concessional Borrowing Policy.⁴⁷ IDA policy helps grant-eligible and MDRI recipient countries avoid the re-accumulation of unsustainable debt while enabling them to gradually access additional financing when country and loan specific factors indicate that non-concessional borrowing is justified to meet development needs.

53. **The Bank and the Fund have increased their efforts to foster debt sustainability.** A key step was the introduction in 2005 of the DSF. But the DSF's effectiveness depends on both borrowers and lenders acting in broad harmony with it. For this reason, the Bank and the Fund have increased their outreach efforts on the DSF with nearly all major multilateral and bilateral creditors to LICs. Outreach opportunities to commercial creditors have been pursued as well. In addition, mailboxes to answer specific questions on DSF issues have been created.⁴⁸ As a result of these efforts, an increasing number of creditors are referring to the DSF to base their financing decisions, including: the AfDB, the IaDB, the AsDB and IFAD, which now have financing rules similar to IDA's, where the terms of financing to LICs are related to the conclusions of DSAs; and OECD export credit agencies, which adopted in January 2008 a set of lending principles that adhere to IDA and IMF concessionality

⁴⁷ In 2007, Ghana issued a US\$750 million Eurobond on international capital markets, and signed a US\$292 million non-concessional loan agreement with China Exim Bank; Mali entered into a non-concessional external financing agreement with the Islamic Development Bank for about US\$70.7 million; Mauritania signed two loan contracts originally on non-concessional terms amounting to US\$129 million; The Democratic Republic of Congo entered into a framework agreement with China for US\$9.2 billion in financing on non-concessional terms; in 2006, Rwanda borrowed US\$100 million to finance an energy project from the Exim Bank of India on terms with a grant element of 40 percent, below the minimum grant element allowed under the policy. See "IDA Non-Concessional Borrowing Policy Review and Update", July 2008 (IDA/SecM2008-0473).

⁴⁸ LendingToLICs@worldbank.org and LendingToLICs@imf.org.

requirements and refer explicitly to the DSF.⁴⁹ These principles have been officially endorsed by European Union countries.⁵⁰

54. **On the debtor side, the Bank and the Fund, in partnership with regional capacity building institutions, have organized training workshops on the DSF.**⁵¹ Since 2005, eight workshops have been organized in Africa, Asia, and Latin America, which were attended by country officials from all post-completion-point HIPC (and LICs across all the regions). The Fund's West AFRITAC also organized workshops on the DSF at the national level in five countries, at the request of the authorities.

55. **The Bank and the Fund have also scaled up their work program to help improve debt management in LICs.** The Bank and Fund's additional work program has two components:⁵²

- **The Debt Management Performance Assessment (DeMPA) tool.** DeMPA is a methodology developed by the Bank for identifying strengths and weaknesses in debt management operations.⁵³ As of end-June 2008, 18 DeMPA assessments (including five pilot assessments) have been undertaken. The DeMPA tool and a guide to using the tool have been posted on the Bank's external website. Training events (two so far) provided in-depth understanding of the rationale, scope, coverage, and application of the DeMPA tool; along with an overview of the new trends and challenges in debt management in developing countries.

⁴⁹ See Working Party on Export Credits and Guarantees, "Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Exports Credits to Low-Income Countries" (TAD/ECG/2008(1)), [http://www.oilis.oecd.org/oilis/2008doc.nsf/LinkTo/NT00000962/\\$FILE/JT03238627.PDF](http://www.oilis.oecd.org/oilis/2008doc.nsf/LinkTo/NT00000962/$FILE/JT03238627.PDF)

⁵⁰ [http://www.oilis.oecd.org/oilis/2008doc.nsf/LinkTo/NT00000962/\\$FILE/JT03238627.PDF](http://www.oilis.oecd.org/oilis/2008doc.nsf/LinkTo/NT00000962/$FILE/JT03238627.PDF)

⁵¹ Training events have been organized in partnership with the Centro de Estudios Monetarios Latinoamericanos (CEMLA), Debt Relief International (DRI), the Macroeconomic and Financial Management Institute for Eastern and Southern Africa (MEFMI), Pôle Dette and West African Institute for Financial and Economic Management (WAIFEM).

⁵² This effort follows the discussion at the IDA and IMF Executive Boards of the paper, "Strengthening Debt Management Practices—Lessons from Country Experiences and Issues Going Forward," (IDA/Sec M2007-0197 and SM/07/111) Box 5 in this document contains information of additional Bank and Fund capacity-building activities in public debt management. For updates on the IDA policy to reach out to lenders and help IDA countries reduce the risks related to non-concessional borrowing see "IDA Non-Concessional Borrowing Policy Review and Update", July 2008 (IDA/SecM2008-0473).

⁵³ The DeMPA is a methodology for assessing public debt management performance through a comprehensive set of indicators spanning the full range of government debt management functions. It is adapted from the Public Expenditure and Financial Accountability (PEFA) framework.

- **Technical assistance in designing Medium-Term Debt Management Strategies (MTDS).** An MTDS complements the DSA. It helps to operationalize a country's debt management objectives by outlining cost-risk tradeoffs in meeting the government's financing needs and payment obligations. Bank and Fund staffs have designed a toolkit, including a guidance note on the process of designing and implementing an MTDS, a template for strategy documentation, and a preliminary version of the cost-risk analysis tool (closely linked to the DSF). This toolkit has been field-tested in Bangladesh, Cameroon, Ghana, and Nicaragua and additional field tests will be carried out this calendar year.

56. **Continued sustained efforts will be required to support pre- and post-completion-point countries, and LICs more generally, in their efforts to achieve or maintain debt sustainability.** First, debtor-reported information, which is the main source of data for DSAs, remains weak in many LICs. Improving the reliability, comprehensiveness and timeliness of debtor information will likely take time and external support. Meanwhile, creditor data can help fill the information gap, and enhanced data sharing will be important. Second, the rapidly expanding number of creditors to LICs and the lack of information on associated amounts and terms of financing increases the risk of excessive debt accumulation. Thus, continued outreach efforts to creditors and debtors to promote appropriate lending and borrowing decisions and information sharing are needed. Third, significant training and technical assistance will continue to be required in the area of debt sustainability and management. Finally, debt sustainability depends not only upon a country's level of debt or sound debt management, but also upon enhancing its repayment capacity. This ultimately requires sound growth-enhancing policies.

Annex I. Enhanced HIPC Initiative: Implementation Status by Country (As of end-July 2008)

A. Pre-Decision-Point Countries

Comoros

Recent Political Developments: The Union army backed by an African Union force removed Colonel Bacar from power in Anjouan, which had broken from the Union of Comoros. Anjouan was fully integrated into the fold of the Union of Comoros, following the election of the new island president in June 2008. Interisland cooperation can now be restored, ending the political crisis and opening the way for a resumption of support from donors and the IFIs. However, political risks will remain significant.

PRSP Status: An I-PRSP endorsed by the government was presented to the Boards of IDA and IMF alongside a JSAN on May 16, 2006. As noted in the JSAN, the I-PRSP and related action plan are more comprehensive than is usually expected, and they contain most of the material required for a full PRSP. Going forward, it will be important to translate the strategy into near-term specific priority actions that are consistent with implementation capacities and the anticipated financial resources. This will require some further prioritization between the strategic axes and sectors. Staffs also believe that more work will be required in addressing implementation risks and strengthening monitoring systems. The full PRSP is not likely to be completed before the end of 2008.

IMF-Supported Program and Macroeconomic Status: Political crisis in July 2007 necessitated postponement of a request for a PRGF-supported arrangement to the IMF Board. With the crisis now resolved and interisland cooperation being restored, a six-month EPCA-supported program is currently under discussion for the second half of 2008, as a bridge to a PRGF in 2009.

Decision Point: The decision point may be reached by end-2009.

Côte d'Ivoire

Recent Political Developments: Since the late 1990s, Côte d'Ivoire has been in politico-military crisis, culminating in a brief civil war in 2002-2003, which effectively divided the country in two. A breakthrough was achieved with the signing of the Ouagadougou Peace Accord on March 7, 2007 which resulted from direct dialogue between President Gbagbo and the ex-rebel Forces Nouvelles leader Soro. The Accord, which was brokered under the auspices of Burkina Faso's President Compaoré and received the support of the international

community, sets out a roadmap for disarmament, demobilization and reintegration, the dismantling of militias, reunification of the country, and preparations for elections. Presidential Elections are expected to take place on November 30, 2008. Implementing in time the roadmap for the presidential elections, as targeted, will be challenging.

PRSP Status: The Government is preparing a full PRSP, expected to be completed in September 2008. Ten regional consultations have taken place with local governments and the population at large to assess the perception of poverty and the impact of the crisis, as well as to learn about the main challenges and possible ways to address them. A technical workshop was held in mid-May 2008 to validate the draft PRSP.

IMF-Supported Program and Macroeconomic Status: The last PRGF arrangement was approved in March 2002, but went off track later that year due to the crisis. The Board approved a first Emergency Post-Conflict Assistance (EPCA) in August 2007, and a second one in April 2008. Shortly before the second EPCA, the IDA Executive Board approved an arrears clearance and budget support operation. Discussions on a new PRGF arrangement for 2009-11 are ongoing. After 1.5 percent in 2007, real GDP growth in 2008 is projected at 3 percent, and to pick up further thereafter, driven by the country's reunification, increasing oil output, and favorable terms of trade. Fiscal policy foresees continued fiscal consolidation, addresses post-conflict needs, and takes into account the financing constraints due to arrears clearance with the World Bank (completed) and the AfDB (planned for the third quarter). The net impact of rising food and fuel prices on the current account surplus is likely positive, but inflation is expected to rise significantly.

Decision Point: The IMF and World Bank staffs are working with the authorities on a Preliminary HIPC Document. The decision point could be reached by the end of 2008 concomitantly with a PRGF approval provided Côte d'Ivoire has a satisfactory track record of policy implementation under its EPCA-supported program, a PRSP is in place, and an agreement is reached on the completion point triggers.

Eritrea

Recent Political Developments: Since independence in 1993, Eritrea has been ruled by President Afwerki and the People's Front for Democracy and Justice. Relations with neighboring Sudan have improved, leading to the resumption of full diplomatic relations and a re-opening of the border. Eritrea continues to be in a state of mobilization over the border demarcation dispute with Ethiopia. Relations with neighboring Djibouti came under renewed stress as a result of border clashes in 2008.

PRSP Status: An I-PRSP was drafted in June 2003, but has not been finalized or presented to the Executive Boards of the IMF and IDA. The draft I-PRSP was also not instrumental in policy making. No poverty assessment has been undertaken since 2003.

IMF-Supported Program and Macroeconomic Status: Eritrea has never had a Fund-supported program. Discussions on an SMP took place in mid-2006, but were not concluded. The last Article IV mission took place in January 2008. The economy continues to stagnate. Inflation rose to 12 percent in 2007, largely owing to increasing food prices. Price controls have dampened inflation, but also resulted in shortages of food and fuel products. The fiscal position has continued to improve, but the fiscal deficit (including grants) remains relatively high at an estimated 10 percent of GDP in 2007.

Decision Point: The authorities have indicated that they would consider participating in the HIPC Initiative only once the external security situation improves.

Kyrgyz Republic

Recent Political Developments: A new constitution was approved in October 2007, and a new parliament was elected in December 2007. President Bakiev's party won a large majority in the parliamentary elections. Opposition parties failed to win seats, partly because of high vote thresholds introduced with the new constitution. A new government was installed in January 2008, headed by Prime Minister Chudinov.

PRSP Status: A full PRSP was completed and endorsed by the IMF and IDA Executive Boards in February 2003. The second APR and accompanying JSAN were sent to the Boards in April 2006. The authorities have updated the PRSP (renamed Country Development Strategy, CDS) extending the poverty reduction strategy to 2010. The Boards endorsed the CDS and accompanying JSAN in June 2007.

IMF Program and Macroeconomic Status: The sixth and final review under the PRGF-supported arrangement was completed on May 21, 2008. The Executive Board also approved an augmentation in access under the arrangement, to help the country deal with the increase in international food and fuel prices and a generally more uncertain global and regional economic environment. The Kyrgyz authorities expressed interest in a new PRGF arrangement. The discussions will start during the summer.

Decision Point: A decision point paper was prepared for presentation to the Boards in March 2007, but was withdrawn following the Kyrgyz government's request not to avail itself of HIPC/MDRI debt relief after strong pressures from the parliament and civil society.⁵⁴

⁵⁴ Following this decision, then-Prime Minister Atambaev wrote to the Managing Director of the IMF and the President of the World Bank asking whether the Kyrgyz Republic could qualify for MDRI. The Fund and the Bank managements wrote back explaining that the Kyrgyz Republic does not qualify for debt relief under MDRI either on the basis of income per capita criteria (Kyrgyz per capita income of then \$542 already

(continued)

Preliminary 2007 data suggest that the Kyrgyz Republic falls well below the NPV of debt-to-exports and NPV of debt-to-fiscal-revenues thresholds, and thus cannot proceed to the decision point.

Nepal

Recent Political Developments: Nepal is undergoing a major political transition. The end of the decade-long civil conflict in April 2006, the interim government takeover from the monarchy, and the comprehensive peace agreement between the government and the Maoist party in November 2006 set the stage for a transition to a new democratic governance structure. The next step in this process, the writing of a new constitution, will be carried out by the Constituent Assembly. After several delays, the elections to determine this assembly were held on April 10, 2008. Despite pre-election violence, the election were considered largely free and fair by international observers, and the results appear to be broadly accepted, with the Maoist party emerging as the clear victor. The first meeting of the Constituent Assembly held on May 28 abolished the monarchy and declared the country a republic.

PRSP Status: A full PRSP was completed and endorsed by the Boards of the IMF and IDA in November 2003. The PRS has been incorporated into the government's five-year plan and implemented since then. The JSAN of the third PRSP Progress Report was circulated to the Board in November 2006. An interim plan for 2007-2010 has been developed by the transitional government.

IMF Program and Macroeconomic Status: The fifth and final review of the PRGF arrangement was completed on November 9, 2007. The 2008 Article IV consultation was discussed by the Board on May 16, 2008. The macroeconomic outlook for 2007/08 remains stable. The agricultural recovery, favorable service sector performance, and a significant increase in tourist arrivals have boosted real GDP growth in 2007/08. Anchored by the exchange rate peg, inflation is projected to remain broadly stable, although higher food prices and adjustments to the administered prices of fuel could add upward pressure. On the external side, rising oil imports and stagnant exports have led to a further deterioration in the trade deficit, but this will be more than offset by workers' remittances.

Decision Point: The Nepalese authorities have not yet made a decision regarding their participation in the Initiative.

exceeded the threshold for debt relief by the IMF), or on the basis of reaching a HIPC completion point—a condition for debt relief under MDRI.

Somalia

Recent Political Developments: The political and security situation in Somalia remains unsettled. Fighting between the Ethiopian-backed government and the Union of Islamic Courts (UIC) continues. The viability of the Transitional Federal Government (TFG), which was formed in 2004, remains uncertain as its legitimacy is continuously being challenged by warring clans. A national reconciliation conference—supported by the UN, and endorsed by the president of the TGF—was held in Djibouti in June 2008. An Agreement was signed between the TFG and an opposition alliance calling for the end of “all acts of armed confrontation” within 30 days, and withdrawal of Ethiopian troops within 120 days after a UN peacekeeping force is deployed. It remains to be seen if it will be respected by hard-line members of the opposition who did not participate.

PRSP Status: There is no PRSP in place in Somalia. Given the lack of a fully functional national authority and ongoing civil conflict, a PRSP is not expected in the near term.

IMF Program and Macroeconomic Status: Somalia has not had an IMF-supported program since 1987 and lack of economic data precludes an assessment of the macroeconomic situation. Prospects for Fund re-engagement—either via surveillance or an arrangement—in the foreseeable future are minimal. Fund re-engagement is constrained by the absence of an internationally recognized government as well as the need to first clear Somalia’s overdue obligations to the IMF. In addition, Somalia would need to demonstrate sufficient capacity and improve its data reporting to qualify for a Fund-supported program.

Decision Point: Undetermined.

Sudan

Recent Political Developments: A Comprehensive Peace Agreement (CPA) was signed in January 2005, allowing for the establishment of the Government of National Unity (GNU) and the Government of Southern Sudan. The third Sudan Consortium held in Oslo in May 2008 recognized that important commitments were met over the past year of CPA implementation, but the overall progress has been below expectations. The Darfur issue is far from resolved, despite the advent of the UN-African Union Mission in Darfur which took over the peacekeeping mission in early January 2008. After troops from the north and south clashed in the oil rich area of Abyei, relations between the two sides have improved following a June 2008 agreement to allow for international arbitration regarding the Abyei region. However, the charges formulated by the prosecutor to the International Criminal Court generated further tensions in July 2008. Under the CPA, local, legislative, and presidential elections are mandated to take place in 2009, followed by a referendum in Southern Sudan in 2011 to decide on unity or secession.

PRSP Status: The government prepared a draft I-PRSP in 2004, and a Five Year Strategic Plan in the fall of 2007. In February 2007, GNU developed a work plan to prepare a national PRSP (i.e., without preparation of a formal I-PRSP). Significant funding for this work plan has since been received from the African Development Bank, but progress has been slow. The PRSP is expected to be completed sometime during 2008-2009.

IMF Program and Macroeconomic Status: Sudan has had a string of SMPs since the late 1990s. The latest SMP was negotiated in June 2007 and considered by the Board in September 2007. The SMP covers the period of July 2007 through December 2008. A first review of the SMP was presented to the IMF Board in May 2008. Although economic growth was strong and average inflation was relatively low, delays in implementing public expenditure control measures resulted in the accumulation of domestic arrears. Remedial measures were agreed, allowing for the completion of the first review under the SMP.

Decision Point: The timing of HIPC decision point is uncertain, given the need for arrears clearance.

Togo

Recent Political Developments: The recent parliamentary elections marked a milestone in Togo's political reform process and paved the way for donor reengagement. After the death in 2005 of President Eyadéma, who had ruled for 38 years, Togo undertook a national reconciliation and political reform process that culminated in multiparty parliamentary elections on October 14, 2007. The international community considered the elections, which gave the ruling party a majority and produced a new government, to have been free and transparent. The European Union, Togo's largest donor, subsequently resumed its financial assistance after a 15-year suspension. The African Development Bank normalized its relations with Togo in July 2008.

PRSP Status: Togo's I-PRSP was adopted in March 2008, and discussed by the Executive Boards of the IMF and IDA in April 2008. The full PRSP is expected to be completed in early 2009.

IMF Program and Macroeconomic Status: In April 2008, following a successful Staff-Monitored Program that ran from October 2006 to June 2007, the IMF's Executive Board approved a PRGF-supported program, the first since the mid-1990s.

Decision Point: Togo could reach the decision point at the time of the first PRGF review in late 2008, if program performance is satisfactory. The preliminary HIPC document, incorporating the results of the March 2008 HIPC DSA data reconciliation mission, is expected to be issued around September 2008.

B. Interim Countries

Afghanistan

PRSP Status: The PRSP for Afghanistan—the National Development Strategy—and the corresponding JSAN were presented to the Executive Boards of IDA and the IMF in June 2008.

IMF-Supported Program and Macroeconomic Status: A PRGF-supported program approved in June 2006 is on track, and the fourth review was completed in July 2008.

Status of Other Completion Point Triggers: Progress with respect to the completion point triggers has been mixed. A database system for external public and publicly-guaranteed debt (used for debt service and liquidity forecasts) was put in place and made operational. The authorities undertook simple program budget pilots, but ran into difficulties with their implementation. The 2008/09 budget has been submitted to the Parliament, together with a medium-term fiscal framework that was broadly aligned with the medium-term outlook under the PRGF-supported program. The framework, however, does not yet fulfill all of the requirements outlined in the decision point document. The finalization of the triggers in the areas of pension and mining will require focused government involvement.

Completion Point: Afghanistan may reach the completion point by end-2009.

Burundi

PRSP Status: Burundi's first full PRSP was published in September 2006. A JSAN was prepared and discussed by the Executive Boards of IDA and the IMF, along with the PRSP, in March 2007. The full PRSP benefited from broad and inclusive consultations from all stakeholders at national, provincial, and community levels. Following the sharp deterioration of social indicators over the past decade, Burundi seems to have made some progress since the return to peace, although its social indicators remain among the weakest in sub-Saharan Africa. The authorities are expected to finalize a report on the first year of PRSP implementation in June 2008.

IMF-Supported Program and Macroeconomic Status: The sixth and last review of the previous PRGF-supported program was completed in January 2008. In July 2008, a new PRGF-supported program was approved by the Executive Board of the IMF.

Status of Completion Point Triggers: The budget classification adopted in 2005 made it possible to identify pro-poor expenditure, the share of which has increased markedly. In particular, budgetary allocations for priority spending targeting pro-poor activities and

projects have increased since 2005. Public spending on education has increased significantly from 4.6 percent of GDP in 2005, to more than 9 percent of GDP in 2007, due to the recruitment of 6,500 additional teachers and the construction of new classrooms. Although more effort is needed to make the national health policy fully operational, progress has been made in 2006 and 2007. In June 2006, the Burundian Ministry of Health organized a national campaign for the vaccination against measles with the support of UNICEF and WHO. According to the Government, preliminary analysis of regional immunization rates (administrative) data indicates an improvement in regional rates. The World Bank and IMF recently agreed to the authorities' request to redefine the completion point trigger related to the coffee sector.

Completion Point: Burundi may reach the completion point in late 2008 or early 2009, at the time of the first PRGF review.

Central African Republic

PRSP Status: The PRSP was completed and approved by the cabinet in June 2007. The corresponding JSAN was discussed by the Boards of the IMF and IDA in May 2008. The government intends to finalize the first progress report on PRSP implementation for submission to IDA and the IMF in September 2008.

IMF-Supported Program and Macroeconomic Status: A PRGF arrangement was approved in December 2006. Performance under the PRGF-supported program was satisfactory, and the second PRGF review was completed in June 2008.

Status of Completion Point Triggers: Overall progress towards meeting the triggers has been satisfactory, but much remains to be done. Triggers on health and education are close to being implemented. Triggers on public financial management, procurement, and governance are at an advanced implementation stage. On governance, a new law extending the provisions of the constitution to high-ranking government officials is ready and will be submitted to the parliament. Regarding debt management, satisfactory progress has been made, and related triggers may be met in the near future. A draft procedural manual for efficient debt management is being developed in collaboration with Pôle Dette. In addition, the AfDB has provided a set of computers and new debt management software (SYGADE). Training of the debt unit's staff has begun. Upon its completion, the production of debt data is expected to begin. Encouraging progress has been noted on the triggers for natural resource management and forestry. The audit of the mining sector has been completed, but not yet validated. Implementation of triggers regarding public administration and civil service management has been lagging. Audits of the public administration system and the preparation of a new performance assessment and remuneration system, as well as new rules and regulations for the civil service have not started.

Completion Point: The completion point may be reached by mid-2009.

Chad

PRSP Status: The first PRSP was completed in June 2003 and discussed by the Executive Boards of the IMF and IDA in November 2003. The first annual progress report was circulated to the two Boards in June 2005. The government finalized the second annual progress report in December 2005, and submitted it to the Boards in March 2007. A new PRSP was formally adopted by the government in April 2008. The report has not yet been officially submitted to the Boards of the IMF and IDA.

IMF-Supported Program and Macroeconomic Status: A PRGF-supported program, approved in February 2005 and later extended to May 2008, expired without the completion of a single review. The last attempt at completing a review failed due to incomplete or outstanding prior actions, including the lack of agreement on the 2008 budget and the medium-term framework. Discussions of an SMP covering the second half of 2008 have begun. After unsatisfactory reviews of the indicators identified in the July 2006 Memorandum of Understanding, and following the evacuation of its staff in the wake of the rebel attacks in early February 2008, the Bank decided to keep its office in Chad closed pending further discussions with government on a framework of the Bank's future engagement. Although official missions are not taking place at this time, the Bank is disbursing under its active portfolio.

Status of Completion Point Triggers: The completion point triggers call for satisfactory progress with governance reforms, as well as in the following priority sectors: health, education, basic infrastructure, and rural development (including water). In health, for example, the proportion of health districts and centers that are operational across the country declined and the DPT3 vaccination rate fell. Similarly, in education, the repeater rate rose above the target. Regarding rural development, following a rapid increase up to 2004, the rate of access to potable water has slowed. An assessment of progress in more recent years is constrained by the lack of data regarding 2006 and 2007. Progress in the area of governance has also been uneven and slow in some respects. A new procurement code was adopted in 2003, and the publication of a quarterly bulletin on public procurement resumed in 2008. Progress is still needed in several areas. In particular, the public expenditure tracking system for primary education must be made functional; the implementation of the governance strategy and action plan needs to be accelerated; and, the computerization of the expenditure circuit must be completed.

Completion Point: Chad could reach the completion point by end-2009.

Republic of Congo

PRSP Status: Congo's first full PRSP was submitted to the Executive Boards of the IMF and IDA in April 2008. A JSAN is being prepared, which will be presented to the Boards in October 2008. The PRSP addresses many of the issues brought out by the I-PRSP adopted in 2004, and its extended preparation period allowed for a broad-based consultation.

IMF-Supported Program and Macroeconomic Status: Following large fiscal slippages in 2007, the Republic of Congo successfully completed the first assessment under an SMP covering January-June 2008. Satisfactory implementation of this SMP could pave the way back to a PRGF arrangement. Discussions on a new arrangement were initiated in May, and will continue in the period ahead.

Status of Completion Point Triggers: The staffs of the IMF and the World Bank are preparing the second annual progress report on the implementation of the HIPC triggers, which is likely to be presented to the Boards in October 2008. Some progress was made since last year in the areas of: (i) public expenditure management following the adoption of the Government Action Plan for Public Financial Management in April 2008; (ii) public expenditure tracking through the adoption of a decree establishing a new functional classification in March 2008; (iii) governance and natural resource management, with the creation of an Anti-Corruption Observatory in September 2007; and, (iv) oil sector management, through the continued publication of audits of the national oil company and establishment of national EITI committees. Satisfactory progress is also being made on structural reforms in the forestry, telecommunications, and social sectors. The trigger for external debt management has been partially met. In particular, debt service projections are now published on the Ministry of Finance's website, and all debt data are centralized. In order to further strengthen debt management capacity, an assessment has been undertaken jointly by the government, IDA, and the regional central bank (the BEAC) in July 2008, using the DeMPA methodology. However, limited progress has been made in establishing a formal Medium-Term Fiscal Framework that would take into account the country's large windfall oil revenues, which are projected to decline after 2010. The slow progress with respect to the commercialization of Congolese oil, public investment management, and the reform of procurement practices, has generally been due to technical delays and limited capacity, but also the lack of a political consensus regarding the way forward. Efforts are underway to accelerate progress in these areas through an intensified policy dialogue between the authorities, the World Bank, and the IMF, as well as technical assistance through the Transparency and Governance Capacity Building Project.

Completion Point: The completion point may be reached in 2010.

Democratic Republic of the Congo

PRSP Status: A full PRSP was officially adopted and formally transmitted to development partners in July 2006. In March 2007, the new government endorsed the PRSP. The PRSP and corresponding JSAN were discussed in May and September 2007, respectively, by the IDA and IMF Boards. A PRSP progress report will be completed later this year.

IMF-Supported Program and Macroeconomic Status: The previous PRGF-supported program, approved by the IMF Board in July 2002, expired in March 2006, prior to the completion of the last review. Subsequently, agreements were reached on SMPs. The second SMP was extended to end-2008 to provide an opportunity to establish a track record. The authorities recently signed a cooperation agreement for a significant externally-financed investment program in mining and infrastructure. The implications of this program, in particular for debt sustainability, are being assessed before discussions on a possible new PRGF arrangement can be concluded.

Status of Completion Point Triggers: There has been progress towards the adoption of satisfactory sectoral development strategies. The Sector Country Status reports for Education (2004) and Health (2005) were completed. However, spending on education and health has remained well below the levels envisaged in the PRSP. An agricultural sector review was completed in May 2006, and a mining sector review was completed in May 2008. A governance capacity enhancement project was approved by the World Bank in April 2008, and it is expected to contribute over time to service delivery in priority sectors. UNCTAD has financed the acquisition of new public debt management software. Progress towards strengthening technical capacity of the public debt management agency should be complemented by improvements in the collaboration of various government bodies involved in the contracting and payment of public debt.

Completion Point: The completion point may be reached during 2009.

Guinea

PRSP Status: The first PRSP was presented to the Executive Boards of the IMF and IDA in July 2002. The authorities issued the second PRSP (PRSP-II) in August 2007, and a JSAN was prepared and presented to the Boards in December 2007. The first Annual Performance Review of the PRSP-II is expected to be issued in late summer 2008.

IMF-Supported Program and Macroeconomic Status: A new PRGF-supported program was approved in December 2007, along with the resumption of interim HIPC relief. The first review under the program was completed on July 28, 2008.

Status of Completion Point Triggers: With regard to the governance trigger, activity reports by the former Anti-Corruption Committee (CNLS) have been published for 2002 and 2003. The National Agency for the Fight against Corruption (ANLC), which succeeded the CNLS in mid-2004, has published activity reports for 2005 and 2006, and its report for 2007 is expected to be issued during summer 2008. Regarding public procurement, the authorities have undertaken a comprehensive audit of public procurement contracts granted from 2002 to 2004. In line with the trigger, they are close to issuing the first quarterly audit report of large procurement contracts, covering the first quarter of 2007. The quarterly audit reports are being institutionalized. The triggers for the education sector have been met or surpassed. The objectives in the health sector were met earlier in the decade, but could not be maintained because of weak macroeconomic policies.

Completion Point: The completion point is expected to be reached by end-2008, at the time of the second PRGF review.

Guinea-Bissau

PRSP Status: The full PRSP covering 2006-2008, together with the corresponding JSAN, was issued to the IMF Board in April 2007 for information, and presented to the Board of IDA in May 2007. The first annual progress report for the PRSP will be circulated soon to the development partners.

IMF-Supported Program and Macroeconomic Status: An EPCA was approved by the IMF Executive Board in January 2008. Performance under the EPCA-supported program has been broadly satisfactory. Despite progress in stabilizing the fiscal situation under difficult circumstances, this situation remains tight, and pressures are emerging, including regarding the recent surge in food and fuel prices. Additional donor support will be critical to the success of the program. A second disbursement under EPCA was approved by the IMF Executive Board at end-July 2008..

Status of Completion Point Triggers: Progress is being made with public financial management. A treasury committee, which is in charge of controlling revenue collection and ensuring that expenditure commitments are consistent with financial resources, has been operating since 2003, despite certain irregularities during 2006. Delays are observed in the publication of the executed budget in the official journal. The action plan to reform the public procurement system is now being implemented in six ministries (education, health, agriculture, infrastructure, finance, and defense). The final report will be submitted to the Parliament in the coming months. School fees at the primary education level have been eliminated, which has allowed for an increase in the gross enrollment ratio. In the health sector, 62 percent of children under the age of one were fully vaccinated by end-2007, compared to a target of 40 percent. The government's program to fight HIV/AIDS was

adopted in 2005. The government's demobilization, reinsertion, and reintegration program was successfully completed in 2006.

HIPC Completion Point: The HIPC completion point may be reached by mid-2009.

Haiti

PRSP Status: The commodity price shock has diverted attention from PRSP implementation. A donor's conference was to be held in Port-au-Prince in late April 2008 to set up sectoral strategy working groups and lead to a pledging conference for three year implementation of the PRSP. However, the conference was cancelled due to violent protests over rising food prices, and the subsequent resignation of the Prime Minister. Moreover, the FY 2008 supplementary budget that was supposed to align PRSP and budgetary spending priorities has not been submitted, pending appointment of a new Prime Minister and his/her government.

Fund Relations and Macroeconomic Status: The PRGF-supported program remains on track. The third review was completed in June 2008.

Status of Completion Point Triggers: Significant progress has been made in implementing the HIPC triggers. Several measures have been taken or are underway, such as the completion of the PRSP; the maintenance of macroeconomic stability under the IMF PRGF program; tracking poverty-reducing spending; adoption of an asset declaration law; increasing immunization rates; and establishing a national HIV/AIDS plan. However, progress in implementing the triggers in the areas of structural reforms, education, and debt management has been slow. The authorities have taken the commitment to accelerate the implementation of the triggers related to the new public procurement law, the reinforcement and establishment of customs control in provinces, the establishment of public financing mechanism for primary schools, the centralization of all information on public external and domestic debt in a single database, and the publication of external debt data.

Completion Point: The HIPC completion point may be reached by the first half of 2009.

Liberia

PRSP Status: The Government finalized the full PRSP in March 2008. The JSAN and the PRSP, which covers the period of April 2008 to June 2011, were circulated to the Executive Boards of the IMF and IDA in June 2008. The PRSP was also presented to the Liberia Poverty Reduction Forum in June 2008.

IMF-Supported Program and Macroeconomic Developments: In March 2008, the IMF Executive Board approved three-year arrangements under the EFF and PRGF.

Status of Completion Point Triggers: Regarding public financial management triggers, a new law is in draft form, and the government intends to submit it to the legislature by end-December 2008. However, there is no monthly or quarterly publication of signed procurement contracts over the agreed thresholds of US\$25,000, \$10,000, and \$50,000, for goods, services, and works, respectively. On debt management, the government has drafted a debt management strategy, and a debt management unit has been established, but it lacks both trained personnel and the required debt management system to publish regular debt data. However, the government is working with its debt advisors to reconcile its commercial debt. Regarding governance triggers, the government has moved forward with the passage of the Anti-Corruption Law and the establishment of the independent Anti-Corruption Commission. The government is also working towards the revision of the investment code by December 2008. The government has placed a high priority on the implementation of the social sector measures. In this regard, the government has established a Health Sector Fund that will be utilized for the employment of more health professionals, and to expand access to basic health services. The government has also made progress towards regularizing and harmonizing the payroll of public servants, including in the ministry of education.

Completion Point: The completion point may be reached in 2010.

C. Post-Completion-Point Countries

Benin

Progress Towards Achieving the MDGs: The following MDGs appear to be within reach by the target date of 2015: reducing child mortality, universal primary education, gender equality and the empowerment of women. However, several goals may not be met, including: the eradication of extreme poverty and hunger, improving maternal health, and ensuring environmental sustainability.

Debt Sustainability: The latest DSA, completed in December 2007, characterized Benin's risk of debt distress as "moderate". Risks to debt sustainability were evident when assumptions regarding lower economic growth, more volatile cotton production, external price shocks, non-concessional public borrowing, and less generous financing terms were included in alternative scenarios. Benin has shown some progress in the institutional management of its external debt and in diversifying exports. The debt management committee chaired by the Minister of Economy and Finance has been improving debt management and reporting. However, the committee remains vulnerable to political pressure.

IMF-Supported Program: Benin is currently engaged in a PRGF-supported program with the IMF. The fourth review under the program was completed in June 2008.

Bolivia

Progress Towards Achieving the MDGs: Based on the Fifth MDG Progress Report prepared by the government in June 2008, the attainable MDGs include: eliminating extreme poverty and hunger; reducing child mortality; improving maternal health; gender equality; and, combating HIV/AIDS, malaria, and other diseases and improving access to safe water and sanitation. However, based on current trends, achieving the remaining goals will be challenging.

Debt Sustainability: The latest Debt Sustainability Analysis, completed in June 2007, characterized Bolivia's risk of debt distress as "low". The sustainability of Bolivia's public debt improved substantially as a result of the MDRI and the shift to an overall fiscal surplus since 2006. Debt ratios appear manageable, with ample margins with respect to risk thresholds, and may be expected to decline further over the long run under baseline policies. Given that the remaining stocks of both domestic and foreign debt are of long maturities, debt service requirements are also projected to remain low.

IMF-Supported Program: Bolivia is not currently engaged in an IMF-Supported program. The previous Stand-By Arrangement expired in March 2006.

Burkina Faso

Progress Towards Achieving the MDGs: Few MDGs will be within reach by 2015 on current trends. Many key development indicators remain very low in Burkina Faso, even in relation to the average for Africa, and progress is hampered by high population growth of 3 percent.

Debt Sustainability: The latest DSA, completed in June 2008, characterized Burkina Faso's risk of debt distress as "high". This rating related primarily to the high debt-to-exports ratio, while other debt indicators were comfortably below their risk thresholds under the baseline scenario. The most significant risk to debt sustainability relates to delayed fiscal adjustment. Risks also relate to worse-than-expected export and growth performance, which could result from a slower than anticipated rebound in cotton output or a decline in gold prices. The authorities have recently adopted a national debt policy, and a Debt Management Performance Assessment (DeMPA) led by the World Bank indicated that the country has relatively strong controls for the contracting of external debt. While the evaluation also identifies a number of areas that do not meet the minimum requirements set out in the DeMPA framework, in many cases, the improvements required for reaching those standards are relatively modest.

IMF-Supported Program: Burkina Faso is currently engaged in a PRGF-supported program. The second review under the program was completed in June 2008.

Cameroon

Progress Towards Achieving the MDGs: Based on available information, only the MDG for universal primary education appears to be within reach by 2015, while remaining goals may not be achieved on current trends.

Debt Sustainability: The latest DSA, completed in June 2008, characterized Cameroon's risk of debt distress as "low". While debt sustainability appears resilient to shocks, the absence of a comprehensive public debt strategy and weak domestic debt management may pose risks. The authorities have already prepared a preliminary draft debt strategy, which is expected to be finalized by end-2008, supported by technical assistance from the IMF and the World Bank.

IMF-Supported Program: Cameroon is currently engaged in a PRGF-supported program. The fifth review of the program was completed in June 2008.

Ethiopia

Progress Towards Achieving the MDGs: Strong and broad-based economic growth over the past several years has facilitated progress with poverty reduction, development of the education sector, and gender equality at the primary level. Less progress has been made with respect to ensuring sustainable access to drinking water and reducing the infant mortality rate. Present information, however, is insufficient to determine which of the MDGs are likely to be achieved.

Debt Sustainability: The latest DSA, completed in July 2008, characterized Ethiopia's risk of debt distress as "moderate". Stress tests reveal that debt sustainability is sensitive to assumptions regarding the growth of exports and the concessionality of financing. Looking forward, the authorities will need to develop a comprehensive medium-term debt strategy that includes public enterprises and contingent liabilities.

IMF-Supported Program: Ethiopia is currently not engaged in an IMF-supported program. The last review under the previous PRGF-supported program was completed in October 2004.

The Gambia

Progress Towards Achieving the MDGs: The MDG for universal primary education appears to be within reach by 2015. However, other goals, including the eradication of extreme poverty and hunger, improving maternal health, and ensuring environmental sustainability, may prove challenging to achieve by the target date.

Debt Sustainability: The latest DSA, completed in November 2007, characterized The Gambia's risk of debt distress as "high". The level of external debt remains high, even after HIPC and MDRI assistance, due to outstanding debt owed to multilateral and non-Paris Club bilateral creditors. Sensitivity analysis shows a substantial worsening of debt indicators in the event of exogenous shocks (e.g., disruption to tourism), slow progress in the expansion and diversification of agricultural exports, or external borrowing on insufficiently concessional terms. The government is seeking external assistance to formulate a comprehensive debt management strategy and to strengthen its debt management capacity. The strategy is expected to set the limits and the terms of new borrowing, in line with the government's long-term fiscal objectives.

IMF-Supported Program: The Gambia is currently engaged in a PRGF-supported program. The second review under the program was completed in December 2007.

Ghana

Progress Towards Achieving the MDGs: Based on current information, the MDGs for the eradication of extreme poverty and hunger and universal primary education appear to be within reach by 2015. However, achieving the MDGs for improving child and maternal health will require significant increases in the number of physicians and nurses, as well as investment in health facilities. Achieving the environmental sustainability goals will also require a major scaling up of investments.

Debt Sustainability: The latest DSA from June 2008 characterized Ghana's risk of debt distress as "moderate". Ghana's debt dynamics appear to have deteriorated relative to the previous DSAs, owing to the rapid accumulation of external and domestic public debt contracted on commercial terms, and high current account and fiscal deficits. While diversifying exports and implementing structural reforms would help to reduce Ghana's external vulnerabilities, these should be complemented by the implementation of prudent macroeconomic and debt management policies, as well as developing a sound institutional framework for selecting high-return public investment projects. The prospect of significant oil production would strengthen debt dynamics.

IMF-Supported Program: Ghana is not currently engaged in an IMF-supported program. The last review under the previous PRGF-supported program was completed in October 2006.

Guyana

Progress Towards Achieving the MDGs: Based on available information, the following MDGs appear to be within reach by the target date of 2015: universal primary education, gender equality and the empowerment of women. However, progress regarding poverty reduction, maternal and child health, and controlling the prevalence of malaria and other diseases appears to be less certain, and it is unclear whether Guyana will meet these targets by 2015.

Debt Sustainability: The latest Debt Sustainability Analysis, completed in January 2008, characterized Guyana's risk of debt distress as "moderate". Compared to the 2007 DSA, the outlook has strengthened substantially (aided by additional debt relief from the Inter-American Development Bank), and vulnerabilities have lessened. However, Guyana's risk of debt distress could increase if net non-debt creating flows and real GDP do not grow as projected. In addition, higher vulnerability indicators for the total public sector debt ratios than for external debt ratios underscore the need for further fiscal consolidation. Going forward, sustained fiscal consolidation and growth, as well as a prudent debt strategy would be critical in order to preserve recent gains. Despite the authorities' efforts, capacity to independently prepare a DSA remains weak, and building this capacity would help to ensure the consistency of new borrowing with the fiscal framework.

IMF-Supported Program: Currently, there is no Fund-supported program with Guyana. The previous PRGF Arrangement expired in September 2006.

Honduras

Progress Towards Achieving the MDGs: Based on available information, the following MDGs appear to be within reach by the target date of 2015: universal primary education, gender equality, child mortality, and environmental sustainability. Since 2005 poverty rates have been falling substantially (from 65.3 percent to 60.2 percent) and the extreme poverty rate has fallen to 35.9 percent from 47.1 percent. These trends suggest that the MDG related to extreme poverty might be achieved. However, based on current information, it is unclear whether the remaining Goals are on track at this time.

Debt Sustainability: The latest Debt Sustainability Analysis update, completed in March 2008, characterized Honduras' risk of debt distress as "low". This represents an improvement in debt dynamics since the 2007 DSA following significant additional debt relief from the Inter-American Development Bank. The authorities are currently undertaking a series of

important reforms aimed at strengthening and modernizing the public debt office of the Ministry of Finance.

IMF-Supported Program: Honduras is currently engaged in a Stand-By Arrangement with the IMF. The first review under the Arrangement is scheduled for August 2008.

Madagascar

Progress Towards Achieving the MDGs: Despite stronger economic performance since 2002, overall growth still appears insufficient, and external shocks remain too prevalent to reach most of the MDGs. However, good progress has been made in the area of primary education, and the MDGs for universal primary education and gender equality appear within reach.

Debt Sustainability: The DSA of July 2008 characterized Madagascar's risk of debt distress as "low". The installation of the Debt Management and Financial Analysis System has improved the efficiency of debt management, and the government is currently seeking financing to obtain the latest version of the System and provide internal training.

IMF-Supported Program: Madagascar is currently engaged in a PRGF-supported program. The fourth review was completed in July 2008.

Malawi

Progress Towards Achieving the MDGs: Based on current trends, Malawi appears likely to achieve the MDGs for gender equality and the empowerment of women by 2015. Despite progress in several other areas, including achieving equal enrollment in primary education, reducing child mortality, and combating HIV/AIDS, malaria, and other diseases, based on current information, it is unclear whether these and other MDGs can be met by 2015.

Debt Sustainability: The latest DSA from March 2007 characterized Malawi's risk of debt distress as "moderate". While debt ratios have improved dramatically in recent years, some stress tests suggest potential vulnerabilities, particularly if the projected growth in output and exports does not materialize, or if the government borrows on less concessional terms. Reducing the risk of debt distress will depend on maintaining sound macroeconomic policies and further fiscal consolidation. Export diversification and robust growth rates will be crucial for maintaining a sustainable debt path. A World Bank assessment of debt management found that, despite some progress, weaknesses persisted, and additional reforms were needed over the medium-term.

IMF-Supported Program: Malawi has just completed a PRGF-supported program with the IMF. The sixth and final review under the program was completed in July 2008.

Mali

Progress Towards Achieving the MDGs: Mali is likely to attain the MDGs for combating HIV/AIDS, malaria, and other diseases, as well as for ensuring environmental sustainability. With concerted efforts, the objectives of eradicating of extreme poverty and hunger and universal primary education could also be achieved. However, based on current trends, the targets concerning child mortality, maternal health, and gender equality seem beyond reach by 2015.

Debt Sustainability: The latest DSA from April 2008 characterized Mali's risk of debt distress as "low". While debt dynamics appear positive, further fiscal consolidation, structural reforms, as well as strengthened debt management, would help Mali further reduce risks to debt sustainability.

IMF-Supported Program: A PRGF-supported program was approved in May 2008.

Mauritania

Progress Towards Achieving the MDGs: Based on current information, Mauritania appears to be on pace to meet the MDG for gender equality by the target date of 2015. It is also possible that the Goal of eradicating extreme poverty and hunger could be met by the target date, though this would depend on sustained growth and the effective delivery of pro-poor programs. However, on current trends, the remaining goals do not appear to be within reach by 2015.

Debt Sustainability: The latest DSA characterized Mauritania's risk of debt distress as "moderate", based on the assumption that Mauritania finds a solution for its debt in arrears. Under the baseline scenario, all debt burden indicators remain below their policy-dependent indicative thresholds, except for a marginal breach of the threshold for the NPV of the debt-to-GDP ratio. However, stress tests indicate that Mauritania is somewhat vulnerable to adverse shocks, notably the risk of lower-than-projected growth of GDP and exports. While HIPC and MDRI assistance helped to reduce Mauritania's external debt levels, about half of Mauritania's total external nominal debt at end-2007 had not been treated on HIPC terms and remained in arrears. While the operational efficiency of debt management in Mauritania has improved, several areas require strengthening, including by improving coordination between the Central Bank and the Treasury, and investing in human resources. Improvements are also underway with respect to the quality of debt data and debt management software and databases.

IMF-Supported Program: Mauritania is currently engaged in a PRGF-supported program. The third review under the PRGF was completed in May 2008.

Mozambique

Progress Towards Achieving the MDGs: The MDGs for the eradication of extreme poverty and hunger and the reduction of child mortality appear to be within reach by 2015. However, based on current trends, it is unclear whether the remaining goals will be met by this date.

Debt Sustainability: The latest DSA, completed in May 2007, characterized Mozambique's risk of debt distress as "low".

IMF-Supported Program: Mozambique is currently engaged in a PSI-supported program. The second review under the PSI was completed in May 2008.

Nicaragua

Progress Towards Achieving the MDGs: The available information suggests that the MDGs that follow appear to be within reach by the target date of 2015: eradicating extreme poverty and hunger, and reducing child mortality. However, if current trends persist, it is unlikely that the remaining goals will be met. In particular, areas where additional effort is needed include: maternal mortality, access to reproductive health care services, chronic malnutrition, access to drinking water and sanitation, and illiteracy.

Debt Sustainability: The latest Debt Sustainability Analysis, completed in September 2007, characterized Nicaragua's risk of debt distress as "moderate". Debt ratios have improved over the past several years following fiscal consolidation and HIPC and MDRI debt relief, and are projected to remain on a declining trend over the medium term under the baseline scenario. However, stress tests suggest that vulnerabilities could emerge if substantial government borrowing takes place at less concessional rates, and if growth remains below projections. The formalization of pending debt relief agreements with bilateral non-Paris Club creditors remains a key challenge.

IMF-Supported Program: Nicaragua is currently engaged in a PRGF-supported program with the IMF that was approved in October 2007. The first review under the PRGF is scheduled for September 2008.

Niger

Progress Towards Achieving the MDGs: Niger appears to be on track to meet the MDG for the reduction of child mortality by 2015. However, on current trends, it appears unlikely that the remaining MDGs can be met by the target date.

Debt Sustainability: The latest DSA from December 2007 characterized Niger's risk of debt distress as "moderate". Sensitivity tests show that the external debt burden could worsen in the event of a deterioration of export and/or macroeconomic performance, or a sizeable deterioration in the terms of new borrowing. The Debt Directorate of the Ministry of Finance currently performs the basic tasks of loan accounting, debt service projections, and debt sustainability analyses every few years. The Directorate is currently building its capacity to develop a medium-term strategy and to analyze debt sustainability annually, including through additional training for staff.

IMF-Supported Program: Niger is currently engaged in a PRGF-supported program. The sixth and final review under the program was completed in May 2008.

Rwanda

Progress Towards Achieving the MDGs: The MDGs on universal primary education, gender equality and the empowerment of women, and combating HIV/AIDS, malaria, and other diseases, appear to be within reach by 2015. However, achievement of the remaining MDGs by the target date may be challenging.

Debt Sustainability: The latest DSA, completed in December 2007, characterized Rwanda's risk of debt distress as "high". While Rwanda's debt as a share of GDP remains relatively low at 17% of GDP (at end-2007), the DSA concludes that exogenous shocks to exports or imprudent borrowing on non-concessional terms could cause a rapid deterioration of debt dynamics over the medium-term. The authorities have experienced difficulties in monitoring actual disbursements and reconciling them with budget projections. To guide future borrowing, the authorities are developing a debt management strategy. The Debt Management and Financial Analysis Systems software has been acquired to harmonize public debt records.

IMF-Supported Program: Rwanda is currently engaged in a PRGF-supported program. The fourth review under the program was completed in June 2008.

São Tomé and Príncipe

Progress Towards Achieving the MDGs: São Tomé and Príncipe currently lacks reliable social indicators, making it difficult to monitor progress towards the MDGs. However, based on available information, the MDG of universal primary education appears to be within reach by 2015. Achievement of the remaining goals by the target date will be difficult based on current trends.

Debt Sustainability: The latest DSA, completed in June 2008, characterized São Tomé and Príncipe's risk of debt distress as "high". Despite a significant reduction in the net present

value of debt at the completion point, the country's public debt will remain vulnerable to shocks to the exchange rate, and to potential volatility of exports and foreign grants, at least until oil production comes on line in several years. External debt vulnerability would be further exacerbated in the absence of sound macroeconomic policies and delays in oil production.

IMF-Supported Program: São Tomé and Príncipe has just completed a PRGF-supported program with the IMF. The sixth and final review under the program was completed in June 2008.

Senegal

Progress Towards Achieving the MDGs: While Senegal's poverty and social indicators have improved, substantial efforts are needed to meet the MDGs. Maternal and child mortality have been reduced and access to safe water and primary education have improved. However, the poverty reduction agenda remains largely unfulfilled, reflecting the need to increase the focus on the poorest regions of the country, absorptive capacity constraints, and remaining weaknesses in public financial management and procurement. A reorientation of spending will be needed to provide sufficient allocations to priority sectors—particularly health and education in rural areas.

Debt Sustainability: The latest DSA, completed in June 2008, characterized Senegal's risk of debt distress as "low". Debt dynamics have improved substantially owing to HIPC Initiative and MDRI debt relief. However, debt sustainability remains vulnerable to increased fiscal deficits and negative shocks to real GDP growth. Senegal would benefit from continued fiscal discipline, prudent and limited use of non-concessional borrowing, and strong debt management.

IMF-Supported Program: Senegal is currently engaged in a PSI-supported program. The first review under the PSI was completed in June 2008.

Sierra Leone

Progress Towards Achieving the MDGs: The MDGs on universal primary education, gender equality, and the empowerment of women, and combating HIV/AIDS, malaria, and other diseases, appear to be within reach by 2015. Information is not available regarding the progress and prospects for the remaining MDGs.

Debt Sustainability: The latest DSA, completed in June 2008, characterized Sierra Leone's risk of debt distress as "moderate". The main risks to debt sustainability appear to be potentially low output or export growth, and/or large external shocks. Related risks can be reduced through continued reliance on concessional financing, export diversification, a

gradual reduction of the domestic debt stock, and the development of the domestic debt market.

IMF-Supported Program: Sierra Leone is currently engaged in a PRGF-supported program. The second review under the program was completed in July 2008.

Tanzania

Progress Towards Achieving the MDGs: While increased aid has contributed to progress toward the MDGs, based on current trends, Tanzania is not likely to achieve all of the MDGs by the target date of 2015. Significant progress has been made in achieving universal primary education and lowering child mortality, but progress has been mixed with regard to reducing poverty and hunger, increasing access to water, and reducing the prevalence of HIV/AIDS.

Debt Sustainability: The latest DSA, completed in April 2007, characterized Tanzania's risk of debt distress as "low". Tanzania's external debt sustainability has strengthened further after MDRI debt relief. All primary indicators of debt sustainability fall significantly below the thresholds that apply to Tanzania.

IMF-Supported Program: Tanzania is currently engaged in a PSI-supported program. The third review under the PSI was completed in May 2008.

Uganda

Progress Towards Achieving the MDGs: The MDGs for the eradication of extreme poverty and hunger and universal primary education appear to be within reach by 2015. The authorities have also made moderate progress towards the goals for gender equality and the empowerment of women, and developing a global partnership for development. However, achieving the remaining MDGs, particularly for the reduction of child mortality, improving maternal health, and ensuring environmental sustainability, will be challenging.

Debt Sustainability: The latest DSA, completed in November 2007, characterized Uganda's risk of debt distress as "low". The authorities finalized their new debt management strategy in December of 2007. It lays out a comprehensive approach to debt contracting and management. The authorities also work on addressing the accumulation of domestic arrears.

IMF-Supported Program: Uganda is currently engaged in a PSI-supported program. The third review under the PSI was completed in July 2008.

Zambia

Progress Towards Achieving the MDGs: Most of the MDGs appear to be within reach by 2015, particularly universal primary education, gender equality and the empowerment of women, and combating HIV/AIDS, malaria, and other diseases. However, on current trends, it will be difficult for the authorities to achieve the MDG on environmental sustainability.

Debt Sustainability: The latest DSA, completed in November 2007, characterized Zambia's risk of debt distress as "low". Zambia's debt sustainability outlook has strengthened substantially, mainly because of higher copper export receipts and debt relief received under the HIPC and MDR Initiatives. The DSA suggests that Zambia's public debt will improve further over the medium term, so long as economic policies remain appropriate.

IMF-Supported Program: In June 2008, the IMF Board approved a PRGF-supported program with Zambia.

Annex II. Country Coverage, Data Sources, and Assumptions for the HIPC Initiative and MDRI Costing Exercise

Country Coverage

- The costing analysis for the 33 post-decision-point countries includes: Afghanistan, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Republic of Congo, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Uganda, and Zambia.
- The costing analysis for the pre-decision-point countries is based on 7 HIPCs: Comoros, Côte d'Ivoire, Eritrea, Nepal, Somalia, Sudan, and Togo.⁵⁵

Data Sources

- Staff estimates are based on HIPC Initiative decision and completion point documents for all 33 post-decision-point countries, and preliminary documents or estimates presented in "Heavily Indebted Poor Countries (HIPC Initiative) – List of Ring-Fenced Countries that Meet the Income and Indebtedness Criteria at end-2004"⁵⁶ for the 8 pre-decision-point HIPCs.
- Data was updated through end-July 2008.

Assumptions for the HIPC Initiative and MDRI Costing Exercise

- Calculations of total costs include costs under the original and enhanced HIPC Initiative frameworks and the MDRI.
- Cost estimates for the HIPC Initiative are based on debt data after full use of traditional debt-relief mechanisms.
- The following exchange rates have been used for the MDRI calculations:
 - o IDA and AfDF. The initial MDRI Trust Fund replenishment rate of 1.477380 US dollars per SDR was applied for the period FY07-08. Cost estimates for FY09 onward are based on the IDA15 foreign exchange reference rate of 1.524480 US dollars per SDR.
 - o IMF. The exchange rate of the date that debt relief was delivered, and, in cases where debt was not yet delivered, the rate as of end-December 2007 was used.

⁵⁵ Kyrgyz Republic is not included in cost estimates, as its indebtedness ratio at end-2007 is estimated at below the HIPC Initiative threshold.

⁵⁶ See IDA/R2006-0041/2 and EBS/06/35.

- o IaDB. Currency units in US dollars at end-2006.

Update of Cost Estimates in Net Present Value Terms

The cost of HIPC Initiative assistance calculated in NPV terms at the time of the decision point is discounted to end-2007 using the average interest rate applicable to the debt relief. This rate was estimated at 4.9 percent and corresponds to the implicit long-term interest rate of currencies that comprise the SDR basket over the period 2005-2007, calculated as a 6-month average of the Commercial Interest Reference Rate (CIRR) over this period, weighted by the participation of the currencies in the SDR basket. The same rate was used to calculate MDRI debt relief in end-2007 NPV terms.

Table 1. Summary of Debt Service and Poverty Reducing Expenditures 1999-2012 1/
(In millions of U.S. dollars, unless otherwise indicated)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	Prel.									Projections				
Debt Service														
Paid/Due after Enhanced HIPC Initiative Relief 2/ 4/	3,179	3,795	3,167	3,263	3,380	3,859	3,835	3,718	2,598	3,735	3,597	3,492	3,554	3,684
Due after MDRI	...	...	...	...	...	...	...	...	...	2,582	2,189	2,060	2,212	2,490
Debt Service Savings from MDRI 4/	...	...	...	...	...	...	...	...	...	1,152	1,408	1,432	1,342	1,194
Poverty Reducing Expenditures 5/	5,952	5,819	6,314	7,364	8,578	10,672	14,107	16,880	21,202	27,418	29,467	32,344	34,476	35,169
Average Ratios (in percent)														
Debt Service/Exports 3/	15.9	16.6	12.5	12.2	10.4	11.4	9.9	8.3	6.1	3.1	2.4	2.1	2.0	1.8
Debt Service/GDP 3/	3.9	4.6	3.1	2.9	2.6	2.7	2.5	2.1	1.5	1.4	1.1	0.9	0.8	0.8
Poverty-Reducing Expenditure/Government Revenue 5/	34.7	37.8	44.7	46.2	44.5	42.6	50.0	49.0	47.2	52.2	51.6	51.1	50.2	51.7
Poverty-Reducing Expenditure/GDP 5/	7.0	6.8	6.7	7.0	7.3	7.5	8.4	8.7	8.8	9.4	9.4	9.4	9.4	9.7

Sources: HIPC country documents, and World Bank and IMF staff estimates.

1/ Data refer to 33 post-decision-point HIPCs, unless specified otherwise.

2/ Debt service figures for 2000 do not reflect significant HIPC Initiative debt relief because many countries did not reach their decision points until late in 2000 or thereafter. Debt service paid covers 1999-2007, and debt service due covers 2008-2012. For post-completion point HIPCs, debt service due assumes full HIPC Initiative debt relief, and additional debt relief, provided by some Paris Club Creditors on a voluntary basis. For pre-completion-point countries, debt service due includes interim debt relief and full HIPC Initiative assistance expected at the projected completion point. See Appendix Table 2 for a detailed breakdown.

3/ Debt service due is after enhanced HIPC initiative.

4/ Excludes Ethiopia and Burundi for which data is not available.

5/ Excludes CAR, Haiti, and Liberia for which data is not available.

Table 2. Debt Service of 33 Post-Decision-Point HIPCs, 2001-2012
(In millions of U.S. dollars, unless otherwise indicated)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	Prel.							Projections				
A. Post-Completion-Point HIPCs												
Benin												
Paid	36.2	35.7	32.5	35.8	29.1	26.6	28.7	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	75.3	78.8	83.5	87.6	94.5
Due after MDRI	...	...	...	...	...	...	...	41.5	42.5	48.9	51.3	54.4
In percent of export	9.8	9.5	8.0	7.6	5.1	4.9	4.2	5.2	4.7	4.9	4.4	3.9
In percent of GDP	1.4	1.3	0.9	0.9	0.7	0.6	0.5	0.6	0.6	0.6	0.6	0.6
Bolivia												
Paid	289.7	329.3	343.4	340.8	403.2	377.8	340.6	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	389.1	366.8	370.2	348.8	341.0
Due after MDRI	...	...	...	...	...	...	...	297.7	301.0	310.4	299.7	288.0
In percent of export	19.1	21.1	17.5	13.3	12.3	8.7	6.9	5.1	5.0	4.9	4.6	4.1
In percent of GDP	3.6	4.2	4.2	3.9	4.3	3.4	2.6	1.8	1.5	1.3	1.1	1.0
Burkina Faso												
Paid	35.1	33.5	48.9	45.7	44.5	41.3	45.9	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	79.8	96.0	101.7	97.0	112.3
Due after MDRI	...	...	...	...	...	...	...	47.8	65.7	73.0	68.9	86.1
In percent of export	13.5	11.4	13.4	8.3	8.3	6.2	6.6	6.3	7.1	6.9	5.6	6.4
In percent of GDP	1.2	1.0	1.1	0.9	0.8	0.7	0.7	0.6	0.8	0.8	0.7	0.8
Cameroon												
Paid	260.9	240.4	284.8	259.1	406.2	260.1	56.2	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	122.6	124.3	105.7	108.9	107.2
Due after MDRI	...	...	...	...	...	...	...	61.8	68.8	55.4	72.6	73.7
In percent of export	9.6	8.8	8.7	7.2	10.0	5.1	1.0	0.9	1.0	0.8	1.0	1.0
In percent of GDP	2.8	2.2	2.1	1.6	2.4	1.4	0.3	0.3	0.3	0.2	0.2	0.2
Ethiopia												
Paid	195.7	101.3	86.5	80.4	39.8	41.5	86.0	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	...	...	...	...	...
Due after MDRI	...	...	...	...	...	...	...	40.2	30.2	46.0	86.8	130.9
In percent of export	20.0	10.3	7.6	5.4	2.1	2.0	3.5	1.3	0.9	1.2	1.9	2.5
In percent of GDP	2.4	1.3	1.0	0.8	0.3	0.3	0.4	0.2	0.1	0.1	0.3	0.4
The Gambia												
Paid	18.2	26.9	12.4	22.6	23.2	25.6	26.5	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	23.4	24.9	25.8	28.9	30.8
Due after MDRI	...	...	...	...	...	...	...	11.8	12.3	12.2	15.0	16.7
In percent of export	16.8	23.9	11.1	17.7	17.7	16.5	17.1	7.1	6.9	6.5	7.4	7.8
In percent of GDP	4.3	7.3	3.5	5.6	5.0	5.1	4.1	1.5	1.4	1.3	1.5	1.5
Ghana												
Paid	452.6	447.2	415.1	505.4	529.3	601.6	192.4	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	213.0	198.0	195.4	214.5	278.6
Due after MDRI	...	...	...	...	...	...	...	100.8	85.8	83.2	102.3	166.4
In percent of export	18.7	17.0	13.3	14.3	13.5	11.6	3.1	1.3	1.0	0.9	1.1	1.7
In percent of GDP	8.5	7.3	5.4	5.7	4.9	4.7	1.3	0.6	0.5	0.4	0.5	0.7
Guyana												
Paid	57.1	45.2	51.2	45.3	35.3	27.6	19.0	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	29.8	30.2	42.2	50.6	58.9
Due after MDRI	...	...	...	...	...	...	...	10.4	10.9	22.1	31.3	39.3
In percent of export	8.6	6.8	7.6	6.2	5.1	3.7	2.2	1.0	1.0	1.9	2.4	2.8
In percent of GDP	8.2	6.3	6.9	5.8	4.3	3.0	1.8	0.9	0.9	1.8	2.3	2.7
Honduras												
Paid	189.6	224.6	232.6	197.7	170.6	160.4	174.2	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	193.9	180.1	188.9	195.0	208.4
Due after MDRI	...	...	...	...	...	...	...	109.0	96.5	96.7	95.0	99.2
In percent of export	4.8	5.2	5.4	3.8	3.0	2.7	2.7	1.6	1.3	1.2	1.1	1.1
In percent of GDP	2.5	2.9	2.9	2.3	1.8	1.5	1.4	0.8	0.6	0.6	0.6	0.6
Madagascar												
Paid	46.7	54.6	69.0	71.2	68.9	81.8	22.3	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	63.2	77.1	85.4	101.0	108.2
Due after MDRI	...	...	...	...	...	...	...	35.3	45.5	50.2	61.6	67.8
In percent of export	3.5	7.5	5.5	5.0	5.1	5.0	1.0	1.3	1.6	1.2	1.3	1.4
In percent of GDP	1.0	1.2	1.3	1.6	1.4	1.5	0.3	0.4	0.4	0.4	0.4	0.4
Malawi												
Paid	93.7	78.7	94.8	102.7	103.1	107.5	13.3	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	18.1	19.7	19.9	22.9	32.8
Due after MDRI	...	...	...	...	...	...	...	5.0	6.0	7.0	7.9	13.3
In percent of export	19.5	17.0	20.0	19.0	18.5	18.1	1.6	0.5	0.5	0.6	0.6	1.0
In percent of GDP	5.5	2.9	3.9	3.9	3.6	3.4	0.4	0.1	0.1	0.1	0.1	0.2

Table 2 (continued). Debt Service of 33 Post-Decision-Point HIPCs, 2001-2012
(In millions of U.S. dollars, unless otherwise indicated)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
							Prel.			Projections		
Mali												
Paid	79.0	67.3	67.2	78.2	57.5	46.9	109.0	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	108.7	116.1	123.3	128.1	126.1
Due after MDRI	...	...	...	...	...	...	...	70.2	76.0	79.9	90.5	98.0
In percent of export	9.0	6.3	5.8	6.4	4.2	2.6	5.3	3.3	3.3	3.2	3.4	3.4
In percent of GDP	2.6	2.0	1.5	1.5	1.1	0.8	1.6	0.9	0.9	0.9	1.0	0.9
Mauritania												
Paid	1.0	10.4	20.9	25.0	30.5	10.6	12.8	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	74.7	107.1	100.1	90.8	99.8
Due after MDRI	...	...	...	...	...	...	...	23.6	56.7	62.2	52.3	61.3
In percent of export	0.2	2.6	5.8	5.1	4.3	0.7	0.8	1.1	2.5	2.8	2.3	1.8
In percent of GDP	0.1	0.9	1.6	1.7	1.6	0.4	0.5	0.7	1.4	1.4	1.1	1.0
Mozambique												
Paid	27.1	62.0	71.8	58.1	66.6	23.3	35.1	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	81.1	98.6	106.4	114.3	121.8
Due after MDRI	...	...	...	...	...	...	...	23.0	34.3	57.9	77.1	97.4
In percent of export	2.7	5.2	5.3	3.2	3.1	0.8	1.2	0.7	1.1	1.7	2.2	2.9
In percent of GDP	0.7	1.5	1.5	1.0	1.0	0.3	0.4	0.2	0.3	0.5	0.6	0.7
Nicaragua												
Paid	153.3	158.0	98.3	76.3	87.2	98.3	93.1	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	159.1	162.1	183.1	180.3	211.5
Due after MDRI	...	...	...	...	...	...	...	113.7	100.9	117.2	117.4	143.1
In percent of export	13.7	13.9	7.5	4.6	4.4	4.1	3.5	3.6	2.7	2.8	2.5	2.8
In percent of GDP	3.7	3.9	2.4	1.7	1.8	1.9	1.6	1.7	1.4	1.5	1.4	1.6
Niger												
Paid	32.6	48.8	45.3	43.1	31.6	13.8	14.7	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	40.7	47.8	52.0	53.7	53.1
Due after MDRI	...	...	...	...	...	...	...	17.6	19.7	22.3	25.7	28.5
In percent of export	9.9	14.1	10.9	8.3	5.8	2.3	1.8	1.7	1.8	1.7	1.9	1.7
In percent of GDP	1.8	2.4	1.7	1.5	0.9	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Rwanda												
Paid	22.2	15.9	15.5	19.9	14.5	10.2	10.1	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	18.7	19.2	18.1	22.5	22.2
Due after MDRI	...	...	...	...	...	...	...	7.5	8.4	10.0	11.9	14.0
In percent of export	14.1	12.0	11.1	9.9	5.9	3.7	3.0	2.1	2.0	2.2	2.3	2.5
In percent of GDP	1.3	1.0	0.9	1.0	0.6	0.4	0.3	0.2	0.2	0.2	0.2	0.3
São Tome and Principe 5/												
Paid	0.7	1.7	3.2	2.3	9.7	5.8	3.3	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	2.4	2.0	1.9	1.7	1.5
Due after MDRI	...	...	...	...	...	...	...	1.1	1.1	1.0	1.1	0.9
In percent of export	6.3	11.2	18.2	15.4	61.2	35.9	29.8	7.7	7.1	6.7	6.6	6.1
In percent of GDP	0.9	1.8	3.2	2.2	8.5	4.7	2.3	0.7	0.6	0.6	0.5	0.4
Senegal												
Paid	130.3	145.6	159.6	160.8	131.3	100.1	115.5	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	175.6	212.2	231.1	244.9	259.5
Due after MDRI	...	...	...	...	...	...	...	79.5	115.5	135.4	149.1	167.7
In percent of export	9.3	9.5	8.7	7.4	5.6	4.2	4.4	2.3	3.1	3.3	3.3	3.4
In percent of GDP	2.7	2.7	2.3	2.0	1.5	1.1	1.0	0.6	0.8	0.9	0.9	0.9
Sierra Leone												
Paid	94.2	14.3	14.3	24.5	25.9	18.6	15.0	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	41.1	45.5	52.6	52.7	41.3
Due after MDRI	...	...	...	...	...	...	...	11.9	12.5	13.4	13.3	15.3
In percent of export	73.0	8.7	6.2	9.9	8.9	5.2	4.3	9.2	7.6	5.8	5.4	5.2
In percent of GDP	11.7	1.5	1.4	2.3	2.1	1.3	0.9	1.5	1.3	1.4	1.2	1.3
Tanzania 2/												
Paid	92.0	90.3	83.2	241.7	151.1	62.3	29.1	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	198.5	229.9	220.4	233.1	237.3
Due after MDRI	...	...	...	...	...	...	...	34.5	51.7	56.3	60.5	66.6
In percent of export	6.7	6.0	4.8	10.5	5.4	2.0	0.8	0.8	1.0	1.0	1.0	0.9
In percent of GDP	0.9	0.9	0.7	2.0	1.1	0.4	0.2	0.2	0.2	0.2	0.2	0.2
Uganda 3/												
Paid	42.6	59.8	59.7	92.0	116.0	105.7	24.3	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	144.8	133.9	137.0	119.7	113.8
Due after MDRI	...	...	...	...	...	...	...	62.7	59.3	46.8	37.5	41.0
In percent of export	6.3	8.6	7.9	9.3	9.6	6.9	1.2	2.8	2.4	1.8	1.3	1.3
In percent of GDP	0.8	1.0	1.0	1.3	1.3	1.1	0.2	0.4	0.3	0.2	0.2	0.2

Table 2 (concluded). Debt Service of 33 Post-Decision-Point HIPCs, 2001-2012
(In millions of U.S. dollars, unless otherwise indicated)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	Prel.							Projections				
Zambia												
Paid	138.5	122.7	191.5	373.2	165.6	66.0	61.6	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	156.7	172.7	185.5	184.4	183.0
Due after MDRI	...	...	...	...	...	...	...	41.1	41.3	52.5	65.6	80.8
In percent of export	13.1	10.8	15.2	17.9	6.5	1.6	1.3	0.8	0.8	1.1	1.5	1.9
In percent of GDP	3.8	3.3	4.4	6.9	2.3	0.6	0.5	0.3	0.3	0.4	0.5	0.5
B. Interim HIPCs												
Afghanistan												
Paid	...	1.1	7.5	7.7	9.2	11.0	12.3	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	3.0	11.5	27.3	35.1	39.9
Due after MDRI	...	...	...	...	...	...	...	3.0	11.1	26.5	34.4	39.1
In percent of export	...	...	4.0	1.9	1.8	1.8	1.7	0.4	1.1	2.3	2.7	2.7
In percent of GDP	...	...	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.2	0.2	0.2
Burundi												
Paid	14.2	28.5	23.6	64.8	31.7	10.7	5.6	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	...	...	...	...	...
Due after MDRI	...	...	...	...	...	...	...	9.9	5.7	12.3	15.5	12.2
In percent of export	31.4	73.6	47.2	101.9	34.3	11.5	7.0	21.8	14.8	24.5	24.4	13.3
In percent of GDP	2.1	4.5	4.0	9.8	4.0	1.2	0.6	1.5	0.9	2.1	2.3	1.5
Central African Republic												
Paid	13.1	2.6	0.4	8.7	...	116.6	32.7	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	32.4	28.4	16.3	28.5	27.8
Due after MDRI	...	...	...	...	...	...	...	32.4	28.4	8.1	19.8	19.8
In percent of export	8.2	1.6	0.2	5.2	...	56.2	12.9	11.5	9.3	2.5	5.5	5.1
In percent of GDP	1.3	0.2	0.0	0.7	...	7.9	1.9	1.7	1.3	0.4	0.8	0.7
Chad												
Paid	19.9	36.4	52.4	45.5	57.2	69.8	78.1	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	88.1	74.7	66.4	67.3	64.8
Due after MDRI	...	...	...	...	...	...	...	88.1	67.3	37.2	40.9	41.0
In percent of export	7.9	14.4	7.8	2.0	1.8	2.0	2.1	1.8	1.3	0.7	0.8	0.9
In percent of GDP	1.2	1.8	1.9	1.0	1.0	1.1	1.1	1.0	0.7	0.4	0.4	0.4
Democratic Republic of the Congo												
Paid	...	34.2	165.6	163.2	154.1	138.0	73.6	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	428.6	313.8	297.7	301.1	236.9
Due after MDRI	...	...	...	...	...	...	...	428.6	153.2	125.2	128.6	126.0
In percent of export	...	2.9	11.2	8.2	6.4	4.4	1.6	7.8	2.3	1.6	1.5	1.3
In percent of GDP	...	0.6	2.9	2.5	2.2	1.6	0.7	3.7	1.1	0.8	0.7	0.6
Republic of the Congo												
Paid	517.9	614.9	472.7	529.2	608.4	868.6	672.8	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	528.0	410.4	270.1	273.1	298.3
Due after MDRI	...	...	...	...	...	...	...	528.0	410.4	270.1	273.1	298.3
In percent of export	23.9	25.0	16.7	14.5	12.2	13.7	10.9	5.1	2.9	1.6	1.8	2.1
In percent of GDP	18.5	20.4	13.5	11.4	10.0	11.2	8.8	4.1	2.4	1.4	1.5	1.7
Guinea 4/												
Paid	74.9	88.4	83.8	82.7	123.7	124.1	121.6	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	120.1	104.1	104.5	119.2	118.2
Due after MDRI	...	...	...	...	...	...	...	120.1	66.9	60.0	80.8	82.1
In percent of export	9.3	11.3	9.7	9.6	13.0	10.9	10.1	8.0	4.0	3.3	4.0	3.7
In percent of GDP	2.5	2.8	2.4	2.3	4.2	4.4	2.9	2.7	1.4	1.2	1.5	1.4
Guinea-Bissau 4/												
Paid	1.1	2.3	5.7	6.2	5.0	6.0	28.7	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	27.9	25.0	24.0	21.0	20.0
Due after MDRI	...	...	...	...	...	...	...	27.9	25.0	8.5	3.5	5.5
In percent of export	1.9	3.8	8.0	8.3	5.5	9.9	40.4	26.3	21.7	6.8	2.6	3.8
In percent of GDP	0.5	1.1	2.4	2.3	1.7	2.0	8.4	7.7	6.6	2.1	0.8	1.2
Haiti												
Paid	36.6	40.7	67.0	48.4	104.2	58.7	43.0	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	19.7	22.8	13.7	7.9	4.4
Due after MDRI	...	...	...	...	...	...	...	19.7	15.1	11.2	5.3	5.0
In percent of export	8.3	9.3	14.3	9.5	17.3	8.4	5.9	2.7	1.8	1.2	0.5	0.5
In percent of GDP	1.0	1.2	2.3	1.4	2.4	1.2	0.7	0.3	0.2	0.1	0.1	0.1
Liberia												
Paid	0.6	...	...	0.6	0.6	1.2	1.2	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	76.9	63.2	42.4	19.4	30.2
Due after MDRI	...	...	...	...	...	...	...	76.9	63.2	41.2	15.9	10.9
In percent of export	0.3	...	...	0.4	0.4	0.6	0.4	16.7	8.9	3.8	1.1	0.6
In percent of GDP	0.1	...	...	0.1	0.1	0.2	0.2	9.5	6.9	3.8	1.2	0.7

Sources: HIPC country documents, and World Bank and IMF staff estimates.

Note: Data corresponding to years of decision and completion points under the enhanced HIPC Initiative are in thin and thick boxes, respectively.

1/ Debt service due after the full use of traditional debt relief and assistance under the enhanced HIPC Initiative.

For completion-point HIPCs, figures are after additional bilateral assistance beyond the HIPC Initiative.

2/ Debt service reflects some payments to commercial creditors and payments on moratorium interest not reflected in the completion point documents.

3/ Reached completion point in 2000

4/ Reached decision point in 2000

5/ Post completion point the authorities do not monitor the amount due after enhanced HIPC. Therefore this data is estimated by staff.

Table 3. Poverty-Reducing Expenditure of 33 Post-Decision-Point HIPC's 2001-2012 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	Prel.							Projections				
A. Post-Completion-Point HIPCs												
Benin												
In millions of U.S. dollars	161.0	162.2	153.1	165.8	199.0	186.2	264.2	372.2	416.6	463.8	517.4	577.6
In percent of government revenue 3/	41.8	35.4	25.3	24.9	28.7	22.2	21.5	31.2	30.8	31.1	31.4	31.7
In percent of GDP	6.4	5.8	4.3	4.1	4.5	3.9	4.7	5.8	5.9	6.0	6.2	6.3
Bolivia												
In millions of U.S. dollars	989.6	1,018.9	941.6	1,041.3	1,183.8	1,528.9	1,846.8	2,286.6	2,515.1	2,655.5	2,778.5	2,841.8
In percent of government revenue 3/	55.1	60.4	56.1	49.5	42.7	40.7	44.5	44.5	42.9	41.2	40.6	38.7
In percent of GDP	12.1	12.9	11.6	11.8	12.5	13.6	14.0	13.7	12.2	11.2	10.6	10.0
Burkina Faso												
In millions of U.S. dollars	109.8	156.8	201.1	274.8	307.2	320.0	381.6	437.3	517.5	609.4	717.2	784.2
In percent of government revenue 3/	35.4	39.0	35.6	39.0	46.5	40.5	39.0	40.5	42.7	44.3	45.9	44.3
In percent of GDP	3.9	4.8	4.6	5.5	5.7	5.5	5.6	5.5	6.0	6.5	7.0	7.0
Cameroon 2/												
In millions of U.S. dollars	335.6	365.0	258.2	824.1	974.9	1,154.8	1,442.0	1,704.6	1,879.2	2,079.4	2,307.4	2,564.4
In percent of government revenue 3/	20.5	20.0	12.0	35.6	35.5	34.4	36.8	33.8	33.8	35.6	37.2	39.1
In percent of GDP	3.6	3.4	1.9	5.2	5.9	6.4	7.0	7.0	7.2	7.5	7.7	7.9
Ethiopia 2/												
In millions of U.S. dollars	733.4	884.0	1,001.4	1,180.4	1,618.6	2,106.9	2,542.7	3,387.8	4,016.9	4,492.3	4,724.8	5,064.1
In percent of government revenue 3/	47.8	58.9	54.7	56.8	69.5	75.4	73.9	79.6	80.3	82.4	81.3	80.5
In percent of GDP	9.0	11.3	11.7	11.7	13.2	13.9	13.1	13.8	13.8	14.2	14.0	14.1
The Gambia 2/												
In millions of U.S. dollars	19.6	18.4	16.3	21.5	19.7	24.2	38.4	46.8	48.7	51.9	56.1	60.6
In percent of government revenue 3/	31.1	30.5	29.5	25.6	21.7	22.5	28.5	29.2	28.8	28.8	29.2	29.4
In percent of GDP	4.7	5.0	4.6	5.4	4.3	4.8	5.9	5.9	5.6	5.6	5.6	5.6
Ghana 2/												
In millions of U.S. dollars	241.3	293.7	493.1	679.9	910.0	1,349.5	1,408.5	1,671.6	1,690.7	1,821.9	1,981.1	2,178.4
In percent of government revenue 3/	25.1	26.5	31.1	34.5	32.9	48.7	42.8	43.6	40.6	39.6	38.0	37.0
In percent of GDP	4.5	4.8	6.5	7.7	8.5	10.6	9.3	9.6	9.0	9.0	9.0	9.0
Guyana 2/												
In millions of U.S. dollars	144.3	151.0	159.5	157.2	173.8	192.3	0.0	0.0	0.0	0.0	0.0	0.0
In percent of government revenue 3/	62.5	65.0	61.6	53.7	57.2	56.8	0.0	0.0	0.0	0.0	0.0	0.0
In percent of GDP	20.7	20.9	21.4	20.0	21.1	21.1	...	...	...	...	...	...
Honduras 2/												
In millions of U.S. dollars	564.9	493.5	520.8	616.8	744.0	758.1	954.0	964.2	1,008.6	1,058.7	1,138.2	1,226.8
In percent of government revenue 3/	48.4	40.9	40.5	42.8	46.7	30.4	33.9	29.8	28.4	28.0	28.3	29.0
In percent of GDP	7.5	6.3	6.4	7.0	7.7	7.0	7.8	7.0	6.7	6.6	6.8	6.9
Madagascar 2/												
In millions of U.S. dollars	190.9	190.9	202.9	134.5	528.8	604.1	772.6	1,146.8	1,327.0	1,525.2	1,709.7	1,884.1
In percent of government revenue 3/	41.8	54.3	35.4	25.6	104.0	102.6	92.0	95.6	90.3	86.9	84.3	82.5
In percent of GDP	4.2	4.2	3.7	3.1	10.5	10.9	10.5	11.6	11.4	11.4	11.4	11.4
Malawi 2/												
In millions of U.S. dollars	161.9	189.7	182.5	164.9	218.6	269.0	388.7	551.2	626.9	590.7	678.7	727.1
In percent of government revenue 3/	56.0	63.0	52.3	37.3	43.2	49.9	57.7	73.0	74.2	63.4	67.1	66.7
In percent of GDP	9.4	7.1	7.5	6.3	7.6	8.5	10.9	13.5	13.8	12.0	12.7	12.2
Mali 2/												
In millions of U.S. dollars	155.4	190.0	322.5	367.4	398.4	428.5	560.7	624.8	695.3	774.9	865.6	959.9
In percent of government revenue 3/	39.5	33.5	42.0	42.7	41.3	42.0	44.1	44.7	45.9	48.6	50.0	50.6
In percent of GDP	5.1	5.7	7.3	7.0	7.4	7.2	8.1	8.3	8.5	8.9	9.3	9.2
Mauritania 2/												
In millions of U.S. dollars	79.1	105.0	214.0	179.5	129.1	185.7	243.2	326.8	370.7	391.2	418.9	550.2
In percent of government revenue 3/	35.2	29.7	54.7	39.0	28.7	32.5	35.1	35.0	38.9	38.0	39.1	39.0
In percent of GDP	7.0	9.1	16.6	12.0	7.0	6.9	8.6	9.0	9.1	9.1	9.1	9.2

Table 3 (continued). Poverty-Reducing Expenditure of 33 Post-Decision-Point HIPC's
2001-2012 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	Prel.							Projections				
Mozambique												
In millions of U.S. dollars	590.6	642.4	760.2	1,007.0	899.6	1,138.8	1,416.2	1,990.8	2,176.1	2,372.1	2,617.3	2,856.9
In percent of government revenue 3/	145.5	127.1	123.3	113.0	101.6	109.5	102.0	133.7	128.2	122.3	119.0	111.1
In percent of GDP	14.5	15.3	16.3	17.7	13.7	16.1	18.0	21.2	21.7	21.5	21.5	21.5
Nicaragua 2/												
In millions of U.S. dollars	361.5	410.7	467.5	536.0	620.7	632.3	740.7	935.0	1,110.4	1,188.5	1,275.8	1,369.5
In percent of government revenue 3/	47.4	54.4	56.0	54.0	55.4	49.4	51.1	54.9	59.3	59.3	59.3	59.4
In percent of GDP	8.8	10.2	11.4	12.0	12.7	12.0	12.9	14.1	15.5	15.5	15.6	15.6
Niger 2/												
In millions of U.S. dollars	0.0	169.8	221.5	280.6	291.5	339.0	376.0	430.1	460.2	492.4	526.9	563.8
In percent of government revenue 3/	0.0	67.9	75.4	79.0	85.3	68.1	54.7	68.0	65.9	63.4	60.4	59.4
In percent of GDP	...	8.2	8.4	9.7	8.7	9.5	9.0	8.7	8.7	8.6	8.5	8.4
Rwanda 2/												
In millions of U.S. dollars	90.6	107.8	115.4	137.0	216.4	274.5	391.5	513.2	542.5	659.3	753.3	872.1
In percent of government revenue 3/	48.1	54.8	53.9	52.8	66.5	72.3	84.2	91.9	88.7	99.2	104.1	110.5
In percent of GDP	5.4	6.6	6.5	6.9	9.1	9.6	11.7	13.2	12.6	14.3	15.1	16.2
São Tome and Principe 2/												
In millions of U.S. dollars	11.9	10.4	9.5	11.0	13.2	14.2	15.2	17.6	20.4	23.7	27.5	31.8
In percent of government revenue 3/	120.4	84.0	63.2	61.1	74.6	56.9	57.6	68.0	71.5	76.2	80.3	83.1
In percent of GDP	15.6	11.4	9.7	10.2	11.5	11.4	10.4	11.1	11.8	12.7	13.7	14.5
Senegal												
In millions of U.S. dollars	303.6	313.2	456.3	648.9	732.6	795.6	1,010.4	1,229.3	1,419.8	1,643.9	1,775.5	1,917.5
In percent of government revenue 3/	37.0	30.4	33.8	40.9	46.0	41.0	40.7	44.1	47.5	51.2	50.3	49.5
In percent of GDP	6.2	5.9	6.6	8.1	8.4	8.6	9.0	9.5	10.0	10.7	10.6	10.4
Sierra Leone												
In millions of U.S. dollars	36.7	57.4	59.7	49.9	53.5	63.3	48.7	101.4	109.2	117.8	122.7	127.0
In percent of government revenue 3/	38.2	52.7	53.2	40.0	37.7	38.0	27.0	49.6	48.6	46.5	45.6	44.9
In percent of GDP	4.6	6.1	6.0	4.6	4.4	4.5	2.9	5.6	5.8	6.0	6.0	6.0
Tanzania 3/												
In millions of U.S. dollars	545.3	780.3	915.5	1,067.6	1,275.9	1,701.3	2,493.1	3,628.6	4,133.4	4,670.8	5,278.0	5,937.7
In percent of government revenue 3/	53.7	73.0	80.0	76.3	81.0	100.3	115.3	121.2	123.1	121.6	120.6	119.5
In percent of GDP	5.3	7.4	8.1	8.8	9.3	11.9	16.8	19.8	19.7	20.0	20.2	20.3
Uganda 6/												
In millions of U.S. dollars	235.3	335.7	343.1	377.7	448.5	475.4	614.4	755.2	805.0	851.9	0.0	0.0
In percent of government revenue 3/	36.0	48.1	47.9	40.5	40.1	39.0	36.6	39.3	34.4	30.5	0.0	0.0
In percent of GDP	4.2	5.8	5.5	5.2	4.9	4.8	5.2	5.3	4.6	4.5	...	...
Zambia 2/												
In millions of U.S. dollars	45.7	35.3	46.8	111.1	1,198.9	906.4	1,109.0	1,494.0	1,554.0	1,434.0	1,480.0	1,526.0
In percent of government revenue 3/	7.0	5.3	5.9	11.2	74.6	60.4	50.0	56.7	53.8	49.9	50.0	47.2
In percent of GDP	1.3	0.9	1.1	2.0	16.5	8.3	9.8	11.7	11.7	10.4	10.4	10.1
B. Interim HIPC's												
Afghanistan												
In millions of U.S. dollars	...	...	...	...	244.1	307.8	375.1	492.1	606.2	660.0	705.4	793.7
In percent of government revenue 3/	...	...	...	...	59.0	53.5	55.5	54.8	53.1	46.9	41.3	38.6
In percent of GDP	...	...	...	...	3.8	4.0	3.9	4.1	4.3	4.1	3.9	3.9
Burundi 2/												
In millions of U.S. dollars	28.5	30.3	42.0	48.8	58.4	82.4	97.5	121.3	148.9	173.2	195.4	218.2
In percent of government revenue 3/	22.4	23.9	28.3	29.9	34.0	46.0	44.1	43.4	46.3	44.7	43.1	41.6
In percent of GDP	4.3	4.8	7.1	7.3	7.3	9.0	10.0	10.6	11.0	11.5	12.1	12.5
Central African Republic												
In millions of U.S. dollars	...	...	...	...	...	...	33.2	41.1	...	...	...	...
In percent of government revenue 3/	...	...	...	...	...	...	17.9	20.0	...	...	...	...
In percent of GDP	...	...	...	...	...	...	1.9	2.1	...	...	...	...

Table 3 (concluded). Poverty-Reducing Expenditure of 33 Post-Decision-Point HIPC
2001-2012 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	Prel.							Projections				
Chad												
In millions of U.S. dollars	64.3	84.8	113.0	132.4	326.0	558.0	806.4	975.4	...	...	...	...
In percent of government revenue 3/	51.6	48.6	48.4	32.7	62.3	49.6	47.4	53.8	...	...	...	...
In percent of GDP	3.8	4.3	4.1	3.0	5.5	8.8	11.5	10.9	...	...	...	...
Democratic Republic of the Congo 2/												
In millions of U.S. dollars	...	26.2	85.2	130.2	142.6	279.5	426.3	690.8	751.5	982.6	1,210.4	...
In percent of government revenue 3/	...	6.6	18.0	23.3	15.8	26.6	28.2	36.3	34.5	37.6	40.8	...
In percent of GDP	...	0.5	1.5	2.0	2.0	3.2	4.2	6.0	5.5	6.3	6.9	...
Republic of the Congo 2/												
In millions of U.S. dollars	...	...	142.9	194.8	293.4	382.8	619.5	771.3	867.6	946.0	1,020.9	...
In percent of government revenue 3/	...	...	12.6	12.9	13.1	10.6	17.8	12.4	9.5	9.3	10.5	...
In percent of GDP	...	...	4.1	4.2	4.8	4.9	8.1	5.9	5.1	4.9	5.5	...
Guinea 5/												
In millions of U.S. dollars	102.9	131.5	121.9	116.3	114.4	112.7	177.2	227.2	238.3	257.4	283.6	312.3
In percent of government revenue 3/	30.3	34.0	32.3	31.7	33.1	29.3	29.8	34.6	32.3	31.4	31.0	31.0
In percent of GDP	3.4	4.1	3.5	3.2	3.9	4.0	4.3	5.1	5.2	5.2	5.3	5.3
Guinea-Bissau 2/ 5/												
In millions of U.S. dollars	10.0	8.6	10.7	14.2	15.8	15.7	16.7	16.8	16.4	15.5	15.2	16.3
In percent of government revenue 3/	28.3	25.6	27.4	28.3	31.2	25.0	32.1	24.7	23.3	20.7	19.1	19.3
In percent of GDP	5.0	4.2	4.5	5.2	5.2	5.1	4.9	4.7	4.3	3.9	3.6	3.6
Haiti 4/												
In millions of U.S. dollars	...	...	...	...	...	...	...	...	...	...	...	...
In percent of government revenue 3/	...	...	...	...	...	...	...	...	...	...	...	...
In percent of GDP	...	...	...	...	...	...	...	...	...	...	...	...
Liberia 4/												
In millions of U.S. dollars	...	...	...	...	...	...	...	...	...	...	...	...
In percent of government revenue 3/	...	...	...	...	...	...	...	...	...	...	...	...
In percent of GDP	...	...	...	...	...	...	...	...	...	...	...	...

Sources: HIPC country documents, and World Bank and IMF staff estimates.

Note: Data corresponding to years of decision and completion points under the enhanced HIPC Initiative are in thin and thick boxes, respectively.

1/ The coverage of poverty-reducing expenditures varies across countries, but is generally consistent with the definition in the PRSP and the budget of each HIPC. In some countries, the definition of poverty-reducing expenditures has evolved over time to include more sectors; therefore, some of the increase in such spending over the 2000-2003 period may reflect changes in the definition. In the majority of countries expenditures on health and education are included but beyond that there are wide variations in the sectoral spending included.

2/ Data refer to health and education spending.

3/ Government refers to central government.

4/ Currently fiscal data reported by authorities does not allow monitoring of poverty reduction expenditures

5/ Reached decision point in 2000

6/ Reached completion point in 2000

Table 4. HIPC Initiative and MDRI: Committed Debt Relief and Outlook 1/
Status as of end-September 2008
(In millions of U.S. dollars)

	Decision Point Date	Completion Point Date	Assistance under the HIPC Initiative		Assistance Delivered under MDRI 2/	Total HIPC and MDRI Assistance
			In NPV Terms as of Decision Point 3/ 4/	In Nominal Terms	In Nominal Terms	In Nominal Terms
	(1)	(2)	(3)	(4)	(5)	(6)=(4)+(5)
23 Post-Completion-Point HIPCs			...	45,344	43,285	88,629
Benin	Jul-00	Mar-03	262	460	1,128	1,588
Bolivia 5/	Feb-00	Jun-01	1,330	2,060	2,850	4,910
Burkina Faso 5/ 6/	Jul-00	Apr-02	553	930	1,194	2,124
Cameroon	Oct-00	Apr-06	1,267	4,917	1,297	6,214
Ethiopia 6/	Nov-01	Apr-04	1,935	3,275	3,319	6,594
Gambia, The	Dec-00	Dec-07	67	90	393	483
Ghana	Feb-02	Jul-04	2,187	3,500	3,921	7,421
Guyana 5/	Nov-00	Dec-03	610	1,354	712	2,066
Honduras	Jun-00	Apr-05	556	1,000	2,739	3,739
Madagascar	Dec-00	Oct-04	836	1,900	2,397	4,297
Malawi 6/	Dec-00	Aug-06	939	1,600	1,593	3,193
Mali 5/	Sep-00	Mar-03	539	895	1,967	2,862
Mauritania	Feb-00	Jun-02	622	1,100	882	1,982
Mozambique 5/	Apr-00	Sep-01	2,143	4,300	2,028	6,328
Nicaragua	Dec-00	Jan-04	3,308	4,500	1,928	6,428
Niger 6/	Dec-00	Apr-04	644	1,190	1,063	2,253
Rwanda 6/	Dec-00	Apr-05	651	1,316	523	1,839
São Tomé and Príncipe 6/	Dec-00	Mar-07	117	263	64	328
Senegal	Jun-00	Apr-04	488	850	2,471	3,321
Sierra Leone	Mar-02	Dec-06	675	994	665	1,659
Tanzania	Apr-00	Nov-01	2,026	3,000	3,843	6,843
Uganda 5/	Feb-00	May-00	1,027	1,950	3,522	5,472
Zambia	Dec-00	Apr-05	2,499	3,900	2,783	6,683
10 Interim HIPCs			...	22,772	...	22,772
Afghanistan	Jul-07	...	571	1,272	...	1,272
Burundi	Aug-05	...	826	1,465	...	1,465
Central African Republic	Sep-07	...	583	697	...	697
Chad	May-01	...	170	260	...	260
Congo, Dem. Rep. of the	Jul-03	...	6,311	10,389	...	10,389
Congo, Rep. of	Mar-06	...	1,679	2,881	...	2,881
Guinea	Dec-00	...	545	800	...	800
Guinea-Bissau	Dec-00	...	416	790	...	790
Haiti	Nov-06	...	140	213	...	213
Liberia	Mar-08	...	2,845	4,006	...	4,006
2 Non-HIPCs 7/					182	182
Cambodia	...	...	...	...	82	82
Tajikistan	...	...	...	...	100	100
Total Debt Relief Committed			...	68,116	43,467	111,583

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

1/ Committed debt relief under the assumption of full participation of creditors.

2/ Nominal MDRI costs include principal and interest foregone for all multilaterals participating in the Initiative, except IMF, which only include principal. The estimated costs for IMF reflect the stock of debt eligible for MDRI relief, which is the debt outstanding (principal only) as of end-2004 and that has not been repaid by the member and is not covered by HIPC assistance (EBS/05/158 Revision 1, 12/15/2005).

3/ Topping-up assistance and assistance provided under the original HIPC Initiative are expressed in NPV-terms as of the time of the decision point.

4/ No totals are shown because the amounts are in different NPV terms (according to the date of the decision point).

5/ Also reached completion point under the original HIPC Initiative. The assistance includes original debt relief.

6/ Assistance includes topping up at completion point.

7/ IMF MDRI debt relief to Cambodia and Tajikistan.

Table 5. HIPC Initiative: Cost Estimates to Multilateral Creditors and Status of their Commitments to Post-Completion-Point HIPCs
Status as of mid-July 2008
(In millions of U.S. dollars, in end-2007 NPV terms)

Creditors	Number of Completion Point Debtors		HIPC Assistance Costs	
	Total	Relief Committed	In millions of U.S. dollars, in end-2007 NPV Terms	Percent of Total Cost
Delivering or Committed to Deliver Debt Relief 1/			18,798.5	99.8
World Bank Group	23	23	9,308.4	49.4
African Development Bank (AfDB) Group	19	19	2,475.1	13.1
International Monetary Fund (IMF)	22	22	2,813.0	14.9
Inter-American Development Bank (IaDB)	4	4	1,567.0	8.3
European Union/European Investment Bank (EU/EIB)	20	20	631.3	3.4
Central American Bank for Economic Integration (CABEI)	2	2	714.7	3.8
International Fund for Agricultural Development (IFAD)	23	23	336.0	1.8
Arab Bank for Economic Development in Africa (BADEA)	18	18	216.2	1.1
OPEC Fund for International Development (OFID)	23	23	194.9	1.0
Islamic Development Bank (IsDB) 2/	10	10	131.8	0.7
Corporación Andina de Fomento (CAF)	1	1	129.8	0.7
Arab Fund for Social and Economic Development (AFESD)	1	1	0.0	0.0
Caricom Multilateral Clearing Facility (CMCF)	1	1	84.3	0.4
West African Development Bank (BOAD)	5	5	62.5	0.3
Asian Development Bank (AsDB)	0	0	0.0	0.0
Nordic Development Fund (NDF)	9	9	38.6	0.2
Fund for the Financial Development of the River Plate Basin (FONPLATA)	1	1	34.5	0.2
Caribbean Development Bank (CDB)	1	1	25.0	0.1
Arab Monetary Fund (AMF)	1	1	16.7	0.1
Central Bank of West African States (BCEAO)	3	1	8.1	0.0
Nordic Investment Bank (NIB)	1	1	5.0	0.0
East African Development Bank (EADB)	2	2	4.6	0.0
Shelter Afrique	1	1	0.7	0.0
Banco Interamericano de Ahorro y Préstamo (BIAPE)	1	1	0.5	0.0
Have not Indicated Intention to Provide Relief under the HIPC Initiative			35.6	0.2
Banque des Etats de l'Afrique Centrale (BEAC)	0	0	0.0	0.0
Economic Community of West African States (ECOWAS)	6	0	13.7	0.1
Banque de Développement des Etats de l'Afrique Centrale (BDEAC)	1	0	2.3	0.0
Eastern and Southern African Trade and Development Bank (PTA Bank)	2	0	12.3	0.1
Banque de Développement des Etats des Grands Lacs (BDEGL)	0	0	0.0	0.0
Conseil de L'Entente (FEGECE)	2	0	3.8	0.0
Fondo Centroamericano de Estabilización Monetaria (FOCEM)	1	0	2.4	0.0
Fund for Solidarity and Economic Development (FSID)	1	0	1.0	0.0
Total			18,834.1	100.0

Sources: HIPC documents, country authorities, and World Bank and IMF staff estimates.

1/ Estimates based on end-September 2007 data in NPV terms.

2/ As of July 2008, IsDB was in the process of signing debt relief agreements with Cameroon and The Gambia.

Table 6A. Status of Delivery of HIPC Initiative and MDRI Assistance by the World Bank
 Status as of end-September 2008
 (In millions of U.S. dollars)

	World Bank Assistance under the HIPC Initiative				Assistance under the MDRI (IDA only)		Total Committed Assistance under the HIPC Initiative and MDRI in end-2007 NPV Terms	Total Delivered Assistance under the HIPC Initiative and MDRI in end-2007 NPV Terms
	Committed Assistance in Nominal Terms	Committed Assistance in NPV Terms as of Decision Point	Committed Assistance in end-2007 NPV Terms	Delivered Assistance in end-2007 NPV Terms 1/	Delivered Assistance in Nominal Terms 2/	Delivered Assistance in end-2007 NPV Terms	(III) + (VI)	(IV) + (VI)
	(I)	(II)	(III)	(IV)	(V)	(VI)		
23 Post-Completion-Point HIPCs								
TOTAL 3/	12,140.2	6,753.6	9,308.4	4,079.3	29,563.6	14,450.5	23,758.8	18,529.7
Benin	124.3	84.4	117.8	65.3	712.7	382.1	500.0	447.4
Bolivia 4/	287.2	197.4	275.5	171.7	1,576.1	826.7	1,102.2	998.4
Burkina Faso 4/ 5/	419.5	231.7	323.5	202.5	767.9	375.6	699.1	578.1
Cameroon	297.0	176.1	245.8	110.5	850.3	418.5	664.4	529.0
Ethiopia 5/	1,288.4	807.2	1,074.3	287.1	2,441.7	1,035.1	2,109.4	1,322.2
Gambia, The	35.9	22.3	31.1	10.9	204.6	104.5	135.6	115.4
Ghana	1,445.7	781.6	1,040.2	318.0	3,119.1	1,534.8	2,575.0	1,852.7
Guyana 4/	132.8	70.2	98.0	57.8	197.0	100.3	198.3	158.1
Honduras	171.6	97.8	136.5	120.6	1,230.4	623.0	759.5	743.7
Madagascar	444.4	256.2	357.7	140.5	1,840.4	926.6	1,284.2	1,067.1
Malawi 5/	993.5	538.7	752.0	191.1	1,286.0	574.7	1,326.7	765.8
Mali 4/	291.8	184.1	257.0	163.4	1,311.4	682.3	939.3	845.7
Mauritania	172.8	99.9	139.4	59.6	571.9	282.5	421.9	342.1
Mozambique 4/	1,050.1	438.6	612.2	612.2	1,360.3	699.2	1,311.4	1,311.4
Nicaragua	382.6	190.9	266.4	76.3	805.6	352.1	618.5	428.4
Niger 5/	410.1	231.0	322.4	102.4	778.4	346.9	669.3	449.3
Rwanda 5/	709.4	353.2	493.0	129.4	378.8	145.9	638.9	275.3
São Tomé and Príncipe 5/	58.9	29.8	41.6	11.2	27.4	12.1	53.7	23.3
Senegal	163.9	123.6	172.6	129.0	1,921.6	1,035.8	1,208.4	1,164.8
Sierra Leone	234.5	123.4	156.6	51.5	402.7	174.8	331.4	226.3
Tanzania	1,157.1	694.5	969.4	406.9	2,926.8	1,457.2	2,426.6	1,864.1
Uganda 4/	983.6	527.8	736.8	434.2	2,891.0	1,460.3	2,197.1	1,894.6
Zambia	885.2	493.2	688.4	227.3	1,961.5	899.4	1,587.9	1,126.7
10 Interim HIPCs								
TOTAL 1/	3,275.7	2,353.9	2,713.1	811.4	...	...	2,713.1	811.4
Afghanistan	124.6	75.2	75.2	1.8	...	...	75.2	1.8
Burundi	773.0	424.8	467.3	52.2	...	...	467.3	52.2
Central African Republic	291.5	208.6	218.8	68.2	...	...	218.8	68.2
Chad 6/	98.1	68.1	90.7	48.4	...	...	90.7	48.4
Congo, Dem. Rep. of the	1,031.2	855.5	1,035.1	448.3	...	...	1,035.1	448.3
Congo, Rep. of	70.7	48.9	53.8	6.4	...	...	53.8	6.4
Liberia	469.5	375.2	375.2	0.0	...	...	375.2	0.0
Guinea	220.9	151.4	211.4	98.5	...	...	211.4	98.5
Guinea-Bissau	179.6	93.3	130.2	43.2	...	...	130.2	43.2
Haiti 6/	16.5	52.8	55.4	44.3	...	...	55.4	44.3
Pre-Decision-Point HIPCs (8)								
Côte d'Ivoire	...	...	...	...	...	...	...	...
Comoros	...	...	...	...	...	...	...	...
Eritrea	...	...	...	...	...	...	...	...
Liberia	...	...	...	...	...	...	...	...
Kyrgyz Republic	...	...	...	...	...	...	...	...
Nepal	...	...	...	...	...	...	...	...
Somalia	...	...	...	...	...	...	...	...
Sudan	...	...	...	...	...	...	...	...
Togo	...	...	...	...	...	...	...	...
Total Debt Relief Committed 1/	15,416.0	9,107.5	12,021.4	4,890.7	29,563.6	14,450.5	26,471.9	19,341.2

Sources: HIPC documents, and World Bank staff estimates.

1/ Total delivered HIPC assistance to end-2007.

2/ Nominal MDRI costs include principal and interest foregone.

3/ The total amounts shown are only indicative, as they represent the sum of individual commitments expressed in different NPV terms, corresponding to the time of the decision point of each HIPC.

4/ Also reached completion point under the original HIPC Initiative. The assistance includes original debt relief.

5/ The assistance includes topping-up at completion point.

6/ HIPC assistance committed in nominal terms has been revised because these HIPCs have reached the interim period HIPC debt relief limit.

**Table 6B. World Bank Group Debt Service after HIPC Initiative and MDRI Debt Relief,
2000-2011**
(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actual 1/											
Debt Service before HIPC Initiative Debt Relief												
Afghanistan	-	-	-	31	4	5	5	6	9	9	9	9
Benin	15	14	14	16	19	21	22	24	24	26	28	29
Bolivia	31	21	23	27	33	35	37	40	45	52	55	59
Burkina Faso	14	10	14	16	20	23	24	26	27	27	28	33
Burundi	13	14	16	19	20	25	22	23	49	53	56	59
Cameroon	92	115	88	74	59	57	71	39	29	32	33	34
Central African Republic	9	9	0	-	-	-	66	15	25	27	29	32
Chad	9	15	11	12	15	22	28	22	22	25	36	39
Congo, Republic of	12	82	12	11	9	9	6	8	11	11	11	12
Congo, Dem. Rep. of the	-	-	331	43	47	60	37	53	102	104	104	104
Ethiopia	34	38	43	55	67	73	76	80	94	102	103	116
Gambia, The	4	4	4	5	6	6	6	7	7	8	9	10
Ghana	57	63	70	77	91	102	104	117	125	135	142	154
Guinea	19	22	22	26	28	32	33	36	45	63	68	69
Guinea-Bissau	6	5	5	6	7	7	8	9	17	18	19	20
Guyana	7	6	8	6	6	6	6	6	6	7	8	9
Haiti	10	4	-	-	1	52	18	20	21	27	21	22
Honduras	63	65	58	45	41	110	45	43	28	34	34	39
Liberia	-	-	-	-	-	-	-	55	4	4	4	4
Madagascar	28	32	32	38	45	48	52	58	65	70	74	81
Malawi	36	38	37	43	48	51	54	57	61	69	72	75
Mali	23	21	21	25	31	34	36	40	43	46	48	54
Mauritania	12	9	10	11	13	15	16	17	19	21	23	25
Mozambique	11	10	12	16	25	28	30	33	35	39	46	50
Nicaragua	12	12	10	12	16	18	19	21	23	27	29	31
Niger	16	17	15	18	20	22	26	29	32	33	33	37
Rwanda	12	15	16	19	21	23	25	26	28	30	31	35
São Tomé and Príncipe	1	1	2	2	2	2	2	2	2	2	2	3
Senegal	36	34	29	36	44	46	49	55	62	66	73	79
Sierra Leone	4	5	7	9	12	13	14	14	10	10	11	11
Tanzania	68	60	69	79	93	94	97	108	113	119	133	143
Uganda	35	34	42	55	69	75	75	80	88	95	104	114
Zambia	27	34	35	39	50	51	55	60	63	67	71	80
TOTAL	715	807	1054	869	964	1167	1164	1227	1336	1456	1548	1670
Debt Service after HIPC Initiative Debt Relief												
Afghanistan	-	-	-	31	4	5	5	4	6	6	5	5
Benin	12	7	7	9	11	12	14	15	15	16	18	18
Bolivia	31	21	14	14	20	21	22	23	27	32	35	37
Burkina Faso	11	3	7	8	11	13	13	16	16	17	17	21
Burundi	13	14	16	19	20	17	2	2	26	28	30	32
Cameroon	92	86	69	58	59	57	60	22	17	20	20	21
Central African Republic	9	9	0	-	-	-	-	13	25	27	29	32
Chad	9	11	6	7	9	16	21	18	22	25	27	29
Congo, Republic of	12	82	12	11	9	9	3	4	7	7	7	8
Congo, Dem. Rep. of the	-	-	-	28	15	26	0	12	7	7	7	8
Ethiopia	34	36	18	26	36	16	15	17	23	26	26	32
Gambia, The	4	2	2	3	3	5	6	7	4	5	6	6
Ghana	57	63	37	32	42	49	47	56	61	67	71	79
Guinea	19	11	11	14	16	19	18	22	41	45	49	50
Guinea-Bissau	5	1	0	1	2	2	2	2	10	11	12	12
Guyana	7	4	5	4	4	3	3	3	3	4	4	5
Haiti	10	4	-	-	1	-	16	12	20	20	21	22
Honduras	57	46	45	45	41	92	16	18	19	22	22	30
Liberia	-	-	-	-	-	-	-	55	4	4	4	4
Madagascar	28	17	17	21	27	29	32	36	41	45	49	55
Malawi	36	21	18	22	26	27	29	11	13	15	16	17
Mali	21	11	11	13	18	20	22	25	27	29	31	36
Mauritania	7	3	4	5	7	8	8	9	11	12	14	15
Mozambique	8	5	6	9	16	18	20	22	24	36	46	50
Nicaragua	12	7	2	3	6	7	7	8	9	11	13	16
Niger	16	8	6	8	8	7	8	10	11	11	12	14
Rwanda	12	3	2	4	6	6	3	4	4	5	5	7
São Tomé and Príncipe	1	0	0	0	0	1	0	0	0	0	0	0
Senegal	31	20	14	25	33	28	30	34	40	43	67	79
Sierra Leone	4	5	3	2	3	4	4	4	1	1	1	1
Tanzania	40	22	26	33	45	46	47	55	59	62	71	79
Uganda	26	23	28	35	42	46	46	50	56	61	68	76
Zambia	27	15	13	14	21	17	17	20	23	26	30	35
TOTAL	651	560	399	502	562	626	538	609	672	747	834	933

**Table 6B (concluded). World Bank Group Debt Service after HIPC Initiative and MDRI
Debt Relief, 2000-2011**
(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actual 1/								Projections 1/			
Debt Service after HIPC Initiative Debt Relief and MDRI												
Afghanistan	-	-	-	31	4	5	5	4	6	5	5	5
Benin	12	7	7	9	11	12	7	2	1	1	2	2
Bolivia	31	21	14	14	20	21	12	2	2	3	4	4
Burkina Faso	11	3	7	8	11	13	8	4	4	4	4	7
Burundi	13	14	16	19	20	17	2	2	26	26	27	29
Cameroon	92	86	69	58	59	57	53	9	2	3	3	4
Central African Republic	9	9	0	-	-	-	-	13	16	13	12	13
Chad	9	11	6	7	9	16	21	18	22	25	12	13
Congo, Republic of	12	82	12	11	9	9	3	4	7	7	6	4
Congo, Dem. Rep. of the	-	-	-	28	15	26	0	12	7	7	6	4
Ethiopia	34	36	18	26	36	16	10	6	8	9	9	13
Gambia, The	4	2	2	3	3	5	6	7	1	1	1	1
Ghana	57	63	37	32	42	49	24	9	9	9	10	13
Guinea	19	11	11	14	16	19	18	22	41	20	22	23
Guinea-Bissau	5	1	0	1	2	2	2	2	10	10	9	9
Guyana	7	4	5	4	4	3	2	0	0	0	0	0
Haiti	10	4	-	-	1	-	16	12	20	13	1	1
Honduras	57	46	45	45	41	92	9	3	3	3	3	5
Liberia	-	-	-	-	-	-	-	55	4	4	2	0
Madagascar	28	17	17	21	27	29	18	6	7	7	8	10
Malawi	36	21	18	22	26	27	19	1	2	2	2	3
Mali 2/	21	11	11	13	18	20	12	3	4	4	5	7
Mauritania	7	3	4	5	7	8	5	2	2	2	2	3
Mozambique	8	5	6	9	16	18	12	7	7	9	11	14
Nicaragua	12	7	2	3	6	7	4	2	2	2	3	4
Niger	16	8	6	8	8	7	4	2	2	2	2	3
Rwanda	12	3	2	4	6	6	2	2	2	2	2	3
São Tomé and Príncipe	1	0	0	0	0	1	0	0	(0)	(0)	(0)	(0)
Senegal	31	20	14	25	33	28	16	5	6	7	9	11
Sierra Leone	4	5	3	2	3	4	4	1	(3)	(3)	(3)	(4)
Tanzania	40	22	26	33	45	46	26	11	12	13	15	17
Uganda	26	23	28	35	42	46	25	5	7	7	9	12
Zambia	27	15	13	14	21	17	9	2	2	2	3	4
TOTAL	651	560	399	502	562	626	357	236	240	219	204	238

Sources: HIPC country documents, and World Bank staff estimates.

1/ From 2001 to 2007, information corresponds to debt service actually paid to the World Bank. Debt service projections from 2008 onwards are based on stocks as of end-December 2007.

Table 7A. Implementation of the HIPC Initiative and MDRI by the IMF
Status as of end-July 2008
(In millions of SDRs)

Member	HIPC Initiative Assistance				MDRI Debt Relief 2/		Total HIPC and MDRI Debt Relief Delivered
	Decision Point	Completion Point	Amount Committed	Amount Disbursed into HIPC Umbrella Account 1/	Delivery date	MDRI Trusts	
							(A)	(B)	(A+B)
23 Completion-Point HIPCs			1,559	1,672		2,176	3,848
Benin	Jul. 2000	Mar. 2003	18	20	Jan. 2006	34	54
Bolivia	Feb. 2000	Jun. 2001	62 3/	65	Jan. 2006	155	220
Burkina Faso	Jul. 2000	Apr. 2002	44 3/	46	Jan. 2006	57	103
Cameroon	Oct. 2000	Apr. 2006	29	34	Apr. 2006	149	183
Ethiopia	Nov. 2001	Apr. 2004	45	47	Jan. 2006	80	126
Gambia, The	Dec. 2000	Dec. 2007	2	2	Dec. 2007	7	10
Ghana	Feb. 2002	Jul. 2004	90	94	Jan. 2006	220	314
Guyana	Nov. 2000	Dec. 2003	57 3/	60	Jan. 2006	32	91
Honduras	Jun. 2000	Apr. 2005	23	26	Jan. 2006	98	125
Madagascar	Dec. 2000	Oct. 2004	15	16	Jan. 2006	128	145
Malawi	Dec. 2000	Aug. 2006	33	37	Sep. 2006	15	52
Mali	Sep. 2000	Mar. 2003	46 3/	49	Jan. 2006	62	112
Mauritania	Feb. 2000	Jun. 2002	35	38	Jun. 2006	30	69
Mozambique	Apr. 2000	Sep. 2001	107 3/	108	Jan. 2006	83	191
Nicaragua	Dec. 2000	Jan. 2004	64	71	Jan. 2006	92	163
Niger	Dec. 2000	Apr. 2004	31	34	Jan. 2006	60	94
Rwanda	Dec. 2000	Apr. 2005	47	51	Jan. 2006	20	71
São Tomé and Príncipe	Dec. 2000	Mar. 2007	0.8	1	Mar. 2007	1	2
Senegal	Jun. 2000	Apr. 2004	34	38	Jan. 2006	95	133
Sierra Leone	Mar. 2002	Dec. 2006	100	107	Dec. 2006	77	183
Tanzania	Apr. 2000	Nov. 2001	89	96	Jan. 2006	207	303
Uganda	Feb. 2000	May. 2000	120 3/	122	Jan. 2006	76	198
Zambia	Dec. 2000	Apr. 2005	469	508	Jan. 2006	398	907
10 Decision point HIPCs			748	41			41
Afghanistan	Jul. 2007	Floating	--	--			--
Burundi	Aug. 2005	Floating	19	0.3			0
Central African Republic	Sep. 2007	Floating	17	3.5			3
Chad	May. 2001	Floating	14	8.6			9
Congo, Dem. Rep. of	Jul. 2003	Floating	228	3.4			3
Congo, Rep. of	Mar. 2006	Floating	6	--			--
Guinea	Dec. 2000	Floating	24	10.0			10
Guinea-Bissau	Dec. 2000	Floating	9	0.5			1
Haiti	Nov. 2006	Floating	2	0.1			0
Liberia	Mar. 2008	Floating	428	15.0			15
1 interim HIPC under the Original HIPC Initiative							
Côte d'Ivoire	Mar. 1998	--	17 3/ 4/	--			--
2 Non-HIPCs						126	126
Cambodia	--	--	--	--	Jan. 2006	57	57
Tajikistan	--	--	--	--	Jan. 2006	69	69
Total			2,324	1,713		2,303	4,016

Source: International Monetary Fund.

1/ Includes interest on amounts committed under the enhanced HIPC Initiative.

2/ Excludes remaining HIPC Initiative assistance delivered.

3/ Includes commitment under the original HIPC Initiative.

4/ Côte d'Ivoire reached its decision point under the original HIPC Initiative in 1998; but did not reach its completion point under the original HIPC Initiative, nor has it reached the decision point under the enhanced HIPC Initiative.

Table 7B. IMF HIPC Initiative and MDRI Debt Relief, 1998-2008 1/
(In millions of U.S. dollars; as of June 30, 2008)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
	Jan-Jun											
HIPC Initiative debt relief												
Afghanistan	-	-	-	-	-	-	-	-	-	-	-	-
Benin	-	-	2.4	4.7	4.8	6.0	5.1	2.3	2.9	-	-	28.2
Bolivia	5.5	10.8	9.7	8.6	10.4	9.7	18.8	14.4	9.0	-	-	96.7
Burkina Faso	-	-	2.9	6.0	6.0	14.3	17.1	14.6	7.5	-	-	68.3
Burundi	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.4
Cameroon	-	-	1.2	1.2	0.4	0.0	5.1	1.3	40.2	-	-	49.3
Central African Republic	-	-	-	-	-	-	-	-	-	-	2.8	2.8
Chad	-	-	-	1.8	2.8	4.0	1.2	2.0	0.0	0.0	0.0	11.9
Congo, Dem. Rep. of	-	-	-	-	-	0.8	1.7	1.7	0.9	0.0	0.0	5.0
Congo, Rep. of	-	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	-	-	-	0.7	5.3	5.6	3.9	6.0	47.7	-	-	69.2
Gambia, The	-	-	-	0.0	0.0	0.1	0.0	0.0	0.0	3.5	-	3.6
Ghana	-	-	-	-	9.5	18.9	20.3	24.4	66.8	-	-	139.9
Guinea	-	-	-	3.1	1.2	2.2	0.4	0.0	0.0	1.1	4.8	12.9
Guinea Bissau	-	-	-	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
Guyana	-	7.7	8.5	10.4	7.2	9.3	13.8	11.3	19.8	-	-	88.0
Haiti	-	-	-	-	-	-	-	-	0.0	0.1	0.1	0.2
Honduras	-	-	-	1.3	4.6	0.0	5.7	13.4	13.6	-	-	38.5
Liberia	-	-	-	-	-	-	-	-	-	-	3.2	3.2
Madagascar	-	-	-	0.9	1.9	4.1	1.7	2.6	12.9	-	-	24.1
Malawi	-	-	-	2.9	0.0	2.5	4.2	3.8	41.5	-	-	55.0
Mali	-	-	0.7	6.7	8.9	11.3	14.0	12.4	18.6	-	-	72.6
Mauritania	-	-	5.0	7.9	10.4	11.0	8.4	4.9	6.9	-	-	54.4
Mozambique	-	14.0	29.8	26.5	17.2	12.1	13.6	15.7	34.6	-	-	163.4
Nicaragua	-	-	-	-	0.9	2.6	9.0	24.0	71.7	-	-	108.1
Niger	-	-	-	0.5	1.4	4.2	7.6	10.7	26.1	-	-	50.7
Rwanda	-	-	-	8.6	4.3	0.0	4.7	8.1	47.9	-	-	73.7
São Tomé and Príncipe	-	-	-	-	-	-	-	-	-	1.4	-	1.4
Senegal	-	-	1.9	4.3	4.4	7.2	14.8	14.9	8.2	-	-	55.7
Sierra Leone	-	-	-	-	30.6	33.3	22.0	6.0	61.0	-	-	152.9
Tanzania	-	-	15.4	19.4	20.9	17.1	16.2	10.9	39.8	-	-	139.8
Uganda	8.2	15.5	27.6	26.6	22.1	23.1	25.0	17.2	17.5	-	-	182.8
Zambia	-	-	-	170.5	155.2	165.5	2.4	229.1	6.1	-	-	728.6
TOTAL	13.7	47.9	105.0	313.2	330.5	365.0	236.8	451.8	601.1	6.2	11.0	2,482.2
IMF MDRI debt relief												
To HIPCs												
Afghanistan	-	-	-	-	-	-	-	-	-	-	-	-
Benin	-	-	-	-	-	-	-	-	49.3	-	-	49.3
Bolivia	-	-	-	-	-	-	-	-	223.7	-	-	223.7
Burkina Faso	-	-	-	-	-	-	-	-	82.4	-	-	82.4
Burundi	-	-	-	-	-	-	-	-	-	-	-	-
Cameroon	-	-	-	-	-	-	-	-	219.4	-	-	219.4
Central African Republic	-	-	-	-	-	-	-	-	-	-	-	-
Chad	-	-	-	-	-	-	-	-	-	-	-	-
Congo, Dem. Rep. of	-	-	-	-	-	-	-	-	-	-	-	-
Congo, Rep. of	-	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	-	-	-	-	-	-	-	-	115.1	-	-	115.1
Gambia, The	-	-	-	-	-	-	-	-	-	11.6	-	11.6
Ghana	-	-	-	-	-	-	-	-	317.9	-	-	317.9
Guinea	-	-	-	-	-	-	-	-	-	-	-	-
Guinea Bissau	-	-	-	-	-	-	-	-	-	-	-	-
Guyana	-	-	-	-	-	-	-	-	45.6	-	-	45.6
Haiti	-	-	-	-	-	-	-	-	-	-	-	-
Honduras	-	-	-	-	-	-	-	-	141.9	-	-	141.9
Liberia	-	-	-	-	-	-	-	-	-	-	-	-
Madagascar	-	-	-	-	-	-	-	-	185.6	-	-	185.6
Malawi	-	-	-	-	-	-	-	-	21.6	-	-	21.6
Mali	-	-	-	-	-	-	-	-	90.2	-	-	90.2
Mauritania	-	-	-	-	-	-	-	-	44.5	-	-	44.5
Mozambique	-	-	-	-	-	-	-	-	120.0	-	-	120.0
Nicaragua	-	-	-	-	-	-	-	-	132.6	-	-	132.6
Niger	-	-	-	-	-	-	-	-	86.4	-	-	86.4
Rwanda	-	-	-	-	-	-	-	-	29.1	-	-	29.1
São Tomé and Príncipe	-	-	-	-	-	-	-	-	-	1.6	-	1.6
Senegal	-	-	-	-	-	-	-	-	136.9	-	-	136.9
Sierra Leone	-	-	-	-	-	-	-	-	115.2	-	-	115.2
Tanzania	-	-	-	-	-	-	-	-	299.0	-	-	299.0
Uganda	-	-	-	-	-	-	-	-	109.6	-	-	109.6
Zambia	-	-	-	-	-	-	-	-	575.7	-	-	575.7
To non-HIPCs												
Cambodia	-	-	-	-	-	-	-	-	82.1	-	-	82.1
Tajikistan	-	-	-	-	-	-	-	-	100.1	-	-	100.1
TOTAL	-	-	-	-	-	-	-	-	3,324.0	13.2	-	3,337.2

Sources: International Monetary Fund.

1/ The figures in this table were converted from SDR amounts using relevant US\$/SDR exchange rates.

Table 8A. Status of Delivery of HIPC Initiative and MDRI Assistance by the African Development Bank (AfDB) Group
Status as of end-July 2008
(In millions of U.S. dollars)

	AfDB Group Assistance under the HIPC Initiative			Assistance under the MDRI (AfDF only)		Total Committed Assistance under the HIPC Initiative and MDRI in end-2006 NPV Terms	Total Delivered Assistance under the HIPC Initiative and MDRI in end-2006 NPV Terms
	Committed Assistance in NPV Terms as of Decision Point	Committed Assistance in end-2007 NPV Terms	Delivered Assistance in end-2007 NPV Terms 1/	Delivered Assistance in Nominal Terms 2/	Delivered Assistance in end-2007 NPV Terms	(II) + (V)	(III) + (V)
	(I)	(II)	(III)	(IV)	(V)		
19 Post-Completion-Point HIPCs 3/							
TOTAL	1,798.6	2,475.1	1,177.0	6,686.4	2,820.3	5,295.4	3,997.3
Benin	37.6	52.4	43.4	366.3	167.3	219.8	210.7
Burkina Faso	81.9	114.3	56.1	343.9	137.3	251.6	193.4
Cameroon	78.8	110.0	73.0	227.8	91.1	201.2	164.1
Ethiopia	331.2	440.8	196.1	762.5	296.0	736.8	492.1
Gambia, The	15.8	22.1	8.5	174.0	83.1	105.2	91.6
Ghana	131.2	174.6	122.1	484.4	210.8	385.4	333.0
Madagascar	60.1	83.8	48.6	371.3	161.8	245.7	210.4
Malawi	119.5	166.8	44.3	284.9	107.5	274.2	151.8
Mali	69.1	96.4	69.6	565.9	261.4	357.9	331.1
Mauritania	72.8	101.6	74.9	265.8	119.5	221.1	194.4
Mozambique	149.5	208.8	22.0	547.7	226.3	435.1	248.4
Niger	47.9	66.9	20.0	198.0	77.4	144.3	97.4
Rwanda	108.5	151.5	41.7	115.3	47.2	198.7	88.9
São Tomé and Príncipe	40.8	57.0	11.9	35.2	12.5	69.5	24.4
Senegal	56.9	79.4	76.2	412.7	188.2	267.6	264.4
Sierra Leone	43.4	55.1	15.9	147.1	56.4	111.5	72.3
Tanzania	124.9	174.3	80.6	617.0	251.8	426.2	332.5
Uganda	82.6	115.3	54.7	521.0	224.3	339.6	279.0
Zambia	146.1	204.0	117.3	245.9	100.2	304.2	217.5
8 Interim HIPCs 3/							
TOTAL	1,592.4	1,871.7	669.7		...	1,465.0	669.7
Burundi	149.4	164.3	16.4		...	149.4	16.4
Central African Republic	85.4	89.6	0.0		...	...	...
Chad	37.0	49.2	33.1		...	43.9	33.1
Congo, Dem. Rep. of the	905.1	1,095.1	443.1		...	986.0	443.1
Congo, Rep. of 4/	41.9	46.0	48.2		...	41.9	48.2
Guinea	75.3	105.2	100.2		...	93.3	100.2
Guinea-Bissau	60.4	84.3	28.7		...	74.8	28.7
Liberia	238.1	238.1	0.0		...	75.8	0.0
Total Debt Relief Committed	3,391.0	4,346.8	1,846.7		2,820.3	6,760.4	4,667.0

Sources: African Development Bank Group, World Bank and IMF staff estimates.

1/ Total delivered enhanced HIPC assistance to end 2007.

2/ Nominal MDRI costs include principal and interest foregone.

3/ Includes only HIPCs that owe debt to AfDB Group.

4/ The total amount of HIPC Initiative debt relief has been provided through an arrears clearance operation in 2004.

Table 8B. AfDB Group Debt Service after HIPC Initiative and MDRI Debt Relief, 2000-2011
(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actuals								Projected			
Debt Service before HIPC Initiative Debt Relief												
Benin	5	4	8	7	9	9	12	5	6	9	12	13
Burkina Faso	8	4	10	9	9	8	12	5	6	7	8	8
Burundi	0	-	-	3	29	18	6	7	7	7	7	8
Central African Republic												
Cameroon	47	25	63	41	40	38	39	28	28	27	15	12
Chad	3	1	7	6	3	10	7	9	11	14	15	15
Congo, Dem. Rep. of the	-	-	65	73	42	118	121	126	133	138	141	143
Rep. of Congo 1/	7	-	0	33	148	55	27	-	13	13	12	12
Ethiopia	45	34	46	46	49	49	51	32	31	20	19	19
Gambia, The	3	3	3	3	4	4	4	5	9	9	10	10
Ghana	31	16	37	29	30	32	41	23	22	12	10	11
Guinea	24	18	26	22	53	18	18	18	18	24	24	25
Guinea-Bissau	-	4	4	4	4	4	4	4	4	4	6	7
Madagascar	13	10	14	12	10	9	13	6	6	7	7	8
Malawi	10	7	10	11	12	12	12	6	6	6	6	7
Mali	7	6	14	9	13	14	20	8	9	10	13	20
Mauritania	12	8	12	12	12	13	21	13	13	13	13	13
Mozambique	3	6	7	7	8	7	13	7	9	9	10	15
Niger	1	2	3	3	5	5	11	3	3	4	4	4
Rwanda	6	4	8	7	8	9	11	4	4	5	4	4
São Tomé and Príncipe	1	1	2	2	2	2	2	3	1	1	1	1
Senegal	25	14	31	24	26	26	29	24	25	24	25	25
Sierra Leone	2	2	3	4	5	5	5	4	2	2	2	3
Tanzania	11	8	12	15	16	16	22	10	12	14	14	14
Uganda	7	5	9	10	12	12	19	8	9	9	8	10
Zambia	31	24	24	26	27	26	28	17	11	10	8	7
TOTAL	302	204	419	418	576	521	548	374	398	399	398	413
Debt service after HIPC Initiative debt relief 2/												
Benin	3	-	3	2	3	4	7	-	0	6	12	13
Burkina Faso	4	-	3	2	3	3	6	-	-	1	2	2
Burundi	0	-	-	3	29	15	0	0	1	1	1	1
Central African Republic												
Cameroon	44	13	52	35	40	38	28	9	12	12	10	10
Chad	3	-	3	2	-	7	3	5	6	9	9	9
Congo, Dem. Rep. of the	-	-	65	72	-	19	10	10	15	18	19	20
Rep. of Congo 1/	7	-	0	33	106	55	27	-	13	13	12	12
Ethiopia	45	34	15	16	19	20	22	4	5	1	-	-
Gambia, The	3	0	1	1	4	4	4	5	6	6	7	7
Ghana	31	16	19	8	10	13	22	7	6	1	4	4
Guinea	24	7	15	12	37	1	2	11	18	24	24	25
Guinea-Bissau	-	-	-	0	1	1	1	1	1	1	2	3
Madagascar	13	1	5	5	10	4	7	0	0	0	0	0
Malawi	10	-	3	4	5	12	12	-	-	-	-	-
Mali	5	-	5	1	5	6	11	-	-	-	6	20
Mauritania	5	-	3	3	4	5	13	6	5	5	5	10
Mozambique	2	4	5	5	5	4	11	4	5	5	7	15
Niger	1	-	1	1	2	2	7	-	-	1	0	0
Rwanda	6	-	2	2	3	5	4	-	-	-	-	-
São Tomé and Príncipe	1	-	1	0	1	1	1	1	-	-	-	-
Senegal	20	6	23	20	11	8	21	24	25	24	25	25
Sierra Leone	2	2	2	1	2	2	2	2	-	-	-	-
Tanzania	6	-	4	5	6	7	12	0	1	2	2	2
Uganda	3	-	3	4	5	5	13	1	2	2	2	3
Zambia	31	2	5	7	27	17	11	3	2	1	1	1
TOTAL	271	83	240	243	338	257	257	93	124	134	151	184

Table 8B (concluded). AfDB Group Debt Service after HIPC Initiative and MDRI Debt Relief, 2000-2011
(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actuals								Projected			
Debt service after HIPC Initiative debt relief and MDRI												
Benin	3	-	3	2	3	4	4	-	-	0	3	3
Burkina Faso	4	-	3	2	3	3	4	-	-	-	-	-
Burundi	0	-	-	3	29	15	0	0	1	1	1	1
Cameroon	44	13	52	35	40	38	26	8	11	11	8	6
Chad	3	-	3	2	-	7	3	5	4	5	5	5
Congo, Dem. Rep. of the	-	-	65	72	-	19	10	10	14	16	17	18
Rep. of Congo 1/	7	-	0	33	106	55	27	-	13	13	12	11
Ethiopia	45	34	15	16	19	20	15	-	-	-	-	-
Gambia, The	3	0	1	1	4	4	4	5	2	2	3	3
Ghana	31	16	19	8	10	13	16	1	0	-	-	-
Guinea	24	7	15	12	37	1	2	11	16	16	15	15
Guinea-Bissau	-	-	-	0	1	1	1	1	1	1	1	1
Madagascar	13	1	5	5	10	4	4	-	-	-	-	-
Malawi	10	-	3	4	5	12	12	-	-	-	-	-
Mali	5	-	5	1	5	6	7	-	-	-	-	4
Mauritania	5	-	3	3	4	5	9	3	3	2	2	5
Mozambique	2	4	5	5	5	4	7	0	1	1	1	5
Niger	1	-	1	1	2	2	5	-	-	-	-	-
Rwanda	6	-	2	2	3	5	2	-	-	-	-	-
São Tomé and Príncipe	1	-	1	0	1	1	1	1	-	-	-	-
Senegal	20	6	23	20	11	8	16	17	17	16	16	15
Sierra Leone	2	2	2	1	2	2	2	-	-	-	-	-
Tanzania	6	-	4	5	6	7	7	-	-	-	-	-
Uganda	3	-	3	4	5	5	8	-	-	-	-	-
Zambia	31	2	5	7	27	17	8	0	-	-	-	-
TOTAL	271	83	240	243	338	257	201	62	82	83	84	93

Sources: African Development Bank Group

1/ The total amount of HIPC Initiative debt relief has been provided through the 2004 arrears clearance operation (total sum in NPV terms: 39.6 millions of U.S. dollars)

2/ Debt service after HIPC for interim HIPC countries assumes that interim debt relief is provided according to the schedule determined at decision point.

Table 9. Status of Delivery of HIPC and IaDB-07 Initiatives Assistance by the Inter-American Development Bank (IaDB)
Status as of end-July 2008
(In millions of U.S. dollars)

	IaDB Assistance under the HIPC Initiative			IaDB 2007 Debt Initiative (MDRI equivalent)		Total Committed Assistance under the HIPC Initiative and 2007 Initiative in end-2006 NPV Terms (II) + (IV)	Total Delivered Assistance under the HIPC Initiative and 2007 Initiative in end-2006 NPV Terms (III) + (V)
	Committed Assistance in NPV Terms as of Decision Point (I)	Committed Assistance in end-2007 NPV Terms (II)	Delivered Assistance in end-2007 NPV Terms 1/ (III)	Delivered Assistance in Nominal Terms 2/ (III)	Delivered Assistance in end-2007 NPV Terms (IV)		
4 Post-Completion-Point HIPCs 3/							
TOTAL	1,122.6	1,567.0	600.8	3,876.7	1,994.9	3,561.9	2,595.6
Bolivia	477.1	666.0	173.3	1,050.2	523.9	1,189.9	697.3
Honduras	133.8	186.7	140.6	1,367.1	763.9	950.6	904.5
Guyana	120.5	168.2	49.4	469.9	251.2	419.4	300.6
Nicaragua	391.2	546.1	237.5	989.5	455.8	1,002.0	693.3
1 Interim HIPC 3/							
TOTAL	60.4	63.4	10.1	...	...	63.4	10.1
Haiti	60.4	63.4	10.1	...	...	63.4	10.1
Total Debt Relief Committed	1,183.0	1,630.4	610.8	3,876.7	1,994.9	3,625.3	2,605.7

Sources: Inter-American Development Bank, World Bank and IMF staff estimates.

1/ Total delivered enhanced HIPC assistance to end 2007.

2/ Nominal IaDB-07 Initiative costs include principal and interest foregone.

3/ Includes only HIPCs that owe debt to IaDB.

Table 10. Status of Bilateral Donor Pledges to the HIPC Trust Fund
Status as of 28 June 2008
(In millions of U.S. dollars)

Donor	Inception through September 2002			October 2002 to October 2004				November 2004 to October 2006	November 2006 onwards (incl new pledges)		Total Bilateral and EC-ACP Contributions Pledged since Inception f/
	EC-ACP Pledged and Paid-In	Bilateral Pledged and Paid-In	Total Pledged and Paid-In	EC-ACP Pledged a/	Bilateral Pledged b/ c/	EC-ACP Paid-In	Bilateral Paid-in	Bilateral Pledged and Paid-in e/	Bilateral Pledged	Bilateral Paid-In	
Australia		13	13							1/	13
Austria	18	26	44	6						2/	50
Belgium	26	20	46	10	9		2				64
Canada		116	116		51		51	28		3/	195
Denmark	15	43	58	5	21		21		8	8 4/	93
Finland	10	25	35	3	13		13	13	13	5/	77
France	166	21	187	60	11		11		26	22 4/	285
Germany	160	72	232	58	60 d/		39		52	6/	402
Greece	9	3	12	3	2		2				17
Iceland		2	2		1		1				3
Ireland	4	20	23	1					8	7/	33
Italy	86	70	156	31 h/	29 h/						215
Japan		200	200		58		58				258
Korea					10		10				10
Luxembourg	2	1	2	1							4
Netherlands	36	136	172	13	56		26		14	4/	254
New Zealand		2	2								2
Norway		79	79		47		47	20	20	12 4/	166
Portugal	7	15	22	2							24
Russian Federation					10		10	15			25
Spain	40	85	125	15	25		25		15	15	180
Sweden	19	58	77	6	26		26		20	20 8/	129
Switzerland		60	60		35		35		4	4	99
United Kingdom	88	221	310	32	95		95		65	44 4/	501
United States		600	600		150		75				750
Total Bilateral Contributions		1,889			709		547	76	245	138	2,918
Total EC-ACP Contributions	685			246 d/			126				931
Total g/	685	1,889	2,574	246	709	-	673	76	245	138	3,849

Sources: World Bank Group

a/ On May 16, 2003, the EC-ACP Council, bringing together Ministers from African, Caribbean, and Pacific countries and EU Member States, approved a contribution of EUR 200 million.

This contribution was funded from resources already allocated to EC-ACP cooperation through the 8th and 9th replenishments of the European Development Fund.

b/ Most EU Member States pledges made at the October 2002 HIPC technical meeting included their share of an expected EC-ACP contribution. When the EC-ACP contribution was finalized in May 2003, bilateral pledges of EU members were adjusted, attributing the EC-ACP contribution based on each donor's share in EDF9. In addition, a number of donors made pledges after the October 2002 meeting or increased the amount of their pledges, including Canada, Finland, Greece, Korea, Norway, Russia and the United Kingdom.

c/ Many donors linked the level of their 2002 pledge to specific funding gap estimates or to other conditions such as additional funding for IFAD. These pledge conditions are noted on page 4 of the Chairman's summary of HIPC technical meeting on October 24, 2002.

d/ Contribution agreements have been signed covering the full amount of the donor's outstanding pledge. The EC has signed an agreement for EUR 200 million, of which EUR 100 million has been paid. Germany has signed an agreement for EUR 50 million, of which EUR 20 million has been paid. EUR 10 million is payable in 2008 and EUR 20 million is payable in 2009.

e/ Excludes contribution earmarked for IDA provided in the context of IDA14.

f/ Many donors have also provided debt relief through other initiatives and mechanisms including: the Debt Reduction Facility for IDA-only Countries (providing financing for commercial debt reduction efforts), specific country-held multilateral debt relief facilities, bilateral debt relief trust funds, and the Central American Emergency Trust Fund.

g/ This total includes (1) contributions of US\$80 million that were earmarked to IDA from Australia, Austria, Iceland, Italy, the Netherlands and New Zealand; and (2) contributions of US\$52 million that were earmarked to IFAD.

h/ Based on a funding gap of US\$1 billion contingent on collective efforts to move to US\$1 billion as needed and provided IFAD is included in the funding gap.

Notes related to the new pledges based on the November 19, 2006 meeting and June 28, 2007 meeting in Maputo

1/ Australia plans to make an additional contribution to IDA15 equivalent to its share of IFAD's HIPC costs.

2/ Austria has indicated its intent to contribute in 2009.

3/ Canada is releasing its IFAD share (4.5%) of the IFAD costs out of its 2005 contribution.

4/ The following donors have indicated their intent to fund a share of the financing requirement, including the estimated requirement of US\$ 282.4 million for IFAD:

Denmark's pledge is based on its share of HIPC cost in IDA14 (1.58%) of the AfDB cost and its IFAD share (1.7%) of the IFAD cost.

France's pledge is based on its ADF-X share (9.2%) of the AfDB costs, and its IFAD share (4.34%) of IFAD's expected costs for 2007.

The Netherlands' pledge is based on its IDA14 share (2.8%) of AfDB and IFAD costs.

Norway's pledge is calculated as its ADF-X share (3.54%) of the AfDB costs and its IFAD share (4.5%) of the IFAD costs.

The United Kingdom's pledge is based on its IDA14 share (13.2%) of AfDB and IFAD costs.

5/ Finland has paid EUR 5 million representing half of its total pledge.

6/ Germany's contribution of EUR 38.5 million is subject to governmental and parliamentary approval.

7/ Ireland's pledge is subject to governmental and parliamentary approval.

8/ Sweden's pledge is based on its IDA14 share (4.1%) of the AfDB and IFAD costs. Of this total, SEK 100 million was paid in 2006.

The balance will be paid in 2007. Up to an additional SEK 40 million may be available subject to contributions from other donors.

Table 11. HIPC Initiative: Cost Estimates to Paris Club Official Bilateral Creditors by Creditor Country 1/
(In millions of U.S. dollars, in end-2007 NPV terms)

Paris Club Creditors																																
33 Post-Decision-Point HIPCs			Paris Club Creditors																								Total					
Australia	Austria	Belgium	Brazil	Canada	Denmark	Finland	France	Germany	Ireland	Israel	Italy	Japan	Luxembourg	Netherlands	Norway	Portugal	Russia	South Africa	Spain	Sweden	Switzerland	Trinidad & Tobago	United Kingdom	United States	IDA-administered EEC Loans	Total						
86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	22	420						
-	-	-	-	-	-	-	-	7	-	-	-	-	-	-	-	-	376	-	-	-	-	-	-	37	-	89						
-	-	1	-	0	-	-	37	2	-	-	-	14	12	5	14	-	2	-	-	-	-	-	2	0	-	572						
-	14	32	-	2	1	-	27	139	-	-	-	29	207	12	-	-	-	-	63	1	-	-	14	33	-	32						
-	2	-	-	-	-	-	15	-	-	-	-	4	-	3	-	-	1	-	6	-	-	-	1	-	-	94						
-	4	0	-	-	0	-	60	0	0	-	0	28	60	0	-	-	2	-	-	-	-	-	0	-	-	34						
-	2	-	-	-	-	-	7	3	-	-	-	3	2	-	0	-	0	-	-	-	11	-	1	6	0	1,208						
-	101	47	-	48	22	0	584	201	-	-	-	49	13	10	-	-	-	-	34	18	12	-	50	18	-	19						
-	0	-	-	-	-	-	15	0	-	-	-	2	-	0	-	-	0	-	2	-	-	-	-	-	-	19						
-	43	507	1	22	-	-	840	324	-	-	-	410	524	204	10	-	-	-	15	53	10	-	91	1,127	7	4,190						
-	-	13	36	13	0	-	617	49	-	-	-	51	-	0	0	-	37	-	113	3	-	59	14	-	-	1,005						
4	3	1	-	0	1	3	3	36	-	-	-	82	11	1	-	-	456	-	10	14	-	7	44	-	-	673						
-	3	-	-	-	-	-	2	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	7						
-	19	1	-	13	-	5	67	84	-	-	-	22	657	58	-	-	-	-	33	20	-	-	95	25	-	1,101						
-	2	1	2	-	-	-	112	1	-	-	-	10	26	-	3	-	25	-	3	-	-	1	26	1	-	210						
-	-	5	9	-	-	-	6	2	-	-	-	112	-	-	-	58	10	-	8	-	-	-	-	-	-	257						
-	-	-	-	1	1	-	1	9	-	-	-	-	1	-	6	-	3	-	-	-	153	65	16	-	-	16						
-	-	-	-	0	-	-	7	-	-	-	-	4	-	-	-	-	-	-	2	-	-	-	2	0	-	235						
-	-	-	-	2	2	-	7	10	-	-	-	21	131	-	3	0	-	-	42	-	1	-	-	17	-	857						
-	32	-	-	-	26	1	138	196	-	-	-	52	113	-	31	13	-	-	9	2	-	15	229	1	-	1						
-	11	10	-	9	-	-	128	25	-	0	42	193	-	-	-	-	72	-	36	4	2	-	9	7	-	547						
-	10	-	-	-	-	-	6	0	-	-	-	161	-	-	-	-	-	-	4	-	-	16	-	-	-	196						
-	-	-	-	-	-	-	89	-	-	-	0	37	-	1	-	-	28	-	-	-	-	3	0	-	-	159						
-	29	-	11	-	-	-	73	2	-	-	-	0	41	-	14	-	-	-	17	-	-	4	2	-	-	192						
-	10	-	125	-	-	-	280	119	-	-	-	81	-	-	-	240	218	-	30	5	-	76	27	-	-	1,476						
1	1	-	43	-	-	8	47	308	-	1	57	144	-	25	-	-	350	-	191	-	-	1	37	-	-	1,214						
-	-	-	-	-	-	-	107	-	-	-	-	-	20	-	-	-	-	-	8	-	-	-	9	5	-	150						
-	3	-	-	3	-	-	30	-	-	-	-	13	-	-	-	-	-	-	-	-	-	-	-	1	-	48						
-	-	1	-	-	-	-	4	5	-	-	-	6	-	-	-	-	1	-	3	-	-	-	-	-	-	20						
-	-	2	-	1	5	-	70	21	-	-	-	20	28	-	3	6	-	-	13	0	-	0	6	-	-	176						
-	0	11	-	-	0	-	17	9	0	-	-	39	91	0	19	6	-	-	-	-	11	-	9	45	-	257						
-	16	72	99	22	-	-	77	46	-	-	-	92	448	48	5	-	83	-	7	-	-	89	8	-	-	1,112						
-	16	-	-	-	-	2	16	1	-	6	48	36	-	-	0	-	-	-	29	-	-	10	0	-	-	166						
-	5	-	34	34	-	-	97	275	-	-	-	49	696	-	0	-	-	63	-	-	-	-	148	119	2	-	1,522					
5	293	737	359	171	57	18	3,587	1,875	0	8	1,483	3,713	0	445	58	298	1,729	-	667	124	51	153	774	1,851	11	-	18,467					

Sources: HIPC country documents, World Bank and IMF staff estimates.

1/ Creditor invited on a case-by-case basis to participate in some Paris Club agreements.

2/ Not a Paris Club member. In some cases, IDA-administered European Economic Commission (EEC) loans (which are treated as Paris Club debt) are apportioned among EEC members. Amounts listed for Luxembourg correspond to its portion of such EEC loans.

Table 12. Debt Relief Committed and Delivered by the Paris Club Official Bilateral Creditors

(In millions of U.S. dollars, in end-2007 NPV terms)

Debtor Country	HIPC Initiative Assistance Committed	HIPC Initiative Assistance Provided	Debt Relief Beyond HIPC Initiative Provided	Total Debt Relief Provided	Debt-Relief-Provided to Debt-Relief-Committed (In percent)
23 Post-Completion-Point HIPC's					
TOTAL	11,409.2	11,409.2	7,429.0	18,838.2	165.1
Benin	88.9	88.9	...	88.9	100.0
Bolivia	571.9	571.9	...	571.9	100.0
Burkina Faso	32.1	32.1	24.4	56.5	176.0
Cameroon	1,208.4	1,208.4	3,338.8	4,547.2	376.3
Ethiopia	673.1	673.1	217.7	890.8	132.3
Gambia, The	6.7	6.7	...	6.7	100.0
Ghana	1,101.4	1,101.4	743.9	1,845.3	167.5
Guyana	256.6	256.6	39.9	296.4	115.5
Honduras	235.4	235.4	947.9	1,183.3	502.7
Madagascar	547.0	547.0	680.9	1,227.9	224.5
Malawi	197.1	197.1	229.8	426.9	216.5
Mali	158.9	158.9	...	158.9	100.0
Mauritania	191.5	191.5	24.6	216.1	112.8
Mozambique 1/	1,475.7	1,475.7	...	1,475.7	100.0
Nicaragua	1,214.1	1,214.1	170.1	1,384.3	114.0
Niger	149.6	149.6	57.1	206.7	138.1
Rwanda	48.3	48.3	7.9	56.2	116.5
São Tomé and Príncipe	20.2	20.2	0.6	20.8	103.1
Senegal	176.1	176.1	426.4	602.4	342.2
Sierra Leone	257.3	257.3	30.7	288.0	111.9
Tanzania	1,111.6	1,111.6	...	1,111.6	100.0
Uganda	165.6	165.6	...	165.6	100.0
Zambia	1,521.7	1,521.7	488.4	2,010.1	132.1
10 Interim HIPC's					
TOTAL 2/	7,058.7	...	...	...	...
Afghanistan	419.7	...	...	...	...
Burundi	94.3	...	...	...	...
Central African Republic	33.8	...	...	...	...
Chad	19.5	...	...	...	...
Congo, Dem. Rep. of the the	4,190.4	...	...	...	...
Congo, Rep. of	1,004.8	...	...	...	...
Guinea	213.1	...	...	...	...
Guinea-Bissau	210.0	...	...	...	...
Haiti	15.6	...	...	...	...
Liberia	857.4	...	...	...	...
TOTAL	18,467.9	...	...	...	...

Sources: HIPC country documents, HIPC country authorities; and IMF staff estimates.

1/ Agreements with Portugal and Japan are still pending.

2/ No information is available regarding the provision of interim debt relief to these countries by the Paris Club creditors.

Table 13. Paris Club Official Bilateral Creditors' Delivery of Debt Relief under Bilateral Initiatives beyond the HIPC Initiative 1/

Countries Covered		ODA (In percent)		Non-ODA (In percent)		Provision of Relief	
		Pre-cutoff Date Debt	Post-cutoff Date Debt	Pre-cutoff Date Debt	Post-cutoff Date Debt	Decision Point (In percent)	Completion Point
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Australia	HIPCs	100	100	100	100 2/	2/	2/
Austria	HIPCs	100	-	100	-	Case-by-case, flow	Stock
Belgium	HIPCs	100	100	100	-	100 flow	Stock
Canada	HIPCs	100	100	100	100	100 flow	Stock
Denmark	HIPCs	100	100 3/	100	100 3/	100 flow	Stock
France	HIPCs	100	100	100	-	100 flow 4/	Stock
Finland	HIPCs	100	- 5/	100	- 5/	-	-
Germany	HIPCs	100	100	100	100	100 flow	Stock
Ireland	-	-	-	-	-	-	-
Italy	HIPCs	100	100 6/	100	100 6/	100 flow	Stock
Japan	HIPCs	100	100	100	-	-	Stock
Netherlands, the	HIPCs	100 7/	100	100	-	90-100 flow 7/	Stock
Norway	HIPCs	8/	8/	9/	9/	-	-
Russia	HIPCS	- 10/	- 10/	100	100	-	Stock
Spain	HIPCs	100	100 11/	100	100 11/	-	Stock
Sweden	HIPCs	-	- 12/	100	-	-	Stock
Switzerland	HIPCs	- 13/	- 13/	90-100 14/	-	90-100 flow	Stock
United Kingdom	HIPCs	100	100	100	100 15/	100 flow 15/	Stock
United States 16/	HIPCs	100	100	100	100	100 flow	Stock

Source: Paris Club Secretariat.

1/ Columns (1) to (7) describe the additional debt relief provided following a specific methodology under bilateral initiatives and need to be read as a whole for each creditor.

In column (1), "HIPCs" stands for eligible countries effectively qualifying for the HIPC process. A "100 percent" mention in the table indicates that the debt relief provided under the enhanced HIPC Initiative framework will be topped up to 100 percent through a bilateral initiative.

2/ Australia: post-cutoff date non-ODA relief to apply to debts incurred before a date to be finalized; timing details for both flow and stock relief are to be finalized.

3/ Denmark provides 100 percent cancellation of ODA loans and non-ODA credits contracted and disbursed before September 27, 1999.

4/ France: cancellation of 100 percent of debt service on pre-cutoff date commercial claims on the government as they fall due starting at decision point. Once countries have reached completion point, debt relief on ODA claims on the government will go to a special account and will be used for specific development projects.

5/ Finland: no post-Cutoff date claims

6/ Italy: cancellation of 100 percent of all debts (pre- and post-cutoff date, ODA and non-ODA) incurred before June 20, 1999 (the Cologne Summit). At decision point, cancellation of the related amounts falling due in the interim period. At completion point, cancellation of the stock of remaining debt.

7/ The Netherlands: 100 percent ODA (pre- and post-cutoff date debt will be cancelled at decision point); for non-ODA: in some particular cases (Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, Nicaragua, Rwanda, Tanzania, Uganda and Zambia), the Netherlands will write off 100 percent of the consolidated amounts on the flow at decision point; all other HIPCs will receive interim relief up to 90 percent reduction of the consolidated amounts. At completion point, all HIPCs will receive 100 per cent cancellation of the remaining stock of the pre-cutoff date debt.

8/ Norway has cancelled all ODA claims.

9/ Due to the current World Bank/IMF methodology for recalculating debt reduction needs at HIPC completion point, Norway has postponed the decisions on whether or not to grant 100% debt reduction until after HIPCs' completion point.

10/ Russia has no ODA claims

11/ Spain provides 100 percent cancellation of ODA and non-ODA claims contracted before January 1, 2004

12/ Sweden has no ODA claims.

13/ Switzerland has cancelled all ODA claims.

14/ In some particular cases (Central African Republic, Liberia, Republic of Congo, Sierra Leone, Togo), Switzerland will write off 100 percent of the remaining debt stock at completion point; all other HIPCs will receive debt relief according to Paris Club terms.

15/ United Kingdom: "beyond 100 percent" full write-off of all debts of HIPCs as of their decision points, and reimbursement at decision point of any debt service paid before the decision point.

16/ United States: cancellation of 100 percent of all debts (pre- and post-cutoff date, ODA and non-ODA) incurred before June 20, 1999 (the Cologne Summit).

At decision point, cancellation of accrued arrears and maturities falling due in the interim period. At completion point, cancellation of the stock of remaining eligible debt.

Table 14. HIPC Initiative: Cost Estimates to Non-Paris Club Official Bilateral Creditors by Creditor Country 1/
(In millions of U.S. dollars, in end-2007 NPV terms)

Non-Paris Club Official Bilateral Creditors																																
33 Post-Decision-Point HIPCs																																
Algeria	Angola	Argentina	Brazil	Bulgaria	Burundi	Cameroon	Cape Verde	China	Colombia	Congo, Dem. Rep.	Costa Rica	Cote d'Ivoire	Croatia	Cuba	Czech Republic	Ecuador	Egypt	Former Serbia & Montenegro	Guatemala	Honduras	Hungary	India	Iran	Iraq	Israel	Jamaica	Kuwait	Libya				
																						</										

Non-Paris Club Official Bilateral Creditors																															
33 Post-Decision-Point HIPCs										Total																					
Mexico	Morocco	Namibia	Niger	Nigeria	Oman	Pakistan	Korea, P. Dem. Rep.	Korea, Rep.	Peru	Poland	Portugal	Romania	Rwanda	Saudi Arabia	Senegal	Slovak Republic	South Africa	Taiwan, China	Tanzania	Thailand	Togo	Trinidad & Tobago	United Arab Emirates	Uruguay	Venezuela	Zambia	Zimbabwe	Other	Total		
																2/															
Alghanistan															4															17	
Benin			0				0																							17	
Bolivia																		8								0				27	
Burkina Faso															9			38												90	
Burundi															11															36	
Central African Republic															12	1								2				0	4	163	
Cameroon															4			67												19	
Chad															4	0						0								27	
Congo, Dem. Rep.		1											0		19			35					75							265	
Ethiopia							21			6																				155	
Gambia, The															1			9												16	
Ghana								5							10															45	
Guinea	4											7			29					1										87	
Guinea-Bissau							3								12			37					0							85	
Guyana							0																3			5				36	
Haiti																		6								0				6	
Honduras	13																	15								6				61	
Liberia															13			67												96	
Madagascar															3								1							112	
Malawi																	1	19												28	
Mali															22								7							76	
Mauritania															42								5							173	
Mozambique 4/							0					36					11	5												332	
Nicaragua 5/	58						2		10	8							27		166				1		1	66					1,742
Niger															23			61												170	
Congo, Rep.												0			18								5							64	

5/ Guatemala's claims on Nicaragua were taken over by Spain in a debt swap. Spain has agreed to provide HIPC Initiative debt relief to Nicaragua on those claims.

Table 15. Delivery of HIPC Initiative Debt Relief by Non-Paris Club Official Bilateral Creditors 1/
(in millions of U.S. dollars, 2007 NPV terms unless otherwise indicated)

Creditor Country	Number of Completion		HIPC Initiative		HIPC Initiative Assistance Delivered	
	Total	Relief Provided	NPV Terms	Percent of Total Cost	NPV Terms	Percent of Total Assistance
	(1)	(2)	(3)	(4)	(5)	(6)=(5)/(3)
I. Full delivery of HIPC Relief (8 creditors):						
Egypt	1	1	0.5	0.0	0.5	100.0
Hungary	4	4	20.1	0.5	20.1	100.0
Jamaica	1	1	0.2	0.0	0.2	100.0
Morocco	1	1	3.0	0.1	3.0	100.0
Republic of Korea	2	2	7.4	0.2	7.4	100.0
Rwanda	1	1	0.8	0.0	0.8	100.0
South Africa 2/	2	2	6.5	0.2	6.5	100.0
Trinidad and Tobago 2/	1	1	0.6	0.0	0.6	100.0
Total			39.0	1.0	39.0	100.0
II. Partial delivery of HIPC Relief (22 creditors):						
Algeria	11	1	258.1	6.9	13.2	5.1
Argentina	2	1	5.2	0.1	3.1	59.4
Brazil 2/	2	1	9.1	0.2	7.0	76.6
Bulgaria	6	3	114.7	3.1	88.6 - 99.1	77.2 - 86.4
Burundi 3/	1	1	0.2	0.0	...	...
China 4/	21	15	301.3	8.1	138.2 - 183.0	45.9 - 60.7
Cuba	2	1	2.2	0.1	0.2	8.2
Czech Republic	4	3	34.8	0.9	27.6 - 27.7	79.4 - 79.6
Former Yugoslavia 5/	6	1	91.8	2.5	0.0 - 38.7	0.0 - 42.2
Guatemala 6/	2	1	501.0	13.4	494.1	98.6
India 7/	7	5	39.9	1.1	12.6 - 35.4	31.6 - 88.7
Kuwait 8/	19	14	321.6	8.6	227.8	70.8
Libya	14	2	295.4	7.9	27.9 - 48.6	9.4 - 16.4
Mexico	2	1	70.7	1.9	57.6	81.5
People's Democratic Republic of Korea	7	1	31.1	0.8	2.3	7.3
Poland	4	2	22.1	0.6	14.6	66.0
Romania	3	1	41.2	1.1	36.4	88.3
Saudi Arabia	14	10	172.3	4.6	81.2 - 133.5	47.1 - 77.5
Slovak Republic	4	3	17.4	0.5	13.8 - 13.9	79.4 - 79.6
Tanzania 3/	1	1	4.4	0.1	...	...
United Arab Emirates	9	1	30.0	0.8	0.0 - 2.8	0.0 - 9.3
Venezuela	4	2	76.6	2.0	33.3	43.5
Total			2441.2	65.3	1,279.5 - 1,476.7	52.4 - 60.5
III. No delivery of HIPC Relief (20 creditors):						
Angola	4	0	27.0	0.7	0	0
Cape Verde	1	0	0.3	0.0	0	0
Colombia	1	0	5.1	0.1	0	0
Costa Rica	2	0	527.2	14.1	0	0
Cote d'Ivoire	2	0	14.1	0.4	0	0
Democratic Republic of the Congo	1	0	0.4	0	0	0
Ecuador	1	0	0.5	0	0	0
Honduras	1	0	135.5	3.6	0	0
Iran	2	0	75.4	2.0	0	0
Iraq	9	0	118.4	3.2	0	0
Niger	1	0	0.4	0	0	0
Nigeria	1	0	2.2	0.1	0	0
Oman	1	0	1.7	0	0	0
Pakistan	1	0	1.4	0	0	0
Peru	1	0	10.5	0.3	0	0
Portugal 2/	1	0	7.9	0.2	0	0
Taiwan Province of China	8	0	331.5	8.9	0	0
Uruguay	1	0	0.7	0	0	0
Zambia	1	0	0.2	0	0	0
Zimbabwe	1	0	0.1	0	0	0
Total			1,260.5	33.7	0.0	0.0
Grand Total (I+II+III)			3,740.7	100.0	1,318.5 - 1,515.7	35.2 - 40.5

Sources: HIPC documents; country authorities; and Fund and Bank staff estimates.

1/ This table updates the April 2008 HIPC Scorecard based on information received as of June 2008 and includes methodological changes in the calculation of NPV for countries that have benefited from the Original HIPC initiative. The information covers only creditors that have claims on post-completion-point countries.

2/ While not a member of the Paris Club, Brazil has agreed to participate in the Paris Club rescheduling meeting for most HIPCs and provided substantive debt relief in the context of the Paris Club. South Africa has been classified as a non-Paris Club for Mozambique and Malawi. However, South Africa did not in the Paris Club exit meetings for Benin and Malawi. Similarly, Trinidad and Tobago has been classified as a non-Paris Club for Nicaragua. However, it has provided debt relief to Nicaragua outside of the Paris Club. Brazil has been classified as non-Paris Club only for Bolivia and Guyana, although it actually participated in Paris Club meeting for Bolivia. Brazil did not participate in the Paris Club meeting for Nicaragua. Taking into consideration all relief provided outside the Paris Club would increase the HIPC debt relief provided by Brazil to US\$50.1 million and its share of HIPC debt relief provided as a non-Paris Club creditor to 96.2 percent. Portugal has also provided debt relief under the Paris Club.

3/ In these cases, there is only one debtor. Debtors have indicated that some relief has been provided but the information received is insufficient to quantify it.

4/ The debt relief estimates for China are based on debt cancellations data provided by debtors.

5/ Partition of HIPC loans outstanding at decision point and the associated debt relief among members of the Former Yugoslavia is being determined with the help of the authorities.

6/ Guatemala's claims on Nicaragua were taken over by Spain in a debt swap. Spain has agreed to provide HIPC debt relief to Nicaragua on those claims.

7/ In June 2003, India announced its intention to write off all non-export credit claims on HIPCs. However, several agreements remain unsigned. India has not yet agreed to provide full relief on export-credit claims.

8/ Debt relief estimates for Kuwait are based on detailed loan by loan information provided by the Kuwait Fund for Arab Economic Development (KFAED).

Table 16. Commercial Creditor Lawsuits Against HIPC's 1/

HIPC Debtor	Creditor 2/	Domicile of Creditor	Court Location	Status of Legal Action	Original Claim 3/	Amount	Judgment for
					4/	Claimed by the Creditor 5/	Creditor 6/
					(In millions of U.S. dollars)		
I. Completion-Point HIPCs							
Cameroon					36.6	157.5	50.9
	(1) Winslow Bank	Bahamas	France, UK and USA	Judgement Awarded	9.0	46.3	46.3
	(2) Del Favero Spa	Italy	United Kingdom	Out of court settlement	2.9	4.6	4.6
	(3) Sconset Limited	British Virgin Islands	France	In arbitration	15.2	67.0	...
	(4) Gracechurch (Paris)	Cayman Islands	France	In arbitration	9.5	39.7	...
Ethiopia					131.5	186.7	...
	(1) Kintex-Bulgaria	Bulgaria	Russia	In arbitration	8.7	8.7	...
	(2) Yugoisimport	Serbia	Russia	In arbitration	122.8	178.0	...
Guyana					42.5	46.4	...
	(1) Citizens Bank Guyana Inc.	Guyana	Guyana	Out of court settlement	24.3	24.7	...
	(2) Booker plc.	UK	ICSID	Dropped	4.1	7.5	...
	(3) Export Services Incorporated	USA	Guyana	Judgement awarded	14.1	14.1	...
Honduras					1.5	1.5	...
	(1) Bago Laboratories	Argentina	Honduras	In court	1.5	1.5	...
Nicaragua 7/					79.8	9.3	0.0
	(1) LNC Investment, Inc.	USA	USA	Out of court settlement under DRF	26.3	177.9	87.1
	(2) Hemisphere Associates (Nicaragua Claim) L.L.C	USA	USA	Out of court settlement under DRF	30.9	209.6	126.0
	(3) Greylock Global Opportunity Master Fund Ltd.	British Virgin Islands	USA	Out of court settlement under DRF	10.5	182.2	50.9
	(4) Hamsah Investments, Ltd.	British Virgin Islands	USA	Out of court settlement under DRF	2.5	16.9	11.6
	Joint litigation by five plaintiffs:						
	(5) Inex-Interexport Belgrade	Serbia	USA	In court	9.6	9.3	...
	(6) 14 October Krusevac						
	(7) IMT AD Belgrade						
	(8) DP FAP Famos						
	(9) MFK Corporation Ltd.						
Sierra Leone					26.3	28.6	24.9
	(1) J&S Franklin Ltd	UK	UK	Judgement awarded	1.1	3.4	3.4
	(2) UMACO	France	UK	Out of court settlement	0.6	0.6	0.6
	(3) Executive Outcome Panama	Sierra Leone	Sierra Leone	Judgement awarded	20.5	20.5	20.5
	(4) Chatelet Investment Ltd	Sierra Leone	Sierra Leone	Out of court settlement	0.4	0.4	0.4
	(5) Seacem International ANS	Norway	Norway	Out of court settlement	3.7	3.7	...
Uganda					18.4	36.2	29.6
	(1) Banco Arabe Espanol	Spain	Uganda	Judgement awarded	1.0	2.7	2.7
	(2) Transroad Ltd	UK	Uganda	Judgement awarded	4.0	16.7	16.7
	(3) Industry Machinery 14 Oktobar	Former Yugoslavia	Uganda	Judgement awarded	7.0	8.9	8.9
	(4) Sour Fap Famous	Former Yugoslavia	Uganda	Judgement awarded	0.3	1.4	1.4
	(5) Iraq Fund for International Development	Iraq	Uganda	In court	6.0	6.4	-
	(6) Shelter Afrique	Kenya	Uganda	Out of court settlement	0.1	0.1	...
Zambia					16.3	55.3	15.7
	(1) Connecticut Bank of Commerce	USA	...	Judgement awarded	0.9	0.3	0.3
	(2) Donegal International Limited	British Virgin Islands	UK	Judgement awarded	15.4	55.0	15.4
II. Interim HIPCs							
Congo, Dem. Rep. of the 8/					44.1	100.0	100.0
	(1) FG Hemisphere	USA	USA	Judgement Awarded	44.1	100.0	100.0
Congo, Rep. of					527.2	574.8	443.3
	(1) Groupe Antoine Tabet (GAT)	Lebanon	Switzerland and France	Judgement awarded	126.0	88.6	92.2
	(2) NUFI-AG. C. ITHO Middle East	USA	USA	Judgement awarded	11.2	24.3	8.3
	(3) FG Hemisphere Associates LLC	USA	USA, France and Belgium	Judgement awarded	35.9	152.0	151.9
	(4) AF-CAP, Inc.	Bermuda	USA and Europe	Judgement awarded	9.6	20.8	10.9
	(5) Berrebi	France	France	Judgement awarded	2.1	13.7	13.7
	(6) Kensington International Ltd	Cayman Islands	UK, USA, and others	Judgement awarded	29.6	118.6	118.6
	(7) Walker International holding LTD	British virgin islands	UK, USA, and others	Judgement awarded	20.8	47.8	47.8
	(8) Commisimpex	Rep. of Congo	France	Out of court settlement	292.0	109.2	...
Liberia					5.8	129.8	357.3
	(1) Montrose Capital, LLC	USA	USA	In court	...	129.5	...
	(2) New Rochelle, City of	USA	USA	In court	...	0.3	...
	(3) Taiyo Kobe Syndicate (original creditor)	Japan	UK	Judgement awarded	...	...	285.2
	(4) Continental Grain Company (original creditor)	Belgium	USA	Judgement awarded	...	...	8.8
	(5) Chemical Bank (original creditor)	USA	USA	Judgement awarded	...	...	18.4
	(6) Gordon International	USA	USA	Judgement awarded	...	...	0.1
	(7) Israel Aircraft Industries, LTD.	Israel	USA	Judgement awarded	...	...	3.1
	(8) Liberian National Petroleum Corporation (original	Liberia	UK	Judgement awarded	...	...	20.0
	(9) Colonial Bank (original creditor)	USA	UK	Judgement awarded	5.8	...	21.4
	(10) Reichler, Milton & Medel	USA	USA	Judgement awarded	...	...	0.4
III. Potentially Eligible HIPCs							
Sudan					150.6	151.0	146.0
	(1) Pomgrad Split	Serbia	Sudan	Judgement awarded	44.1	44.1	44.1
	(2) Habib Bank Limited	Pakistan	UK	Judgement Awarded	101.9	101.9	101.9
	(3) Namco Anstalt	Switzerland	Sudan	In court	4.6	5.0	...

Source: Survey on Commercial Creditor Participation and Creditor Lawsuits against HIPC's.

1/ Commercial creditors lawsuits against HIPC's are reported without assessing the merits of these disputes. The information reported in this table reflects responses to the survey only, and it should not be considered a complete summary of all commercial creditor proceedings against HIPC's. The survey was responded by the authorities of 28 countries out of 40 surveyed in June 2008. Responses to previous surveys have been included in the table, with the exception of a lawsuit against São Tomé and Príncipe which was determined as official claim against Angola.

2/ Either original creditor or holder of current claim.

3/ When possible, exchange rates at decision-point were used for reporting claims in U.S. dollars. Otherwise, average exchange rates were used.

4/ Excludes accumulated interest, charges, and penalties.

5/ Amount could include interest, charges, and penalties.

6/ Settlement amounts are not reported, as confidentiality agreements might be in place.

7/ Total amount claimed by creditor and court awards exclude cases that have been extinguished through DRF-supported buyback.

8/ The response to the survey 2008 did not include a previously reported case against DRC. The staff has excluded this case until further clarifications are received.