INTERNATIONAL MONETARY FUND

The Multilateral Debt Relief Initiative: Progress Report on Implementation

Prepared by the Policy Development and Review Department

(In consultation with other departments)

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March 20, 2006

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I. Introduction

1. **The legal framework of the Multilateral Debt Relief Initiative (MDRI) was adopted by the Fund in late 2005 and came into effect on January 5, 2006**. The initial objective of this proposal, first advanced by the G-8 in June 2005, was for the Fund, the International Development Association (IDA), and the African Development Fund (AfDF) to cancel 100 percent of their claims on countries having reached, or upon reaching, the completion point under the HIPC Initiative. The Fund's Executive Board decided to extend debt relief to these members through the use of its own resources and bilateral contributions. In order to satisfy the requirement, specific to the Fund, that the use of its own resources be consistent with the principle of uniformity of treatment, it was agreed that all members with per-capita income of US$380 a year or less, as well as all HIPCs above that threshold, would be eligible for MDRI debt relief from the Fund. The implementation modalities of the MDRI in the Fund were approved by the Executive Board in November 2005.[1]

2. **On December 21, 2005, the Executive Board determined that 19 members would qualify for immediate debt relief from the Fund upon the MDRI legal framework becoming effective**. These members were found to have met the three qualification criteria established by the Board: they had demonstrated a track record of at least six months of satisfactory macroeconomic performance and satisfactory implementation of poverty reduction policies, as well as evidence of appropriate quality of their public expenditure management systems. The 19 members include 17 HIPCs that have already reached the completion point under the HIPC Initiative—Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Guyana, Honduras, Madagascar, Mali, Mozambique, Nicaragua, Niger, Rwanda, Senegal, Tanzania, Uganda, and Zambia—and the two non-HIPCs below the US$380 income threshold, Cambodia and Tajikistan. The Executive Board determined that Mauritania did not yet meet the qualification criteria in the macroeconomic and public expenditure management areas.[2]

3. **This paper reports on the implementation of the MDRI since last December**, in line with the request made by Directors that a progress report be presented to the Board before the 2006 Spring Meetings.[3] Section II focuses on the implementation of the initiative

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[1] See *The Multilateral Debt Relief Initiative (G-8 Proposal) and Its Implication for the Fund—Further Considerations* (September 19, 2005), Supplemental Information (November 1, 2005) and Public Information Notice No. 05/164 (December 8, 2005) and *Multilateral Debt Relief Initiative and Exogenous Shocks Facility—Proposed Decision* (November 16, 2005) and Public Information Notice No. 05/163 (December 8, 2005).

[2] See *Multilateral Debt Relief Initiative—A First Assessment of Eligible Countries* (December 8, 2005) and Supplemental Information (December 20, 2005).

[3] See Public Information Notice No. 05/164.

in the Fund, while section III covers implementation in other multilateral institutions. The next MDRI status reports are expected be included in regular joint Bank-Fund HIPC Initiative status reports.

II. Implementation of the MDRI in the Fund to Date

4. **On January 6, 2006 the Fund delivered SDR 2.3 billion in MDRI relief to the 19 qualifying members**. The MDRI legal framework became effective on January 5, 2006 and the Board approved the same day individual decisions on qualification. Debt relief from the Fund was delivered to these members the following day. For HIPCs, the amounts relieved corresponded to the sum of undisbursed HIPC assistance from the Fund, previously expected to be delivered over time, and MDRI assistance. Of the SDR 2.3 billion (about US$3.4 billion) of debt relief, 87 percent was on account of the MDRI *stricto sensu* (Table 1). A large share of this relief went to sub-Saharan countries (SDR 1.7 billion). The three largest recipients, Zambia, Ghana, and Tanzania, together received about 40 percent of total debt relief.

5. **This relief reduced the debt to the Fund of the qualifying members by 94 percent on average**. Relief was provided for debt outstanding at end-2004 and still outstanding at the time of qualification. After debt relief, the debt owed to the Fund by the 19 qualifying members fell to SDR 0.1 billion (Figure 1).[4] Three members—Cambodia, Ethiopia and Nicaragua—were left with no debt outstanding to the Fund immediately after the delivery of MDRI relief.[5]

6. **On average, MDRI relief from the Fund had a limited impact on the overall debt ratios of qualifying members**. The external public and publicly guaranteed debt of these 19 members was reduced on average by 5 percent, or 3 percent of GDP, to an estimated 59 percent of GDP as of end-2005. This average masks, however, large disparities, with reductions ranging from 2.5 percent in the case of Cambodia to 17 percent in the case of Zambia (Box 1). MDRI relief represented, on average, 12 percent of exports of goods and services, 16 percent of government revenue or about one third of the stock of gross international reserves.

7. **MDRI relief from the Fund is expected to have a more substantial impact on external debt service payments**. It will reduce debt service payments for all the 19 already qualifying members by an average of US$380 million per year over 2006-2014 (US$20 million per member on average). This is equivalent to about one quarter of external

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[4] Unless otherwise indicated, MDRI relief will refer to both MDRI assistance and the remaining HIPC assistance.

[5] The other qualifying members had received disbursements from the Fund in 2005, which are not eligible for relief under the MDRI.

debt service on public and publicly guaranteed debt (see Tables 2-3 and Figure 2).[6] Debt service savings are larger in 2006-08, amounting to an annual US$560 million on average (about US$30 million per member on average). While quite large as a share of external debt service payments, these savings remain relatively small compared with net ODA flows, which are about 30 times as high.[7]

Box 1. A Major Beneficiary of MDRI Relief from the Fund: Zambia

Zambia is one the main beneficiaries of MDRI Relief from the Fund, both in absolute and relative terms. Zambia received US$581 million in MDRI relief from the Fund, or about 17 percent of the relief delivered to the 19 qualifying members. Zambia's debt to the Fund was reduced by 97 percent, and Zambia's estimated stock of public and publicly guaranteed external debt by 17 percent. MDRI relief from the Fund amounted to 7.3 percent of Zambia's GDP, or 46 percent of government revenue and 24 percent of exports of goods and services. It will have a sizable impact on external debt service payments. Annual debt service savings will average US$66 million (0.8 percent of 2005 GDP) over the 2006-2014 period, with a peak at US$114 million in 2010 (Figure 3).

8. **Assuming full transfer of debt service savings to the budget, MDRI relief from the Fund could allow an increase in poverty-reducing expenditures for an average of 0.4 percent of GDP over 2006-2014.** These annual debt service savings would also account for about 2 percent of government revenue over the same period.

9. **Staff discussions with the authorities on the use of the resources freed by the MDRI are still at an early stage**. In most of the 19 already qualifying members, the authorities have already confirmed their intention to utilize resources freed up by MDRI relief to step up their poverty reduction efforts (see Box 2 on Tanzania), particularly in priority social and infrastructure programs as defined in poverty reductions strategy papers (PRSPs).

[6] MDRI relief from the Fund has a higher impact on debt service payments than on debt stock indicators because of the shorter maturity of IMF disbursements, compared with that of loans from multilateral development banks.

[7] Using 2004 data from the OECD for net ODA flows.

Box 2. The Use of Resources Freed up by MDRI Relief in Tanzania

The Tanzanian authorities have decided to pass on to the government the resources (about US$338 million) freed up by MDRI relief from the Fund to finance the foreign exchange needs of high priority pro-poor social outlays and growth-critical projects, thus avoiding any impact on domestic liquidity. Initially, these outlays will focus on addressing the aftermath of a prolonged drought. In light of adequate absorptive capacity and emergency needs, it is envisaged that Tanzania will make use of some US$230 million of these resources over a period of about 3 years. All such outlays will be subject to regular procurement and financial management laws and regulations.

The government envisages that some US$50 million may be spent during the remainder of 2005/06 to redress the drought-related emergency situation, much of which has harmed the poor, and the rest will be fully taken into account in the 2006/07 budget. These funds will be used to help pay for food imports to provide free or heavily subsidized food to some 3.7 million food-insecure citizens. It will also be used for the purchase or lease of new power generation capacity, thus alleviating power rationing, which has affected mostly households and small businesses, and has shifted the government's energy policy focus away from rural electrification towards crisis management.

10. **The resources are likely to be used gradually by most member countries, in line with annual debt service savings**. Fifteen members have already indicated their intention to start utilizing the resources in 2006. This would require amending the 2006 budget, and the authorities plan to do this in consultation with Fund staff. The remaining four members either plan to save the resources in 2006 and start using them from 2007 on, once MDRI relief from IDA and the AfDF has been delivered, or have not yet reached a final decision at this writing. Some of the members' PRGF-supported programs already include an adjuster to accommodate additional spending in 2006. In other members, Fund-supported programs will have to be adjusted to take into account the impact of MDRI relief from the Fund on key monetary and financial aggregates (Box 3).

Box 3. Accounting and Programming Issues Related to the Implementation of the MDRI

In most MDRI-eligible members, the member's liability to the Fund (which from the Fund's perspective is attributable to the government) is presented in the central bank's accounts as resting with the central bank. Accordingly, debt relief from the Fund results in a reduction of the central bank's foreign liabilities and either: (i) a corresponding increase in the central bank's domestic liabilities (government deposits) or in its capital equity (profits); or (ii) a corresponding decrease in its claims on the government. As a result, net foreign assets (NFA) increase, and net domestic assets (NDA) decrease, by the amount of debt relief from the Fund. The monetary base remains unaffected.

In the absence of specific arrangements for the transfer of debt relief resources directly to the government, a member may choose to maintain, initially, the debt relief resources as central bank profits, which would lead to a decrease in other items net (OIN). Debt relief resources may subsequently be made available to the government through transfers of the central bank's MDRI-related profits. In this case, such transfers would lead to an increase in OIN, and a corresponding decrease in net credit to the government (NCG). If there are specific arrangements related to the transfer of debt relief resources directly to the government, debt relief from the Fund will lead to a decrease in NCG. This may happen through an increase in government deposits or a decrease in claims on the government (e.g., when there are onlending arrangements, as in the two CFA franc zones).

The treatment of MDRI relief in the fiscal accounts involves two steps: reflecting the grant component of the MDRI stock-of-debt relief; and reporting the new interest and amortization schedules. The recording of the grant component of MDRI relief will be different depending on the modalities of the transfer of the grant component and on whether the member compiles its fiscal accounts on a cash or accrual basis. The fiscal balance will be affected in many cases, and in some circumstances will show a large improvement.

In the balance of payments, MDRI relief is recorded as a credit entry (inflow) in the capital account, with a contra debit entry showing an equivalent reduction of liabilities to the Fund. Gross international reserves are initially not affected.

The recording of MDRI relief from the Fund, therefore, affects a number of aggregates that play a key role in the analysis of recent economic developments, but also in the monitoring of Fund-supported programs. In many cases, existing targets on NFA (or net international reserves), NDA, NCG, and the fiscal balance in Fund-supported programs may no longer be appropriate and need to be revised in the next few months, unless these programs already include adequate adjusters. In this context, Fund staff will discuss further with the authorities their plans regarding the modalities for the transfer of the debt relief along with the use of resources freed up by the MDRI.

11. **Fund staff will assist in monitoring the use of resources freed up by MDRI relief, with regular updates to be provided in the annual HIPC Progress Report.** These updates will be based on information gleaned from the ongoing work of staff in the context of its program and Article IV discussions with the authorities. Fund staff will coordinate closely with the Bank and other donors, with the Bank responsible for monitoring results within its areas of expertise. Staffs will monitor increases in poverty-reducing expenditures and changes in expenditure composition following the provision of MDRI relief, as well as the member's progress toward achieving the MDGs. Poverty-reducing spending is defined in most PRSPs, and virtually all staff reports are already reporting on such spending, though it may be difficult to map MDRI relief to particular expenditures. In order to gain understanding of the use of the additional resources derived from the MDRI, it will be important for the authorities and mission teams to discuss and identify, to the extent possible, additional high quality expenditures (while recognizing the undesirability of fostering the earmarking of the new resources). In monitoring the use of the resources freed up by the MDRI, Fund staff will assist the members in ensuring that macroeconomic policy enhances the effective absorption of the additional resources.[8] The effective use and monitoring of freed up resources is closely linked to the quality of public expenditure management systems; staff will work with the authorities and their development partners to strengthen these systems.

12. **Discussions on the transfer modalities for MDRI resources from the central bank to the budget are ongoing**. Only a few of members have already taken decisions in this respect. As detailed in Box 3, these modalities may have different implications for the availability of resources for the budget, as well as on the measure of the fiscal balance.

13. **Mauritania has made substantial progress towards meeting MDRI qualification criteria and may qualify in the course of 2006.** The Board indicated on December 21, 2005 that Mauritania could qualify for MDRI relief after certain remedial actions are taken. In addition to sound macroeconomic policies over a period of six months, these would include actions in the areas of budget formulation, execution, and reporting, and the resolution of data issues with the Fund. Progress toward macroeconomic stabilization during the last quarter of 2005 has been encouraging. Growth in 2005 was above 5 percent, inflation decreased from double-digit levels through August 2005 to less than 6 percent at year-end, and expenditure control measures taken by the new government brought the fiscal deficit (excluding grants) below 9 percent of GDP. Remedial actions in the public expenditure management area are being implemented, including: the preparation of a medium-term expenditure framework, further reduction of domestic arrears; monthly fiscal reports, based

[8] A number of members will potentially have significant space to borrow following full delivery of MDRI relief from participating multilateral institutions. These members will need to strike an adequate balance between making faster progress toward achieving the MDGs and avoiding accumulating excessive debt again. This issue will be discussed in the forthcoming review of the debt sustainability framework for low-income countries, which is being prepared jointly with Bank staff.

on treasury balances and reconciled with central bank accounts; and introduction of a functional classification for public expenditure that will enable the tracking of poverty-reducing spending. Finally, data issues are being addressed. Staff has received preliminary reports on the audits of the central bank's financial statements for 2003 and 2004; final reports are expected to be available by end-March.

14. **Other HIPCs may qualify for MDRI relief from the Fund in 2006, upon reaching the completion point of the enhanced HIPC Initiative.**[9] Cameroon, Malawi, and São Tomé and Principe have been implementing satisfactorily their Fund-supported programs and are presently expected to reach their completion points in the course of 2006. Sierra Leone has requested a new PRGF arrangement from the Fund. Once this request is approved by the Executive Board, satisfactory implementation of a Fund-supported program could allow Sierra Leone to reach its completion point by the end of 2006. The total estimated amount of debt relief to these four members is SDR 343 million (about US$492 million), and will translate into total debt service savings of US$55 million per year, on average, over the 2006-2014 period.[10]

III. Implementation Modalities in Multilateral Development Banks

15. **IDA expects to start delivering MDRI relief on July 1, 2006**. IDA's Executive Board discussed on March 28, 2006 the implementation modalities for the MDRI, which will be considered by the Board of Governors by end-April. The Executive Board determined that 17 post-completion-point HIPCs (all but Mauritania) met the qualification criteria.[11] MDRI relief is expected to be delivered to these qualifying countries on July 1, 2006. Pre-completion-point HIPCs will qualify for MDRI relief upon reaching the completion point, and MDRI relief would be delivered to them within three months of the completion point. Eligible debt covers IDA credits disbursed before end-2003 and still outstanding at the time of qualification. The cost to IDA is currently estimated at US$37 billion over 40 years.[12]

16. **The provision of MDRI debt relief will affect IDA's future assistance flows through a two-step process**. Annual IDA commitments to countries receiving MDRI relief

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[9] For updated cost estimates and HIPC-MDRI financing, see the companion Board paper prepared by the Finance Department (date to enter when document is published).

[10] These estimated figures are combined debt relief under the MDRI and the enhanced HIPC Initiative remaining at the completion point (before possible HIPC topping-up assistance consideration). The figures, however, are on a cash basis and do not include future umbrella account interest earnings.

[11] These criteria are identical to those used by the Fund. Fund staff has provided input to World Bank staff for the assessment of macroeconomic performance of eligible members.

[12] This covers 42 countries, including the four HIPCs on the preliminary ring-fencing list (Eritrea, Haiti, Kyrgyz Republic and Nepal) and the three protracted arrears cases (Liberia, Somalia, and Sudan).

will be reduced by the amount of debt relief to be provided that year. Additional resources provided to IDA by its shareholders, to compensate for the costs of the MDRI, will then be allocated among all IDA-eligible countries, based on the existing performance-based allocation mechanisms. As a consequence, MDRI relief may not be fully additional to other IDA assistance for MDRI beneficiaries.

17. **There is broad agreement on the modalities for MDRI implementation in the AfDF**. This includes: the implementation date (January 1, 2006, retroactively); the cutoff date (31 December 2004); the credit coverage (debt outstanding and disbursed); and country eligibility (33 HIPCs). Based on these assumptions, the estimated cost of the MDRI in the AfDF is SDR 5.8 billion (about US$9 billion). Implementation modalities are expected to be presented to the Board of Directors for approval in April 2006. A resolution on the MDRI compensatory financing scheme will need to be approved by the Board of Governors; this is expected to take place by postal ballot in late April 2006. Actual delivery of MDRI relief would begin around June/July 2006.

18. Although the **Inter-American Development Bank** (IADB) was not included in the initial G-8 proposal, IADB management is evaluating the potential impact on the Fund for Special Operations and the Bank. The Governors of the IADB have agreed, on the occasion of its Annual Meeting in April 2006, to continue considering the Bank's possible participation in this initiative.

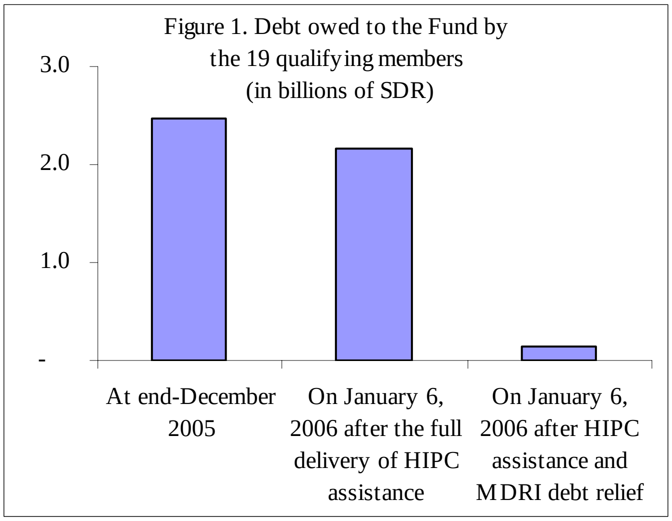


Figure 1. Debt owed to the Fund by
the 19 qualifying members
(in billions of SDR)
3.0
2.0
1.0
-
At end-December 2005
On January 6, 2006 after the full delivery of HIPC assistance
On January 6, 2006 after HIPC assistance and MDRI debt relief

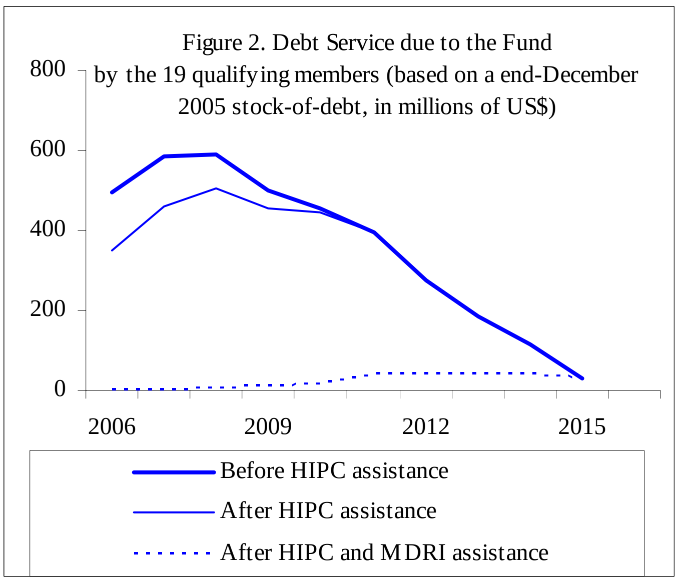
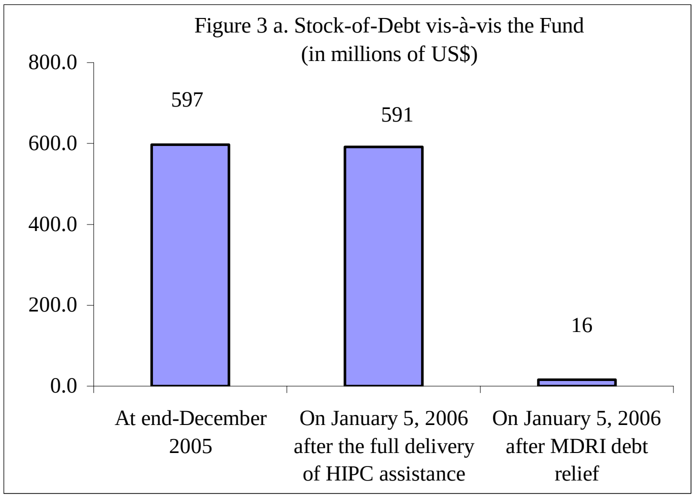


Figure 2. Debt Service due to the Fund
by the 19 qualifying members (based on a end-December
2005 stock-of-debt, in millions of US$)
800
600
400
200
0
2006
2009
2012
2015
Before HIPC assistance
After HIPC assistance
After HIPC and MDRI assistance

Figure 3. Effect of the HIPC Initiative and MDRI on Zambia's Debt Burden



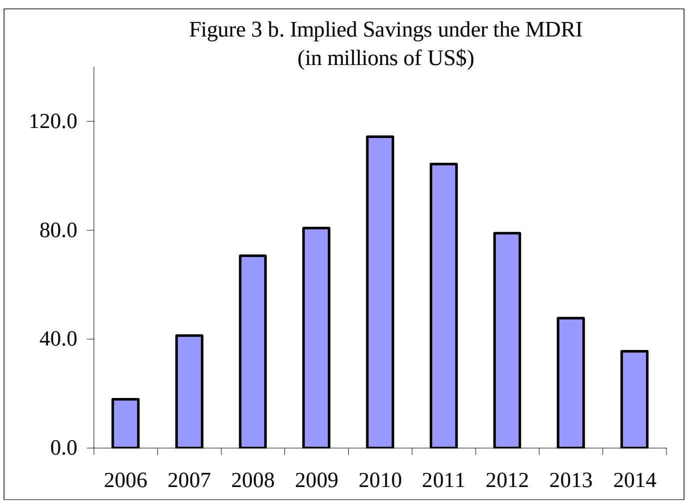


Table 1. Fund's Debt Relief Under the HIPC Initiative and MDRI

(in terms of stock-of-debt reduction)

Countries	IMF debt relief: HIPC	IMF debt relief: MDRI	IMF debt relief: Total	IMF debt relief: HIPC	IMF debt relief: MDRI	IMF debt relief: Total	Total debt relief-to-estimated debt stock ratio 2/	Total debt relief-to-GDP ratio 3/	Total debt relief-to-export ratio 3/4/	Total debt relief-to-government revenue ratio 3/ 5/	Total debt relief-to-gross international reserve ratio 3/	Total debt relief per capita 3/
	In millions of SDR			In millions of U.S. dollars 1/			In percent					In U.S. dollars
Benin	1.9	34.1	36.1	2.8	49.3	52.1	3.4	1.2	8.7	6.0	13.5	7.2
Bolivia	6.1	154.8	160.9	8.8	223.7	232.5	4.5	2.5	8.7	8.9	15.8	26.1
Burkina Faso	5.1	57.1	62.1	7.3	82.4	89.7	4.7	1.6	16.9	8.9	22.3	7.2
Cambodia	0.0	56.8	56.8	0.0	82.1	82.1	2.7	1.5	3.0	13.0	9.0	5.9
Ethiopia	32.4	79.7	112.1	46.8	115.1	161.9	2.6	1.4	8.8	6.6	13.1	2.2
Ghana	45.3	220.0	265.4	65.5	317.9	383.4	6.3	3.7	9.8	12.2	19.6	18.7
Guyana	13.5	31.6	45.1	19.5	45.6	65.1	5.7	8.4	9.1	24.1	27.1	86.6
Honduras	9.2	98.2	107.5	13.3	141.9	155.2	3.7	2.0	5.0	8.7	7.4	21.5
Madagascar	8.8	128.5	137.3	12.7	185.6	198.3	3.7	4.1	13.1	24.2	40.3	11.3
Mali	12.6	62.4	75.1	18.2	90.2	108.5	3.2	2.0	7.9	9.3	10.4	8.8
Mozambique	23.5	83.0	106.6	34.0	120.0	154.0	3.3	2.3	7.5	10.6	13.9	8.0
Nicaragua	48.7	91.8	140.5	70.4	132.6	203.0	6.6	4.1	11.3	26.4	35.9	35.6
Niger	17.7	59.8	77.6	25.6	86.4	112.0	5.5	3.4	19.8	23.6	113.0	9.1
Rwanda	32.6	20.2	52.7	47.0	29.2	76.2	5.0	3.7	38.3	14.1	29.1	8.7
Senegal	5.6	94.8	100.3	8.0	136.9	144.9	4.1	1.7	6.3	8.1	12.5	13.8
Tajikistan	0.0	69.3	69.3	0.0	100.1	100.1	10.9	4.4	8.2	37.9	64.8	16.1
Tanzania	27.0	207.0	234.0	39.0	299.1	338.1	4.8	2.7	14.1	14.4	13.5	9.2
Uganda	11.9	75.9	87.7	17.2	109.6	126.7	2.9	1.5	12.0	6.9	8.1	4.8
Zambia	4.1	398.5	402.6	6.0	575.7	581.6	16.7	7.3	24.3	46.0	175.5	52.4
Total	306.1	2023.5	2329.6	442.2	2923.5	3365.7	...	...	...	...	...	...
Sub-Sahran Africa	228.6	1521.0	1749.5	330.2	2197.4	2527.6	...	...	...	...	...	...
Western Hemisphere	77.5	376.4	453.9	112.0	543.8	655.8	...	...	...	...	...	...
Asia	0.0	126.1	126.1	0.0	182.2	182.2	...	...	...	...	...	...
Simple average	16.1	106.5	122.6	23.3	153.9	177.1	5.3	3.1	12.3	16.3	33.9	10.9 6/
Sub-Sahran Africa	17.6	117.0	134.6	25.4	169.0	194.4	5.1	2.8	14.4	14.7	37.3	9.5 6/
Western Hemisphere	19.4	94.1	113.5	28.0	136.0	164.0	5.1	4.3	8.5	17.0	21.6	29.0 6/
Asia	0.0	63.1	63.1	0.0	91.1	91.1	6.8	2.9	5.6	25.4	36.9	9.1 6/

Sources: Fund staff estimates and WEO database.

1/ Using the $/SDR exchange rate prevailing on January 6, 2006.
2/ Debt stock at end-December 2005 as estimated in individual MDRI country assessments. For Ethiopia, the debt stock refers to FY 2005/2006.
3/ GDP, exports, government revenue, gross international reserves and population are estimates for 2005.
4/ Refer to exports of goods and services.
5/ Government revenue includes grants.
6/ Weighted average by population.

Table 2. Debt Relief from the Fund Under the HIPC Initiative and MDRI 1/
(in terms of flow reduction; in millions of U.S. dollar) 2/

		2006	2007	2008	2009	2010	2011	2012	2013	2014	Total 2006-2014 3/
Benin	HIPC assistance 4/	1.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.6
Benin	MDRI assistance	7.4	6.5	8.2	9.2	7.8	5.2	3.5	1.7	0.2	49.9
Benin	Total assistance	8.7	7.8	8.2	9.2	7.8	5.2	3.5	1.7	0.2	52.5
Bolivia 5/	HIPC assistance 4/	7.1	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.6
Bolivia 5/	MDRI assistance	31.5	87.3	78.9	30.0	7.1	2.7	0.0	0.0	0.0	237.4
Bolivia 5/	Total assistance	38.5	87.8	78.9	30.0	7.1	2.7	0.0	0.0	0.0	245.1
Burkina Faso	HIPC assistance 4/	4.3	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3
Burkina Faso	MDRI assistance	10.5	15.7	16.7	13.8	11.7	9.2	4.4	1.5	0.5	84.1
Burkina Faso	Total assistance	14.9	17.7	16.7	13.8	11.7	9.2	4.4	1.5	0.5	90.4
Cambodia	HIPC assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cambodia	MDRI assistance	6.4	11.1	15.9	17.0	14.5	10.8	6.0	1.2	0.0	82.9
Cambodia	Total assistance	6.4	11.1	15.9	17.0	14.5	10.8	6.0	1.2	0.0	82.9
Ethiopia	HIPC assistance 4/	8.2	11.8	12.6	8.5	4.0	0.0	0.0	0.0	0.0	45.2
Ethiopia	MDRI assistance	3.6	6.5	12.0	16.2	25.1	26.4	15.5	9.0	4.5	118.7
Ethiopia	Total assistance	11.7	18.3	24.6	24.8	29.1	26.4	15.5	9.0	4.5	163.9
Ghana	HIPC assistance 4/	10.5	23.9	18.6	9.6	0.0	0.0	0.0	0.0	0.0	62.6
Ghana	MDRI assistance	31.5	36.5	47.1	46.2	53.6	53.3	30.5	19.0	7.6	325.3
Ghana	Total assistance	42.0	60.5	65.6	55.8	53.6	53.3	30.5	19.0	7.6	387.9
Guyana	HIPC assistance 4/	10.3	5.0	2.7	0.0	0.0	0.0	0.0	0.0	0.0	18.0
Guyana	MDRI assistance	6.1	6.2	6.2	6.7	7.1	5.1	5.0	3.4	1.7	47.6
Guyana	Total assistance	16.4	11.2	8.9	6.7	7.1	5.1	5.0	3.4	1.7	65.6
Honduras	HIPC assistance 4/	6.3	6.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.8
Honduras	MDRI assistance	20.8	25.1	31.5	24.2	15.3	10.6	5.9	5.9	4.4	143.6
Honduras	Total assistance	27.1	31.6	31.5	24.2	15.3	10.6	5.9	5.9	4.4	156.4
Madagascar	HIPC assistance 4/	7.5	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.2
Madagascar	MDRI assistance	17.6	21.2	25.2	31.7	34.3	21.6	16.6	13.3	6.6	188.3
Madagascar	Total assistance	25.1	26.0	25.2	31.7	34.3	21.6	16.6	13.3	6.6	200.6
Mali	HIPC assistance 4/	7.5	5.7	3.8	0.0	0.0	0.0	0.0	0.0	0.0	17.0
Mali	MDRI assistance	13.1	14.1	14.4	16.6	13.3	11.3	6.0	3.1	0.2	92.2
Mali	Total assistance	20.6	19.8	18.2	16.6	13.3	11.3	6.0	3.1	0.2	109.2
Mozambique	HIPC assistance 4/	14.9	10.3	4.7	0.6	0.0	0.0	0.0	0.0	0.0	30.5
Mozambique	MDRI assistance	21.0	23.7	26.1	24.0	15.5	7.7	4.1	1.7	0.5	124.2
Mozambique	Total assistance	35.9	33.9	30.8	24.6	15.5	7.7	4.1	1.7	0.5	154.7
Nicaragua	HIPC assistance 4/	22.3	18.7	17.8	8.6	0.0	0.0	0.0	0.0	0.0	67.4
Nicaragua	MDRI assistance	11.7	15.1	17.5	20.8	22.1	16.2	16.1	12.0	6.0	137.4
Nicaragua	Total assistance	34.0	33.8	35.3	29.4	22.1	16.2	16.1	12.0	6.0	204.8
Niger	HIPC assistance 4/	11.0	9.4	4.1	0.0	0.0	0.0	0.0	0.0	0.0	24.6
Niger	MDRI assistance	4.4	6.8	11.8	16.1	17.2	14.7	11.0	5.6	1.2	88.8
Niger	Total assistance	15.4	16.2	15.9	16.1	17.2	14.7	11.0	5.6	1.2	113.4
Rwanda	HIPC assistance 4/	7.7	10.0	11.6	9.1	7.5	0.0	0.0	0.0	0.0	45.8
Rwanda	MDRI assistance	7.7	8.0	4.9	4.2	1.4	3.4	0.7	0.4	0.2	30.8
Rwanda	Total assistance	15.3	18.0	16.5	13.2	8.9	3.4	0.7	0.4	0.2	76.6
Senegal	HIPC assistance 4/	7.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.4
Senegal	MDRI assistance	30.6	34.5	25.9	19.1	13.4	9.2	3.3	1.5	0.5	138.1
Senegal	Total assistance	38.1	34.5	25.9	19.1	13.4	9.2	3.3	1.5	0.5	145.6

Table 2 (concluded). Debt Relief from the Fund Under the HIPC Initiative and MDRI 1/
(in terms of flow reduction; in millions of U.S. dollar) 2/

		2006	2007	2008	2009	2010	2011	2012	2013	2014	Total 2006-2014 3/
Tajikistan	HIPC assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tajikistan	MDRI assistance	15.6	15.6	15.2	9.9	12.1	10.3	10.3	7.9	4.2	101.2
Tajikistan	Total assistance	15.6	15.6	15.2	9.9	12.1	10.3	10.3	7.9	4.2	101.2
Tanzania	HIPC assistance 4/	8.4	10.4	10.3	7.3	0.0	0.0	0.0	0.0	0.0	36.5
Tanzania	MDRI assistance	59.4	57.5	52.1	45.9	38.6	26.9	15.4	6.7	1.2	303.8
Tanzania	Total assistance	67.9	68.0	62.4	53.2	38.6	26.9	15.4	6.7	1.2	340.3
Uganda	HIPC assistance 4/	9.7	4.6	0.8	0.0	0.0	0.0	0.0	0.0	0.0	15.1
Uganda	MDRI assistance	34.6	27.9	20.0	14.2	7.3	3.5	2.2	1.7	0.6	112.0
Uganda	Total assistance	44.3	32.5	20.8	14.2	7.3	3.5	2.2	1.7	0.6	127.1
Zambia	HIPC assistance 4/	1.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4
Zambia	MDRI assistance	16.2	40.7	70.7	80.7	114.3	104.3	78.9	47.6	35.6	589.0
Zambia	Total assistance	17.9	41.4	70.7	80.7	114.3	104.3	78.9	47.6	35.6	591.4
Memorandum items:											
All the 19 beneficiaries	HIPC assistance 4/	146.2	125.7	87.0	43.7	11.5	0.0	0.0	0.0	0.0	414.1
All the 19 beneficiaries	MDRI assistance	349.7	460.0	500.3	446.5	431.7	352.7	235.4	143.5	75.6	2995.4
All the 19 beneficiaries	Total assistance	495.9	585.8	587.3	490.2	443.1	352.7	235.4	143.5	75.6	3409.5

Sources: Finance Department; and WEO database.

1/ Estimated principal repayments, interest repayments, and GRA charges associated with disbursements made prior to end-2004.
2/ Using the WEO projections of the average US$/SDR exchange rate until 2011 and assuming a constant exchange rate onward.
3/ The sum is marginally higher compared with Table 1 because savings on future interest payments are included.
4/ HIPC assistance does not include annual interest earned on the balances in the Umbrella Account.
5/ Based on obligation schedule.

Table 3. Assistance from the Fund Under the HIPC Initiative and MDRI
(in terms of flow reduction; numerators and denominators are presented as average 2006-2010)

Countries	Fund debt service relief-to-total debt service ratio 1/	Fund debt service relief-to-GDP	Fund debt service relief-to-export ratio 2/	Fund debt service relief-to-net ODA flows 3/	Fund debt service relief-to-government revenue ratio 4/
	in percent				
Benin	21.5	0.2	1.0	2.2	0.8
Bolivia	11.9	0.5	1.7	6.3	1.6
Burkina Faso	26.2	0.2	2.1	2.5	1.2
Cambodia	39.0	0.2	0.3	2.7	1.6
Ethiopia	31.2	0.2	0.9	1.2	0.7
Ghana	31.6	0.4	0.9	4.1	1.0
Guyana	25.4	1.1	1.3	7.0	2.9
Honduras	17.4	0.3	0.7	4.0	1.2
Madagascar	18.4	0.4	1.4	2.3	2.6
Mali	16.2	0.2	1.0	3.1	1.3
Mozambique	27.6	0.3	1.1	2.3	1.4
Nicaragua	26.1	0.5	1.3	2.5	3.1
Niger	41.5	0.4	2.5	3.0	2.3
Rwanda	53.0	0.6	5.7	3.1	2.1
Senegal	17.7	0.3	1.0	2.5	1.2
Tajikistan	24.7	0.5	0.9	5.7	3.8
Tanzania	24.0	0.3	1.7	3.3	1.6
Uganda	11.8	0.2	1.8	2.1	1.1
Zambia	19.2	0.6	2.3	6.0	3.1
Simple average	25.5	0.4	1.5	3.5	1.8
Sub-Sahran Africa	26.1	0.3	1.8	2.9	1.6
Western Hemisphere	20.2	0.6	1.2	5.0	2.2
Asia	31.8	0.3	0.6	4.2	2.7

Sources: Fund staff estimates; WEO and OECD databases.

1/ Debt service estimated on official debt and use of Fund credit in 2005.
2/ Refer to exports of goods and services.
3/ Net ODA received in 2004.
4/ Government revenue includes grants.