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Heavily Indebted Poor Countries (HIPC) Initiative - Statistical Update

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INTERNATIONAL DEVELOPMENT ASSOCIATION AND
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Heavily Indebted Poor Countries (HIPC) Initiative—Statistical Update

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I. GUIDE TO THE TABLES

1. This update provides recent data on the status of implementation of the Heavily Indebted Poor Countries (HIPC) Initiative. In September 2002, the Bank and Fund Boards agreed that staffs would prepare six-monthly statistical updates on implementation in addition to annual reviews. Below are some highlights drawn from the accompanying tables.

A. Progress in Implementation (Tables 1, 2)

Pre Decision Point Countries

2. Many of the 12 countries that have not yet reached the decision point are affected by conflict and in some instances have substantial arrears outstanding to various creditors. In Côte d'Ivoire, sudden domestic conflict prevented the country from reaching its decision point as anticipated last fall, and the preparation of a preliminary document was delayed in the case of the Central African Republic for the same reason. The Democratic Republic of Congo, however, has made significant progress and is expected to reach its decision point soon.

Countries in the Interim Stage

3. The number of countries that have reached their completion points has increased by one (Mali)¹ since September 2002 and Benin is expected to reach its completion point within a few weeks. Most of the countries in the interim period are still within the timeframe envisaged for this stage when the Enhanced HIPC Initiative was launched.² Nevertheless, some countries have experienced delays in reaching their completion points relative to the dates foreseen at the time of their respective decision points. The reasons for the delays are:

- the process of preparing high quality PRSPs reflecting broad consultation has taken longer than anticipated. Relative to earlier expectations, delays in excess of six months were encountered in at least 13 of the 19 interim period countries³, of which seven have yet to finalize their PRSPs;⁴
- PRGF programs have experienced interruptions, usually because of fiscal slippages. There are currently two countries that have neither had new programs or program reviews

¹ Completion point for Mali was approved by Executive Boards of the World Bank and IMF on March 6, 2003.

² See "Modifications to the Heavily Indebted Poor Countries (HIPC) Initiative", EBS/99/139, July 23, 1999, <http://www.imf.org/external/hp>, and DC/99-25, September 17th, 1999, <http://www.worldbank.org/hipc>.

³ Benin, Cameroon, Chad, Gambia, The, Ghana, Guinea, Guinea-Bissau, Guyana, Madagascar, Malawi, Rwanda, São Tomé and Príncipe, and Senegal.

⁴ Chad, Madagascar, Cameroon, Guinea-Bissau, São Tomé and Príncipe, Ghana, and Sierra Leone.

approved within the last six months nor have much prospect for coming back on track with PRGF programs within the next six months;⁵ and

- implementation of other completion point triggers has generally been slower than envisaged.

B. Summary of Costs (Tables 3, 4)⁶

4. There is little change in the cost of debt relief under the Initiative to 34 countries covered under the September 2002 costing exercise, with the estimated amount now standing at US\$37.2 billion in 2001 NPV terms.⁷ Converting this amount to bring it into 2002 NPV terms⁸, the estimate would amount to US\$39.2 billion (Table 3). The costs remain broadly equally divided between bilateral and multilateral creditors (Table 4). These estimates do not include the possible costs of topping up for countries currently in the interim period.⁹ The framework has so far committed an estimated US\$27.3 billion of HIPC relief in 2002 NPV terms to the 26 decision point countries (Table 4).

C. Multilateral Creditors: Costs, Commitments and Delivery (Tables 5, 6A, 6B, 7A, 7B, 8)

5. Multilateral creditors are providing, or are committed to provide, HIPC debt relief amounting to US\$18.7 billion (2002 NPV terms)—over 99 percent of the total debt relief required from all 30 multilateral creditors (Table 5).¹⁰ The large multilateral creditors, including IDA, the IMF, AfDB, IaDB, and CABEI are providing relief to most countries in the interim period. In October 2002, the East African Development Bank agreed to participate in the HIPC Initiative and the Arab Monetary Fund reconfirmed its participation in early 2003. This leaves seven small multilateral creditors that have not yet committed to the HIPC Initiative, due mainly to financial constraints (Table 5).

⁵ Guinea and Guinea-Bissau.

⁶ The underlying assumptions and caveats on the updated costing are detailed in Annex I.

⁷ Since September, cost estimates were revised to reflect new estimates for Mali and the Democratic Republic of Congo and 2002 NPV terms. See “Heavily Indebted Poor Countries Initiative—Progress in Implementation”, SM/02/264 Revision 1, September 23, 2002, <http://www.imf.org/external/hp>, and <http://www.worldbank.org/hipc>.

⁸ The costs of HIPC assistance are calculated in NPV terms at the time of decision point. This cost has then been increased each year after the decision point year by a factor which is estimated as the average interest rate applicable for relief to be committed. This rate was estimated as 6.0 percent for the years, 2000 and 2001, respectively. In the costing exercise for end-2002, this factor was adjusted from 6.0 percent to 5.45 percent for 2000 and 2001 and a 5.45 percent rate was applied to increase costs from end-2001 to end-2002.

⁹ The potential costs of topping up were estimated as a range between US\$0.4–0.7 billion in the September Status of Implementation Report.

¹⁰ See “Enhanced HIPC Initiative—Creditor Participation Issues”, SM/03/82, February 28, 2003, <http://www.imf.org/external/hp>; and February 28, 2003, IDA/SECM20030092, <http://www.worldbank.org/hipc>.

6. The total costs to the World Bank Group for the 26 countries that have reached the decision point are estimated at US\$6.9 billion in 2002 NPV terms (Table 4),¹¹ equivalent to US\$11.3 billion in nominal terms. The total delivered amount of HIPC relief for the 26 countries stands at US\$2.4 billion in nominal terms (Table 6A).

7. The total cost to the IMF is estimated at US\$2.9 billion (2002 NPV terms), of which US\$2.2 billion is for the 26 decision point countries (Table 4 and Table 7A)¹². The IMF has committed to provide the latter relief in full, which amounts to SDR 1.6 billion in decision point NPV terms. Of this, SDR 1.0 billion in HIPC relief has already been delivered in the form of grants (Table 7A).¹³

8. A technical meeting was held by donors in October 2002 to review the financing needs of the HIPC Trust Fund. By end-December 2002, pledges from donors had been received for an additional US\$850 million against an estimated funding gap of the same amount. This raised pledges by donors to the HIPC Trust Fund to about US\$3.4 billion; contributions against these pledges reached US\$2.5 billion by end-January 2003 (Table 8).

D. Official Bilateral Creditors: Costs, Commitments and Delivery (Tables 9A, 9B, 10A, 10B)

9. All Paris Club creditors have committed to delivering their portions of the estimated US\$9.2 billion (2002 NPV terms) in HIPC relief for the 26 countries which have reached the decision point (Tables 9A, 9B). In addition, a number of Paris Club members have voluntarily provided additional bilateral debt relief beyond the HIPC Initiative.

10. There are 50 non-Paris Club official bilateral creditors and their share of estimated debt relief to the 26 HIPCs that have reached their decision points is estimated at US\$3.0 billion (2002 NPV terms—Table 10A). Of these, 12 creditor countries have committed to deliver full debt relief under the HIPC framework amounting to US\$422 million (2002 NPV terms—Table 10B). This includes Libya, which agreed to participate in the HIPC Initiative in September 2002 and in February 2003 indicated to the Ugandan authorities its intention to provide US\$160 million in debt relief to Uganda. A further 14 countries have delivered or agreed to deliver relief on some, but not all claims on HIPCs, representing US\$2.0 billion (2002 NPV terms—Table 10B). Finally, 24 countries have not yet agreed to deliver any HIPC relief (representing US\$609 million).

¹¹ This includes costs under the original HIPC framework.

¹² This includes costs under the original HIPC framework.

¹³ No relief has been provided to São Tomé and Príncipe, which had no outstanding obligations to the IMF at the decision point, and Nicaragua, which has experienced track record interruptions in its PRGF arrangement. The release of the topping up amount for Burkina Faso is subject to satisfactory financing assurances.

11. The cost of HIPC relief for commercial creditors for relief to 34 countries is estimated at US\$1.7 billion (2002 NPV terms) after traditional relief and US\$644 million (2002 NPV terms) for the 26 countries which have reached the decision point (Table 4).

**E. Effect of HIPC Debt Reduction on Debt Stocks, Debt Service and Social Spending
(Tables 11A, 11B, 12A, 12B)**

12. When debt relief to 26 HIPCs required under the HIPC Initiative is added to debt relief under traditional mechanisms and additional voluntary bilateral debt forgiveness, the total reduction in the outstanding debt stock is about US\$40 billion in NPV terms.¹⁴ This is about two-thirds of the overall debt stock of these countries.

13. Compared with the levels recorded in 1998–99, average annual debt service due during 2001–05 for these countries is expected to be lower by about one third, with the difference averaging about US\$1.2 billion per year (Tables 11A, 11B).

14. Debt service has declined from 17.5 percent of exports in 1998 to an estimated 9.9 percent in 2002, and is projected to decline further to about 7.0 percent by 2005 (Tables 11A, 11B). As a share of government revenue, debt service is expected to decline from over 27 percent in 1998 to below 15 percent beyond 2002.

15. Social expenditures are projected to have climbed from 5.9 percent of GDP in 1999 to 9.1 percent in 2002. At US\$8.4 billion, this is almost four times the amount spent on debt service in 2002 (US\$2.3 billion—Tables 12A, 12B).

¹⁴ This figure is based on the net present value of the assistance at the time of decision point for each country.

**Table 1. HIPC Initiative: Progress in Implementation
Status as of January 2003**

Country	Progress in development and implementation of PRSP	Performance under PRGF supported programs	Actual/ Expected DP Date 1/	Actual/ Expected CP Date 1/ 2/
Countries that have already reached the Completion Point				
Bolivia 3/	Preparations of 1st Progress Report of PRSP underway	Several targets under a program informally monitored by the staff in 2002 were missed. A SBA negotiated in February 2003 may be approved in March, and might be replaced by a PRGF later in the year.	Mar-00	Jun-01
Burkina Faso 3/	2nd progress report on PRSP was reviewed in November 2002	PRGF is on track. The 6th review under PRGF recently completed.	Jul-00	Apr-02
Mali 3/ 4/	Full PRSP endorsed by the IMF Board in February 2003 and by the Bank Board in early March 2003.	PRGF on track.	Sep-00	Mar-03
Mauritania	1st Progress Report of PRSP endorsed by Boards in June 2002. A PRSP review is planned for July 2003.	PRGF arrangement expired in December 2002. Fund will assess need for new PRGF program.	Mar-00	Jun-02
Mozambique 3/	Developments in social spending are favorable, reaching 9 percent of GDP in 2002.	PRGF on track.	Apr-00	Sep-01
Tanzania	PRSP enjoys broad support and ownership.	Current PRGF extended to June 2003 to allow time for completion of final review.	Apr-00	Dec-01
Uganda 3/	Two progress reports on the PRSP have been submitted. Incidence of poverty fell from 56 percent in 1992 to 35 percent in 2000. PRSP scheduled for revision in 2003/04.	A new PRGF was approved in September 2002. PRGF on track.	Mar-00	May-00
Countries between Decision and Completion Point				
Benin 3/	PRSP finalized in December 2002.	PRGF on track.	Jul-00	Q1 2003
Cameroon	Progress towards the finalization of the full PRSP has been slow but is expected to be finalized by April 2003.	The 3rd was completed in September 2002 and the 4th PRGF review discussion are expected to be concluded soon.	Oct-00	Q1 2004
Chad	PRSP expected to be finalized by end-March 2003.	Performance under PRGF has been satisfactory since 2000.	May-01	Q1 2004
Ethiopia	Full PRSP completed in August 2002. The 1st annual progress report expected by third quarter 2003.	Third review under PRGF completed in September 2002. PRGF is on track.	Nov-01	Q3 2003
Gambia, The	PRSP finalized in April 2002 and presented to the Boards in July 2002.	New PRGF approved in July 2002.	Dec-00	Q3 2003
Ghana	PRSP finalized in February 2003.	The PRGF expired in November 2002 without a final review. A new PRGF is expected by April 2003.	Feb-02	Q2 2004
Guinea 5/	PRSP completed in January 2002 and endorsed by the Boards in July 2002.	PRGF off track as of end-2002 because of unsatisfactory implementation of budgetary measures. An SMP is currently being negotiated.	Dec-00	Q1 2004
Guinea-Bissau 5/	Progress toward the full PRSP has been slow but is expected by mid 2003.	PRGF off track in 2001 and the SMP that followed also incurred difficulties because of recurring fiscal policy slippages.	Dec-00	Q4 2004
Guyana 5/	The macroeconomic framework for the full PRSP was updated in April 2002.	A new PRGF was approved in September 2002, however the first review was not completed due to fiscal and structural reform slippages - tax, procurement and sugar sector reform.	Nov-00	Q4 2003

**Table 1 (continued). HIPC Initiative: Progress in Implementation
Status as of January 2003**

Country	Progress in development and implementation of PRSP	Performance under PRGF supported programs	Actual/ Expected DP Date 1/	Actual/ Expected CP Date 1/ 2/
Countries between Decision and Completion Point				
Honduras 5/	PRSP completed in August 2001. The 1st annual progress report expected by mid-2003.	PRGF off track since December 2001 mainly due to fiscal policy slippages. A new PRGF in the latter half of 2003 is possible after the adoption of corrective measures.	Jul-00	Q3 2004
Madagascar	The new Government envisions a final version of the PRSP in the first half of 2003.	Political/economic turmoil in the 1st half of 2002 delayed the completion of the PRGF review and finalization of PRSP.	Dec-00	Q2 2004
Malawi 5/	PRSP finalized in April 2002.	PRGF reviews have been delayed since 2001 because of fiscal policy slippages. First review expected end-July 2003.	Dec-00	Q4 2003
Nicaragua 5/	PRSP presented to the Boards in September 2001 and annual PRSP Progress Report finalized in November 2002.	Earlier PRGF went off-track because of policy slippages in early 2001, particularly in the fiscal and monetary areas. A new PRGF was approved in December 2002.	Dec-00	Q4 2003
Niger 5/	PRSP submitted in January 2002. A PRSP Progress Report is expected in early 2003.	Performance under PRGF is satisfactory despite budgetary slippage at end-2001.	Dec-00	Q3 2003
Rwanda	PRSP finalized in June 2002.	New PRGF approved in July, 2002.	Dec-00	Q3 2003
São Tomé and Príncipe 5/	A full PRSP is expected to be submitted to the Bank and Fund in April 2003.	PRGF went off track in 2001 because of fiscal and structural reform slippages. Implementation of the SMP in 2002 was broadly satisfactory and a new PRGF is expected to be in place in June 2003.	Dec-00	Q2 2004
Senegal 3/ 5/	Full PRSP discussed by the Boards in December 2002.	PRGF arrangement expired after second review in 2002. A successor PRGF is expected by mid 2003.	Jun-00	Q4 2003
Sierra Leone	Participatory consultations for the full PRSP has been delayed until demobilization of rebels, resettlement of the populace and parliamentary/presidential elections.	PRGF approved in 2001 is on track.	Mar-02	Q4 2004
Zambia	PRSP submitted in April 2002 and endorsed by the Boards of IMF and WB.	Performance under PRGF on track. Current PRGF will expire in March 2003; a new PRGF is expected to be considered by the Board in May 2003.	Dec-00	Q4 2003
Countries still to be considered				
Burundi	PRSP process launched in July 2000. Progress in finalizing the final I-PRSP is expected by March 2003.	Post-conflict assistance approved by Fund in October 2002. IDA provides support under Economic Rehabilitation Credit.		
Central African Republic 6/	I-PRSP presented in Jan 2001. Full PRSP could be presented during the first half of 2004. The delay is due to the need to address the weaknesses observed in the preparation of the I-PRSP.	SMP was successfully completed in June 2002. The attempted coup in October 2002 delayed negotiations for a new PRGF. Modalities for Bank and Fund engagement are being considered.		
Comoros	An I-PRSP is expected to be finalized in the second half of 2003.	SMP in place during July 2001-June 2002, when disputes between the Union and island governments opened new era of turbulence. Should conditions improve, a new SMP could be put into place in 2003 with a new PRGF in early 2004.		

**Table 1 (concluded). HIPC Initiative: Progress in Implementation
Status as of January 2003**

Country	Progress in development and implementation of PRSP	Performance under PRGF supported programs	Actual/ Expected DP Date 1/	Actual/ Expected CP Date 1/ 2/
Countries still to be considered				
Congo, Dem. Rep. of	I-PRSP presented in June 2002. Full PRSP expected in early 2005.	PRGF program on track.	Q2 2003	
Congo, Rep. of		SMP was extended to end-2002 to establish track record. Progress on structural measures unsatisfactory.		
Cote d'Ivoire	A first draft of the full PRSP was prepared in September 2002. The preparation of the full PRSP and implementation of anti-poverty measures are at peril until civil peace can be restored.	A three-year PRGF was approved in March 2002 following successful implementation of an SMP. Due to civil strife which started in December 2002, the HIPC decision point could not be reached in 2002.		
Lao PDR	I-PRSP discussed by Boards in April 2001. Final PRSP is expected by end-September 2003.	Fund Board approved new PRGF in April 2001. Second review under PRGF completed in July 2002.		
Liberia 6/		Engagement remains on hold pending the lifting of sanctions imposed by the UN in May 2001.		
Myanmar 6/		No Fund-supported program since 1982 or Bank lending since 1987.		
Somalia 6/		World Bank, UN and many NGOs are coordinating common approach for allocation of international aid to Somalia.		
Sudan 6/	Government is currently preparing an I-PRSP.	Bank is currently developing a reengagement strategy. SMP in place during 2002.		
Togo 6/	Draft I-PRSP issued in November 2002. The Boards would not discuss it due to the absence of a stable macroeconomic framework.	No PRGF is scheduled in the near term.		
Potentially sustainable cases 7/				
Angola				
Kenya	I-PRSP presented August 2000.			
Vietnam	PRSP presented July 2002.	Board report on eligibility to assistance under the HIPC Initiative expected shortly.		
Yemen, Rep. of	PRSP presented in June 2002 and discussed by the Boards in August 2002..	The debt sustainability analysis done for Yemen in June 2000, indicated that the country would have a sustainable debt burden after application of traditional debt relief mechanisms. The Paris Club provided a stock of debt operation on Naples terms in July 2001. DSA indicated a sustainable debt burden with application of traditional relief for 2000.		

Sources: Staff estimates.

1/ Refers to the Enhanced HIPC Initiative.

2/ Based on staffs' judgment of progress towards the decision/completion point.

3/ Countries that are considered retroactive - not subject to the requirement to have a PRSP under implementation for at least one year under the enhanced framework.

4/ Completion point for Mali was approved by the World Bank and IMF's Executive Boards on March 6, 2003.

5/ Countries reported in the Fall 2002 Progress Report as having encountered difficulties in the implementation of their macroeconomic programs.

6/ Countries in non accrual status with World Bank disbursements suspended.

7/ These countries are expected to achieve debt sustainability after receiving debt relief provided under traditional mechanisms.

**Table 2. HIPC Initiative: Committed Debt Relief and Outlook 1/
Status as of March 7, 2003
(In millions of U.S. dollars)**

	Reduction in NPV Terms 2/			Nominal Debt Service Relief			Date of Approval
	Original HIPC Initiative	Enhanced HIPC Initiative	Total	Original HIPC Initiative	Enhanced HIPC Initiative	Total	
Countries that have reached their Completion Points (7)							
TOTAL	2,862	5,205	8,068	5,730	8,505	14,235	
Bolivia	448	854	1,302	760	1,300	2,060	Jun-01
Burkina Faso 3/	229	324	553	400	530	930	Apr-02
Mali 4/	121	417	539	220	675	895	Mar-03
Mauritania	0	622	622	0	1,100	1,100	Jun-02
Mozambique	1,717	306	2,023	3,700	600	4,300	Sep-01
Tanzania	0	2,026	2,026	0	3,000	3,000	Nov-01
Uganda	347	656	1,003	650	1,300	1,950	May-00
Countries that have reached their Decision Points (19)							
TOTAL	256	16,450	16,706	440	26,070	26,510	
Benin	0	265	265	0	460	460	Jul-00
Cameroon	0	1,260	1,260	0	2,000	2,000	Oct-00
Chad	0	170	170	0	260	260	May-01
Ethiopia	0	1,275	1,275	0	1,930	1,930	Nov-01
The Gambia	0	67	67	0	90	90	Dec-00
Ghana	0	2,186	2,186	0	3,700	3,700	Feb-02
Guinea	0	545	545	0	800	800	Dec-00
Guinea-Bissau	0	416	416	0	790	790	Dec-00
Guyana	256	329	585	440	590	1,030	Nov-00
Honduras	0	556	556	0	900	900	Jul-00
Madagascar	0	814	814	0	1,500	1,500	Dec-00
Malawi	0	643	643	0	1,000	1,000	Dec-00
Nicaragua	0	3,267	3,267	0	4,500	4,500	Dec-00
Niger	0	521	521	0	900	900	Dec-00
Rwanda	0	452	452	0	800	800	Dec-00
São Tomé and Príncipe	0	97	97	0	200	200	Dec-00
Senegal	0	488	488	0	850	850	Jun-00
Sierra Leone	0	600	600	0	950	950	Mar-02
Zambia	0	2,499	2,499	0	3,850	3,850	Dec-00
Countries still to be considered (12)							
Côte d'Ivoire 5/	345	2,224	2,569	800	3,100	3,900	Mar-02 6/
Burundi	...	...	...	...	...	...
Central African Republic	...	...	...	...	...	...
Comoros	...	...	...	...	...	...
Congo, Dem. Rep. of	0	5,773	5,773	0	9,800	9,800	Jun-02 6/
Congo, Rep. of	...	...	...	...	...	...
Lao PDR	...	...	...	...	...	...
Liberia	...	...	...	...	...	...
Myanmar	...	...	...	...	...	...
Somalia	...	...	...	...	...	...
Sudan	...	...	...	...	...	...
Togo	...	...	...	...	...	...
<i>Memorandum item:</i>							
Debt relief committed under original and enhanced frameworks 7/	3,463	21,655	25,117	6,970	34,575	41,545	

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

1/ Committed Debt Relief under the assumption of full participation of the creditors.

2/ As of the completion point year for the Original HIPC Initiative and as of the decision point year for the Enhanced HIPC Initiative.

3/ The assistance under the enhanced HIPC Initiative includes the topping up with the NPV calculated in terms of the completion point year.

4/ The figures for the Enhanced HIPC Initiative correspond to the Completion Point Document approved by the World Bank and IMF's Executive Boards on March 6, 2003.

5/ It is suggested that debt relief under the original framework be overtaken by HIPC relief under the enhanced framework.

6/ Preliminary document issued.

7/ Countries that have reached their decision points under the enhanced HIPC framework through end-February 2003 and Côte d'Ivoire, which had reached the decision point under the original framework earlier.

**Table 3. HIPC Initiative: Changes in the Estimates of Potential Costs by Creditor Group
(34 countries)**

	September-02	March-03	March-03	
	Costing Exercise 2001 NPV Terms 1/ (In billions of U.S. dollars)	Costing Exercise 2001 NPV Terms 1/ 2/ (In billions of U.S. dollars)	Costing Exercise 2002 NPV Terms 1/ 2/ (In billions of U.S. dollars)	(In percent)
Total costs	37.2	37.2	39.2	100.0
Bilateral and	19.2	19.4	20.5	52.2
Paris Club	14.3	14.5	15.3	38.9
Other official bilateral	3.2	3.2	3.4	8.7
Commercial	1.6	1.7	1.8	4.5
Multilateral creditors	17.9	17.8	18.8	47.8
World Bank	8.2	8.2	8.7	22.1
<i>Of which:</i> IDA	7.5	7.5	7.9	20.1
IBRD	0.8	0.7	0.8	1.9
IMF	2.7	2.7	2.9	7.4
AfDB/AfDF	3.2	3.1	3.2	8.2
IaDB	1.2	1.2	1.3	3.2
Other	2.6	2.6	2.8	7.0
<i>Memorandum item:</i>				
Total costs including Liberia, Somalia, and Sudan	46.0	46.2	48.7	

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

1/ All HIPCs, excluding potentially sustainable cases (Angola, Kenya, Vietnam, and Yemen) and Liberia, Lao P.D.R., Somalia, and Sudan.

2/ Reflects: i) updated DSAs for Democratic Republic of Congo and Mali; and ii) updated assumptions on the discount rate used in the NPV calculation, which has been revised from 6 to 5.45 percent.

Table 4. HIPC Initiative: Breakdown of Estimated Potential Costs by Main Creditors and by Country Groups

(In billions of U.S. dollars, in 2002 NPV terms) 1/

	Total (34 countries)	Decision Point Cases (26)		Total (26 countries)	Post-2002
		Retroactive 2/ (8 countries)	New cases 3/ (18 countries)		Other 4/ (8 countries)
Total costs	39.2	7.7	19.6	27.3	11.9
Bilateral and commercial creditors	20.5	3.0	9.8	12.9	7.6
Paris Club	15.3	2.3	6.9	9.2	6.1
Other official bilateral	3.4	0.6	2.4	3.0	0.4
Commercial	1.8	0.1	0.5	0.6	1.1
Multilateral creditors	18.8	4.7	9.8	14.5	4.3
World Bank	8.7	2.1	4.8	6.9	1.8
<i>Of which</i> : IDA	7.9	2.1	4.5	6.6	1.3
IBRD	0.8	0.0	0.3	0.3	0.4
IMF	2.9	0.7	1.5	2.2	0.7
AfDB/AfDF	3.2	0.5	1.4	1.9	1.3
IaDB	1.3	0.7	0.6	1.3	0.0
Other	2.8	0.7	1.5	2.2	0.5
<i>Memorandum item:</i>					
In percent of total cost	100.0	19.6	50.1	69.7	30.3

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

1/ All HIPCs, excluding potentially sustainable cases (Angola, Kenya, Vietnam, and Yemen) and Liberia, Lao P.D.R., Somalia, and Sudan.

2/ Benin, Bolivia, Burkina Faso, Guyana, Mali, Mozambique, Senegal, and Uganda. Côte d'Ivoire is a retroactive case but has not reached its enhanced decision point.

3/ Cameroon, Chad, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Honduras, Madagascar, Malawi, Mauritania, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Sierra Leone, Tanzania, and Zambia.

4/ Burundi, Central African Republic, Comoros, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Myanmar, and Togo.

Table 5. HIPC Initiative: Estimates of Costs for Multilateral Creditors and Status of Commitment
(In millions of U.S. dollars, in 2002 NPV terms)

Creditors	Cost of Providing HIPC Relief (26 countries)	Cost of Providing HIPC Relief (34 countries)
Total	14,493	18,772
Delivering or committed to delivering debt relief 1/	14,464	18,708
World Bank	6,889	8,656
International Monetary Fund (IMF)	2,230	2,889
African Development Bank (AfDB)	1,914	3,225
Inter-American Development Bank (IaDB)	1,250	1,250
Central American Bank for Economic Integration (CABEI)	565	565
European Union/European Investment Bank (EU/EIB)	508	750
International Fund for Agricultural Development (IFAD)	251	291
Arab Bank for Economic Development in Africa (BADEA)	170	230
OPEC Fund for International Development	159	185
Islamic Development Bank (IsDB)	136	144
Corporación Andina de Fomento (CAF)	106	106
Arab Fund for Social and Economic Development (AFESD)	71	71
Caricom Multilateral Clearing Facility (CMCF)	66	66
West African Development Bank (BOAD)	47	70
Fund for the Financial Development of the River Plate Basin (FONPLATA)	28	28
Nordic Development Fund (NDF)	25	25
Caribbean Development Bank (CDB)	20	20
Arab Monetary Fund (AMF)	13	13
Central Bank of West African States (BCEAO)	6	37
Nordic Investment Bank (NIB)	4	4
East African Development Bank (EADB) 2/	4	4
Banque des Etats de l'Afrique Centrale (BDEAC)	1	4
Asian Development Bank (AsDB)	0	75
Not yet approved debt relief for any HIPCs	30	64
Economic Community of West African States (ECOWAS)	15	16
Eastern and Southern African Trade and Development Bank (PTA Bank)	9	9
Conseil de L'Entente (FEGECE)	3	4
Fondo Centroamericano de Estabilizacion Monetaria (FOCEM)	2	2
Fund for Solidarity and Economic Development (FSID)	1	1
Banque de Développement des Etats des Grands Lacs (BDEGL)	0	5
Banque des Etats de l'Afrique Centrale (BEAC)	0	28

Sources: HIPC documents; HIPC authorities; and World Bank staff estimates.

1/ Some of these creditors are providing relief on a case-by-case basis, and have yet to agree to participation in the entire HIPC Initiative. Moreover, for a few of these creditors, significant delays in developing the modalities and the actual delivery of debt relief have been experienced.

2/ The EADB Board has recently approved the Bank's participation in the HIPC Initiative.

Table 6A. HIPC Initiative: Status of Delivery of Assistance by the World Bank
(In millions of U.S. dollars, as of end-January 2003)

Member	Total committed debt service reduction	Debt service reduction delivered until 01/31/2003 1/	Debt service reduction delivered until 01/31/2003 (in percent of total committed reduction)
Under the Original HIPC Initiative 2/			
Bolivia 3/	65.4	65.4	100.0
Burkina Faso 4/	182.8	182.8	100.0
Guyana 4/	60.8	60.8	100.0
Mali 5/	78.6	78.6	100.0
Mozambique 6/	975.0	975.0	100.0
Uganda 6/	354.5	354.5	100.0
Total Original HIPC	1,717.0	1,717.0	100.0
Under the Enhanced HIPC Initiative 7/			
Benin	124.3	16.5	13.3
Bolivia 8/	221.8	9.0	4.1
Burkina Faso 9/	236.7	16.6	7.0
Cameroon 10/	265.6	58.6	22.1
Chad	106.7	8.9	8.3
Ethiopia	857.0	28.7	3.3
Gambia, The	31.8	3.9	12.4
Ghana	1,445.7	36.6	2.5
Guinea	233.6	22.6	9.7
Guinea Bissau	179.6	9.7	5.4
Guyana	70.6	4.2	6.0
Honduras 11/	179.8	36.8	20.5
Madagascar	436.7	31.1	7.1
Malawi	588.5	36.8	6.3
Mali	204.5	23.6	11.5
Mauritania	172.8	16.3	9.4
Mozambique	80.1	19.2	23.9
Nicaragua	379.3	15.5	4.1
Niger	301.7	21.0	7.0
Rwanda	404.8	26.4	6.5
São Tomé and Príncipe	44.9	2.9	6.4
Senegal	160.1	34.6	21.6
Sierra Leone	229.9	4.5	2.0
Tanzania	1,157.1	110.6	9.6
Uganda	629.1	33.5	5.3
Zambia	885.2	43.5	4.9
Total Enhanced HIPC	9,627.8	671.8	7.0
Grand Total	11,344.9	2,388.8	21.1

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

1/ Assistance is considered as provided: i) at the effective date of the purchase of IDA credits, provision of IDA grants or prepayment of IBRD loan and ii) at the due date in the case of debt service reduction.

2/ These figures are from the respective Completion Point Documents and include the reduction in interest payments associated with the cancellation loans and the provision of grants instead loans.

3/ Assistance to be provided through the reduction of the debt service to IDA.

4/ Assistance to be provided through the purchase by the HIPC Trust Fund of selected IDA credits.

5/ Assistance to be provided through the purchase by the HIPC Trust Fund of selected IDA credits and the reduction of the debt service to IDA.

6/ Assistance to be provided through the provision of IDA grants; the purchase by the HIPC Trust Fund of selected IDA credits and the reduction of the debt service to IDA.

7/ Unless otherwise indicated, assistance to be provided through the reduction of the debt service to IDA.

8/ Since the Original HIPC Initiative covered a significant share of debt service to IDA until June 2002, Bolivia started to benefit from significant amounts of assistance under the Enhanced HIPC Initiative only in July 2002.

9/ Includes topping up assistance

10/ Assistance to be provided through: i) IDA grants which would be used to cover 56 percent of IBRD debt service during the interim period; ii) an IDA credit to prepay all IBRD outstanding debt at the completion point; and iii) a reduction of IDA debt service falling due after the completion point.

11/ Assistance to be provided through IDA grants and an IDA credit to prepay all IBRD outstanding debt at the completion point.

Table 6B. HIPC Initiative: Estimated Delivery of World Bank Assistance, 2000-0

(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt service before HIPC relief										
Benin	11	12	15	16	17	19	20	21	22	23
Bolivia	18	21	24	25	27	28	31	32	36	38
Burkina Faso	13	15	19	20	20	22	23	23	24	25
Cameroon	80	72	60	54	55	41	34	29	30	30
Chad	-	10	10	10	11	12	13	14	15	18
Ethiopia 1/	35	37	42	48	50	54	57	59	63	65
Gambia, The	4	4	4	4	5	5	5	6	6	6
Ghana	-	55	62	67	72	79	85	89	95	101
Guinea	20	22	22	24	25	26	29	30	33	35
Guinea-Bissau	4	5	5	6	6	7	7	7	7	8
Guyana	8	9	8	8	8	7	7	7	7	7
Honduras	49	36	33	29	22	21	20	17	16	7
Madagascar	28	30	31	33	35	37	40	44	47	48
Malawi	-	30	34	38	41	42	47	49	50	53
Mali	20	23	26	27	30	32	35	36	38	39
Mauritania	7	9	9	10	10	11	12	13	14	15
Mozambique	20	21	23	27	31	35	36	38	40	42
Nicaragua	12	11	9	9	11	13	14	14	15	17
Niger	13	14	15	16	17	17	20	22	24	24
Rwanda	12	14	16	17	18	19	21	21	22	23
São Tomé and Príncipe	-	1	2	1	1	2	2	2	2	2
Senegal	30	30	30	32	33	36	38	41	44	45
Sierra Leone	-	5	6	8	10	10	11	11	11	11
Tanzania 1/	45	54	60	63	70	70	71	75	78	80
Uganda 1/	33	39	45	53	62	72	73	74	92	93
Zambia	17	22	26	31	34	40	45	48	47	49
TOTAL	478	601	634	675	721	757	792	820	877	905
Debt service after HIPC relief										
Benin	8	6	8	9	9	11	11	12	13	13
Bolivia										
<i>after: original HIPC relief</i>	0	1	17	25	27	28	31	32	36	38
<i>enhanced HIPC relief</i>	0	0	9	12	13	14	15	16	18	19
Burkina Faso										
<i>after: original HIPC relief</i>	10	9	13	14	15	16	17	18	18	18
<i>enhanced HIPC relief</i>	7	2	6	7	7	8	9	9	9	9
<i>topping up</i>			6	6	6	7	7	7	7	7
Cameroon	58	46	30	7	9	11	12	12	15	27
Chad	-	7	5	5	6	6	6	7	8	9
Ethiopia	35	24	15	17	18	19	20	21	23	23
Gambia, The	4	2	2	2	2	3	3	3	3	3
Ghana	-	55	29	22	24	26	28	29	31	33
Guinea	20	11	11	12	12	13	14	15	17	18
Guinea-Bissau	4	-	-	0	1	1	1	1	1	1
Guyana										
<i>after: original HIPC relief</i>	7	7	6	7	6	5	5	5	5	5
<i>enhanced HIPC relief</i>	7	5	4	4	4	2	2	2	2	2
Honduras	39	18	9	3	1	1	1	1	1	1
Madagascar	28	15	16	16	17	18	20	22	23	24
Malawi	-	14	15	17	18	19	21	22	22	24
Mali										
<i>after: original HIPC relief</i>	18	19	22	24	26	29	31	33	34	36
<i>enhanced HIPC relief</i>	16	9	11	12	14	15	16	18	18	19
Mauritania	3	3	3	3	4	4	4	4	5	5
Mozambique										
<i>after: original HIPC relief</i>	9	10	10	13	14	16	16	17	18	20
<i>enhanced HIPC relief</i>	2	4	4	5	6	6	7	7	7	16
Nicaragua	12	6	1	1	1	1	1	1	2	2
Niger	13	5	5	5	6	6	7	7	8	8
Rwanda	12	2	2	2	2	2	2	2	3	3
São Tomé and Príncipe	-	-	-	-	0	0	0	0	0	0
Senegal	25	16	15	16	17	18	19	20	22	31
Sierra Leone	-	5	2	1	1	1	1	1	1	1

Table 6B (concluded). HIPC Initiative: Estimated Delivery of World Bank Assistance, 2000-0

(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt service after HIPC relief										
Tanzania	35	17	18	20	22	22	22	23	24	25
Uganda 2/										
<i>after: original HIPC relief</i>	16	19	25	33	54	64	65	66	83	83
<i>enhanced HIPC relief</i>	12	9	13	19	29	35	36	36	51	51
Zambia	17	4	4	5	5	6	7	7	7	8
TOTAL	356	282	237	221	246	266	284	298	332	373
World Bank debt relief										
Benin	3	6	7	8	8	8	9	9	9	10
Bolivia	18	21	15	13	13	14	15	16	18	19
<i>of which: original HIPC</i>	18	21	6	-	-	-	-	-	-	-
<i>enhanced HIPC</i>	-	0	9	13	13	14	15	16	18	19
Burkina Faso	6	13	13	14	15	16	16	16	17	18
<i>of which: original HIPC</i>	3	6	6	6	6	6	6	6	6	7
<i>enhanced HIPC</i>	3	7	7	7	8	9	9	9	9	9
<i>topping up</i>				1	1	1	2	2	2	2
Cameroon	14	27	30	47	45	31	22	17	15	3
Chad	-	3	5	5	6	6	7	7	8	9
Ethiopia	-	13	27	31	32	35	36	38	41	42
Gambia, The	-	2	2	2	2	2	3	3	3	3
Ghana	-	-	33	45	49	53	57	60	64	68
Guinea	-	11	11	12	12	13	14	15	16	18
Guinea-Bissau	1	5	5	5	5	6	6	6	7	7
Guyana	1	4	4	4	4	5	5	5	5	5
<i>of which: original HIPC</i>	1	2	2	2	2	2	2	2	2	2
<i>enhanced HIPC</i>	0	2	2	2	3	3	3	3	3	3
Honduras	10	18	24	26	21	20	19	16	15	6
Madagascar	-	15	16	16	17	18	20	22	23	24
Malawi	-	17	19	21	23	23	26	27	28	30
Mali	4	13	14	15	16	17	18	19	19	20
<i>of which: original HIPC</i>	2	4	4	4	4	4	4	4	4	4
<i>enhanced HIPC</i>	2	10	11	11	12	14	15	15	16	16
Mauritania	5	6	6	6	7	7	8	8	9	9
Mozambique	18	17	18	22	25	29	29	31	33	26
<i>of which: original HIPC</i>	11	11	13	14	16	19	19	20	22	23
<i>enhanced HIPC 3/</i>	7	6	5	8	9	10	10	11	12	3
Nicaragua	-	6	8	8	10	11	13	13	13	15
Niger	-	9	10	10	11	12	14	15	16	16
Rwanda	-	12	14	15	16	17	18	19	19	20
São Tomé and Príncipe	-	1	2	1	1	1	1	2	2	2
Senegal	5	14	15	16	17	18	19	20	22	14
Sierra Leone	-	-	4	7	8	9	10	10	10	10
Tanzania	10	38	41	44	48	49	49	52	54	55
Uganda	21	29	32	34	33	37	37	37	41	42
<i>of which: original HIPC</i>	17	20	20	20	8	8	8	8	9	9
<i>enhanced HIPC</i>	4	10	12	14	25	29	29	29	32	33
Zambia	0	19	22	26	29	34	38	40	40	41
TOTAL	115	318	395	454	475	492	508	522	546	531
Memorandum item										
<i>Average Annual Debt Service</i>										
<i>Reduction 4/</i>	<i>24%</i>	<i>53%</i>	<i>62%</i>	<i>67%</i>	<i>66%</i>	<i>65%</i>	<i>64%</i>	<i>64%</i>	<i>62%</i>	<i>59%</i>

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

1/ Figures correspond to the respective fiscal year period.

2/ These numbers differ from those in the 2nd completion point document, as the document did not reflect new borrowing that took place between the original decision point and the enhanced decision point.

3/ These numbers differ from those in the 2nd completion point document, as a new schedule of delivery was approved at end-January 2003.

4/ Weighted average.

Table 7A. HIPC Initiative: Status of Commitments by the IMF
(In millions of SDRs, as of end-January 2003)

Member	Amount Committed	Amount Disbursed 1/
Under the Original HIPC Initiative		
Bolivia	21.2	21.2
Burkina Faso	16.3	16.3
Cote d'Ivoire 2/	16.7	--
Guyana	25.6	25.6
Mali	10.8	10.8
Mozambique	93.2	93.2
Uganda	51.5	51.5
Total Original HIPC	235.3	218.6
Under the Enhanced HIPC Initiative		
Benin	18.4	11.0
Bolivia	41.1	44.2
Burkina Faso 3/	27.7	18.1
Cameroon	28.5	2.5
Chad	14.3	4.3
Ethiopia	26.9	8.2
Gambia, The	1.8	0.1
Ghana	90.1	9.9
Guinea	24.2	5.2
Guinea Bissau	9.2	0.5
Guyana	30.7	10.3
Honduras	22.7	4.5
Madagascar	16.6	5.0
Malawi	23.1	2.3
Mali	33.6	9.1
Mauritania	34.8	38.4
Mozambique	13.7	14.8
Nicaragua	63.0	1.9
Niger	21.6	1.5
Rwanda	33.8	10.0
São Tomé and Príncipe	--	--
Senegal	33.8	8.2
Sierra Leone	98.5	23.6
Tanzania	89.0	96.4
Uganda	68.1	70.2
Zambia	468.8	351.6
Total Enhanced HIPC	1,333.9	751.8
Grand Total	1,569.2	970.4

Source: www.imf.org/external/fin.htm

1/ Includes interest on amounts committed.

2/ Equivalent to the committed amount of US \$22.5 million at decision point exchange rates (3/17/98).

3/ Includes commitment of additional enhanced HIPC assistance of SDR 10.93 million subject to receipt of satisfactory financing assurances from other creditors.

**Table 7B. HIPC Initiative: Estimated Delivery of IMF Assistance, 1998-2009 1/
(In millions of U.S. dollars)**

	Actual					Projections						
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
IMF debt service before HIPC relief 2/												
Benin	6	17	14	16	16	16	12	9	6	4	2	2
Bolivia	42	34	31	32	30	29	36	32	25	18	11	2
Burkina Faso	4	6	11	15	15	18	19	16	12	10	6	3
Cameroon	20	20	21	5	3	6	20	33	40	40	36	22
Chad	11	5	2	4	8	10	12	14	13	8	6	4
Ethiopia 3/	3	7	12	14	15	15	12	10	8	10	9	7
Gambia, The	5	4	2	1	0	0	1	2	3	3	3	2
Ghana	133	72	39	68	12	22	40	48	38	47	42	23
Guinea	10	8	9	13	13	16	21	20	15	14	8	3
Guinea Bissau	1	1	1	1	2	3	3	3	3	2	1	1
Guyana	22	22	26	17	17	17	18	16	14	9	6	2
Honduras	3	7	10	14	44	42	15	26	22	22	21	13
Madagascar	15	13	6	3	5	9	9	12	20	16	13	13
Malawi	26	22	10	8	8	10	13	14	11	8	6	3
Mali	12	13	19	24	29	29	30	25	18	12	8	4
Mauritania	8	10	12	15	18	19	16	13	9	6	2	2
Mozambique	25	32	31	29	24	20	21	23	21	16	11	4
Nicaragua	1	4	7	7	7	9	17	26	26	26	24	13
Niger	14	6	3	2	4	10	13	13	12	9	4	1
Rwanda	4	9	13	12	7	3	6	10	12	12	10	7
Sao Tomé & Príncipe	0	0	0	0	0	0	0	0	0	0	0	0
Sierra Leone	1	13	27	78	31	32	21	8	5	13	12	12
Senegal	63	34	25	31	30	40	48	42	32	22	13	9
Tanzania 3/	39	36	32	27	27	26	31	48	59	64	48	38
Uganda 3/	58	60	53	50	44	44	51	46	36	25	13	2
Zambia	9	9	9	222	220	219	219	220	5	4	3	1
TOTAL	533	467	424	706	629	665	704	727	464	422	319	195
IMF debt service after Enhanced HIPC Initiative relief 2/												
Benin	6	17	11	11	11	10	8	7	5	2	2	2
Bolivia	36	23	21	23	19	18	18	18	18	17	11	2
Burkina Faso	4	6	8	8	9	2	2	3	7	8	6	3
Cameroon	20	20	20	4	3	4	14	24	32	32	30	17
Chad	11	5	2	2	5	5	8	11	11	7	6	4
Ethiopia 3/	3	7	12	14	10	9	7	4	4	4	3	3
Gambia, The	5	4	2	1	0	0	1	2	2	2	2	2
Ghana	133	72	39	68	3	5	14	21	22	28	26	19
Guinea	10	8	9	10	12	11	11	10	11	11	8	3
Guinea Bissau	1	1	1	0	2	0	1	0	0	0	0	0
Guyana	22	15	17	6	10	6	6	6	6	6	6	2
Honduras	3	7	10	12	39	35	10	22	18	20	21	13
Madagascar	15	13	6	2	3	3	4	6	15	14	13	13
Malawi	26	22	10	5	8	5	5	7	5	5	5	3
Mali	12	13	18	17	20	18	18	15	10	7	5	4
Mauritania	8	10	7	7	7	8	7	8	4	4	2	2
Mozambique	25	18	0	2	6	6	7	7	5	5	5	3
Nicaragua	1	4	7	7	6	5	6	2	6	7	6	5
Niger	14	6	3	2	3	5	5	5	5	5	4	1
Rwanda	4	9	13	4	3	1	2	1	4	4	4	4
Sao Tomé & Príncipe	0	0	0	0	0	0	0	0	0	0	0	0
Sierra Leone	1	13	27	78	2	2	2	1	1	1	1	1
Senegal	63	34	23	26	25	31	35	30	26	22	13	9
Tanzania 3/	39	36	25	6	5	5	15	36	48	53	38	28
Uganda 3/	58	45	32	20	20	20	25	24	24	17	10	2
Zambia	9	9	9	71	67	63	113	109	5	4	3	1
TOTAL	528	420	332	405	296	278	343	380	294	288	232	147

Table 7B (concluded). HIPC Initiative: Estimated Delivery of IMF Assistance, 1998-2009 1/
(In millions of U.S. dollars)

	Actual					Projections						
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
IMF Original and Enhanced HIPC Initiative assistance 4/												
Benin	2	5	5	6	4	2	1	1	0	0
Bolivia	6	11	10	9	11	11	18	14	7	1	0	0
Burkina Faso	3	6	6	15	17	14	5	2	0	0
Cameroon	1	1	0	2	6	9	8	8	6	5
Chad	0	2	3	5	5	3	2	1	0	0
Ethiopia 3/	5	6	6	5	4	7	6	4
Gambia, The	0	0	0	0	0	0	1	1	1	0
Ghana	9	17	26	27	16	19	16	4
Guinea	0	3	1	5	10	10	5	3	0	0
Guinea Bissau	0	1	0	2	2	2	3	2	1	0
Guyana	...	8	9	11	7	11	12	10	8	3	0	0
Honduras	0	1	5	7	5	4	4	1	0	0
Madagascar	0	1	2	5	4	6	5	2	0	0
Malawi	0	3	0	5	8	7	6	3	1	0
Mali	1	7	9	11	12	10	8	6	3	0
Mauritania	5	8	11	11	8	5	5	2	0	0
Mozambique	...	14	31	27	18	14	14	16	16	11	6	1
Nicaragua	0	0	1	4	11	24	20	19	17	8
Niger	0	1	1	5	8	8	7	4	0	0
Rwanda	0	9	4	2	3	8	8	8	6	3
São Tomé and Príncipe	0	0	0	0	0	0	0	0	0	0
Sierra Leone	30	30	19	6	4	12	12	11
Senegal	2	4	5	10	13	12	5	0	0	0
Tanzania 3/	7	21	22	21	16	12	12	11	11	10
Uganda 3/	...	15	21	29	24	24	26	22	12	8	2	0
Zambia	0	151	154	156	107	111	0	0	0	0
TOTAL	6	47	91	300	332	387	361	347	170	134	87	48
<i>Memorandum item:</i>												
<i>Average Annual Debt</i>												
<i>Service Reduction 5/</i>	1%	10%	21%	43%	53%	58%	51%	48%	37%	32%	27%	25%

Sources: HIPC country documents and IMF staff estimates.

1/ Under the Original and Enhanced HIPC Initiative.

2/ Obligations to the Fund as presented in the members' respective decision point documents under the Enhanced HIPC Initiative, with revisions where necessary.

3/ Fiscal year data.

4/ Using SDR/U.S. dollar exchange rate at the completion point (for original HIPC assistance) or at the decision point (for enhanced HIPC assistance). Includes projected investment income.

5/ Weighted average

Table 8. Status of Bilateral Donor Pledges to the HIPC Trust Fund
Status as of end-January 2003
(Nominal Amounts in millions of U.S. dollars)

Donor	Inception through August 2002 1/			Contributions in October 2002 5/	
	Contributions Pledged		Total Contributions	Indicated	Paid-in
	EU/EC Attribution	Bilateral	Including EU/EC Attribution		
Australia		14	14		
Austria	18	26	44		11/
Belgium	26	20	46	18	6/ 7/ 12/
Canada		114	114	44	7/ 12/
Denmark	15	45	60	20	6/ 7/
Finland	10	25	35	6	7/ 11/
France	166	21	187	68	6/ 7/
Germany	160	72	232	98	6/ 7/
Greece	9	3	12	2	11/
Iceland		2	2	1	
Ireland	4	20	24		11/
Italy	86	70	156	60	6/ 7/ 10/ 12/
Japan		200	200	56	8/
Korea				10	
Luxembourg	2	1	2		11/
Netherlands 2/	36	138	174	68	6/ 7/ 12/
New Zealand		2	2		
Norway		80	80	26	7/
Portugal	7	15	22		6/ 14/
Spain	40	85	125	39	6/ 8/ 12/
Sweden	19	58	77	32	6/ 7/ 10/
Switzerland		60	60	33	
United Kingdom 3/	88	221	309	120	6/ 7/ 13/
United States		600	600	150	9/
Total EU/EC Contributions	685	685			
Total	685	2,575 4/	2,575	850	39
Memo: Total contributions less contributions earmarked for IDA	685	2,515	2,515	850	39

Source: IDA

Note: Many donors have also provided debt relief through other initiatives and mechanisms including: the Debt Reduction Facilities for IDA-only (providing financing for commercial debt reduction efforts), specific country-held multilateral debt relief facilities and the Central American Emergency Trust Fund with bilateral donor funding (in \$ million) of: Spain-\$30; Norway-\$15.3; Netherlands-\$12.8; Switzerland-\$18.3; Italy-\$12; United Kingdom - \$16.3; Austria - \$2.7; Canada - \$5.4; Germany-\$13.2; Sweden-\$23.4; United States-\$25; and Denmark-\$10.9 (through a bilateral trust fund administered by IDB). These resources are not included herewith as the debt relief under HIPC is additional to these efforts.

- 1/ No contribution pledges were done in September 2002.
- 2/ In addition, the Netherlands provided US\$20 million for debt relief provided by the IMF to Zambia over and above the debt relief called for under the HIPC Debt Initiative. This amount is not included in the contribution amount presented above.
- 3/ In addition, the United Kingdom contributed SDR31.5 million to the HIPC Trust Fund for the IMF for debt relief to Uganda.
- 4/ Of this amount, \$2,426 million has been paid-in; the balance of \$149 million is outstanding from the following: Denmark-\$ 3 m, Germany-\$8 m; Japan-\$35m; Spain-\$20m; United Kingdom-\$83 million.
- 5/ From Chairman's Summary of HIPC Technical Meeting of Oct. 24, 2002. Greece subsequently provided and paid a contribution of EUR2 million.
- 6/ Bilateral contribution including donor's share of an expected EC contribution subject to ACP approval.
- 7/ Based on funding gap of \$1.0 billion contingent on collective efforts to move to \$1 billion as needed.
- 8/ Based on funding gap of \$800 million.
- 9/ Based on funding gap of \$650 million.
- 10/ Based on funding gap of \$1.0 billion provided IFAD is included in funding gap.
- 11/ Amounts expected to increase by donor's share of an expected EC contribution subject to ACP approval.
- 12/ Bank staff estimate based on the cumulative donor contributions pledged to the HIPC TF through August 2002 (i.e., Phase I share).
- 13/ Donor estimate based on Phase I share.
- 14/ Best effort to maintain burdenshare after 2003 budgetary cycle.

Table 9A. HIPC Initiative: Estimated Paris Club Costs, by Creditor Country
(In millions of U.S. dollars, in 2002 NPV terms)

	Total (26 countries)	Benin	Bolivia	Burkina Faso	Cameroon	Chad	Ethiopia	The Gambia	Ghana	Guinea	Guinea- Bissau	Guyana	Honduras
Total	9,174	69	464	25	958	15	424	5	828	169	167	201	188
Australia	4	-	-	-	-	-	3	-	-	-	-	-	-
Austria	195	-	11	2	80	0	2	2	14	2	-	-	-
Belgium	152	1	26	-	37	-	1	-	1	1	4	-	-
Brazil 1/	214	-	-	-	-	-	-	-	-	1	7	-	-
Canada	108	0	1	-	38	-	0	-	10	-	-	1	2
		-	-	-	-	-	-	-	-	-	-	-	-
Denmark	24	-	0	-	17	-	-	-	-	-	-	1	1
Finland	13	-	-	-	0	-	1	-	4	-	-	-	-
France	1,514	29	22	12	463	12	2	2	50	90	5	1	6
Germany	1,024	1	112	-	160	0	23	-	63	1	2	7	8
Israel 1/	6	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Italy	751	11	24	3	39	1	51	-	17	8	90	-	17
Japan	2,369	9	169	-	10	-	7	-	494	20	-	1	104
Netherlands	165	4	10	3	8	0	0	0	44	-	-	5	3
Norway	28	10	-	-	-	-	-	1	-	2	-	-	0
Portugal	237	-	-	-	-	-	-	-	-	-	46	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Russia	957	2	-	1	-	0	288	-	-	20	8	1	-
South Africa 1/	1	-	-	-	-	-	-	-	-	-	-	-	-
Spain	425	-	51	5	27	2	6	-	25	2	6	-	33
Sweden	46	-	1	-	14	-	9	-	15	-	-	-	-
Switzerland	21	-	-	-	9	-	-	-	-	-	-	-	1
		-	-	-	-	-	-	-	-	-	-	-	-
Trinidad and Tobago 1/	120	-	-	-	-	-	-	-	-	-	-	120	-
United Kingdom	457	2	11	1	39	-	4	-	72	1	-	52	-
United States	343	0	26	-	14	-	28	-	19	20	-	13	14

Table 9A (concluded). HIPC Initiative: Estimated Paris Club Costs, by Creditor Country
(In millions of U.S. dollars, in 2002 NPV terms)

	Madagascar	Malawi	Mali	Mauritania	Mozambique	Nicaragua	Niger	Rwanda	São Tomé & Príncipe	Senegal	Sierra Leone	Tanzania	Uganda	Zambia
Total	426	144	126	153	1,158	968	117	38	22	140	188	838	133	1,211
Australia	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Austria	8	8	-	23	8	1	-	2	-	-	0	16	13	4
Belgium	8	-	-	-	-	-	-	-	1	2	8	63	-	-
Brazil 1/	-	-	-	8	93	34	-	-	-	-	-	44	-	27
Canada	7	-	-	-	-	-	-	2	-	1	-	18	-	27
Denmark	-	-	-	-	-	-	-	-	-	4	-	-	-	-
Finland	-	-	-	-	-	6	-	-	-	-	-	-	2	-
France	102	5	71	58	224	39	83	24	3	55	13	56	13	77
Germany	19	0	-	2	90	251	-	-	4	17	7	37	1	219
Israel 1/	0	-	-	-	-	1	-	-	-	-	-	-	5	-
Italy	33	-	0	0	203	48	-	-	5	16	33	74	39	39
Japan	151	127	29	32	69	114	16	10	-	22	54	346	29	555
Netherlands	-	-	1	11	-	19	-	-	-	3	16	39	-	0
Norway	-	-	-	-	-	-	-	-	-	5	5	4	0	-
Portugal	-	-	-	-	185	-	-	-	6	-	-	-	-	-
Russia	53	-	22	-	180	277	-	-	1	-	-	55	-	51
South Africa 1/	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Spain	28	3	-	13	26	146	6	-	3	10	-	9	23	-
Sweden	3	-	-	-	4	-	-	-	-	0	-	-	-	-
Switzerland	1	-	-	-	-	1	-	-	-	-	9	-	-	-
Trinidad and Tobago 1/	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United Kingdom	7	0	3	3	56	1	7	-	-	0	2	70	8	118
United States	6	-	0	1	20	29	4	0	-	5	40	8	0	95

Sources: HIPC documents; and IMF staff estimates.

1/ Creditors invited on a case-by-case basis.

**Table 9B. HIPC Initiative: Paris Club Debt Relief 1/
Status as of January 2003**

Country	Date of Enhanced Decision Point	Interim Relief Provided?	Topping up or New Rescheduling	Date of Paris Club Rescheduling	Comments
1. Enhanced completion point reached					
Bolivia	Feb-00	yes	new rescheduling	Jul-01	Enhanced completion point June 2001. Paris Club stock operation on Cologne terms July 10, 2001. No interim relief beyond original HIPC relief from the Paris Club.
Burkina Faso	Jul-00	yes	new rescheduling	Jun-02	As the decision point under the enhanced HIPC Initiative and the completion point under the original framework were reached on the same day, creditors decided not to grant a stock operation but a flow rescheduling on Lyon terms to Burkina Faso. Enhanced completion point April 2002. On June 19, 2002 creditors agreed to a stock treatment on Cologne terms, and, in principle, to provide topping-up relief. Regarding the method of topping up, it was agreed in December 2002 that the share in topping up would take account of any additional bilateral debt relief.
Mali 2/	Sep-00	yes	topping up	Oct-00	As the decision point under the enhanced HIPC Initiative and the completion point under the original framework were reached on the same day, creditors decided not to grant a Lyon stock-of-debt reduction to Mali. Instead, they provided a flow rescheduling on Cologne terms: 70 percent of payments on non-ODA debt falling due between September 8, 2000 and end-June 2002 on the 1996 Naples stock operation was canceled or rescheduled. In the case of creditors that rescheduled, moratorium interest on the rescheduling was capitalized; at the completion point, the rescheduled amounts and capitalized moratorium interest will be treated so as to secure a comparable treatment with the creditors that cancelled debt.
Mauritania	Feb-00	yes	new rescheduling	Jul-02	Enhanced completion point June 2002; Paris Club stock operation on Cologne terms July 8, 2002
Mozambique	Apr-00	yes	new rescheduling	Nov-01	Enhanced completion point September 2001. Paris Club stock operation on Cologne terms.
Tanzania	Apr-00	yes	new rescheduling	Jan-02	Enhanced completion point November 2001. Paris Club stock operation on Cologne terms on January 14, 2002. Arrears outstanding at end-March 2000 and maturities on pre-cutoff date debt falling due during April 2000–March 2003 were rescheduled on Cologne terms. Exempt were arrears accrued since the end of the consolidation period (end-November 1999) of the 1997 rescheduling, which were paid by end-November 2000. In a side letter Japan agreed to a deferral over 3 years of maturities due under the 1997 rescheduling in light of the continuing delays in signing the bilateral agreement.
Uganda	Feb-00	yes	new rescheduling	Sep-00	Enhanced completion point May 2000; Paris Club stock operation on Cologne terms September 11, 2000; no interim relief from the Paris Club beyond original HIPC relief because of the short time period between decision and completion points.
2. Other retroactive cases					
2a. No assistance under original framework					
Benin	Jul-00	yes	topping up	Oct-00	85 percent of payments on non-ODA debt falling due between July 18, 2000 and end-June 2002 on the 1993 flow rescheduling (London terms) and 70 percent of payments on non-ODA debt on the 1996 Naples stock operation were canceled or rescheduled. In the case of creditors that rescheduled, moratorium interest on the rescheduling was capitalized; at the completion point, the rescheduled amounts and capitalized moratorium interest will be treated so as to secure comparable treatment with the creditors that cancelled debt.
Senegal	Jun-00	yes	topping up	Oct-00	70 percent of payments falling on non-ODA due between July 12, 2000 and April 19, 2002 on the 1995 Naples flow rescheduling and the 1998 Naples stock operation were canceled or rescheduled. In the case of creditors that rescheduled, moratorium interest on the rescheduling was capitalized; at the completion point, the rescheduled amounts and capitalized moratorium interest will be treated so as to secure comparable treatment with the creditors that cancelled debt.
2b. After completion point under original framework					
Guyana	Nov-00	yes	n.a.	Jun-99	Guyana was granted a stock-of-debt reduction on Lyon terms reaching the completion point under the original framework. Of the stock of pre-cutoff date medium- and long-term public debt, 65 percent was topped up from a 67 percent to an 80 percent NPV reduction. No additional interim relief.

**Table 9B (concluded). HIPC Initiative: Paris Club Debt Relief 1/
Status as of January 2003**

Country	Date of Enhanced Decision Point	Interim Relief Provided?	Topping up or New Rescheduling	Date of Paris Club Rescheduling	Comments
3. New decision point cases					
Cameroon	Oct-00	yes	new rescheduling	Jan-01	Arrears on pre-cutoff date debt accumulated during October–December 2000 and all maturities on pre-cutoff date debt falling due during January 2001–December 2003 were rescheduled on Cologne terms (90 percent debt reduction). Arrears outstanding at end-September were rescheduled on Naples terms (67 percent debt reduction).
Ethiopia	Nov-01	yes	topping up	Apr-02	Paris Club agreed to provide a topping up to Cologne terms from existing Naples terms.
Gambia, The	Dec-00	yes	n.a.	Jan-03	Paris Club provide a Cologne flow rescheduling on the maturities falling due from July 17, 2002 to July 17, 2005.
Ghana	Feb-02	yes	new rescheduling	May-02	Creditors established a new cut-off date, thus increasing the amounts treated concessionally, and agreed to a flow rescheduling of arrears and maturities on pre-cutoff date debt, under Cologne terms through the end of PRGF in Nov. 2002. The agreement might be extended in tandem with a new PRGF that is expected in early 2003.
Guinea	Dec-00	yes	new rescheduling	May-01	Maturities on pre-cutoff, non-ODA debt falling due during December 2000–March 2004 were rescheduled on Cologne terms (90 percent debt reduction). Arrears on pre-cutoff date debt outstanding at end-November 2000 were rescheduled on Naples terms (67 percent of debt reduction).
Guinea-Bissau	Dec-00	yes	new rescheduling	Jan-01	Maturities on pre-cutoff date debt falling due during December 2000–December 2003 were rescheduled on Cologne terms (except the payments on a deferral in the context of the 1995 agreement, which were deferred again on nonconcessional terms). Arrears on pre-cutoff date debt were rescheduled on Naples terms (67 percent debt reduction). Arrears on post-cutoff date debt received varying levels of debt reduction. However, in January 2003 the Paris Club decided in view of the longstanding nature of their off-track performance of Guinea-Bissau on the explicit non-entry into force of the phases envisioned under the Paris Club agreement.
Honduras	Jul-00	yes	n.a. - see comments	Apr-99	Given the fact that Honduras had been granted a total payment deferral during November 1998–March 2002 following Hurricane Mitch, creditors considered that interim relief had already been provided to Honduras. Creditors agreed to consider Honduras for a Cologne flow rescheduling in the context of a PRGF arrangement.
Madagascar	Dec-00	yes	new rescheduling	Mar-01	Maturities on all pre-cutoff date debt falling due during December 2000–February 2004 were rescheduled on Cologne terms.
Malawi	Dec-00	yes	new rescheduling	Jan-01	Maturities on all pre-cutoff date debt falling due during December 2000–December 2003 were rescheduled on Cologne terms. Also, creditors moved the cutoff date from January 1, 1982 to January 1, 1997, which made all of Malawi's debt pre-cutoff date debt. However, in January 2003 the Paris Club decided in view of the longstanding nature of their off-track performance of Malawi on the explicit non-entry into force of the phases envisioned under the Paris Club agreement.
Nicaragua	Dec-00	yes	new rescheduling	Dec-02	Nicaragua was granted a total payment deferral during December 1998–February 2001 following Hurricane Mitch. In December 2002, creditors agreed to grant Nicaragua a flow rescheduling on Cologne terms, covering the three years of the PRGF-supported program approved on December 4. Under the agreement, all pre-cutoff debt, including the amounts deferred after Hurricane Mitch, will be rescheduled on Cologne terms. Creditors also expressed their readiness to provide a Cologne stock treatment as soon as Nicaragua would reach the completion point under the enhanced HIPC Initiative.
Niger	Dec-00	yes	new rescheduling	Jan-01	Maturities on all pre-cutoff date debt falling due during December 2000–December 2003 were rescheduled on Cologne terms. Arrears on pre-cutoff date debt were rescheduled on Naples terms (67 percent reduction). Arrears on post-cutoff date debt received varying levels of debt reduction.
Rwanda	Dec-00	yes	topping up	TOR	The April 2000 Paris Club rescheduling agreement on Naples terms was topped up to Cologne terms (by mail) for the period December 2000–April 2002.
São Tomé and Príncipe 5	Dec-00	to be provided	topping up	TOR	The May 2000 Paris Club rescheduling agreement on Naples terms will be topped up to Cologne terms (by mail) as soon as the review for the second year under the PRGF has been completed.
Sierra Leone	Mar-02	yes	topping up	Jul-02	The October 2001 Paris Club rescheduling on Naples terms was topped up to Cologne terms after Sierra Leone reached the Decision Point (covering maturities falling due on pre-cutoff date debt during March 2002– Sep. 2004).
Zambia	Dec-00	yes	topping up	Sep-02	The April 1999 Paris Club rescheduling agreement on Naples terms was topped up to Cologne terms, covering maturities on pre-cutoff date debt falling due during Jan 2001–March 2003.

Source: Paris Club Secretariat.

1/ For the 26 countries that have already reached the decision point under the Enhanced HIPC Initiative.

2/ Completion point for Mali was approved by Executive Boards of the World Bank and IMF on March 6, 2003.

Table 10A. HIPC Initiative: Estimated Non-Paris Club Official Bilateral Creditors' Costs, by Creditor Country

(In millions of U.S. dollars, in 2002 NPV terms)

	Total: (26 countries)	Benin	Bolivia	Burkina Faso	Cameroon	Chad	Ethiopia	The Gambia	Ghana, The	Guinea	Guinea-Bissau	Guyana	Honduras
Total	3,046	15	21	68	15	21	84	14	34	69	68	28	49
Algeria	206	-	-	1	-	-	3	-	-	-	4	-	-
Angola	27	-	-	-	-	-	-	-	-	-	6	-	-
<i>Argentina</i>	4	2	-	-	-	-	-	-	-	-	-	1	-
<i>Brazil</i>	7	-	6	-	-	-	-	-	-	-	-	2	-
Bulgaria	95	-	-	-	-	-	8	-	-	1	-	-	-
Burundi 1/	0	-	-	-	-	-	-	-	-	-	-	-	-
Cameroon 1/	0	-	-	-	-	0	-	-	-	-	-	-	-
Cape Verde 1/	0	-	-	-	-	-	-	-	-	-	-	-	-
China	259	5	9	2	5	4	8	3	9	9	1	4	-
Colombia	4	-	-	-	-	-	-	-	-	-	-	-	4
Costa Rica	416	-	-	-	-	-	-	-	-	-	-	-	5
<i>Côte d'Ivoire</i>	11	-	-	10	-	0	-	-	-	-	-	-	-
Cuba	2	-	-	-	-	-	-	-	-	-	0	-	-
Czech Republic	8	2	-	-	-	-	-	-	-	-	-	-	-
Congo, Dem. Rep. of 1/	0	0	-	-	-	-	-	-	-	-	-	-	-
<i>Egypt</i>	4	-	-	-	-	-	-	-	-	3	-	-	-
Former Yugoslavia	59	-	-	-	-	-	20	-	-	2	-	0	-
Guatemala 2/	396	-	-	-	-	-	-	-	-	-	-	-	5
<i>Honduras</i>	107	-	-	-	-	-	-	-	-	-	-	-	-
<i>Hungary</i>	14	-	-	-	-	-	2	-	-	-	-	-	-
<i>India</i>	33	-	-	-	-	-	-	-	1	-	-	1	-
Iran	57	-	-	-	-	-	-	-	-	-	-	-	-
Iraq	89	-	-	-	-	-	-	-	-	1	-	-	-
Israel 1/	0	-	-	-	-	0	-	-	-	-	-	-	-
Kuwait	266	5	-	16	6	5	4	1	12	18	14	7	7

Table 10A (continued). HIPC Initiative: Estimated Non-Paris Club Official Bilaterals Creditors' Costs, by Creditor Country

(In millions of U.S. dollars, in 2002 NPV terms)

	Madagascar	Malawi	Mali	Mauritania	Mozambique	Nicaragua	Niger	Rwanda	São Tomé & Príncipe	Senegal	Sierra Leone	Tanzania	Uganda	Zambia
Total	79	16	60	138	269	1,371	116	23	11	95	41	212	67	62
Algeria	14	-	4	21	108	20	8	-	0	2	-	20	-	-
Angola	1	-	-	-	13	-	-	-	7	-	-	1	-	-
<i>Argentina</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Brazil</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulgaria	-	-	-	-	7	66	-	-	-	-	-	10	-	1
Burundi 1/	-	-	-	-	-	-	-	-	-	-	-	-	0	-
Cameroon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cape Verde 1/	-	-	-	-	-	-	-	-	0	-	-	-	-	-
China	7	-	20	19	6	3	5	4	2	15	30	42	12	36
Colombia	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costa Rica	-	-	-	-	-	411	-	-	-	-	-	-	-	-
<i>Côte d'Ivoire</i>	-	-	7	-	-	-	-	-	-	-	-	-	-	-
Cuba	-	-	-	-	2	-	-	-	-	-	-	-	-	-
Czech Republic	-	-	-	-	-	5	-	-	-	-	-	1	-	0
Congo, Dem. Rep. of 1/	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Egypt</i>	-	-	-	-	-	-	-	-	-	-	-	0	-	-
Former Yugoslavia	-	-	-	-	1	4	-	-	1	-	-	20	-	10
Guatemala 2/	-	-	-	-	-	390	-	-	-	-	-	-	-	-
<i>Honduras</i>	-	-	-	-	-	107	-	-	-	-	-	-	-	-
<i>Hungary</i>	-	-	-	-	5	5	-	-	-	-	-	3	-	-
<i>India</i>	-	-	-	-	2	1	-	-	-	-	-	9	8	10
Iran	-	-	-	-	-	28	-	-	-	-	-	28	-	-
Iraq	26	-	3	20	21	-	0	-	-	0	-	17	0	0
Israel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kuwait	4	1	7	29	21	-	20	8	-	35	8	23	12	-

Table 10A (concluded). HIPC Initiative: Estimated Non-Paris Club Official Bilaterals Creditors' Costs, by Creditor Country

(In millions of U.S. dollars, in 2002 NPV terms)

	Madagascar	Malawi	Mali	Mauritania	Mozambique	Nicaragua	Niger	Rwanda	São Tomé & Príncipe	Senegal	Sierra Leone	Tanzania	Uganda	Zambia
<i>Libya</i>	24	-	1	12	36	63	11	0	-	-	-	22	17	-
Mexico	-	-	-	-	-	46	-	-	-	-	-	-	-	-
<i>Morocco</i>	-	-	-	-	-	-	-	-	-	-	2	-	-	-
Niger 1/	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nigeria	-	-	-	-	-	-	-	-	-	-	-	-	2	-
Oman	-	-	-	-	-	-	-	-	-	1	-	-	-	-
<i>Pakistan</i>	-	-	-	-	-	-	-	-	-	-	-	-	2	-
People's Democratic Republic of Korea	-	-	-	-	0	2	-	-	-	-	-	0	6	-
Peru	-	-	-	-	-	8	-	-	-	-	-	-	-	-
Poland	-	-	-	-	4	6	-	-	-	-	-	2	-	-
Republic of Korea	-	-	-	-	-	-	-	-	-	-	-	-	2	-
Romania	-	-	-	-	29	-	-	-	-	-	-	0	-	4
Rwanda	-	-	-	-	-	-	-	-	-	-	-	-	1	-
Saudi Arabia	2	-	18	34	-	-	23	9	-	24	1	8	3	0
Senegal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Slovak Republic	-	-	-	-	9	21	-	-	-	-	-	-	-	-
<i>South Africa</i>	-	-	-	-	4	-	-	-	-	-	-	-	-	-
Taiwan Province of China	-	15	-	-	-	131	46	-	-	13	-	-	-	-
<i>Tanzania</i>	-	-	-	-	-	-	-	-	-	-	-	-	4	-
Thailand 1/	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Togo	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United Arab Emirates	1	-	6	4	-	-	2	1	-	4	-	6	0	-
Venezuela	-	-	-	-	-	52	-	-	-	-	-	-	-	-
Zambia 1/	-	-	-	-	-	-	-	-	-	-	-	0	-	-
Zimbabwe 1/	-	-	-	-	-	-	-	-	-	-	-	0	-	-

Sources: HIPC country documents; and IMF staff estimates.

Countries whose names appear in bold italics have delivered or agreed to deliver relief on all claims on the 26 HIPCs. Figures surrounded by a box represent relief already delivered.

1/ Total claims are less than \$0.5 million.

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

Table 10B. HIPC Initiative: Delivery of Assistance by Non-Paris Club Creditors
Status as at January 2003

(In millions of U.S. dollars, 2002 NPV terms)

Creditor country	Total costs	Percent of total costs
		(In percent)
I. Delivered debt relief on all claims on HIPCs:		
Brazil	7.2	0.2
South Africa	4.3	0.1
Argentina	3.8	0.1
Tanzania	3.5	0.1
Total	18.9	0.6
II. Agreed to deliver debt relief on all claims on HIPCs:		
Libya	224.5	7.4
Honduras	107.2	3.5
India	33.1	1.1
Hungary	14.4	0.5
Côte d'Ivoire	10.8	0.4
Morocco	5.2	0.2
Pakistan	4.1	0.1
Egypt	3.5	0.1
Total	402.9	13.2
III. Delivered or agreed to deliver debt relief on some, but not all, claims on HIPCs:		
Costa Rica	415.7	13.6
Guatemala 2/	395.8	13.0
Kuwait	265.6	8.7
China	259.3	8.5
Algeria	205.6	6.8
Saudi Arabia	174.7	6.8
Bulgaria	95.0	5.7
Venezuela	61.6	3.1
Mexico	56.0	1.8
Slovak Republic	29.9	1.0
United Arab Emirates	26.0	0.9
Poland	16.5	0.5
Czech Republic	7.6	0.2
Republic of Korea	5.9	0.2
Total	2,015.0	66.2
IV. Not yet agreed to deliver HIPC relief:		
Taiwan Province of China	298.5	9.8
Iraq	88.7	2.9
Former Yugoslavia	59.2	1.9
Iran	56.7	1.9
Romania	38.6	1.3
Angola	27.0	0.9
People's Democratic Republic of Korea	20.6	0.7
Peru	8.3	0.3
Colombia	4.0	0.3
Cuba	2.0	0.1
Nigeria	1.8	0.1
Oman	1.3	0.0
Rwanda	0.6	0.0
Thailand 1/	0.5	0.0
Congo, Dem. Rep. of 1/	0.3	0.0
Niger 1/	0.3	0.0
Burundi 1/	0.2	0.0
Cape Verde 1/	0.2	0.0
Zambia 1/	0.2	0.0
Zimbabwe 1/	0.1	0.0
Israel 1/	0.1	0.0
Cameroon 1/	0.0	0.0
Togo 1/	0.0	0.0
Senegal 1/	0.0	0.0
Total	609.2	20.0
Grand Total (I+II+III+IV)	3,046.0	100.0

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

1/ Total claims are less than \$0.5 million.

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

Table 11A. Summary Debt Service for 26 HIPCs that Reached Decision Points
(In million of US dollars, unless otherwise indicated)

	1998	1999	2000	2001	2002	2003	2004	2005
	Actual				Preliminary	Projections		
African Countries								
Debt service paid	2,643.0	2,450.0	2,338.6	1,638.8	1,543.0			
Total debt service due after enhanced HIPC Initiative relief 1/						1,531.4	1,530.4	1,547.7
Ratio of debt service to exports (in percent) 2/	16.9	15.1	14.6	9.6	9.0	8.0	6.7	6.3
Ratio of debt service to government revenue (in percent) 2/	26.9	22.8	22.9	15.3	13.2	11.5	10.4	9.7
Ratio of debt service to GDP (in percent) 2/	3.6	3.3	3.4	2.3	2.1	1.9	1.7	1.6
Latin American Countries								
Debt service paid	1,029.7	667.6	670.0	586.5	707.5			
Total debt service due after enhanced HIPC Initiative relief 1/						765.2	594.1	621.4
Ratio of debt service to exports (in percent) 2/	19.2	13.2	12.1	10.7	12.9	13.1	9.5	9.3
Ratio of debt service to government revenue (in percent) 2/	27.8	17.7	17.4	15.4	18.8	18.8	14.0	13.9
Ratio of debt service to GDP (in percent) 2/	6.2	4.0	3.8	3.3	4.0	4.3	3.2	3.2
Total (26 countries)								
Debt service paid	3,673.0	3,118.0	3,008.6	2,225.3	2,250.5			
Debt service due after enhanced HIPC Initiative relief 1/						2,296.6	2,124.5	2,169.1
Weighted average (26 countries)								
Debt service/exports (in percent)	17.5	14.7	13.9	9.8	9.9	9.2	7.3	7.0
Debt service/government revenue (in percent)	27.3	21.4	21.4	15.4	14.6	13.2	11.2	10.6
Debt service/GDP (in percent)	4.1	3.4	3.5	2.5	2.4	2.3	2.0	1.9

Sources: HIPC country documents; and IMF staff estimates.

Note: Debt service figures for 1998 and 1999 reflect debt relief already provided to Bolivia, Guyana, Mozambique and Uganda under the original framework.

1/ The debt service figures for 2000 largely reflect pre-HIPC relief debt service because many countries did not reach their decision point until late in 2000 or later. Thus, the full impact of relief for them will not be felt until 2001 and thereafter.

2/ Weighted averages.

Table 11B. Debt Service for Individual HIPCs that Reached Decision Points, by Country
(In million of US dollars, unless otherwise indicated)

	1998	1999	2000	2001	2002	2003	2004	2005
	Actual				Preliminary	Projections		
Benin								
Debt service paid	64.1	66.0	54.5	36.2	33.0			
Debt service due after enhanced HIPC Initiative relief 1/						30.9	30.3	33.5
Debt service/exports (in percent)	16.1	17.1	15.8	10.0	8.7	6.8	6.0	6.0
Debt service/government revenue (in percent)	17.1	17.3	14.6	9.4	7.6	6.6	5.2	5.2
Debt service/GDP (in percent)	2.8	2.8	2.4	1.5	1.2	1.0	0.9	0.9
Bolivia								
Debt service paid	390.0	249.4	269.8	244.4	270.0			
Debt service due after enhanced HIPC Initiative relief 1/ 2/						290.0	257.0	277.0
Debt service/exports (in percent)	28.6	19.0	18.4	16.1	17.4	17.3	14.1	14.1
Debt service/government revenue (in percent)	19.2	12.7	13.7	13.2	15.5	15.6	13.8	14.2
Debt service/GDP (in percent)	4.5	3.0	3.2	3.1	3.5	3.8	3.4	3.5
Burkina Faso								
Debt service paid	60.0	53.1	46.9	29.0	22.5			
Debt service due after enhanced HIPC Initiative relief 1/						19.1	22.2	25.1
Debt service/exports (in percent)	16.5	20.3	18.7	11.0	7.4	5.2	5.6	5.9
Debt service/government revenue (in percent)	17.7	14.8	15.2	9.3	5.7	4.0	4.2	4.2
Debt service/GDP (in percent)	2.3	2.2	2.0	1.2	0.8	0.6	0.6	0.6
Cameroon 3/ 4/								
Debt service paid	401.0	401.0	437.2	271.0	228.9			
Debt service due after enhanced HIPC Initiative relief 1/ 12/						225.2	236.2	253.6
Debt service/exports (in percent)	18.0	14.6	16.0	9.9	9.2	7.7	8.2	8.9
Debt service/government revenue (in percent)	28.0	24.1	26.3	15.4	13.0	11.0	10.9	11.1
Debt service/GDP (in percent)	4.0	4.4	4.9	3.2	2.5	2.1	2.0	2.0
Chad 4/								
Debt service paid	26.0	29.6	32.3	17.6	25.8			
Debt service due after enhanced HIPC Initiative relief 1/						32.7	34.2	36.4
Debt service/exports (in percent)	8.0	12.3	13.9	7.7	11.0	12.0	2.0	2.1
Debt service/government revenue (in percent)	20.0	24.0	28.7	14.1	16.6	17.3	9.0	8.5
Debt service/GDP (in percent)	2.2	1.9	2.3	1.1	1.3	1.4	0.9	0.9
Ethiopia 3/ 4/								
Debt service paid	101.0	127.0	112.0	197.0	149.0			
Debt service due after enhanced HIPC Initiative relief 1/						88.0	89.0	88.0
Debt service/exports (in percent)	9.7	13.9	11.4	20.6	15.1	9.2	9.8	9.3
Debt service/government revenue (in percent)	8.6	11.0	9.8	16.8	11.3	6.1	5.5	5.3
Debt service/GDP (in percent)	1.5	2.0	1.8	3.3	2.4	1.3	1.2	1.2
Gambia, The 2/ 4/								
Debt service paid	26.1	19.6	12.6	16.0	16.1			
Debt service due after enhanced HIPC Initiative relief 1/						16.1	10.9	12.0
Debt service/exports (in percent)	12.4	15.0	11.9	13.8	12.5	11.9	7.8	8.2
Debt service/government revenue (in percent)	12.4	25.5	21.4	33.4	34.3	34.6	21.7	22.0
Debt service/GDP (in percent)	6.2	4.5	3.9	5.4	5.8	6.1	3.8	4.0
Ghana 4/								
Debt service paid	560.1	521.5	560.2	214.6	267.0			
Debt service due after enhanced HIPC Initiative relief 1/						164.2	103.6	111.6
Debt service/exports (in percent)	22.1	21.1	23.0	8.9	10.2	5.6	3.3	3.4
Debt service/government revenue (in percent)	41.0	53.4	63.2	22.3	30.1	17.1	9.4	8.3
Debt service/GDP (in percent)	7.5	6.7	11.2	4.0	4.3	2.4	1.4	1.3
Guinea 4/								
Debt service paid	128.2	131.5	143.8	75.3	85.6			
Debt service due after enhanced HIPC Initiative relief 1/						81.6	78.8	68.4
Debt service/exports (in percent)	15.5	17.6	19.6	9.2	10.8	9.4	8.2	7.0
Debt service/government revenue (in percent)	33.5	35.3	42.2	21.9	22.1	19.0	17.5	13.6
Debt service/GDP (in percent)	3.6	3.8	4.6	2.5	2.7	2.5	2.3	1.8
Guinea-Bissau 4/								
Debt service paid	7.0	6.0	13.1	0.4	2.2			
Debt service due after enhanced HIPC Initiative relief 1/						5.3	5.7	3.3
Debt service/exports (in percent)	23.5	10.7	19.1	0.7	3.7	8.1	7.7	3.8
Debt service/government revenue (in percent)	62.6	15.5	31.0	1.0	7.3	13.7	12.5	5.7
Debt service/GDP (in percent)	3.4	2.7	6.0	0.2	1.0	2.1	2.1	1.1

Table 11B (continued). Debt Service for Individual HIPCs that Reached Decision Points, by Country
(In million of US dollars, unless otherwise indicated)

	1998	1999	2000	2001	2002	2003	2004	2005
	Actual				Preliminary	Projections		
Guyana 4/ 6/								
Debt service paid	130.8	70.0	78.0	52.8	59.0			
Debt service due after enhanced HIPC Initiative relief 1/						46.0	38.0	37.0
Debt service/exports (in percent)	19.0	10.4	11.2	8.0	8.8	6.8	5.6	5.5
Debt service/government revenue (in percent)	65.5	35.0	34.4	24.0	24.8	19.4	15.0	14.2
Debt service/GDP (in percent)	18.2	10.1	11.0	7.6	8.1	6.2	5.0	4.7
Honduras 7/								
Debt service paid	311.2	239.8	137.5	135.9	220.5			
Debt service due after enhanced HIPC Initiative relief 1/						315.2	204.1	202.4
Debt service/exports (in percent)	12.6	10.6	5.7	5.7	9.1	13.3	8.7	8.3
Debt service/government revenue (in percent)	31.6	23.0	12.9	11.7	18.7	23.9	14.6	13.6
Debt service/GDP (in percent)	5.9	4.4	2.3	2.1	3.3	4.5	2.7	2.5
Madagascar 4/ 8/								
Debt service paid	166.1	106.3	64.9	44.9	50.5			
Debt service due after enhanced HIPC Initiative relief 1/						53.6	72.5	72.7
Debt service/exports (in percent)	20.6	11.7	5.5	3.4	6.6	5.2	6.4	5.9
Debt service/government revenue (in percent)	41.7	25.0	14.3	9.7	15.4	10.4	12.6	11.2
Debt service/GDP (in percent)	4.3	2.8	1.7	1.0	1.1	1.1	1.4	1.3
Malawi 4/ 5/								
Debt service paid	90.1	64.6	102.7	74.1	47.2			
Debt service due after enhanced HIPC Initiative relief 1/						79.4	39.0	50.7
Debt service/exports (in percent)	15.6	13.0	23.0	15.3	9.7	15.0	7.0	8.6
Debt service/government revenue (in percent)	21.9	20.5	34.5	23.8	14.1	22.5	10.0	12.1
Debt service/GDP (in percent)	5.1	3.6	6.0	4.4	2.5	4.5	2.1	2.5
Mali								
Debt service paid	74.0	83.6	79.0	54.6	69.5			
Debt service due after enhanced HIPC Initiative relief 1/						63.4	62.2	64.9
Debt service/exports (in percent)	11.5	12.3	12.2	6.6	6.7	6.2	5.5	5.3
Debt service/government revenue (in percent)	17.4	19.6	20.8	12.7	12.8	9.7	8.5	8.0
Debt service/GDP (in percent)	2.8	3.1	3.2	2.1	2.2	1.8	1.6	1.6
Mauritania								
Debt service paid	88.0	81.4	94.9	63.5	39.2			
Debt service due after enhanced HIPC Initiative relief 1/						35.1	35.0	36.5
Debt service/exports (in percent)	22.0	22.4	25.0	16.5	10.6	9.1	8.4	8.1
Debt service/government revenue (in percent)	35.0	30.4	39.2	31.1	10.6	10.7	10.7	10.8
Debt service/GDP (in percent)	10.0	8.5	9.9	6.4	3.9	3.2	3.0	3.0
Mozambique								
Debt service paid	104.0	60.2	18.0	27.1	40.2			
Debt service due after enhanced HIPC Initiative relief 1/						47.3	55.4	61.9
Debt service/exports (in percent)	41.0	9.4	2.5	2.7	3.8	4.3	2.9	2.6
Debt service/government revenue (in percent)	23.2	12.3	3.8	5.8	7.6	7.8	7.9	7.8
Debt service/GDP (in percent)	2.5	1.5	0.5	0.8	1.0	1.1	1.2	1.2
Nicaragua 4/ 10/								
Debt service paid	231.4	169.1	184.7	153.3	158.0			
Debt service due after enhanced HIPC Initiative relief 1/								
Debt service/exports (in percent)	8.2	20.3	19.3	16.7	16.9	11.0	8.3	8.3
Debt service/government revenue (in percent)	43.2	29.7	31.0	27.0	26.0	17.1	13.1	13.7
Debt service/GDP (in percent)	10.5	12.5	7.6	6.0	6.1	4.3	3.4	3.5
Niger 4/								
Debt service paid	17.0	18.9	18.1	21.4	25.4			
Debt service due after enhanced HIPC Initiative relief 1/						26.0	28.8	29.0
Debt service/exports (in percent)	5.0	5.9	5.6	6.6	7.2	6.7	7.1	6.8
Debt service/government revenue (in percent)	9.0	10.6	11.7	11.9	11.1	10.1	10.3	9.5
Debt service/GDP (in percent)	1.3	0.9	1.0	1.1	1.2	1.1	1.1	1.0
Rwanda 4/								
Debt service paid	18.0	37.0	37.0	12.0	13.0			
Debt service due after enhanced HIPC Initiative relief 1/						13.7	16.3	15.7
Debt service/exports (in percent)	30.0	39.0	24.7	7.6	9.6	9.1	10.1	9.0
Debt service/government revenue (in percent)	16.0	23.0	21.0	6.2	6.1	6.2	6.6	5.9
Debt service/GDP (in percent)	2.0	2.4	2.0	0.7	0.8	0.8	0.9	0.8

Table 11B (concluded). Debt Service for Individual HIPC's that Reached Decision Points, by Country
(In million of US dollars, unless otherwise indicated)

	1998	1999	2000	2001	2002	2003	2004	2005
	Actual				Preliminary	Projections		
São Tomé and Príncipe 4/								
Debt service paid	6.6	2.0	5.0	1.7	2.0			
Debt service due after enhanced HIPC Initiative relief 1/						2.1	1.5	1.0
Debt service/exports (in percent)	55.0	11.8	32.3	9.9	8.7	8.6	5.7	3.4
Debt service/government revenue (in percent)	84.1	21.4	49.5	15.6	15.8	15.5	8.4	5.0
Debt service/GDP (in percent)	16.3	4.1	10.7	3.5	3.7	3.4	2.2	1.4
Senegal								
Debt service paid	207.0	178.0	164.2	130.3	141.0			
Debt service due after enhanced HIPC Initiative relief 1/						146.4	141.4	138.9
Debt service/exports (in percent)	15.0	12.0	12.5	9.3	9.2	8.8	7.9	7.3
Debt service/government revenue (in percent)	26.0	22.0	20.7	15.8	14.8	13.1	11.7	10.6
Debt service/GDP (in percent)	4.0	4.0	3.7	2.8	2.8	2.5	2.2	2.0
Sierra Leone								
Debt service paid	8.9	36.5	32.0	94.7	19.7			
Debt service due after enhanced HIPC Initiative relief 1/						27.6	29.6	13.5
Debt service/exports (in percent)	9.4	39.6	29.3	74.3	14.1	18.2	14.4	5.7
Debt service/government revenue (in percent)	18.2	77.4	44.4	88.6	17.4	21.6	28.0	7.9
Debt service/GDP (in percent)	1.3	5.5	5.1	12.2	2.5	3.0	4.0	1.3
Tanzania 3/ 11/								
Debt service paid	224.0	193.0	154.4	106.7	106.9			
Debt service due after enhanced HIPC Initiative relief 1/						157.7	162.6	166.3
Debt service/exports (in percent)	20.7	16.2	11.6	7.3	6.9	8.8	8.3	7.8
Debt service/government revenue (in percent)	29.0	19.8	16.3	10.2	10.1	13.5	12.8	11.4
Debt service/GDP (in percent)	2.8	2.2	1.8	1.2	1.2	1.7	1.6	1.6
Uganda 3/								
Debt service paid	110.0	98.0	91.0	72.0	60.0			
Debt service due after enhanced HIPC Initiative relief 1/						64.3	74.5	78.1
Debt service/exports (in percent)	15.0	11.8	13.9	10.8	8.6	8.0	8.6	8.2
Debt service/government revenue (in percent)	16.0	12.9	13.6	11.7	8.4	8.4	8.9	8.6
Debt service/GDP (in percent)	1.7	1.7	1.5	1.3	1.0	1.1	1.2	1.2
Zambia 4/ 9/								
Debt service paid	147.3	126.0	139.1	142.1	137.7			
Debt service due after enhanced HIPC Initiative relief 1/						177.8	227.3	215.1
Debt service/exports (in percent)	16.0	14.9	15.9	13.4	12.7	14.2	16.6	13.5
Debt service/government revenue (in percent)	24.3	22.9	22.2	20.3	20.5	25.0	31.8	28.0
Debt service/GDP (in percent)	4.5	4.0	4.3	3.9	3.7	4.8	5.9	5.2
Total debt service paid 4/	3673.0	3118.0	3008.6	2225.3	2250.5			
Total debt service due 1/						2296.6	2124.5	2169.1
Ratio of debt service to exports (in percent)								
Simple average	18.1	15.9	16.1	12.4	9.8	9.5	7.9	7.0
Weighted average	17.5	14.7	13.9	9.8	9.9	9.2	7.3	7.0
Ratio of debt service to government revenue (in percent)								
Simple average	29.1	24.0	25.3	18.6	15.3	14.6	12.3	10.6
Weighted average	27.3	21.4	21.4	15.4	14.6	13.2	11.2	10.6
Ratio of debt service to GDP (in percent)								
Simple average	5.0	3.7	4.4	3.2	2.7	2.6	2.2	2.0
Weighted average	4.1	3.4	3.5	2.5	2.4	2.3	2.0	1.9

Sources: HIPC country documents; and IMF staff estimates.

1/ Debt service due after the full use of traditional debt relief mechanism and assistance under the enhanced HIPC initiative. For Bolivia, Mauritania, and Mozambique, these figures are also after additional bilateral assistance beyond HIPC. For Burkina Faso, topping-up of debt relief is taken into account.

2/ Debt service is higher than anticipated at the decision point due to higher new borrowing than previously projected.

3/ On fiscal year basis, i.e. 2000 column shows FY 1999/2000.

4/ The debt service figures for 2000 largely reflect pre-HIPC relief debt service because these countries did not reach their decision point until late in 2000 or later. Thus, the full impact of relief for did not take effect until 2001 and thereafter.

5/ The increase in debt service payments in 2003 reflects lower than expected interim relief because of program interruptions, a delay in the completion point and the projected early repayment of emergency assistance to the Fund.

6/ Debt service in 2002 is higher than anticipated at the decision point because the completion point has been delayed.

7/ The increase in debt service in 2003 is due to Honduras receiving less debt relief than anticipated at the decision point. This shortfall is related to interruptions in the PRGF program and a delay in the completion point.

8/ The relief for Madagascar is indicative and subject to change. The Madagascar authorities and Paris Club creditors would need to revisit the outstanding bilateral debt numbers. Also, minor adjustments need to be incorporated in the case of three multilateral creditors. Consequently, the IMF Board approved US\$790 million in HIPC relief with the understanding that Madagascar's exact level of HIPC assistance will be determined once such revisions are made.

9/ The relatively high debt service payments in 2003-05 reflect Zambia's obligation to repay a large ESAF loan to the Fund. To lessen the debt service burden the Fund decided at the decision point, on an exceptional basis, that Fund assistance should amount to 75 percent of total Fund debt relief compared with the maximum of 60 percent otherwise applicable. It was also decided to accelerate delivery of Fund assistance, thereby lowering Zambia's debt service payments in 2001-03 considerably. With the bulk of Fund assistance disbursed by 2003, debt service payments rise markedly in 2004 and 2005.

However, in 2006 debt service payments to the Fund will decline sharply.

10/ Debt service due in 2002/03 reflects a hypothetical assumption that arrears to non-Paris Club creditors (about US\$2 billion) would be regularized and serviced. It also reflects upfront payments associated with debt rescheduling agreements.

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

12/ Debt service is lower than anticipated at the decision point due to lower financing needs than previously anticipated.

Note: Debt service figures for 1998 and 1999 reflect debt relief already provided to Bolivia, Guyana, Mozambique, and Uganda under the original framework.

Table 12A. Summary Social Expenditure by the 26 HIPCs that Reached Decision Points 1/

	1999	2000	2001	2002	2003	2004	2005
	Actual			Preliminary	Projections		
(In millions of US dollars)							
Social expenditure 1/							
African Countries	4,025.0	3,930.5	4,945.0	6,282.4	6,982.8	7,568.6	8,178.8
Latin American Countries	1,799.7	1,846.8	2,025.4	2,154.6	2,334.4	2,391.7	2,559.2
Total	5,824.6	5,777.3	6,970.4	8,437.0	9,317.2	9,960.3	10,738.0
(In percent)							
Ratio of social expenditure to government revenue 2/							
African Countries	33.2	38.5	46.3	53.7	52.5	51.4	51.0
Latin American Countries	47.6	47.9	53.2	57.3	57.2	56.4	57.4
Total	36.9	41.0	48.1	54.6	53.6	52.5	52.4
Ratio of social expenditure to GDP 2/							
African Countries	4.8	5.7	7.0	8.4	8.5	8.4	8.4
Latin American Countries	10.8	10.6	11.5	12.3	13.0	12.8	13.0
Total	5.9	6.7	7.9	9.1	9.3	9.2	9.2

Sources: HIPC country documents; and IMF staff estimates.

1/ Data is not available for all countries, particularly in 2003-05. To aggregate, the last available data were used for future years, thus understating the likely level of social spending.

2/ Weighted averages.

Table 12B. Social Expenditure for Individual HIPCs that Reached Decision Points, by Country
(In millions of US dollars)

	1999	2000	2001	2002	2003	2004	2005
	Actual			Preliminary	Projections		
Benin							
Social Expenditure	114.5	110.2	161.0	162.2	179.9	197.2	214.2
Social Expenditure/Government Revenue (in percent)	30.0	29.2	41.7	37.3	38.6	34.0	33.1
Social Expenditure/GDP (in percent)	4.8	4.8	6.7	6.0	5.8	5.8	5.6
Bolivia							
Social Expenditure 1/	882.0	921.0	890.0	989.0	...	...	...
Social Expenditure/Government Revenue (in percent)	44.8	48.2	48.0	56.9	...	...	...
Social Expenditure/GDP (in percent)	10.7	11.2	11.2	12.9	...	...	...
Burkina Faso							
Social Expenditure	141.0	121.0	141.9	214.8	...	...	...
Social Expenditure/Government Revenue (in percent)	36.4	43.0	45.6	54.7	...	...	...
Social Expenditure/GDP (in percent)	5.5	5.5	5.7	7.5	...	...	...
Cameroon 2/							
Social Expenditure	264.0	286.7	335.6	401.0	513.4	591.5	635.5
Social Expenditure/Government Revenue (in percent)	15.8	17.3	19.1	22.7	25.0	27.2	27.8
Social Expenditure/GDP (in percent)	2.9	3.2	3.9	4.4	4.8	5.1	5.1
Chad 2/							
Social Expenditure	190.0	149.0	191.7	308.9	323.4	357.4	401.6
Social Expenditure/Government Revenue (in percent)	149.8	164.9	153.1	198.5	170.9	94.0	93.5
Social Expenditure/GDP (in percent)	12.1	13.2	12.0	15.9	13.4	9.1	9.5
Ethiopia 2/							
Social Expenditure	710.0	534.2	765.0	1000.0	1110.0	1236.0	1350.0
Social Expenditure/Government Revenue (in percent)	60.9	43.6	65.4	75.7	77.4	76.5	80.7
Social Expenditure/GDP (in percent)	11.0	8.4	12.8	16.4	16.9	17.2	18.0
The Gambia 2/							
Social Expenditure	23.5	22.0	22.2	20.9	21.6	24.4	26.1
Social Expenditure/Government Revenue (in percent)	30.2	27.2	46.3	44.5	46.4	48.5	48.0
Social Expenditure/GDP (in percent)	5.4	5.0	7.5	7.6	8.2	8.6	8.6
Ghana 2/							
Social Expenditure 3/	344.8	245.6	285.4	335.2	374.5	417.3	451.2
Social Expenditure/Government Revenue (in percent)	35.3	52.4	29.7	30.3	27.8	28.7	28.9
Social Expenditure/GDP (in percent)	4.4	7.2	5.4	5.5	5.5	5.5	5.5
Guinea 2/							
Social Expenditure	85.1	73.3	82.9	158.2	156.1	163.5	175.2
Social Expenditure/Government Revenue (in percent)	22.8	21.5	24.1	40.9	36.4	36.3	34.9
Social Expenditure/GDP (in percent)	2.5	2.4	2.7	4.9	4.7	4.7	4.7
Guinea-Bissau 2/							
Social Expenditure 4/	...	...	...	6.8	...	...	...
Social Expenditure/Government Revenue (in percent)	...	...	...	23.0	...	...	...
Social Expenditure/GDP (in percent)	...	...	...	3.2	...	...	...
Guyana 2/							
Social Expenditure	87.0	105.2	117.7	121.5	125.0	132.0	139.0
Social Expenditure/Government Revenue (in percent)	43.6	52.0	53.6	51.0	52.8	52.3	53.3
Social Expenditure/GDP (in percent)	12.5	14.8	16.9	16.7	16.8	17.2	17.7
Honduras							
Social Expenditure	487.7	476.4	638.4	649.1	781.4	848.7	900.2
Social Expenditure/Government Revenue (in percent)	46.9	56.5	54.8	55.1	59.3	60.8	60.7
Social Expenditure/GDP (in percent)	9.0	10.2	10.0	9.8	11.1	11.3	11.3
Madagascar 2/							
Social Expenditure	156.0	187.8	230.4	298.1	375.7	416.1	456.5
Social Expenditure/Government Revenue (in percent)	36.7	41.5	50.0	91.1	73.1	72.5	70.2
Social Expenditure/GDP (in percent)	4.2	4.8	5.0	6.6	7.7	8.0	8.1
Malawi 2/							
Social Expenditure	208.0	167.4	205.3	226.4	255.0	287.4	316.0
Social Expenditure/Government Revenue (in percent)	66.1	56.2	65.9	67.9	72.4	73.4	75.5
Social Expenditure/GDP (in percent)	11.5	9.8	12.2	11.9	14.5	15.1	15.5
Mali							
Social Expenditure	103.4	105.1	122.8	136.1	121.8	127.7	134.0
Social Expenditure/Government Revenue (in percent)	24.3	27.7	28.6	25.0	18.6	17.6	16.6
Social Expenditure/GDP (in percent)	3.8	4.3	4.7	4.3	3.5	3.4	3.2

Table 12B (concluded). Social Expenditure for Individual HIPCs that Reached Decision Points, by Country
(In millions of US dollars)

	1999	2000	2001	2002	2003	2004	2005
	Actual			Preliminary	Projections		
Mauritania							
Social Expenditure	85.0	69.6	79.4	114.7	126.0	126.8	133.1
Social Expenditure/Government Revenue (in percent)	34.7	28.8	38.9	30.9	38.5	38.9	39.2
Social Expenditure/GDP (in percent)	9.0	7.3	8.0	11.5	11.6	10.9	10.8
Mozambique							
Social Expenditure	259.1	331.1	342.3	360.6	379.0	424.1	472.5
Social Expenditure/Government Revenue (in percent)	52.8	69.7	73.8	68.2	62.8	60.7	59.5
Social Expenditure/GDP (in percent)	6.3	9.1	9.6	9.2	9.0	9.0	9.0
Nicaragua 2/							
Social Expenditure	342.9	344.2	379.3	395.0	439.0	422.0	531.0
Social Expenditure/Government Revenue (in percent)	60.1	57.7	66.8	65.1	65.7	58.3	69.1
Social Expenditure/GDP (in percent)	15.5	14.1	14.9	15.4	16.5	15.0	17.8
Niger 2/							
Social Expenditure	103.8	111.8	125.8	164.8	194.3	222.7	234.0
Social Expenditure/Government Revenue (in percent)	58.2	72.1	69.6	71.6	75.6	79.6	76.4
Social Expenditure/GDP (in percent)	5.1	6.2	6.5	7.6	7.9	8.5	8.4
Rwanda 2/							
Social Expenditure	75.2	73.1	90.5	105.8	107.8	118.2	130.8
Social Expenditure/Government Revenue (in percent)	39.5	41.5	46.5	49.9	48.4	48.1	49.6
Social Expenditure/GDP (in percent)	3.9	4.0	5.3	6.1	6.2	6.3	6.5
São Tomé and Príncipe 2/							
Social Expenditure	8.0	8.2	10.7	11.9	15.1	16.8	18.3
Social Expenditure/Government Revenue (in percent)	87.8	81.0	98.0	94.6	111.2	93.8	91.1
Social Expenditure/GDP (in percent)	17.0	17.5	22.2	21.8	24.6	25.0	25.0
Senegal							
Social Expenditure	254.3	225.5	292.7	310.1	370.1	399.6	433.8
Social Expenditure/Government Revenue (in percent)	30.8	28.5	35.6	32.7	33.2	33.1	33.0
Social Expenditure/GDP (in percent)	5.3	5.1	6.3	6.1	6.2	6.2	6.3
Sierra Leone 2/							
Social Expenditure	15.0	15.2	25.0	23.3	70.4	40.5	59.0
Social Expenditure/Government Revenue (in percent)	31.9	21.0	24.3	20.6	55.1	26.8	34.3
Social Expenditure/GDP (in percent)	2.0	2.4	3.3	3.0	8.2	4.3	5.7
Tanzania							
Social Expenditure	412.3	543.4	604.3	855.0	989.7	1057.4	1134.0
Social Expenditure/Government Revenue (in percent)	42.8	57.5	58.0	81.1	84.9	82.9	77.8
Social Expenditure/GDP (in percent)	4.8	6.5	7.0	9.8	10.6	10.6	10.6
Uganda							
Social Expenditure	306.0	401.3	438.2	569.4	593.0	614.0	633.3
Social Expenditure/Government Revenue (in percent)	40.4	60.1	71.4	79.7	77.2	73.5	69.7
Social Expenditure/GDP (in percent)	5.3	6.8	7.7	9.7	9.8	9.7	9.5
Zambia 2/							
Social Expenditure 6/	166.0	149.0	392.0	498.0	491.3	515.1	555.1
Social Expenditure/Government Revenue (in percent)	167.0	23.7	56.1	74.2	69.1	72.1	72.1
Social Expenditure/GDP (in percent)	168.0	4.6	10.8	13.3	13.2	13.4	13.4
Total social expenditure 5/	5824.6	5777.3	6970.4	8437.0	9317.2	9960.3	10738.0
Ratio of social expenditure to government revenue							
Simple average	51.6	48.9	54.6	59.3	61.3	56.0	56.3
Weighted average	36.9	41.0	48.1	54.6	53.6	52.5	52.4
Ratio of social expenditure to GDP							
Simple average	13.7	7.5	8.7	9.5	10.3	10.0	10.2
Weighted average	5.9	6.7	7.9	9.1	9.3	9.2	9.2

Sources: HIPC country documents; and IMF staff estimates.

1/ Data refer to pro-poor expenditure comprising health, non-university education, basic sanitation, and certain rural development and urban development programs.

2/ The figures for 2000 largely reflect social expenditure before HIPC relief because these countries reached their decision points in late 2000 or in 2001. Thus, the full impact of HIPC relief for them will not be felt until 2001 and thereafter.

3/ Data reported for Ghana do not cover all the expenditure by the health and education ministries, as it is missing donor flows and expenditure financed by internally generated funds.

4/ Previous estimates for Guinea-Bissau were based on budget data. Because of a very low execution rate those numbers tend to overstate the actual level of social spending and have been omitted here. The estimate for 2002 is based on social expenditure outturns.

5/ For countries without projections, the last available data are used in the aggregate total for future years, thus understating the likely level of social spending.

Country Coverage, Data Sources, and Assumptions for HIPC Costing Exercise

Country Coverage

- The costing analysis is based on 42 HIPCs: Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Lao P.D.R., Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Vietnam, Yemen, and Zambia.
- From the above list, Lao P.D.R., with debt deemed unsustainable after application of traditional debt-relief mechanisms, has been excluded from the costing exercise because reliable debt data are not yet available.
- Yemen has been excluded from the costing exercise because its debt levels have been found to be sustainable after traditional debt relief, based on the latest debt sustainability analysis. In addition, Angola, Kenya, and Vietnam have been excluded because their debt levels are expected to be sustainable after application of traditional debt-relief mechanisms.
- As in the past, Liberia, Somalia, and Sudan have not been included due to weaknesses in the data and/or the protracted time that will be required to resolve their arrears problems.

Data Sources

- Enhanced decision point documents have been presented to the Boards of the Bank and the Fund for the following 26 countries: Benin, Bolivia, Burkina Faso, Cameroon, Chad, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Uganda, and Zambia.
- Recently collected debt figures have been used to update the potential cost estimates for Mali and the Democratic Republic of Congo.

Assumptions for the HIPC Costing Exercise

- Calculations of total costs include costs under the original and enhanced HIPC Initiative frameworks, including assistance that has already been delivered.
- Countries must make full use of traditional debt-relief mechanisms (i.e., a stock-of-debt operation which provides a 67 percent reduction in the NPV of eligible debt from the Paris Club, and comparable treatment by non-Paris Club bilateral and commercial creditors) before becoming eligible for assistance under the enhanced HIPC Initiative. The cost estimates are based on data after full use of traditional debt-relief mechanisms.
- All eligible countries are assumed to request assistance under the enhanced HIPC Initiative.
- Each country-specific DSA is based on macroeconomic assumptions regarding exports and fiscal revenues developed by Bank and Fund staffs in consultation with country authorities.
- Total costs of assistance for Burkina Faso include topping up of debt relief (US\$129 million in 2001 NPV terms), which is assumed to have been delivered in the same year as its completion point (2002).
- Total costs of assistance to the Democratic Republic of Congo include relief provided by multilateral, bilateral and commercial creditors on short-term debt in arrears.

Update of Cost Estimates in Net Present Value Terms

- The costs of HIPC assistance are calculated in NPV terms at the time of decision point. This cost has then been increased each year after the decision point year by a factor which is estimated as the average interest rate applicable for relief to be committed. This rate was estimated as 6.0 percent for the years, 2000 and 2001, respectively. In the costing exercise for end-2002, this factor was adjusted from 6.0 percent to 5.45 percent for 2000 and 2001 and a 5.45 percent rate was applied to increase costs from end-2001 to end-2002. The 5.45 percent rate corresponds to the implicit long-term interest rate of currencies which comprise the SDR¹⁵ for the 36 monthly periods from end-1999 to end-2002. It was calculated as a weighted average of the average Commercial Interest Reference Rate (CIRR) for the period 2000–02, the weights being the participation of the currencies in the SDR basket.

¹⁵ The currency composition of the SDR was used as a proxy of the currency composition of the assistance under the HIPC Initiative.

Implementation Status of the HIPC Initiative by Country

Section I. Status of HIPCs in the Interim Period As of January 2003

Benin

PRSP Status: Following broad-based discussions with civil society and development partners, the authorities finalized the full PRSP in December 2002. The Bank and Fund Boards are scheduled to discuss the PRSP in March 2003, along with the Joint Staff Assessment of the PRSP and HIPC Completion Point document currently under preparation. Poverty-reduction spending has steadily increased over the 2000–02 period, particularly in health and education although they remained below targets.

Policy Performance: The three-year PRGF arrangement was extended until end-March 2004. Benin's macroeconomic performance in 2002 remained broadly in line with the objectives of the PRGF-supported program. All performance criteria for end-September 2002 were met, and the four structural benchmarks for end-July, end-August, and end-September 2002 were observed, although with delays. However, spending on health and education remained below quantitative targets, and the civil service reform continued to stall. All structural completion point triggers were met by end-January 2003 and the completion point is expected to be reached in March 2003.

Creditor Participation: Creditors holding 98.7 percent of Benin's debt have committed to deliver HIPC relief. Interim assistance is being provided by the major multilateral creditors, the Paris Club and some non-Paris Club bilateral creditors. In addition, multilateral creditors including BADEA, IFAD, and IsDB have agreed to provide HIPC relief at the completion point. Some bilateral creditors (The Democratic Republic of Congo, The People's Democratic Republic of Korea, and Niger) have not yet agreed to provide debt relief.

Cameroon

PRSP Status: A full PRSP was originally planned for November 2001 but was delayed because a comprehensive household survey (ECAM II) was launched only in the fall of 2001 and sector strategies for health, education, basic infrastructure and rural development took longer than expected. A draft PRSP was shared with the donor community and civil society at end-December 2002. The Government is making revisions in the light of comments, and a final version has been expected by the end of the first quarter of 2003.

Policy Performance: A third review of the PRGF was completed in September 2002. Performance was satisfactory except that a waiver was granted with respect to the completion of the treasury/budget link. The fourth PRGF review discussions are expected to be concluded soon. Progress has been slow in meeting the HIPC completion point triggers, notably structural reforms included under the Bank supported SAC III (the closing date of which has been extended until June 2003). Cameroon could reach the completion point during the first quarter of 2004.

Creditor Participation: Cameroon has received financing assurances from creditors accounting for more than 98 percent of total HIPC debt relief. With regard to commercial debt, agreement was reached on May 24, 2002 on a debt buyback operation supported by IDA. Two small commercial creditors are litigating although the authorities have indicated that these same creditors have expressed interest in a buyback operation. Paris Club creditors, the World Bank, the AfDB Group, and the Fund are providing interim assistance. So far, only Saudi Arabia has not yet committed to provide full HIPC relief.

Chad

PRSP Status: Completion of the full PRSP was delayed mainly because of revisions following a donor's conference in Brussels in May 2002. A full PRSP is now almost finalized and is expected to be completed by end-March 2003. The PRSP and associated JSA could be presented to the Executive Boards of the IMF and the World Bank in early June 2003, and be followed soon after by a donor round table.

Policy Performance: A PRGF arrangement was approved in January 2000 and, after a fourth review in October 2002, it was extended to December 2003. Performance has been satisfactory and revenue collection, which currently stands at a modest eight percent of GDP, is improving. Additionally, progress is being made in structural reforms, albeit with delays in civil service reform and energy. Good progress is being made toward achieving the HIPC completion point conditions, although finalization of the full PRSP has taken longer than expected. It is expected that the completion point will be reached by the end of March 2004.

Creditor Participation: Satisfactory assurances were received from creditors accounting for 93 percent of Chad's debt at the decision point. However, Cameroon, China, Israel, Kuwait, Saudi Arabia, Senegal, Taiwan Province of China, and Togo have not yet agreed to provide HIPC relief. Chad continues to receive HIPC interim assistance from IDA, the IMF, the AfDB Group and Paris Club creditors.

Ethiopia

PRSP Status: The full PRSP, completed in August 2002, builds on a broad-based participatory process and a sound poverty diagnosis. It places emphasis on food security and, more broadly, rural and agrarian development. It recognizes a need to shift expenditures from military outlays toward social spending. The near-term goal is to reduce poverty from 44 percent in 2000 to 40 percent by 2005. The first annual progress report is expected by the third quarter of 2003. The Bank's strategy for supporting the PRSP is being addressed in the CAS for FY 03–05, currently under preparation.

Policy Performance: A third review of the PRGF arrangement was completed in September 2002. Performance during the first year of the program was good, with GDP growth in 2001/02 at 5 percent and inflation remaining negative. The second year's program remains on track, although recent drought is affecting food production and causing food shortages in some regions. In order to foster agriculture growth and private sector development, the structural reform agenda remains essential, particularly in the areas of public expenditure management, civil service reform, and institutional capacity building in the public service. The estimated timing of the completion point is September 2003.

Creditor Participation: Creditors holding 91 percent of Ethiopia's debt have agreed to deliver HIPC debt relief. The Paris Club creditors agreed to provide interim relief on Cologne terms in April 2002. IDA, AfDB and the IMF are also providing interim HIPC assistance.

The Gambia

PRSP Status: A full PRSP was completed in April 2002 and presented to the Bank and Fund Boards in July 2002. The PRSP focuses on promotion of growth and employment; improved delivery of social services; and stronger gender, HIV/AIDS, and environmental policies. Social spending was estimated to be about 6 percent of GDP in 2001, compared with debt service payments of about 3 percent of GDP in the same year.

Policy Performance: A new three-year PRGF arrangement was approved in July 2002, building upon a broadly encouraging economic performance under the previous arrangement. The first review of the new PRGF was expected to be completed in February 2003. There are plans for a Medium-Term Expenditure Framework which will expand on the work done in the sectoral Public Expenditure Reviews in education, health, and agriculture. One of the Bank's six active projects (Municipal Development and Poverty Alleviation) is currently rated as unsatisfactory because of poor execution arrangements. Satisfactory progress, however, has been made on some completion point triggers including measures to improve transparency and accountability of public finances, and progress in the social sectors. However, progress on some completion point triggers targeting structural reforms has been slow. On the basis of the required one-year implementation of PRSP, the enhanced HIPC completion point will not be reached before July 2003.

Creditor Participation: Creditors holding about 81 percent of Gambia's debt have agreed to provide HIPC debt relief. Three non-Paris Club official bilateral creditors (China, Kuwait, Taiwan Province of China) accounting for around 19 percent of HIPC relief, have not yet made any commitment.

Ghana

PRSP Status: The PRSP Preparation Status Report was reviewed in February 2002. The full PRSP was published in February 2003; endorsement by Bank and Fund Boards will be sought by early April 2003. Poverty-related spending is estimated to have increased to 6 percent of GDP in 2002.

Policy Performance: Due to slippages in budget execution and quasi-fiscal losses associated with the non-adjustment of domestic petroleum prices, Ghana's PRGF arrangement expired without completion of the final review. The authorities have since drawn up a new program, and in April 2003 the Fund Board will be asked to support this under a new PRGF arrangement. The prices of electric power, water and petroleum products have been raised and petroleum product prices will be automatically adjusted in future. These measures will impact the budget favorably. Financial and management audits were conducted for 11 public sector enterprises and the Bank of Ghana Law was passed to enhance its independence. Progress on implementation of other HIPC completion point conditions has been broadly satisfactory, and if policies remain on track, the completion point could be reached in the second quarter of 2004.

Creditor Participation: Creditors accounting for around 89 percent of Ghana's debt have agreed to provide HIPC debt relief. IDA, IMF, AfDB, European Investment Bank, and the Paris Club creditors are delivering interim relief. Other multilateral creditors will provide relief only at the completion point. The participation of large commercial creditors remains an issue.

Guinea

PRSP Status: A full PRSP was completed and adopted by the Council of Ministers in January 2002 and endorsed by the Fund and Bank Boards in July 2002. Social and poverty reducing spending has increased with the use of interim assistance. The authorities organized regional consultations to update the full PRSP. Regional poverty reduction strategies have been elaborated in December 2002 and the regional consultative process was deemed exemplary. A PRSP Progress Report is expected in the first semester of 2003.

Policy Performance: A first review of the PRGF was concluded in July 2002 after the authorities took measures in the first quarter of 2002 to correct weaknesses in revenue mobilization and catch up on priority sector spending. Since then, performance has been less than satisfactory largely due to budget overruns in non-priority sectors and a shortfall in revenue collection. The second review of the program was not completed due to unsatisfactory implementation of corrective measures. A new IMF Staff Monitored Program must be implemented before a new PRGF arrangement is put in place. Good progress toward reaching completion point triggers is being made despite some earlier delays. The completion point could be reached in March 2004, provided that Guinea performs satisfactorily under a new PRGF that could be put in place later this year.

Creditor Participation: Satisfactory assurances were received from creditors holding 85 percent of Guinea's debt at the decision point. IDA, the IMF, the AfDB, and the Paris Club are providing interim assistance. So far, Iraq, Kuwait, Romania, Saudi Arabia, and Thailand have not agreed to provide HIPC relief.

Guinea-Bissau

PRSP Status: Reflecting the difficult political circumstances and severe technical weaknesses, progress toward a full PRSP has been slow. The authorities plan to finalize a first draft PRSP by mid-2003. The processing of data collected through the poverty survey was completed in September 2002. As a result of severe financial difficulties, social sector spending remains low at about 3.2 percent of GDP for 2002.

Policy Performance: The PRGF-supported program went off track immediately after it came into force at end-2000. The authorities have not been able to correct this situation, despite several efforts, including two short-term macroeconomic programs in 2001 and 2002. The completion of discussions on an extended staff-monitored program for 2003, which started at end-2002, has been delayed because of the dissolution of parliament and the dismissal of the government in November 2002, and elections scheduled for end-April 2003. Recurring fiscal policy slippages are associated with large defense spending, increases in the wage bill, and political interference in public financial management. Ad hoc expenditure policies and general weakening of government finances contributed to a substantial decline in economic activity; real GDP is estimated to have declined by more than 4 percent in 2002. Of the Bank's six projects, the one on health is currently rated as unsatisfactory whilst there has been mixed performance on the

education, economic rehabilitation and recovery projects. There have been encouraging, albeit slow, developments in addressing structural and social issues, such as in the areas of demobilization, public procurement reform, public enterprise reform, HIV/AIDS and education. Building a track record before the completion point remains a challenge and, as a consequence, reaching the completion point has been delayed until at least end-2004.

Creditor Participation: Creditors that have agreed to grant HIPC relief to Guinea-Bissau account for more than 81 percent of the country's debt at the decision point. The AfDB, IFAD, the IMF, Paris Club creditors, and the World Bank have provided interim assistance, while China and Cuba have written off their claims. Agreements to reschedule arrears have been concluded with a number of multilateral creditors, but because of the continuing political and economic problems, they have not been implemented in most part. In view of the continuing nonperformance under the PRGF-supported program, the Fund suspended its interim assistance at the beginning of 2002 and the Paris Club decided in January 2003 to stop applying the agreement on providing interim debt relief for 2002 and 2003.

Guyana

PRSP Status: A PRSP was published in November 2001 and a macroeconomic addendum to the PRSP was completed in April 2002. Social spending has been increasing steadily, and is projected at 17 percent of GDP in 2002–03 and anticipated to move toward 18 percent of GDP in 2004–05. To support Guyana's poverty reduction strategy two IDA credits were approved in December 2002: a Poverty Reduction Strategy Credit (PRSC) and a Public Sector Technical Assistance Credit.

Policy Performance: The PRGF went off-track in 2001, due to slippages in fiscal policy and stalled structural reforms. A new three-year PRGF-supported program was approved in September of 2002. However, the program went off track in December 2002 amid a very difficult political and deteriorating crime situation, delays in implementing critical growth-enhancing and poverty-reducing structural reforms, and difficulties in agreeing on measures to contain a significant deterioration in the fiscal deficit. Discussions for completion of the first review have continued in early 2003. The overall assessment of the Bank's portfolio is satisfactory although not without difficulty. Governance reforms have been particularly difficult to implement and procurement legislation passed by Parliament in June 2002 had serious deficiencies. The World Bank is currently working with the authorities on a revised public procurement law that could be submitted to Parliament soon. Four completion point triggers still await implementation: a six-month track record of satisfactory performance under the PRGF; the submission to Parliament of satisfactory procurement legislation; legislation on investment incentives; and a program to downsize the civil service. The completion point could take place in the fourth quarter of 2003.

Creditor Participation: Creditors holding around 91 percent of Guyana's debt have indicated their intention to deliver debt relief. IMF interim relief had lapsed at end-2001, but resumed in September 2002. The World Bank, AfDB and the Paris Club creditors are providing interim HIPC assistance. Argentina has begun negotiations with Guyana, and Brazil has already delivered HIPC relief. So far, China, Kuwait, the People's Democratic Republic of Korea, U.A.E., Venezuela, and the Former Yugoslavia have not agreed to provide HIPC relief.

Honduras

PRSP Status: A PRSP was completed in August 2001 and the first annual progress report is expected by mid-2003. It appears that public expenditure in poverty reducing projects are running below the expected levels in 2001. Poverty-reducing spending amounted to 3.2 percent of GDP in 2001 and 2.5 percent in 2002, compared to 5.4 percent of GDP in 2001 and 5.9 percent in 2002 envisaged under the PRSP.

Policy Performance: The third review of a PRGF was completed in October 2001. The program subsequently went off track at end-2001 mainly due to fiscal policy slippages associated with a continued increase in the government wage bill and weak tax collection. The authorities are working to address the fiscal situation through a social pact involving political parties, labor unions, private sector and civil society. It is expected that the authorities would be able to present a new PRGF to the Fund Board by mid-2003. The Bank's operations (seven active projects) are currently rated as satisfactory. Progress has been made in social reforms (education, health, pensions, and other safety nets), the anti-corruption strategy and financial sector strengthening. Completion point is expected in July 2004.

Creditor Participation: Creditors holding 93 percent of Honduras' debt have indicated their intention to deliver such debt relief. The Paris Club and major multilateral creditors are delivering interim relief. However, interim relief from the World Bank and IDB ended in July 2002 because maximum ceiling for interim relief had been reached. Costa Rica, Mexico, and Venezuela have not yet agreed to provide HIPC relief to Honduras.

Madagascar

PRSP Status: Madagascar is behind schedule in preparing a PRSP. An election crisis in 2002 led to reform efforts being stalled for over six months and work in earnest on the full PRSP only resumed in late 2002. With the resolution of the political crisis, the Government has restarted work to finalize the PRSP and has established a timetable which currently envisions a final version in the first half of 2003. Revisions to the strategy are now necessary given the much changed economic and social conditions in the country. Budgetary allocations to priority social sectors have increased in recent years, with education spending projected to increase from 3.0 percent of GDP in 1999 to 4.5 percent in 2003 and health spending from 1.2 percent of GDP in 1999 to 2.5 percent in 2003.

Policy Performance: A PRGF arrangement was approved on March 1, 2001 and the second review was satisfactorily concluded on December 23, 2002. The World Bank is in the process of adapting and restructuring its program in the country with three immediate aims: (i) create/strengthen safety net for the most vulnerable; (ii) assist in re-launching the private sector; (iii) assure functioning of minimum public services. Discussions on these areas have recently started with the new government. There are some delays in meeting conditions for reaching the HIPC completion point.

Creditor Participation: Satisfactory financing assurances have been received from creditors representing 91 percent of Madagascar's total debt. Madagascar continues to receive interim HIPC assistance from IDA, IMF, AfDB, and the Paris Club. So far, non-Paris Club creditors have not agreed to provide HIPC relief.

Malawi

PRSP Status: The PRSP launched in April 2002 articulates a well-developed and sound strategy. There are detailed action plans to generate growth, improve social sector outcomes, protect the vulnerable, and improve governance. The resources made available from interim debt relief have been used to fund an expansion in pro-poor spending programs, including the health and education expenditures identified in the PRSP as primarily benefiting the poor. Social expenditures, more broadly defined, for 2002 are estimated at 11 percent of GDP.

Policy Performance: Malawi's PRGF program went off-track soon after its approval in December 2000, mostly due to large slippages in fiscal policy. The first review could be completed by end-July, 2003. The World Bank has 10 active credits in Malawi, of which three projects (Environment Management, Fiscal Restructuring and Deregulation Project III TA, and Privatization and Utility Reform) currently have an unsatisfactory rating. Malawi has made good progress toward the fulfillment of HIPC completion point triggers. However, there is need to make substantial progress on the maintenance of macro stability. The completion point could be reached by the end of 2003 if Malawi demonstrates six months of good performance under the PRGF.

Creditor Participation: Malawi is receiving interim relief under the enhanced HIPC Initiative from IDA, AfDB, EU/EIB, and the Paris Club. IMF relief for 2002 is pending the conclusion of the first PRGF review. With respect to non-Paris Club creditors, South Africa has written off its debt; no agreement has yet been reached with Taiwan Province of China.

Nicaragua

PRSP Status: A full PRSP was presented to the IMF and World Bank Boards in September 2001 and the first annual PRSP Progress Report was completed in November 2002. Implementation of the PRSP has progressed since the Decision Point (December 2000) despite political difficulties. Poverty-reducing expenditures are projected to increase by about four percent of GDP by 2004–05, compared to pre-hurricane Mitch levels. A mechanism for tracking the use of HIPC debt relief and poverty spending was designed in 2002 with IDA assistance, and is expected to be operational in 2003.

Policy Performance: Nicaragua reached the decision point in December 2000, but experienced policy slippages in early 2001, particularly in the fiscal and monetary areas. Discussions for a third annual arrangement could not be completed during the first part of 2001, and the authorities requested a Staff-Monitored Program (SMP) for July-December 2001. The new government took office in January 2002 and reined in government spending through administrative means and a reduction in the budget. Nicaragua's assembly also approved the first round of a tax reform package, and, to reduce financial sector vulnerabilities, the authorities are about to implement a recovery plan for assets of failed banks. Based on this renewed commitment, the IMF Board approved in December 2002 a new three-year PRGF arrangement covering October 2002–September 2005. Progress is being made toward the HIPC completion point triggers, with most measures being prepared and/or partially implemented. The completion point, originally expected for end-2002, is now expected by end 2003.

Creditor Participation: Financing assurances have been received from creditors holding 86 percent of total debt. In principle, all multilateral and Paris Club creditors have agreed to

participate, as well as the following non-Paris Club creditors: Bulgaria, Costa Rica, Czech Republic, Guatemala, Honduras, Hungary, India, Iran, Libya, Mexico, and the Slovak Republic. So far, Algeria, China, the People's Democratic Republic of Korea, Peru, Poland, Taiwan Province of China, Venezuela, and the Former Yugoslavia have not agreed to provide HIPC relief. Interim relief is being provided by the World Bank, the IMF, the IaDB, CABEL, and the Paris Club.

Niger

PRSP Status: A full PRSP was submitted to the Executive Boards of the Fund and the Bank in January 2002. It foresees an increase in social spending from 5 percent of GDP in 2001 to 7 percent through 2005 to address poor social indicators. A PRSP Progress Report is expected in early 2003 and, together with the Joint Staff Assessment, will be presented to Bank and Fund Boards during the second quarter of 2003.

Policy Performance: A PRGF arrangement was approved on December 14, 2000. A third review was completed in August 2002 and Niger's performance was considered satisfactory. However, four of ten performance criteria and benchmarks had not been met and waivers were granted. Despite some budget slippages, overall performance was satisfactory with economic growth rebounding to 7.6 percent and inflation declining to 3.2 percent in 2001. A fourth review of PRGF is expected in April 2003. There has been significant progress in meeting the completion point triggers although an evaluation of the impact of public spending on the poor remains to be done. Niger could reach the completion point during the third quarter of 2003, once the one-year Progress Report on the PRSP is presented to the Bank and IMF Boards.

Creditor Participation: Niger has financing assurances for about 81 percent of total debt relief. Most non-Paris Club official bilateral creditors (Iraq, Saudi Arabia, Taiwan Province of China, and U.A.E.) and two multilateral creditors (Conseil de l'Entente, ECOWAS) have not yet committed to provide debt relief. China has granted partial debt cancellation. Niger received adverse judgment in a U.S. court for claims held by Taiwan Province of China. The AfDB, IDA, the IMF, OPEC Fund, and Paris Club creditors have provided interim assistance. IFAD has committed to full debt relief at the completion point.

Rwanda

PRSP Status: A PRSP was completed in June 2002 and was discussed by the Boards of the Bank and the IMF. The PRSP identifies six broad areas as priority: (i) rural development and agricultural transformation; (ii) human development; (iii) economic infrastructure; (iv) good governance; (v) private sector development; and (vi) institutional capacity building. Spending in social sectors has been steadily increasing and this trend is projected to continue. It stood at 3.9 percent of GDP in 1999 and rose to 5.3 percent by 2001. It is further projected to rise to 6.6 percent by 2003 and 7.1 percent by 2005.

Policy Performance: The 1998–2002 program supported by a PRGF expired in April 2002 without completion of the final review. On July 24, 2002, the Fund Executive Board approved a new three-year PRGF program. Real GDP grew by 6.7 percent in 2001 with strong performance in agriculture, manufacturing, construction, transportation and communication. Performance was also satisfactory with respect to fiscal revenue collection, inflation, and the level of gross reserves. Progress is being made in completing most of the completion point triggers, including

the privatization of tea factories. The completion point is expected to be reached in the third quarter of 2003.

Creditor Participation: Financing assurances have been received from creditors providing 95 percent of debt relief. Interim assistance has been provided by AfDB, IDA, the IMF, and the Paris Club. In addition, the EU, IFAD, and the OPEC Fund have agreed to provide HIPC relief. So far, non-Paris Club creditors have not agreed to provide HIPC debt relief.

São Tomé and Príncipe

PRSP Status: A full PRSP is expected to be submitted to the World Bank and IMF in April 2003. The Board date is scheduled for June 2003. The first annual progress report is expected to be produced by June 2004.

Policy Performance: A PRGF-supported program went off track in 2001 due to fiscal and structural reform slippages, compounded by oil-sector governance concerns. Implementation of the subsequent IMF staff monitored program (SMP) during the first half of 2002 was disappointing, as key quantitative benchmarks for end-June 2002 were not observed. There were spending overruns owing to trade union wage demands, higher energy and utility costs and legislative elections of March 2002. The staff-monitored program was extended through end-December 2002 to enable reestablishment of a track record of policy implementation. Preliminary information indicates that program implementation in the second half of 2002 was broadly satisfactory. Negotiations for a new PRGF arrangement are expected to start in late-March of 2003. Significant progress toward the HIPC completion point triggers is being made. The completion point originally scheduled for end-2003 could be reached by mid-2004, provided a PRGF program is in place and has been satisfactorily implemented.

Creditor Participation: Financing assurances for HIPC relief have been received from creditors holding about 85 percent of debt. Interim assistance is being provided by IDA and AfDB. Bilateral debt renegotiation agreements on Naples terms were signed with France and Spain in 2001, while agreements have been concluded, but remain unsigned, with Belgium, Germany, Portugal, and Russia. Non-Paris Club bilateral creditors (Algeria, Angola, Cape Verde, and China) have not yet agreed to provide HIPC relief.

Senegal

PRSP Status: A full PRSP, discussed by the Bank and Fund Boards in December 2002, was organized around consistent themes of wealth creation, human development, macroeconomic stability and improved public expenditure management. Expenditure in education declined slightly from 3.5 percent of GDP in 2000 to 3.4 percent in 2002. Expenditure in the health sector remained at about one percent over the period.

Policy Performance: The second review of the PRGF-supported program was concluded on April 5, 2002, but the PRGF arrangement subsequently expired on April 19, 2002. A new arrangement is expected possibly in the first half of 2003. The dialogue with country authorities has been continuing on the basis of their reform strategy outlined in the PRSP. Progress in meeting completion point triggers has been slow, particularly in health, education and privatization. The country could reach its completion point in the fourth quarter of 2003, contingent on the successful negotiation and implementation of a new PRGF arrangement.

Creditor Participation: Senegal has financing assurances for about 79 percent of total HIPC debt relief. Non-Paris bilateral creditors (Algeria, China, Iraq, Kuwait, Oman, Saudi Arabia, and U.A.E), and three multilateral creditors (BCEAO, ECOWAS, IsDB) have not yet agreed to provide debt relief to Senegal. All remaining creditors have committed to provide debt relief to the country. The World Bank, AfDB, EU, BOAD, the IMF, and Paris Club creditors have provided interim assistance. The IMF suspended interim debt relief at end-2002, pending a new PRGF program.

Sierra Leone

PRSP Status: An Interim-PRSP was completed in September 2001. The final PRSP was originally expected by mid-2003, but it was delayed pending the full disarmament and demobilization of RUF rebels, the resettlement and reintegration of internally displaced persons, refugees and ex-combatants, as well as the holding of presidential and parliamentary elections. Despite these delays, significant progress has been achieved in establishing the governance and institutional arrangements. Participatory data and information collection has commenced (e.g., HIV/AIDS Survey). Some sector reviews have been completed (e.g., Transport Sector Strategy), others are being prepared (Rural Sector Review) or are planned for key sectors (e.g., Education and Infrastructure).

Policy performance: A PRGF arrangement was approved in September 2001. The second review was successfully completed in September 2002. The improved political and security situation has strengthened confidence and helped in sustaining the economic recovery. Structural reforms have been strengthened, and presidential and parliamentary elections were held peacefully in May 2002. A consultative group meeting took place in November 2002. Donors agreed to provide financial and technical assistance to consolidate the peace process. The completion point is expected by end-2004 once a full PRSP has been prepared and implemented satisfactorily for a year.

Creditor participation: Financing assurances have been secured from creditors (multilateral creditors and the Paris Club) holding 84 percent of the Sierra Leone's debt. Two non-Paris Club official bilateral creditors (China and Kuwait) as well as commercial creditors have not yet indicated their intention to deliver HIPC relief. Interim assistance is being provided by most multilateral creditors and the Paris Club (a topping-up to Cologne terms was provided by the Paris Club soon after the decision point).

Zambia

PRSP Status: A full PRSP was received in April 2002 and considered by the Bank and Fund Boards. It aims to promote growth and diversification in production and exports, improve delivery of social services, and foster policies for HIV/AIDS, gender and the environment. Poverty-reducing spending was lower than programmed due to initial difficulties in establishing an accounting framework and lack of implementation capacity. Priority poverty-reducing programs amounted to 1.1 percent of GDP in 2000, 2.1 percent in 2001, and is projected to have been 2.2 percent of GDP in 2002.

Policy Performance: A fifth review of the PRGF was successfully completed in November 2002, notwithstanding capacity constraints and an adverse external environment, particularly in the copper sector. The government's financial policies in 2002 allowed for a reorientation of

public expenditure toward the social sectors. Despite a wage bill overrun which is being corrected, the overall fiscal outturn for 2002 is expected to be on track. With regard to the floating completion point triggers, progress is being made to divest a controlling share of ZNCB and ZESCO. Triggers in the health sector (including on HIV/AIDS) have been fully or partially implemented. While triggers in the education sector (budget outcome, student retention) are not yet achieved, corrective actions are being taken. The completion point is expected in December 2003.

Creditor Participation: Financing assurances have been received from creditors holding around 97 percent of total debt. IDA, the IMF, the AfDB, EU, and the Paris Club have provided interim relief. So far, Bulgaria, China, Iraq, Romania, and Saudi Arabia have not agreed to provide HIPC relief.

Section II. Status of Countries Expected to Reach Their Decision Points After February 2003

The following notes provide information on the status of 12 HIPC-eligible countries that could reach their decision points after February 2003. Two countries (Cote d'Ivoire and the Democratic Republic of Congo) have had Preliminary Documents submitted to the Fund and Bank Boards. This section does not include HIPCs whose debt burden is expected to be sustainable¹.

Burundi

PRSP Status. A peace agreement was signed in August 2000 in Arusha, Tanzania, by 19 political parties in an attempt to bring Burundi's civil conflict to an end. Agreement was reached in July 2001 on the installation of transitional institutions for a three-year period to lead to full democratization. The transitional arrangements culminated in the installation of an inclusive Transition Government on November 1, 2001, and the installation of the Transition Parliament and Senate in January 2002. Burundi launched its PRSP process in July 2000 and a draft I-PRSP was discussed by donors within the context of a thematic round table meeting in April 2002. The Burundi authorities are incorporating comments provided by the development partners, and the final I-PRSP is expected in the first quarter of 2003. The Bank has been providing assistance in the areas of consultation and participatory diagnostic analysis, and the Burundi authorities recently requested further assistance in this area within the context of the full PRSP.

Policy Performance. In July 2001, agreement was reached on a staff monitored program (SMP) covering the period July 1 through December 31, 2001. In October 2002, the IMF Board approved a post-conflict assistance facility for Burundi. This post-conflict assistance program as well as the IDA support under the Economic Rehabilitation Credit (ERC), is expected to be a catalyst for donor assistance, including HIPC debt relief. IDA is currently supporting Burundi with the ERC, and a number of other projects planned in the context of the Transitional Support Strategy (TSS). The TSS, which was approved by the World Bank Board on March 7, 2002, underpins IDA assistance to Burundi during FY 02–03 and, in addition to the ERC, envisages exceptional IDA assistance to Burundi for HIV/AIDS, capacity building, health care, demobilization and reintegration, and social action.

Creditor Participation. Preliminary analysis indicates that Burundi has a heavy debt burden. However, it has managed to remain current in its debt service obligations to the Bank and the Fund but is in arrears to the AfDB. A Multilateral Donor Trust Fund has been set up to assist Burundi clear its arrears and pay its debt to its multilateral creditors during the period leading to the enhanced HIPC Initiative. A number of donors have already made their contribution to this Fund.

¹ Angola, Kenya, Vietnam, and Yemen.

Central African Republic

PRSP Status: An interim PRSP (I-PRSP) was presented in January 2001. The I-PRSP emphasized the importance of rapid and broad-based economic growth, accompanied by a stable macroeconomic framework as prerequisites for poverty reduction. However, the I-PRSP did not set poverty reduction goals along the lines of the background of the Millennium Development Goals (MDGs), and did not discuss a macroeconomic framework beyond 2001. The Joint Staff Assessment (JSA) of the I-PRSP, stressed that the PRSP would need to address weaknesses observed in the preparation of the I-PRSP. In particular, the work leading to the preparation of the PRSP would need to improve the statistical database; strengthen the participatory process; better prioritize the objectives for poverty reduction; clearly define quantitative targets for poverty reduction in the context of a detailed costing and financing exercise; and design an effective system for monitoring progress in reducing poverty, including the tracking of poverty outlays. The full PRSP could be presented during the first half of 2004.

Policy Performance: In October 2001, the authorities agreed with Fund staff on a six-month staff monitored program (SMP). The successful completion of the SMP in June 2002 led to an agreement with the Fund on a three-year program to be supported by a Poverty Reduction and Growth Facility (PRGF). However, an attempted coup d'état in October 2002 led the Fund to postpone consideration of the PRGF. New discussions, which are scheduled between the authorities and the Fund to ascertain if the security situation, the capacity to implement reforms and financing prospects, could lead to a new program supported by Fund resources. At present, the financing prospects are bleak with major arrears to multilateral creditors, notably the African Development Bank. Central African Republic is in non-accrual status with the World Bank since June 2002. At end-January 2003, the arrears with the World Bank stood at US\$13.3 million. The World Bank is preparing a Country Re-Engagement Note. It will focus on governance-related analytical work and modest grant assistance, and will provide an arrears clearance plan, to be implemented once a Fund program is in place. As the authorities would need to build a six-month track record under a PRGF, the timing of the HIPC decision point is uncertain.

Comoros

PRSP Status: Following a period of political conflict and the secession of Anjouan, a new constitution was adopted by referendum in December 2001. The name of the country was changed to "Union des Comores." General and regional elections in the three islands followed in March, April, and May 2002. Colonel Azali was elected president of the union. However, a dispute erupted over the sharing of resources and important questions remain on the competencies of elected institutions. An Interim PRSP (I-PRSP) is expected to be finalized in the second half of 2003 but also depends upon the resolution of political conflict.

Policy Performance: Disputes between Union and island governments over competencies and revenue sharing disrupted the IMF's staff monitored program (SMP) in July 2002. This will delay debt relief under the HIPC initiative for 12 months. Should conditions improve, a new SMP could be instituted in 2003, leading to a PRGF in Spring 2004 and a HIPC decision point by end-2004.

Congo, Republic of

PRSP Status: The World Bank is providing technical assistance to strengthen the content and the participatory process of the Interim Poverty Reduction Strategy Paper that had been prepared by the authorities without adequate consultation with the civil society.

Policy Performance: The Republic of Congo received Fund support under the emergency post-conflict assistance policy in November 2000. Since then, the Congo has had difficulties establishing a good track record under two successive staff-monitored programs (SMP) in 2001 and 2002, owing essentially to the Congolese authorities' focus on the national reconciliation dialogue, organization of broad based elections to mark the end to a long democratic transition process, and security-related developments. Consequently, discussions on a medium-term program that could be supported by the Fund under the PRGF and open the way to possible debt relief under the enhanced HIPC Initiative could not be initiated as envisaged. A new six-month SMP, covering January–June 2003 will be negotiated in March 2003 to allow the authorities to establish a track record of adequate policy performance.

On July 31, 2001, the IDA Board approved a post-conflict economic rehabilitation credit and an emergency demobilization, disarmament and reintegration credit. The Congo cleared its arrears to the Bank on August 8, 2001, paving the way for the disbursement of already approved credits and new IDA lending. In addition, a recently approved Governance and Transparency Capacity Building Project will help finance an external audit of the national oil company (SNPC) and, at a subsequent stage, an audit of the entire oil sector.

Congo, Democratic Rep. of

PRSP Status: The I-PRSP was completed in June 2002 and completion of a full PRSP is expected in early 2005. Social sector spending is targeted to increase from 7 percent of primary expenditure (0.5 percent of GDP) in 2002 to about 16 percent in 2003 (about 2 percent of GDP), to remedy the poor quality of, and access to, social services.

Policy Performance: A PRGF-supported program was approved in June 2002 after successful implementation of an IMF staff monitored program. Progress continues with an economic reform program under which the public finances have been strengthened, the cycle of hyperinflation and currency depreciation has been broken, major economic distortions are being removed, and significant improvements have been made in the judiciary and regulatory environment. Important reforms are also under way in the forestry, mining, and public enterprise sectors.

HIPC Status: The preliminary HIPC document was considered in June 2002. Arrangements have been put in place to clear arrears to multilateral creditors, and for the IMF and World Bank this was done in June/July 2002. The Paris Club granted a Naples flow rescheduling for nearly US\$9 billion of arrears and debt service coming due during the PRGF period. The first review under the PRGF should be completed by end-March and the decision point could be reached shortly thereafter.

The timing of a possible three-year PRGF arrangement and the HIPC decision point will depend on progress in the implementation of the new SMP with a focus on improved fiscal performance, progress in transparency in the oil sector, and the normalization of relations with external creditors.

Côte d'Ivoire

PRSP Status: The IMF and the World Bank Boards endorsed the I-PRSP in March 2002. A first draft of the full PRSP was prepared in September 2002 and is being reviewed by the Bank and Fund staff. Social sector spending by the central government fell slightly from 4.6 percent of GDP in 2000 to 4.3 percent of GDP in 2001, but has been projected to increase to 4.8 percent in 2002. However, with the civil conflict erupting in September 2002, social expenditures have come under pressure in late 2002 and early 2003. Both the preparation of a full PRSP and implementation of anti-poverty measures are at peril until civil peace can be restored.

Policy Performance: A three-year PRGF arrangement was approved on March 27, 2002 following the successful implementation of a staff monitored program under which the authorities demonstrated disciplined macroeconomic management and commitment to structural reforms. The IMF and the World Bank Boards discussed a preliminary HIPC document in March 2002. Due to civil strife which started in September 2002, the HIPC decision point could not be reached in 2002.

Lao P.D.R.

PRSP Status: In April 2001, an I-PRSP was considered by the Bank and Fund Boards and the final PRSP is expected by end-September 2003.

Policy Performance: In April 2001, the Fund Board approved a new three-year PRGF arrangement with Lao P.D.R. The first review of the program was completed in February 2002 and the second review in July 2002. However, the PRGF is currently delayed pending measures by the authorities to prevent a recurrence of misreporting and measures to get the fiscal program back on track. In 2002, IDA approved a Financial Management Adjustment Credit.

HIPC Status: A HIPC debt sustainability analysis is planned for June 2003. Agreement on the value and terms of debt has yet to be reached with one of Lao's bilateral creditors. The authorities have expressed the intention not to apply for HIPC debt relief.

Liberia

Liberia continues to struggle with the loss of economic infrastructure and the human costs resulting from the civil war of 1989–96. In 2001, Liberia's relations with the international community deteriorated sharply after allegations of human rights abuses, support for an armed insurgency in Sierra Leone, and widespread government corruption. Relations between Liberia and the Bank and Fund have remained on hold pending the lifting of sanctions imposed by the UN in May 2001. Liberian authorities had adopted a Staff-monitored program with the intent of establishing a record of policy performance. Although some advances were made under the staff monitored program, the policy performance record was not sufficient to proceed with a PRGF. In December 2001, Article IV consultations were held.

Liberia at end-2001 was estimated to hold US\$2.6 billion in debt including nearly US\$2.3 billion in arrears. Of this, roughly 53 percent was held by multilateral creditors and official bilateral creditors held 27 percent.

Myanmar

There has been no Fund-supported program since 1981–82 . The World Bank has approved no new lending since 1987 and does not have an active program in Myanmar. Poor debt statistics make an assessment of the debt burden difficult.

Somalia

A National Reconciliation Conference, under IGAD auspices, was concluded in October 2002. UNDP implementation of the Post-Conflict Fund (PCF)—financed Watching Brief was delayed because of deteriorated security conditions. However, if security improves with the on-going reconciliation efforts, implementation could start in early 2003. The Bank recently became an active member of the Somalia Aid Coordination Body (SACB) which provides a framework for UN agencies, international and Somali NGOs, and donors to develop a common approach for the allocation of international aid to Somalia. Recent donor support has been limited to humanitarian assistance and disaster relief.

Policy Performance: The World Bank and IMF have not had an active involvement in Somalia since 1991 because of an unstable security situation, and lack of recognition of the current interim government. Significant arrears have accumulated on past debt-servicing obligations to both institutions. The Bank strategy for Somalia is two-pronged: (i) to build the analytical knowledge base through the collection, analysis and monitoring of key macro-economic and socio-economic data by UNDP; and (ii) to continue funding the second phase of a very successful project, implemented by the Somali Red Cross, for the sustainable rehabilitation of basic health services in areas affected by conflict. These components of the strategy constitute the Somalia Watching Brief which was approved by the Bank's PCF Committee on February 8, 2002 for a total of US\$1 million.²

Sudan

PRSP Status: On November 18, 2002 the Government of Sudan and the Sudan People's Liberation Movement/Sudan People's Liberation Army signed a Memorandum of Understanding whereby both parties agreed in principle to a government structure, including power sharing, judiciary and human rights. The parties also have committed to continue to search for lasting peace and resolve all outstanding issues (revenue sharing being one of the most important) and incorporate them into a final peace agreement. The government is currently preparing a Comprehensive Strategic Plan and an Interim Poverty Reduction Strategy Paper (I-PRSP).

Policy Performance The IMF Board mid-year review of a staff monitored program was concluded in October 2002. If the peace process advances and there continues to be progress with reform, a Rights Accumulation Program (RAP) may be put in place. The Bank is developing a re-engagement strategy, including options for the clearance of arrears, which stood

² The IMF cannot provide financial and technical assistance to Somalia until the government is recognized by the international community. Nevertheless, it continues to monitor developments through the UNDP/World Bank Post-Conflict Fund Watching Brief.

at US\$244 million at end-January 2003. Contingent on the peace agreement, a Support Group will be set up to assist authorities in clearing the arrears.

Togo

PRSP Status: The Government issued a draft interim PRSP in November 2002. This report will be discussed with domestic and external stakeholders before its finalization during the first quarter of 2003. The authorities plan to carry out various economic and sector work, and a broad-based participatory process, in order to complete a full PRSP by mid-2004. In the absence of a stable macroeconomic framework, the interim PRSP would not be discussed at the Bank and Fund Boards. However, it will be shared with the donor community to serve as anchor for their assistance programs. .

Policy Performance: There has not been a Fund-supported program since mid-1998 when the three-year ESAF expired. The IMF Executive Board concluded the 2001 Article IV consultation with Togo in April 2001, and a staff monitored program covering the period April–December 2001 was put in place. In the context of the 2002 Article IV consultations, the government prepared an economic program covering 2002 to serve as a basis for continued policy dialogue with the Fund and the Bank, pending a full resolution of the present political situation and resumption of external budgetary assistance. The holding of free and fair elections continues to be a condition set by Togo's main donors for the resumption of financial assistance. The IDA Economic Recovery and Adjustment Credit (ERAC) was closed at the end of 1998. Because of new accumulation of arrears by end December 2001, Bank disbursements were again suspended on January 1, 2002 and the country has been on non-accrual status since May 1, 2002. At end January 2003, the arrears with the World Bank stood at US\$20.5 million.

Section III. Status of Countries that Have Reached The Completion Point As of January 2003

Bolivia

PRSP Status: A PRSP was completed in March 2001 and the first progress report is being prepared. Tracking of poverty-related expenditure requires improvement especially at the local government level. Social spending has reached 12 percent of GDP in 2002 and is projected to increase to 13 percent in 2003.

Policy Performance: The third year program under the PRGF arrangement expired in June 2002. The first review could not be completed owing to lack of action on tax reform. Under program informally monitored by the IMF staff for 2002, targets for international reserves and net domestic assets were missed in the second quarter and fiscal targets were missed in the third quarter. A stand-by arrangement negotiated in February 2003 may be approved in March, and might be replaced by a PRGF arrangement later in the year. A joint Bank-Fund team conducted a Financial Sector Assessment Program (FSAP) in November 2002 and January 2003. The completion point was reached in June 2001.

Creditor Participation: Creditors holding around 95 percent of debt—including all multilateral creditors—have been delivering debt relief and some Paris Club creditors have already provided relief beyond HIPC. Assurances of debt relief have not been provided by China and Taiwan Province of China, and the agreement to receive assistance from Brazil is pending approval by the Brazilian congress.

Burkina Faso

PRSP Status: A second progress report on the implementation of the PRSP was considered by the Boards of the IMF and the Bank in November 2002. Total poverty-reducing social expenditures increased from 5.3 percent of GDP in 1999 to 6.2 percent in 2001, and a further increase to 7.9 percent of GDP is expected in 2002.

Policy Performance: The sixth review under the PRGF was completed on November 2002. For the first time in three years, the authorities were able to reverse the decline in tax revenue in 2001. The PRGF-supported program (approved September 1999) is largely on track despite an expenditure overrun in the first half of 2002, which was attributable to exogenous factors and to election related outlays. Significant progress has been made towards achieving poverty reduction objectives. Budgetary expenditures in the social areas were increased and there was a marked acceleration in the commitment of HIPC Initiative resources to make up for the slow start during the past two years.

Creditor Participation: Creditors accounting for 88 percent of debt have agreed to provide enhanced HIPC relief. Financing assurances for the topping-up at the completion point have been obtained from IDA, AfDB, the IMF, BOAD, and Paris Club creditors, which together constitute 74 percent of total topping-up assistance.

Mali

PRSP Status: A full PRSP was endorsed by the Fund Board in February 2003 and by the Bank Board in early March. Budgetary allocations to priority sector sectors have increased steadily in line with the I-PRSP. Social expenditure increased from 4.4 percent of GDP in 2000 to 4.8 percent in 2002. It is projected to decline to 4.3 percent of GDP in 2003, due mainly to lower than expected increases in health spending but should reach around 5 percent from 2006 onwards.

Policy Performance: A PRGF-supported program has been on track since the country reached the enhanced HIPC decision point in September 2000 and a fifth review of the program was completed in February 2003. Economic growth was strong in 2002 as a doubling of cotton output boosted real GDP growth by 9.6 percent. The fiscal program was on track at end-June and end-September 2002, with total government revenue higher and government expenditure lower than anticipated. The crisis in Cote d'Ivoire has hit Mali's economy severely since September 2002. As a result and owing to lower rainfall, growth is projected to decline by 0.4 percent in 2003.

Creditor Participation: Mali has financing assurances from creditors holding 93.5 percent of total debt. Some non-Paris Club bilateral and commercial creditors, and three multilateral creditors have not yet agreed to provide debt relief to Mali. IDA, the IMF, the AFDB Group, EU, and Paris Club creditors have provided interim assistance.

Mauritania

PRSP Status: A full PRSP was finalized in early 2001 and endorsed by the Boards of the World Bank and the Fund; the one-year progress report was endorsed by the two Boards at the time of Mauritania's completion point in June 2002. Social and poverty reducing spending has been increased with the use of domestic resources and HIPC assistance. However, more work is needed to improve expenditure tracking (with technical assistance from the Fund and the Bank) and strengthen implementation capacity to allow full use of resources freed up by HIPC relief. A PRSP review is planned for July 2003.

Policy Performance: The Fund Board completed the sixth review of the PRGF program in November 2002, and noted Mauritania's strong economic performance in spite of a difficult external environment. The PRGF arrangement expired on December 20, 2002, with the last disbursement of SDR 6.07 million. Following the request of the authorities, IMF staff will assess the need for a new PRGF. Economic growth has been robust though lower than projected in 2002 due to droughts and a drop in fish and iron ore exports. Inflation has been under control and the external position has improved despite the increase in trade deficit. Structural reforms have created an environment conducive to foreign and domestic investment. The country remains vulnerable to downside risks that could undermine its external position.

Creditor Participation: The completion point was reached in June 2002. Satisfactory financing assurances were received from creditors holding over 80 percent of Mauritania's debt. So far, non-Paris Club creditors, except Saudi Arabia, have not agreed to provide HIPC relief. The Arab Monetary Fund recently agreed to provide full HIPC relief to Mauritania.

Mozambique

PRSP Status: The PRSP, which was endorsed by the Boards of the Bank and the Fund in September 2001, has been central in guiding the government's efforts to improve social welfare conditions and track poverty-reducing expenditures. HIPC-financed spending is being allocated to priority areas that have been identified in the PRSP (PARPA). The PARPA priority sectors are in education, health, agriculture and rural development, basic infrastructure, good governance, and macroeconomic and financial management. Recent developments in social spending continue to be favorable with such expenditure reaching 9 percent of GDP in 2002 and expected to stay at around that level for the 2002–05 period.

Policy Performance: The fourth review under the PRGF arrangement was satisfactorily completed in June 2002. All quantitative and structural performance criteria and benchmarks were observed, except for a benchmark on reserve money. The macroeconomic outlook for Mozambique remains positive. Preliminary estimates indicate that GDP grew in 2002 by about 12 percent, while inflation stood at 9.1 percent, well below the level observed in 2001 (21.9 percent). For years 2003–04, it is expected that GDP growth would stabilize at around 9 percent per year. The HIPC completion point was reached in September 2001.

Creditor Participation: The completion point was reached in September 2001. Creditors holding about 88 percent of Mozambique's debt are providing debt relief. Several non-Paris Club official bilateral creditors have yet to respond to letters sent by the Mozambican authorities to begin negotiations for bilateral debt relief agreements on enhanced HIPC terms. Positive responses had been obtained from India and in principle from Libya, but further negotiations are needed to finalize the agreements. The Mozambican authorities have indicated that relief on non-Paris Club official debt has been completed with China, Kuwait, and South Africa.

Tanzania

PRSP Status: The poverty reduction strategy enjoys broad support and ownership. By the time the current PRGF expires, Tanzania is expected to have prepared two annual PRSP progress reports. Expenditure on health and education has been rising since fiscal year 1999/00. New education, agriculture, and rural development strategies are high-priority areas of the PRSP.

Policy performance: The Fund Board completed the fifth review under the PRGF arrangement in November 2002. The current PRGF, originally due to expire in early 2003, was extended until end-June 2003 to allow time for the final review to be completed. While Tanzania has achieved commendable progress in implementing macroeconomic and structural reforms in the last seven years, the country still faces a substantial reform agenda and other policy challenges that will require continued Fund engagement. The exit from Fund financial support may also be constrained by the linkage of donor support to a Fund-supported program. A new low access PRGF arrangement—largely focusing on ongoing structural reforms and second-generation reforms—may be envisaged. The focus of the current PRGF is on consolidating macroeconomic stability and achieving sustained high economic growth and poverty reduction through improvements in revenue mobilization, public financial management, promotion of private investment and financial intermediation. Notwithstanding delays in implementing some structural reforms (e.g., clearance of audited arrears, and use of land as a collateral for bank loans), progress under the PRGF has been satisfactory.

Creditor Participation: The completion point was reached in November 2001. HIPC relief amounted to 1.4 percent of GDP in 2001/02 and is expected to account for 1.3 percent of GDP in 2002/03. Tanzania has received financing assurances from creditors holding around 90 percent of total debt, with the exception of non-Paris Club creditors. Specifically, it has received assistance from IDA, the IMF (which together account for more than 40 percent), Paris Club creditors (accounting for another 40 percent), the AfDB (6 percent), and other multilateral creditors (4 percent). Among the non-Paris Club creditors contacted by the authorities, only Kuwait has confirmed relief on HIPC terms.

Uganda

PRSP Status: The full PRSP was completed in March 2000, followed by two progress reports on the implementation of the PRSP so far. The incidence of poverty fell from 56 percent in 1992 to 35 percent in 2000. The PRSP is scheduled to be revised in 2003/04. In 2001, social spending relative to GDP was 8 percent compared to debt service-to-GDP ratio of 1 percent.

Policy Performance: A new PRGF arrangement for the period 2002/03–2004/05 of SDR 13.5 million (7.5 percent of quota) was approved by the Fund's Executive Board in September 2002, focusing on economic growth and poverty reduction. The program supports a broad range of structural reforms to increase investor confidence and savings, an increase in government revenues through tax measures and administration, the curtailing of nonessential expenditures to assure adequate funding of anti-poverty programs and programs which support economic growth, further reforms in the financial sector and strengthening of accountability at the local level. Uganda's macroeconomic performance has been broadly satisfactory. The Bank's Executive Board approved the second annual Poverty Reduction Support Credit in July 2002. The Second Poverty Reduction Support Credit, like the first, supports a broad program of policy and institutional reform to improve service delivery and enhance agricultural production. A Third Poverty Reduction Support Credit is under preparation. The implementation of the reform program has been satisfactory.

Creditor Participation: The enhanced HIPC completion point was reached in May 2000. Required HIPC relief is US\$630 million. Thirty of the 44 creditors have agreed to provide HIPC relief equivalent to 96 percent of the total required. Of the six commercial creditors, only one has agreed to provide relief. Several creditors (Iraq and commercial creditors from Spain, the United Kingdom, and Yugoslavia) have initiated court suits to get full repayment. So far, in the three cases of commercial creditors, the courts have decided in favor of the plaintiffs. The OPEC Fund, India, Libya and South Korea have agreed in principle to provide relief, but legal agreements have not been signed. The East African Development Bank, PTA Bank, Shelter Afrique, Burundi, Iraq, Nigeria, North Korea, Pakistan, and United Arab Emirates have yet to agree to provide relief.