Table 1. Initiatives by G-7 Countries for Debt Relief and Financing, January–March, 1999					
	Canada	**France**	**Germany**	**United Kingdom**	**United States**
Date announced	3/25/99	2/22/99	1/21/99	3/3/99	3/16/99
Targets and ratios	150 percent NPV of debt-to-exports		200 percent NPV of debt-to-export target generally, with some flexibility in exceptional cases	Relax the debt-export ratio and/or the fiscal criteria to provide deeper and wider debt relief	Deeper debt reduction in exceptional circumstances to those countries where it can make a real difference
Timing	Shorten track record to 3 years	Reduce interim period on a case-by-case basis taking into account past track record in adjustment policies	Shorten track record to 3 years	Shorten track record to 3 years	
Timing of delivery		Immediately deliver Paris Club relief through flow reschedulings under Lyon terms as soon as country is eligible for HIPC		Provide interim relief if necessary to provide sufficient debt reduction in the early years	Add early cash flow relief from IFIs
Commercial claims treatment	100 percent write-down for all LLDCs expected to qualify for HIPC debt relief (and Honduras); in absence of agreement by Paris Club creditors, Canada would unilaterally write off debts for countries that can use resources effectively and are practising good governance, or, for others, consider debt conversion to support critical development projects	Go above 80 percent cancellation if necessary to make debt sustainable, with proportional burden sharing by IFIs	Up to 100 percent cancellation in exceptional circumstances	Go above 80 percent ceiling on debt relief where necessary, with commensurate burden sharing by IFIs	Increase forgiveness to 90 percent; and in exceptional cases on a broader base of debt
ODA claims treatment	Call on all countries to forgive ODA debt for the poorest, heavily indebted countries	Cancel ODA debt service for a generation for all countries eligible for HIPC Initiative as soon as debt is definitely treated in Paris Club framework; need for an equitable burden sharing which would take into account the cost of canceling ODA claims as a percentage of GDP	Full cancellation by all Paris Club creditors for countries qualifying for HIPC assistance	ODA claims should be written off by countries which have not yet done so	Complete forgiveness

New contributions to the HIPC Trust Fund		Additional bilateral contributions if needed, in the context of equitable burden sharing	Germany will make a contribution to the HIPC Trust Fund in 1999		Additional contributions by US and other countries;US$50 million allocation proposed in Budget
Financing IMF participation	Support IMF gold sales of up to 10 million ounces; and provide current ESAF loan resources	Support gold sales by the IMF if necessary	Sale of IMF gold should remain under review. Germany will provide resources for continuation of ESAF	Support gold sales by IMF of at least US$1 billion and more if required	Support gold sales by IMF up to 10 million ounces
New aid for HIPCs	Provide new development assistance only on grant terms; develop a code of conduct for export credit agencies' lending policies	New financing through grants for HIPC-eligible countries	Summit countries support new financing to improve debt servicing capability for HIPC-qualified countries	Developed world should increase aid flows to developing countries to US$60 billion by 2000	Seek international commitment to provide at least 90 percent of new aid to HIPCs on a grant basis
Other elements	Include Honduras as a HIPC-eligible country as Hurricane Mitch has made future debt load unsustainable; add Haiti and Malawi to list of eligible countries, and consider Afghanistan when political situation permits	All countries eligible for Naples terms receive 67 percent reduction (eliminate 50 percent option); Cancel or raise ceiling above 20 percent on debt-for-investment swaps for middle income countries	All qualifying countries should be able to obtain assurance of the extent and timing of debt relief by 2000	Challenge UK NGOs to increase donations to developing countries to US$1 billion for two years to 2000, with tax incentives to support	Take new approaches to promote reconstruction in countries emerging from protracted domestic conflicts
Use of debt relief	Unilateral cancellation to be provided for countries that can use the freed up resources productively; particular attention to level of military spending	Ensure debt relief effectively benefits social spending; economic and social management and governance in benefiting countries must be irreproachable	Deploy funds released from ODA forgiveness for projects promoting sustainable development designed to eliminate poverty and inequality and taking into account principles of good governance	Resources released should be invested in anti-poverty programs, especially health and education, in the countries concerned	Channel debt relief savings into education or environmental protection using innovative financial instruments like debt-for-nature swaps
Announced debt relief	Additional debt relief of (in 1998 NPV terms): US$8 billion for lowering export target; up to US$6 billion for shortening track record; and up to [US$2.8 billion—HOW MUCH FOR HONDURAS?] for broadening eligibility			US$50 billion in nominal debt relief to be committed by 2000	US$70 billion in nominal debt relief additional to current HIPC Initiative
Sources: Governments of Canada, France, Germany, UK, and US.					