
Appendix 2

Commercial Debt Restructuring

Developments in 1999

THE PERIOD UNDER REVIEW SAW MAJOR progress in debt reduction through Brady exchange and buyback operations. Seven debt restructuring agreements between debtor countries and their commercial bank creditors were concluded in 1999, restructuring \$7.1 billion in debt and reducing outstanding debt by \$2.7 billion (table A2.1). Among low-income countries, Guyana bought back \$55.9 million at an average price of 9 cents per dollar in a deal supported by the IDA Debt Reduction Facility (table A2.2). Among middle-income countries, Argentina, Brazil, Mexico, the Philippines, and Uruguay retired \$6.9 billion of Brady bonds through discounted swaps and open-market debt buybacks. Also, Ukraine reached an agreement to restructure its \$163 million eurobond.

Debt and debt service reduction operations in low-income countries

Guyana. Sponsored by the Debt Reduction Facility and the government of Switzerland, Guyana completed the second phase of a debt buyback operation on December 6, 1999, purchasing \$55.9 million owed to private suppliers (pipeline debt).¹ The buyback price was set at 9 cents per dollar of the principal debt. The operation extinguished \$34.4 million of eligible commercial bank claims (table A2.2). The cost was \$3.1 million, of which \$1.1 million was disbursed from IBRD's allocation to the Debt Reduction Facility and \$2 million was financed by the Swiss government. The participation rate of creditors in the operation was 62 percent.

Buyback and swaps in middle-income countries

Argentina. There were two buyback operations in March 1999. Argentina swapped \$129 million of Brady bonds, \$84.1 million of discount bonds, and \$45 million of par bonds, held by the local pension funds and other institutional investors, for \$106 million of Argentina Bonte bonds maturing in 2027 and exchangeable for 30-year global bonds later. Argentina also retired \$539 million of Brady bonds, \$104 million of discounts, and \$435 million of pars through open-market purchase.

Brazil. In 1999 Brazil undertook two swap operations to retire \$4.2 billion of Brady bonds. Savings of about \$1.7 billion resulted from the differential between the nominal and the market values of these securities (\$1.2 billion) and from the pro rata release of the collateral of the Brady bonds (\$500 million). In the first exchange, in April, Brazil completed a \$3.0 billion, five-year global bond offering involving a \$2.0 billion cash sale and a \$1.0 billion exchange for \$1.5 billion of Brady bonds,² \$1,046 million of eligible interest bonds (EIs), and \$406 million of interest due and unpaid bonds (IDUs). The new issue was priced to yield 11.8 percent, 675 basis points above U.S. Treasuries. In October, Brazil issued a \$2 billion 10-year global bond in exchange for \$2.7 billion of Brady bonds. The new issue carries a coupon of 14.5 percent or 850 basis points over the U.S. Treasury rates. The deal realized about \$200 million of net present value savings and released about \$500 million in the collateral.

Mexico. Between August and October 1999, there were two operations to retire 1,035 million of Brady bonds. Total nominal savings of about

Table A2.1 Debt and debt service reduction operations, 1989–99
(billions of U.S. dollars)

Type of operation	Operations covered	Closing date	Gross amount restructured ^a	Face value of debt reduction ^b	Face value of restructured debt
<i>Low-income countries</i>					
Buybacks funded by the Debt Reduction Facility	Cumulative 1997		4.3	4.2	0.1
	Cumulative 1998		4.4	4.3	0.1
	Guyana		0.1	0.03	0.1
	Cumulative 1999		4.4	4.3	0.1
Debt and debt service reduction agreements	Cumulative 1997		12.6	7.6	5.0
Other	Bosnia and Herzegovina	30 Dec. 97	1.3	0.9	0.4
<i>Middle-income countries</i>					
Buybacks funded by the Debt Reduction Facility	Cumulative 1997		0.3	0.3	0.0
Debt and debt service reduction agreements	Cumulative 1997		197.9	37.8	160.1
Associated debt and debt service reduction market swaps	Cumulative 1997		14.8	2.5	12.3
	Argentina	Mar. 99	0.7	0.02	0.6
	Brazil	Apr., Oct. 99	4.2	1.7	2.5
	Mexico	Aug., Oct. 99	1.0	0.6	0.4
	Philippines	Oct., 99	0.9	0.3	0.6
	Uruguay	Sep., 99	0.1	0.01	0.1
	Ukraine	July 99	0.2	0.0	0.2
	Cumulative 1999		16.9	2.9	14.0
Total	Cumulative 1997		231.2	53.3	177.9
	Cumulative 1998		233.4	53.8	179.6
	Operation in 1999		7.0	2.6	4.4
	Cumulative 1999		240.4	55.9	182.3

Note: Totals may not add up because of rounding.

a. Includes past-due interest.

b. Includes buybacks, discounts, down payment on past due interest, and forgiveness.

Source: World Bank.

\$620 million resulted from the differential between the par and market value of these securities (\$210 million) from the pro rata release of the collateral of the Brady bonds (\$410 million). In the first operation, in August, Mexico bought back \$510 million of Brady bonds in exchange for \$400 million of new 17-year global bonds at an interest rate of 445 basis points above the U.S. Treasury rate. Net present value savings from the cash-flow differential between the Brady bonds and the replacement bonds were estimated at \$80 million. In October Mexico issued \$425 million of 10-year global bonds in exchange for about \$525 million face value of Brady bonds, \$275 million of par bonds, and \$250 million of discount bonds. The new offering carries a coupon of 10.2 percent or 385 basis points over the U.S. Treasury rates. Net present value savings of approximately \$60 mil-

lion resulted from a net reduction in external interest payments through this transaction.

The Philippines. In October 1999 the Philippines completed a \$1,006 million, 25-year (plus 7-year put option) global bond offering involving a \$292 million cash sale and a \$714 million exchange for \$858 million of Brady bonds. The new issue carries a semi-annual coupon of 9.5 percent to yield 318 basis points over U.S. Treasuries. As a result of this exchange transaction, some \$401 million of par bonds were retired, alongside \$165 million of FLIRB bonds, \$54 million of DCB bonds, and \$238 million of NMB bonds.³ The operation resulted in nominal savings of about \$294 million, of which \$144 million stemmed from the differential between Brady bonds' par and market values and \$150 million accrued from the pro rata release of the collateral of the Brady bonds.

Table A2.2 Completed operations financed by the IDA Debt Reduction Facility, December 1999
(millions of U.S. dollars)

Country	Date completed	Principal extinguished	Price (cents per dollar) ^a	Percentage of eligible principal extinguished	Total resources ^b	IBRD resources ^b
Niger	March 1991	107.0	18.0	99.0	19.4	8.4
Mozambique	December 1991	123.8	10.0	64.0	13.4	5.9
Guyana	November 1992	69.2	14.0	100.0	10.2	10.0
Uganda	February 1993	153.0	12.0	89.0	22.6	10.2
Bolivia	May 1993	170.0	16.0	94.0	27.3	9.8
São Tomé and Príncipe	August 1994	10.1	10.0	87.0	1.3	1.3
Zambia	September 1994	199.7	11.0	78.0	24.9	11.7
Albania	July 1995	371.3	26.0	99.0	97.4	26.0
Sierra Leone	September 1995	234.7	13.0	73.0	31.5	21.0
Nicaragua	December 1995	1,099.4	8.0	81.0	89.2	40.8
Ethiopia	January 1996	226.0	8.0	80.0	18.8	6.2
Mauritania	August 1996	53.0	10.0	98.0	5.9	3.3
Senegal	December 1996	71.0	20.0 ^c	96.0	15.4	6.6
Côte d'Ivoire ^e	May 1997	681.5	24.0	30.0	185.4	20.0
Vietnam ^f	June 1997	20.4	44.0	6.6	1.0	1.0
Togo	December 1997	46.1	12.5	90.0	6.4	5.4
Guinea	July 1998	130.0	13.0	75.0	13.5	9.1
Guyana	December 1999	34.4	9.0	100.0	3.1	1.1
Total		3,800.5	— ^d	80.0 ^d	586.7	197.8

a. Of original face value of principal.

b. Includes technical assistance grants.

c. 16 cents for cash buyback and 20 cents for long-term bonds.

d. Weighted average.

e. Only the buyback portion of the DDSR operation was funded by the Facility.

f. Except for a \$1.0 million advance for consultant services funded by the Facility, the operation was financed by an IDA credit and by the government.

Source: World Bank staff estimates.

Net present value savings were estimated at \$18 million.

Uruguay. In September 1999 Uruguay swapped about \$96 million of Brady bonds for \$85 million of 30-year global bonds at an interest rate of 195 basis points above the U.S. Treasury rate. This operation was the reopening of Uruguay's existing global bond, which was originally issued in 1997, in exchange for \$12 million of Series A bonds and \$84 million of Series B bonds. Nominal savings of about \$11 million resulted from the differential between the Brady bonds' par and market values. Net present value savings stemming from the cash-flow differential between the Brady bonds and the replacement bonds were estimated to be no more than \$10 million.

Other restructuring in middle-income countries

Ukraine. In July 1999 Ukraine reached an agreement to restructure a 10-month \$163 million eurobond (including principal and interest), which

was issued through ING Barings (the Dutch investment bank). Under this restructuring scheme, instead of making the \$163 million repayment due in June 1999, Ukraine repays 20 percent of the bond in cash and swaps the remaining 80 percent into a 2-mark-denominated eurobond with a maturity of three years and coupon yield of 16 percent. This voluntary restructuring arrangement was explicitly backed by the IMF, which was unwilling to bail out private creditors in risky, high-yield debt by using its own funds.

Notes

1. Pipeline debt for Guyana consists of debt under the External Payment Deposit Scheme (EPDS). The Scheme required all requests for foreign exchange for payment of commercial arrears to be deposited with Central Bank in equivalent Guyanese dollars (World Bank 1999).

2. The cash portion of the deal was raised from an initial \$1 billion because of strong demand.

3. FLIRB: Front Loaded Interest Reduction Bond, DCB: Debt Conversion Bond, NMB: New Money Bond.

Table A2.3 Multilateral debt relief agreements with commercial banks, January 1980–December 1999

Country and date of agreement	Consolidation period		Amount restructured (millions of U.S. dollars)		Other assistance (millions of U.S. dollars)		Repayment terms (consolidation portion only)		
	Start date	Length (months)	Deferment	Rescheduling	New long-term money	Short-term credit maintenance	Maturity (years/ months)	Grace (years/ months)	Interest (margin)
Algeria									
February 1992	See notes			1,500			5-8/0	3/0	1½ / 1¾
June 1995	March 1994			3,200			12/6-16	6/6	1¾/16
Albania									
July 1995	Debt buyback (see notes)								
Argentina									
January 1983	1 January 1983	12			1,300		1/2	0/7	1¼
August 1983					500		4/6	3/0	2¼
August 1985	1 January 1982	48		9,777	3,593	3,100	10/0	3/0	1¾
August 1987	See notes			24,286	1,253	3,500	19/0	7/0	1¾/16
April 1993	DDSR agreement (see notes)								
Bolivia									
December 1980	1 August 1980	8	200				1/0	1/0	1¼
April 1981	1 April 1981	24		411			6/0	3/0	2¼
July 1988	Buyback arrangement (see notes)								
July 1992	DDSR agreement (see notes)								
May 1993	Debt buyback (see notes)								
Bosnia and Herzegovina									
December 1997	Debt rescheduling (see notes)					1,300			
Brazil									
February 1983	1 January 1983	12		4,800	4,195	15,675	8/0	2/6	2¼
January 1984	1 January 1984	12		5,900	6,510	15,100	9/0	5/0	2
July 1986	1 January 1985	12	9,600	6,552		14,750	6/3	4/3	1¼
November 1988	1 January 1987	84		61,482	5,200	14,833	20/0	8/0	1¾/16
July 1992	Interest arrears end-1990 (see notes)								
April 1994	DDSR agreement (see notes)								
Bulgaria									
July 1994	DDSR agreement (see notes)								
Chile									
July 1983	1 January 1983	24		2,151	1,294	1,700	8/0	4/0	2¼
January 1984	Short-term debt only			1,204			8/0	4/0	2¼
June 1984					785		9/0	5/0	1¾
November 1984						1,700	0/6	0/6	
November 1985	1 January 1985	36		3,891	1,037	1,700	12/0	6/0	1¾
June 1987	1 January 1988	48		9,732		1,700	15/6	5/0	1
August 1988	Modification of terms (see notes)								1¾/16
December 1990	1 January 1991	48		4,173	320		8-12/0	4/0	1¾/16
Colombia									
December 1985					1,000		8/6	3/0	1½
June 1989					1,640		11/0	5/6	¾
April 1991							12/6	7/6	1
Congo, Rep. of									
October 1986*	See notes								
Costa Rica									
September 1983	1 January 1983	24		706	202	202	8/0	4/0	2¼
May 1985	1 January 1985	24		470	75		10/0	3/0	1¾
May 1990	DDSR agreement (see notes)				1,457				

Table A2.3 Multilateral debt relief agreements with commercial banks, January 1980–December 1999 (continued)

Country and date of agreement	Consolidation period		Amount restructured (millions of U.S. dollars)		Other assistance (millions of U.S. dollars)		Repayment terms (consolidation portion only)		
	Start date	Length (months)	Deferment	Rescheduling	New long-term money	Short-term credit maintenance	Maturity (years/ months)	Grace (years/ months)	Interest (margin)
Côte d'Ivoire									
March 1985	1 December 1983	25		485	104		8/0	3/0	1 ⁷ / ₈
November 1986	1 January 1986	48		851			9/0	3/0	1 ⁵ / ₈
April 1988*	See notes								
May 1997	DDSR agreement (see notes)								
Cuba									
December 1983	1 September 1982	28		130		490	5/6	2/0	2 ¹ / ₄
December 1984	1 January 1984	12		103		490	7/0	2/6	1 ⁷ / ₈
July 1985	1 January 1985	12		90		490	10/0	6/0	1 ¹ / ₂
Dominican Republic									
December 1983	1 December 1982	13		500			5/0	1/0	2 ¹ / ₄
February 1986	1 January 1985	60		787			13/0	3/0	1 ³ / ₈
August 1994	DDSR agreement (see notes)								
Ecuador									
October 1983	1 November 1982	14		2,770	433	700	7/0	1/0	2 ¹ / ₄
December 1985	1 January 1985	60		4,219	200	700	12/0	3/0	1 ³ / ₈
November 1987*	See notes								
February 1995*	DDSR agreement (see notes)								
Ethiopia									
January 1996	Debt buyback (see notes)								
Gabon									
December 1987	1 September 1986	16		27			10/0	4/6	1 ³ / ₈
December 1991	1 January 1989	36		75			13/0	3/0	7 ⁷ / ₈
May 1994	10 July 1994	6		187			10/0	2/6	7 ⁷ / ₈
Gambia, The									
February 1988	Balance as of 18 December 1986				19		8/0	3/6	1 ¹ / ₄
Guinea									
April 1988	Short-term debt only			28			3/0	0/6	1 ³ / ₄
December 1998	Debt buyback (see notes)								
Guyana									
August 1982	11 March 1982	13	14						2 ¹ / ₂
June 1983	1 July 1983	7	12						2 ¹ / ₂
July 1984	1 August 1984	12	11						2 ¹ / ₂
July 1985	1 August 1985	18	15						2 ¹ / ₂
July 1988			8						
November 1992	Debt buyback (see notes)								
December 1999	Debt buyback (see notes)								
Honduras									
June 1987*	1 April 1987	33		248			8/0	6/0	1 ¹ / ₈
August 1989	See notes			101					
Indonesia									
June 1998	Debt rescheduling (see notes)								
Iran, Islamic Rep. of									
March 1993	Balance as of March 1993			2,800			1/1	1/0	1 ³ / ₁₆
December 1994	Balance as of December 1994			10,900			6/0	2/0	1 ³ / ₁₆
Korea, Republic of									
January 1998	Debt rescheduling (see notes)								

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Table A2.3 Multilateral debt relief agreements with commercial banks, January 1980–December 1999 (continued)

Country and date of agreement	Consolidation period		Amount restructured (millions of U.S. dollars)		Other assistance (millions of U.S. dollars)		Repayment terms (consolidation portion only)		
	Start date	Length (months)	Deferment	Rescheduling	New long-term money	Short-term credit maintenance	Maturity (years/ months)	Grace (years/ months)	Interest (margin)
Liberia									
December 1982	1 July 1981	24		29			6/0	2/9	1 $\frac{3}{4}$
June 1983	See notes			26					
Madagascar									
November 1981	Arrears only			155			3/6	0/0	1 $\frac{1}{2}$
October 1984	See notes			379			8/0	2/6	2
June 1987	See notes						9/0	0/0	1 $\frac{7}{8}$
May 1990*	1 April 1990	69		49			12/0	0/2	$\frac{7}{8}$
Malawi									
March 1983	1 September 1982	24		59			6/6	3/0	1 $\frac{7}{8}$
October 1988	Balance as of 21 August 1987			36			8/0	4/0	1 $\frac{1}{4}$
Mauritania									
August 1996	Debt buyback (see notes)								
Mexico									
August 1983	23 April 1982	28		23,280	5,007		8/0	4/0	1 $\frac{7}{8}$
April 1984					3,873		10/0	5/6	1 $\frac{1}{2}$
March 1985	1 January 1987	48		28,000			14/0	0/0	1 $\frac{1}{4}$
August 1985	1 January 1985	72		20,256			14/0	1/0	1 $\frac{1}{4}$
October 1985			950						
March 1987				44,216	7,439		20/0	7/0	1 $\frac{3}{16}$
August 1987	1 January 1988	48		9,700			20/0	7/0	1 $\frac{3}{16}$
March 1988	Debt exchange (see notes)								
March 1990	DDSR agreement (see notes)			48,231	1,091				
May/Sept. 1996	Voluntary debt swap (see notes)								
Morocco									
February 1986	9 September 1983	16		531		610	7/0	3/0	1 $\frac{1}{4}$
September 1987	1 January 1985	48		2,415			11/0	4/0	1 $\frac{3}{16}$
September 1990	Balance as of 31 December 1989			3,200			18/4	8/10	1 $\frac{3}{16}$
Mozambique									
May 1987	Entire stock of debt			253			15/0	8/0	1 $\frac{1}{4}$
December 1991	Debt buyback (see notes)								
Nicaragua									
December 1980	Arrears			582			12/0	5/0	$\frac{3}{4}$
December 1981	See notes			192			12/0	5/0	$\frac{3}{4}$
March 1982	See notes			100			12/0	5/0	$\frac{3}{4}$
February 1984	1 July 1983	12		145			8/0	0/0	1 $\frac{1}{4}$
December 1995	Debt buyback (see notes)								
Niger									
March 1984	1 October 1983	29		29			7/6	3/6	2
April 1986	1 October 1985	39		36			8/6	4/0	2
March 1991	Debt buyback (see notes)			107					
Nigeria									
November 1987	1 April 1986	21		4,714			9/0	3/0	1 $\frac{1}{4}$
March 1989	Short-term debt only			5,671			20/0	3/0	$\frac{7}{8}$
January 1992	DDSR agreement (see notes)			5,436					
Panama									
September 1983					278	217	6/0	3/0	2 $\frac{1}{4}$
October 1985	1 January 1985	24		578	60	190	12/0	3/6	1 $\frac{3}{8}$
May 1996	DDSR agreement (see notes)								

Table A2.3 Multilateral debt relief agreements with commercial banks, January 1980–December 1999 (continued)

Country and date of agreement	Consolidation period		Amount restructured (millions of U.S. dollars)		Other assistance (millions of U.S. dollars)		Repayment terms (consolidation portion only)		
	Start date	Length (months)	Deferment	Rescheduling	New long-term money	Short-term credit maintenance	Maturity (years/ months)	Grace (years/ months)	Interest (margin)
Peru									
January 1980	1 January 1980	12		364			5/0	2/0	1¼
July 1983	7 March 1983	12		432	650	2,000	8/0	3/0	2¼
November 1996	DDSR agreement (see notes)								
Philippines									
January 1986	17 October 1983	38		5,885	925	2,974	10/0	5/0	1½
December 1987	1 January 1987	72		9,010		2,965	17/0	7/6	7⁄₈
January 1990	DDSR agreement (see notes)			1,337	715				
December 1992	DDSR agreement (see notes)				135		17/0	5/0	1³⁄₁₆
September 1996	Voluntary debt swap (see notes)								
Poland									
April 1982	26 March 1981	9		1,956			7/0	4/0	1¾
November 1982	1 January 1982	12		2,225			7/6	4/0	1¾
November 1983	1 January 1983	12		1,254			10/0	4/6	17⁄₈
July 1984	1 January 1984	48		1,480		335	10/0	5/0	1¾
September 1986	1 January 1986	24		1,940			5/0	5/0	1¾
July 1988	1 January 1988	72		8,310		1,000	15/0	0/0	1⁵⁄₁₆
June 1989*	1 May 1989	20	206						
October 1994	DDSR agreement (see notes)		206		138				
Republica Bolivariana de Venezuela									
February 1986	1 January 1983	72		21,089			12/6	0/0	1½
November 1987	See notes				100		14/0	1/0	7⁄₈
September 1988	See notes			20,388			13/0	0/0	7⁄₈
December 1990	DDSR agreement (see notes)		19,598		1,212				
Romania									
December 1982	1 January 1982	12		1,598			6/5	3/0	1¾
June 1983	1 January 1983	12		567			6/5	3/6	1¾
September 1986	1 January 1986	24		800			5/6	4/0	13⁄₈
September 1987*	1 January 1986	24		800			5/6	4/0	1³⁄₁₆
Russian Federation									
December 1991	See notes								
July 1993	See notes								
November 1995	Balance as of 15 November 1995			32,500			25/0	7/0	1³⁄₁₆
November 1998	Debt rescheduling (see notes)								
São Tomé and Príncipe									
August 1994	Debt buyback (see notes)								
Senegal									
February 1984	1 May 1981	38		96			6/0	3/0	2
May 1985	1 July 1984	24		20			7/0	3/0	2
January 1989				37			9/0	0/0	7⁄₈
December 1996	Debt buyback (see notes)								
Sierra Leone									
January 1984	Arrears (principal)			25			7/0	2/0	1¾
August 1995	Debt buyback (see notes)								

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Table A2.3 Multilateral debt relief agreements with commercial banks, January 1980–December 1999 (continued)

Country and date of agreement	Consolidation period		Amount restructured (millions of U.S. dollars)		Other assistance (millions of U.S. dollars)		Repayment terms (consolidation portion only)		
	Start date	Length (months)	Deferment	Rescheduling	New long-term money	Short-term credit maintenance	Maturity (years/months)	Grace (years/months)	Interest (margin)
South Africa									
September 1985	28 August 1985	7	13,628						
March 1986	28 August 1985	22		650			1/3		bullet/variable
March 1987	1 July 1987	36		4,500			3/0		bullet/variable
October 1989	1 July 1990	42		7,500					
September 1993	See notes			5,000			8/0	0/6	1½
Sudan									
November 1981	1 January 1980	28		593			7/0	3/0	1¾
March 1982	Interest arrears only			3			0/9	0/5	1¾
April 1983	See notes			702			6/0	2/0	1¾
October 1985	See notes			1,037			8/0	3/0	1¾
Togo									
March 1980	See notes			69			3/6	1/0	
October 1983	See notes			84			7/3	0/0	2
May 1988	See notes			48			8/0	4/0	1½
December 1997	Debt buyback (see notes)								
Trinidad and Tobago									
December 1989	1 September 1988	48		473			12/6	4/6	15/16
Turkey									
March 1982	See notes			2,269			10/0	5/0	1¾
Uganda									
February 1993	Debt buyback (see notes)								
Uruguay									
July 1983	1 January 1983	24		555	240		6/0	2/0	2¼
July 1986	1 January 1985	60		1,720			12/0	3/0	1¾
March 1988	1 January 1990	24		1,512			17/0	3/0	7/8
February 1991	DDSR agreement (see notes)		1,284		89				
Vietnam									
December 1997	DDSR agreement (see notes)								
Yugoslavia, Fed. Rep. (Serbia/Montenegro)									
October 1983	1 January 1983	12		1,300	600	800	6/0	3/0	17/8
May 1984	1 January 1984	24		1,330			7/0	4/0	17/8
December 1985	1 January 1985	48		4,004			10/6	4/0	1¾
September 1988	1 January 1988	24		7,000		300	18/0	6/0	13/16
Zaire									
April 1980	See notes			402			10/0	5/0	17/8
January 1983	1 January 1983	12	58				10/0	0/0	2
June 1984	1 January 1984	16	64				10/0	0/0	2
May 1985	1 May 1985	12	61				10/0	0/0	2
May 1986	1 May 1986	12	65				10/0	0/0	2
May 1987	1 May 1987	12	61				10/0	0/0	2
June 1989	See notes		61						
Zambia									
December 1984	1 January 1985			74					
September 1994	Debt buyback (see notes)								

* Agreement in principle.

Note: *Deferment* = Short-term rollover of current maturities. *MYRA* = Multiyear rescheduling agreement. *New money* = Loans arranged for budgetary or balance of payments support in conjunction with debt rescheduling, usually in proportion to each creditor bank's exposure; sometimes referred to as concerted lending. *Rescheduling* = Consolidation of debt into new long-term obligations; may include arrears as well as future maturities; interest and short-term debt included only if indicated in country notes. For DDSR agreements, figures include face value of buybacks and of all debt exchanges. *Short-term credit maintenance* = Understanding by banks to maintain the size of existing trade or other short-term credit facilities, arranged in conjunction with debt rescheduling. *Interest (margin)* = percentage points above LIBOR. *DDSR* = Officially supported debt and debt service reduction agreement (Brady initiative).

Country notes

Algeria

Feb. 1992: 1991–93 Financing Facility, designed to refinance maturities falling due from October 1991 through March 1993. Tranche A covers debts with a maturity of two years or more and is repayable in eight years, including three years' grace bearing interest at LIBOR + 1½ percent. Tranche B covers debts with a maturity of more than 360 days and less than two years, and is repayable in five years, including three years' grace.

Albania

June 1995: Restructuring of US\$501 million due to commercial banks. US\$371 million bought back for US\$96.5 million funded by grants from IDA DRF and donor countries; and US\$130 million converted into long-term bonds.

Argentina

Jan. 1983: Bridge loan.

Aug. 1983: New money initially US\$1.5 billion.

Aug. 1985: Agreed in principle in December 1984.

Aug. 1987: Agreement extended the maturity and lowered the spreads on the 1983 and 1985 agreements. Also includes a noncollateralized debt exchange with interest reduction (US\$15 million).

Apr. 1993: DDSR agreement: Outstanding stock of US\$19.3 billion exchanged either for 30-year bonds yielding a market interest rate (LIBOR + ⅜ percent) at a 35 percent discount or for 30-year par front-loaded interest rate reduction bonds. First-year interest rate 4 percent, rising to 6 percent in year seven and remaining there until maturity. Both bonds collateralized for principal and contain rolling 12-month guarantee. Agreement also included US\$9.3 billion of past due interest: US\$0.7 billion were paid in cash at closing, US\$400 million were written off, and the remainder exchanged for bonds (17-year maturity; 7 years' grace), repayable in rising installments and yielding LIBOR + ⅜ percent.

Bolivia

Dec. 1980: Includes short-term debt.

Apr. 1981: Includes debt deferred in August 1980.

June 1988: Commercial bank debt retired through a buyback (US\$272 million) and a local currency bond exchange (US\$72 million). An ongoing program. Applies only to previously deferred loans.

July 1992: DDSR term sheet. Cash buyback at 84 percent discount; collateralized interest-free, 30-year bullet-maturity par bonds; short-term discount bonds (84 percent) convertible on maturity into local currency assets at a 1:1.5 ratio, exchangeable for investments for special projects. Past due interest (PDI) canceled under all options. Value recovery clause based on price of tin.

May 1993: Buyback of US\$170 million commercial bank debt, funded by grants from IDA DRF and donor countries.

Bosnia and Herzegovina

Dec. 1997: Agreement to restructure \$1,300 million of principal and past due interest (PDI) owed to commercial banks under the aegis of the London Club. PDI of \$700 million was written off. Eligible principal of \$600 million was exchanged for \$400 million of uncollateralized discount bonds. The tenor of 37.5 percent of the new bonds is 20 years' maturity, including 7 years' grace and stepped-up interest rates rising from 2.0 percent in years

1–4 to LIBOR + ⅜ in years 11–20. Servicing on 62.5 percent of the new bonds is linked to economic performance. The country is not required to make principal or interest payments for the first 10 years. After that, the country is required to make debt service payments if per capita income exceeds \$2,800 for two consecutive years. Per capita income in 1997 was estimated at \$1,079.

Brazil

July 1986: Includes deferment of 1986 maturities.

Nov. 1988: Includes a broad package of creditor options.

July 1992: Interest arrears: December 31, 1990. Cash payment during 1992: US\$863 million. When term sheet concludes for long-term debt, the balance was converted into 10-year bonds (3 years' grace), bearing market interest rates.

Apr. 1994: DDSR agreement: Four components of debt were restructured, totaling US\$48 billion: (a) debt to foreign banks under the 1988 multiyear deposit facility agreement (US\$32.5 billion), (b) debt to Brazilian banks under the MDFA, (c) debt resulting from the 1988 new money facilities (US\$8.1 billion), and (d) interest arrears accruing from 1991–94 (US\$6.0 billion). The first category of debt was restructured following a six-choice menu: (a) discount bonds, 35 percent discount, 30-year bullet maturity yielding LIBOR + ⅜ percent with principal collateral and a 12-month rolling interest guarantee (US\$11.2 billion); (b) par bonds with a reduced fixed-rate interest (yielding 4 percent in the first year and gradually rising to 6 percent in year 7), 30-year bullet maturity, also with principal collateral and a 12-month rolling interest guarantee (US\$10.5 billion); (c) front-loaded interest reduction bonds (US\$1.7 billion), with interest rising from a fixed rate of 4 percent in year 1 to 6 percent in years 5 and 6 and then reverting to LIBOR + ⅜ percent from year 7 to maturity, 15 years' maturity, including 9 years' grace, 12-month rolling interest guarantee; (d) C-bonds, par-reduced interest rate bonds with capitalization of interest (US\$7.1 billion), with repayment terms of 20 years' maturity, including 10 years' grace, interest beginning at 4 percent and the applicable rates in the first 6 years being capitalized, no collateral; (e) conversion bonds (US\$1.9 billion) combined with new money bonds in a 1:5.5 ratio, interest is LIBOR + ⅞ percent, terms are 18 years' maturity, including 10 years' grace for the conversion bonds and 15 years, including 7 years' grace for the new money bonds, no collateral; (f) interest reduction loan with capitalization, maturity of 20 years, including 10 years' grace, interest rising from 4 percent in year 1 to 5 percent in year 6 to LIBOR + ⅜ percent from year 7 to maturity.

Bulgaria

July 1994: DDSR agreement: Creditors agreed to restructuring of US\$8.3 billion in public external debt, including about US\$2.1 billion in PDI. The menu for the original debt includes: (a) buyback at 0.25 cent per U.S. dollar (US\$.8 billion); (b) discount bond 50 percent discount on face value (30 years' bullet maturity, market rate, US\$3.7 billion); discount bonds collateralized for principal; (c) front-loaded interest reduction bonds (FLIRBs), 18 years' maturity, 8 years' grace, interest beginning at 2 percent, rising to 3 percent in year 7, and thereafter LIBOR + ⅜ (US\$1.7 billion). The FLIRBs have one year's rolling interest guarantee. PDI includes cash

(Notes continue on next page)

payment of about 3 percent, a buyback (US\$.2 billion), write-off of US\$.2 billion, and PDI par bonds (US\$1.6 billion) having a 17-year maturity, including 7 years' grace, and yield LIBOR + $\frac{1}{16}$ percent.

Chile

- Jan. 1984: Short-term debt consolidated.
 Nov. 1984: Short-term debt rolled over to June 30, 1985.
 Nov. 1985: Short-term trade credit rolled over to 1990.
 Aug. 1988: Interest spread reduced to $\frac{1}{16}$ percent. Also cash buybacks (US\$439 million).
 Dec. 1990: New money bonds not tied to existing banks' exposure. The rescheduling includes previously rescheduled debt.

Colombia

- Dec. 1985: New money without restructuring.
 June 1989: New money without restructuring.
 Apr. 1991: New money without restructuring.

Congo, Republic of

- Oct. 1986: Agreement in principle, never concluded. It was to restructure 1986–88 maturities, repayable in nine years, including three years' grace, bearing interest at LIBOR + 2% percent. Approximately US\$200 million of debt would have been restructured. In addition, there was a new money provision of US\$60 million.

Costa Rica

- Sept. 1983: Includes principal arrears.
 May 1985: Includes deferment of revolving credit (US\$2 million).
 May 1990: DDSR agreement: cash buyback at 84 percent discount (US\$992 million), debt-for-bond exchange (US\$579 million), and write-off of US\$29 million of past due PDI.

Côte d'Ivoire

- Nov. 1986: MYRA.
 Apr. 1988: Agreement designed to replace the MYRA. Includes new money to refinance interest. Interest on the new money portion was LIBOR + 1½ percent. Agreement was not put into effect because interest arrears were not cleared, and current interest payments were suspended in April 1988.
 May 1997: DDSR agreement restructuring \$6.5 billion of principal and PDI. For eligible principal of \$2,271.5 million, creditors agreed to exchange US\$159 million for discount bonds (50 percent discount) subject to stepped-up interest rising from 2.5 percent in years 1–2 to LIBOR + $\frac{1}{16}$ in years 11–30; exchange \$1,431 million for front-loaded interest reduction bonds (FLIRBs) with a maturity of 20 years, including 10 years' grace, and stepped-up interest rising from 2.0 percent in years 1–7 to LIBOR + $\frac{1}{16}$ in years 14–20; and buyback \$681.5 million at 24 cents per dollar. Principal is collateralized with 30-year, U.S. Treasury zero-coupon bonds for the discount bonds, but not for the FLIRBs. A six-month rolling interest guarantee is required for the FLIRBs, but not for the discount bonds. For PDI of \$4,190.3 million, \$30 million was settled in cash at closing, \$867 million was exchanged for bonds with a 20-year maturity (half a year of grace period) repayable on a graduated amortization schedule, and \$3,293 million was written off.

Dominican Republic

- Dec. 1983: Includes short-term debt.
 Feb. 1986: MYRA. Includes arrears as of December 31, 1984.
 Aug. 1994: DDSR agreement covering principal and interest past

due (US\$1.2 billion). The agreement has a menu consisting of (a) buybacks (US\$.4 billion); (b) discount exchange bonds (US\$.5 billion) 35 percent discount, to be repaid 30 years' bullet maturity, interest rate LIBOR + $\frac{1}{16}$ percent; and (c) PDI bonds (US\$171 million) bearing interest at LIBOR + $\frac{1}{16}$ percent, with 3 years' grace and 15 years' maturity. The accord also included a write-off of US\$112 million of past due PDI, and US\$52 million paid in cash at closing.

Ecuador

- Dec. 1985: MYRA.
 Nov. 1987: Replaces the MYRA.
 Feb. 1995: DDSR agreement, restructuring US\$7.8 billion of principal and PDI. For principal, creditors agreed to exchange US\$2.6 billion for discount bonds (45 percent discount) yielding LIBOR + $\frac{1}{16}$ percent and US\$1.9 billion for par-reduced interest rate bonds. Both bonds have a 30-year bullet maturity and are collateralized for principal and have a 12-month rolling interest guarantee. The interest rate on the par bonds is 3 percent for the first year, rising to 5 percent in year 11. For PDI, US\$75 billion on past due is to be settled in cash at closing, US\$2.3 billion was exchanged for bonds with a 20-year maturity (no grace period) repayable on a graduated amortization schedule, US\$191 million was exchanged for interest equalization bonds, and US\$582 million was written off.

Ethiopia

- Jan. 1996: Debt buyback at 8 cents per U.S. dollar of US\$226.0 million owed to commercial banks. Funding for the operation provided by the IDA DRF.

Gabon

- May 1994: Rescheduled principal due through 1994 on debt contracted before September 20, 1986 (debt covered by the 1991 agreement, which had not been implemented). Terms: 10-year maturity including 2½ years' grace. Interest: LIBOR + $\frac{7}{8}$ percent. Arrears of interest and arrears of post cut-off maturities as of July 1, 1994, are to be repaid between 1994 and 1996.

Guinea

- Dec. 1998: Buyback of US\$130 million under the IDA DRF at 13 cents per U.S. dollar, financed IDA DRF and other donor countries.

Guyana

- Aug. 1982: One-year deferment.
 June 1983: Extension of 1982 deferment.
 July 1984: Extension of previous deferment.
 July 1985: Extension of previous deferment.
 Nov. 1992: Buyback of US\$69 million under the IDA DRF at 14 cents per U.S. dollar.
 Dec. 1999: Buyback of US\$55.9 million under the IDA debt-reduction facility at 9 cents per U.S. dollar, financed IDA DRF and other donor countries

Honduras

- June 1987: Two agreements in 1983 and 1984 were not implemented; this agreement incorporated 1981–85 maturities, but was not signed.
 Aug. 1989: Bilateral rescheduling of debt to two commercial banks. The agreement includes interest arrears. The grace period varied from 7 to 10 years. Interest rates were fixed, ranging from 4 to 6½ percent.

Indonesia

June 1998: Agreement on a framework for restructuring \$80.2 billion of the Indonesian private debt. The interbank loans are extended into new government-guaranteed loans with maturities of one to four years, at interest rates of 2.75, 3, 3.25, and 3.5 percent over LIBOR. The corporate debts are to be rescheduled over eight years, including a three-year grace period for repayment of principal. Over eight-year rescheduling period, the real interest rate was set to be 5.5 percent, but it would decline to 5 percent for debtors who agree to repay in five years. Agreed to pay off trade financing arrears to maintain trade financing from foreign creditor banks.

Jamaica

May 1987: Includes reduced spreads on earlier agreements.
June 1990: Agreement also includes a reduction of spreads on earlier agreements to $\frac{1}{16}$ percent.

Jordan

Dec. 1993: DDSR agreement restructuring US\$736 million of principal and US\$153 million of past due PDI. For restructured principal, a small amount was repurchased at 39 cents per U.S. dollar, US\$243 million was exchanged for discount bonds (35 percent discount); and US\$493 million was exchanged for par-fixed interest bonds. Both bonds have a 30-year bullet maturity with principal collateral and a 6-month rolling interest guarantee. The discount bonds yield LIBOR + $\frac{1}{16}$ percent interest; the yields on par bonds begin at 4 percent in the first year, rising to 6 percent in year seven. Regarding PDI, US\$29 million was paid at closing, US\$91 million was exchanged for noncollateralized bonds with a 12-year maturity, including 3-years' grace and yielding LIBOR + $\frac{1}{16}$ percent, and US\$33 million was written off. Upfront costs totaled US\$147 million, all of which was provided from Jordan's own resources.

Korea, Republic of

Jan. 1998: Agreement to restructure the short-term foreign debts owed to foreign commercial banks. Eligible short-term debt of \$24 billion is converted into new government-guaranteed loans with maturities between one and three years and floating interest rates set between 2.25 and 2.75 percentage points over LIBOR. Regarding the government guarantee, the commission is set to be charged between 0.2 and 1.5 percentage points, based on the credit rating given by Moody's Investors Service or by Standard & Poors, and the BIS capital adequacy ratio. A reserve requirement of 3 percent of total guaranteed amount in U.S. dollars was set.

Liberia

1983: Consolidation of oil facility debt.

Madagascar

Oct. 1981: Entire stock of debt, including arrears, restructuring.
Nov. 1981: Arrears on overdrafts consolidated into long-term debt.
June 1987: Modified the terms of the October 1984 agreement.

Malawi

Oct. 1988: Rescheduled balances as of August 21, 1987.

Mauritania

Aug. 1996: Debt buyback of US\$53.0 million, at a 90 percent discount. Funding for the operation provided by the IDA DRF.

Mexico

Mar. 1985: MYRA covering previously rescheduled debt.
Aug. 1985: MYRA covering debt not previously rescheduled.
Oct. 1985: Deferment of first payment under the March 1985 agreement.
Mar. 1987: Modification of terms of earlier agreements.
Aug. 1987: Private sector debt restructured.
Mar. 1988: Exchange of debt for 20-year, zero-coupon collateralized bonds (US\$556 million).
Mar. 1990: DDSR agreement. In addition to new money of US\$1 billion, the agreement provided for the exchange of US\$20.5 billion of debt for bonds at a 35 percent discount, an exchange of US\$22.4 billion of debt at par for reduced interest rate bonds, and conversion bonds totaling US\$5.3 billion. These last are not collateralized and have a tenor of 15 years' maturity, including 7 years' grace and an interest rate of LIBOR + $\frac{1}{16}$. The total base also includes US\$693 million not committed to any option.
May/ Sept. 1996: On May 7, Mexico swapped \$2.4 billion Brady bonds for a \$1.8 billion, 30-year uncollateralized bond at an interest rate of 11.5 percent. On September 24, Mexico bought back \$1.2 billion of Brady bonds at a cost of 81 cents per dollar. This operation was funded by a \$1.0 billion, 20-year bond at an interest rate of 445 basis points above U.S. Treasury rates.

Morocco

Feb. 1986: Agreement in principle initiated August 1983.
June 1990: Phase one of this agreement restructures debt; phase two is a DDSR arrangement that will take effect if Morocco has signed an EFF agreement with the IMF by December 31, 1991.

Mozambique

May 1987: Outstanding balance consolidated, including interest arrears.
Dec. 1991: Buyback of US\$124 million of outstanding commercial bank debt at a 90 percent discount, funded by grants from the IDA DRF and from France, the Netherlands, Switzerland, and Sweden.

Nicaragua

Dec. 1980: Covers government debt, all maturities, including arrears.
Dec. 1981: Covers nationalized bank debts, all maturities, including arrears.
Mar. 1982: Covers debts of nonfinancial enterprises, all maturities, including arrears.
Feb. 1984: Deferment of service on rescheduled debt.
Dec. 1995: Buyback of US\$1.1 billion of outstanding commercial bank debt at 8 cents per U.S. dollar.

Niger

Mar. 1991: Buyback of all commercial bank debt at 82 percent discount (US\$107 million). Resources provided by grants from the DRF for IDA-only countries (US\$10 million), France (US\$10 million), and Switzerland (US\$3 million).

Nigeria

Nov. 1987: Includes short-term debt.
Mar. 1989: Includes line of credit arrears.
Jan. 1992: DDSR agreement providing for a cash-back at 60 percent discount on US\$3.3 billion, and debt exchanges on US\$2 billion for collateralized 30-year bullet maturity

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par bonds with reduced interest rates: 5.5 percent for the first 3 years, 6.25 percent thereafter. Creditor selections: 62 percent for the buyback; 38 percent for the debt-reduction bond. A third option, new money combined with conversion bonds, was not selected by participating creditor banks.

Panama

May 1996: DDSR agreement: Creditors agreed to restructuring of US\$3.9 billion in public external debt, including US\$2.0 billion in PDI. The menu for the principal includes: (a) discount bonds at a 45 percent discount of face value (30 years' bullet maturity, market rate, US\$87.8 million); (b) par bonds with reduced interest rates and a 30-year bullet repayment (268.0 million); and (c) front-loaded interest reduction bonds (FLIRBs) for US\$1,612.2 million, with a tenor of 18 years' maturity, including 5 years' grace period. The discount and the par bonds are collateralized with respect to the principal by U.S. Treasury zero-coupon bonds, and with respect to interest in the form of a 9-month rolling interest rate guarantee in the first year, rising to 12 months in 2–3 years. The FLIRBs do not require guarantee for the capital, but include a 6-month rolling interest guarantee. PDI settlement includes progress payments of US\$30.0 million, a payment at closing of US\$100.0 million, a write-off of US\$590.4 million arising from the recalculation of penalty interest at a lower interest rate, and PDI par bonds of US\$1,247.6 million with 20 years' maturity, including 7 years' grace, and interest rate of LIBOR + $\frac{1}{16}$ percent. Neither principal nor interest is guaranteed. Moreover, Panama may capitalize for the first 6 years, the difference is positive between LIBOR + $\frac{1}{16}$ and 4 percent per annum.

Peru

Nov. 1996: DDSR agreement: Creditors agreed to restructuring of US\$8.0 billion in public external debt, including US\$3.8 billion in PDI. The menu for the principal includes: (a) discount bonds at a 45 percent discount of face value (30 years' bullet maturity, market rate, US\$947.0 million); (b) par bonds with reduced interest rates and a 30-year bullet repayment (US\$189 million); (c) FLIRBs for US\$1,779.0 million with a tenor of 20 years' maturity, including 8 years' grace period; and (d) a buyback of US\$1,266.0 million at 38 cents per U.S. dollar. The discount and the par bonds are collateralized with respect to the principal by U.S. Treasury zero-coupon bonds, and with respect to interest in the form of a six-month rolling interest rate guarantee secured by cash or permitted investments. The FLIRBs do not require guarantee for the capital, but include a six-month rolling interest guarantee. PDI settlement includes progress payments of US\$83.0 million, a payment at closing of US\$225.0 million—a buyback of US\$1,217.0 million at 38 cents per U.S. dollar, and PDI par bonds of US\$2,284.0 million with 20 years' maturity, including 10 years' grace, and interest rate of LIBOR + $\frac{1}{16}$ percent. Neither principal nor interest is guaranteed. Moreover, Peru may capitalize for the first six years the difference between LIBOR + $\frac{1}{16}$ percent and 4 percent per annum.

Philippines

Jan. 1990: DDSR agreement provided for US\$1,337 million of buybacks at a 50 percent discount.
Dec. 1992: DDSR agreement: Following implementation of a cash buyback of US\$1.3 billion on May 14, 1992, banks selected debt exchanges from three options: (a) FLIRBs

yielding LIBOR + $\frac{1}{16}$ percent from year 7 to maturity (15 years for series A and 15½ year for series B, both including 7 years' grace); (b) collateralized step-down/step-up interest reduction bonds yielding 6.5 percent from year 6 to maturity (25-year bullet maturity for series A and 25½-year for series B; and (c) new money combined with conversion bonds in a 1:4 ratio, with both bonds attaining 17½-(series A) or 17-year (series B) maturity, including 5 years' grace and yielding LIBOR + $\frac{1}{2}$ percent. Interest payments on both interest reduction bonds covered by a rolling 14-month guarantee. Creditor choices (total US\$4.4 billion, 96 percent total eligible debt): buybacks, US\$1.3 billion (27.5 percent); option (a) US\$0.8 billion (46.3 percent); option (b) US\$1.9 billion (41.1 percent); option (c) US\$0.5 billion (11.7 percent).

Sept. 1996: The Philippines issued \$0.7 billion in eurobonds in exchange for Brady bonds originally issued to replace commercial bank debt in 1989. The eurobond was issued in the form of a 20-year note at an interest rate of 8.75 percent.

Poland

July 1984: Includes some short-term trade credits.
Sept. 1986: Covers debt rescheduled in 1982.
July 1988: MYRA. Also improved the terms of earlier agreements.
June 1989: Principal due May 1989–December 1990 deferred until December 1991; and in October, the interest due in the fourth quarter of 1989, US\$145 million, was deferred until the second quarter of 1990.
Oct. 1994: DDSR agreement. Creditors restructured US\$14.4 billion. Three categories of debt were affected: (a) long-term debt covered by the 1988 restructuring agreement (US\$8.9 billion), (b) debt due under the Revolving Short-Term Arrangement (RSTA—US\$1.2 billion), and (c) past due PDI not otherwise restructured (US\$4.3 billion). The first category was subject to a menu approach: US\$2.1 billion of long-term debt was repurchased at 41 cents per U.S. dollar, and US\$0.3 billion of RSTA debt was repurchased at 38 cents per U.S. dollar. For the remaining long-term debt, creditors chose among: (a) discount bonds—45 percent discount (US\$5.4 billion), (b) par reduced fixed interest bonds (US\$0.9 billion), and (c) conversion bonds combined with new money bonds equal to 35 percent of the amount converted (US\$0.4 billion). The discount bonds and par bonds have 30-year bullet maturities and feature collateralization of principal only. Interest on the discount bonds is LIBOR + $\frac{1}{2}$ percent. Interest on the par bonds is 2.75 percent for the first year, rising to 5 percent for year 21. The conversion bonds have a 25-year maturity, including 20-years' grace. Their yield in year 1 is 4.5 percent, rising to 7.5 percent in year 11. The new money bonds have a 15-year maturity, including 10-years' grace and yield LIBOR + $\frac{1}{2}$ percent. The new money and conversion bonds are not collateralized.
The RSTA debt not repurchased (US\$0.9 billion) is exchanged for 30-year bullet maturity fixed-interest bonds, with similar (but slightly different) step-down/step-up arrangements as the par bonds, starting at 2.75 percent in year 1 and gradually rising to 5 percent in year 21.

For PDI, US\$0.8 billion was repurchased with related long-term and RSTA principal. A portion is to be settled with cash payments at closing (US\$63 million). A portion was written off (US\$0.8 billion), and the remainder

(US\$2.7 billion), was converted to fixed-interest rate bonds yielding 3.25 percent in year 1, rising to 7 percent in year nine. Maturity is 20 years, including 7 years' grace. Amortization is graduated.

Republica Bolivariana de Venezuela

Feb. 1986: MYRA. Agreed in principle in September 1984.

Nov. 1987: Reduced spread and extended the maturities of the 1986 agreement.

Sept. 1988: Interest spread reduced on February 1986 agreement.

Dec. 1988: Exchange of debt for bonds outside the framework of the main negotiations.

Dec. 1990: DDSR agreement featuring buybacks in the form of 91-day collateralized short-term notes (US\$1,411 million), exchange for bonds at 30 percent discount (US\$1,810 million), exchange at par for reduced fixed-rate interest bonds (US\$7,457 million), exchange for bonds at par with temporary step-down interest rates (US\$3,027 million), and new money combined with debt conversion bonds (US\$6,022 million).

Romania

Sept. 1986: Covers previously rescheduled debt only.

Russian Federation

Dec. 1991: Deferment of principal due in December 1991–March 1992 on pre-1991 debt. The deferment was extended for each consecutive quarter until the end of 1993.

July 1993: Reschedule the stock of debt of the former Soviet Union contracted before January 1, 1991 (US\$24 billion), to be repaid with 15-year maturity including 5 years' grace. In the fourth quarter of 1993, US\$500 million was to be paid on interest accruing during 1993. At the end of 1993, all remaining unpaid interest (estimated at \$3 billion) was to then be consolidated and repaid at a 10-year maturity, including 5 years' grace. The 1993 interest payments were not made; the agreement was not implemented, mainly because Russia refused to accept the bankers' requirement that sovereign immunity be waived. However, an understanding was reached on October 5, 1994, that the banks would drop their insistence on a waiver of sovereign immunity and that the Vneshekonombank (or another public entity) would guarantee the debts.

Nov. 1995: Agreement in principle. Heads of terms were signed for a comprehensive rescheduling of debt of the former Soviet Union in the amount of \$25.5 billion of principal outstanding and \$7.5 billion in accrued interest due. The eligible principal was to be repaid over 25 years, with 7 years' grace, beginning December 15, 1995, in 37 semiannual payments on a graduated schedule at LIBOR + ½ percent per year. It was further agreed that an interest note for \$6 billion would be issued with a 20-year maturity and 7 years' grace from December 15, 1995 that would be the same interest rate, listed on the Luxembourg Stock Exchange. The remaining \$1.5 billion in interest arrears was paid over 1995–96. By September 1996, the minimum subscribership by commercial banks of \$20 billion in outstanding principal was reached, which triggered the Russian agreement to the rescheduling package.

Nov. 1998: The outline agreement to restructure \$17.2 billion of defaulted U.S. Treasury bills (GKOs and OFZs) held by non-residents. Under the restructuring plan, 10 percent of the defaulted bills is to be redeemed in cash rubles, and 20 percent of the debt is to be exchanged for three-

year zero-coupon bonds. The remaining 70 percent of the debt is to be restructured into four-year and five-year variable coupon bonds.

São Tomé and Príncipe

Aug. 1994: Buyback under the IDA DRF at 10 cents per U.S. dollar. US\$10.1 million of principal was extinguished (87 percent of eligible debt).

Senegal

Dec. 1996: Debt buyback at 8 cents per U.S. dollar of US\$80.0 million owed to commercial banks. Funding for the operation provided by the IDA DRF.

Sierra Leone

Jan. 1984: Covers arrears as of December 31, 1983.

Aug. 1995: Buyback, at 13 cents on average per U.S. dollar, of US\$235 million due to commercial banks funded by grants from IDA DRF and other donor countries.

Sudan

Nov. 1981: Includes arrears of principal and some short-term debt.

Mar. 1982: Covers arrears of interest and modifies 1981 agreement.

Apr. 1983: Modification of 1981 agreement.

Oct. 1985: Covers arrears of interest.

Togo

Mar. 1980: Balance of debts to French banks, including arrears of principal. Interest rates vary by currency.

Oct. 1983: Covers all commercial bank debt, including previously rescheduled.

May 1988: Restructuring of 1983 agreement.

Dec. 1997: Debt buyback at 12.5 cents per dollar of \$46.1 million owed to commercial banks. Funding for the operation was provided by the IDA DRF.

Turkey

Mar. 1982: Improved the terms of the August 1979 agreement.

Uganda

Feb. 1993: Buyback of US\$153 million commercial bank debt, funded by grants from IDA DRF and other donor countries.

Uruguay

July 1986: MYRA.

Mar. 1988: Includes improved terms of the July 1986 agreement.

Feb. 1991: DDSR agreement. The agreement provided for cash buyback at a 44 percent discount (US\$628 million), collateralized debt reduction bonds (US\$535 million), and new money (US\$89 million) combined with debt conversion notes (US\$447 million). The repayment terms are: 30-year bullet maturity and 6.75 percent fixed interest for the interest reduction bonds, 16-year maturity including 7 years' grace with LIBOR + ¾ percent interest for the conversion notes, and 15-year maturity, including 7 years' grace with LIBOR + 1 percent interest for the new money notes.

Vietnam

Dec. 1997: DDSR agreement restructuring US\$310.9 million of principal and US\$486.2 million of PDI. For restructured principal, \$20.4 million repurchased at 44 cents per U.S. dollar, US\$51.6 million was exchanged for

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discount bonds (50 percent discount); and \$238.9 million was exchanged for par-fixed interest bonds. Both bonds have 30-year maturity but the discount bond is repayable in a bullet payment in year 30, while the par bond has a step-up amortization schedule beginning in year 15. Also, 50 percent of the face value due of the par bond is due at maturity. The discount bond is subject to an interest rate of LIBOR plus ½ percent, while the par bond is subject to step-up interest rates rising from 3 percent in years 1–2 to 5.5 percent in years 21–30. One hundred percent of the discount bonds and 50 percent of the par bonds are guaranteed by U.S. Treasury zero-coupon bonds, and the discount bonds have a six-month rolling interest guarantee. Regarding PDI, US\$15.0 million was paid at closing, US\$294.8 million was exchanged for noncollateralized bonds with an 18-year maturity, including 7 years' grace and step-up interest rates, \$21.8 million was repurchased at 44 cents per dollar, and US\$154.6 million was written off.

Yugoslavia, Fed. Rep. (Serbia/Montenegro)

Oct. 1983: Includes a one-year rollover of short-term bonds.
Dec. 1985: MYRA.

Zaire

Apr. 1980: Covered stock of debt as of end of 1979, including arrears.
Jan. 1983: Rescheduling principal due under the April 1980 agreement.
June 1984: Rescheduling principal due under the April 1980 agreement.
May 1985: Rescheduling principal due under the April 1980 agreement.
May 1986: Rescheduling principal due under the April 1980 agreement.
May 1987: Rescheduling principal due under the April 1980 agreement.
June 1989: Finances monthly payments on outstanding claims, mainly interest on arrears.

Zambia

Dec. 1984: Includes arrears as of February 28, 1983.
Sept. 1994: Buyback under the IDA DRF at 11 cents per U.S. dollar. US\$200 million of principal was extinguished (75 percent of eligible debt), using US\$10.5 million of IDA resources and US\$22.3 million from other donors.

