

Table 1: Estimated Costings of Illustrative Changes in HIPC Initiative Framework

All 41 Countries 1/
Including Retroactivity

	<u>Assumed targets and thresholds (percent):</u>			<u>Number of countries receiving assistance:</u>		<u>Estimated costs (in 1998 US\$ bn. NPV) 3/</u>		
	<u>NPV debt-to-export target</u>	<u>Fiscal window thresholds 2/</u>	<u>NPV debt-to-revenue target</u>	<u>Total under baseline track record</u>	<u>Of which: under fiscal criterion</u>	<u>Baseline track record 4/</u>	<u>Timing assumptions:</u> <u>1 year first stage with 3 year 2nd stage</u>	<u>Fix relief at Decision Point 5/</u>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Current framework	200	40/20	280	29	3	19.0	22.3	25.6
2. Lower NPV debt/fiscal target and thresholds	200	30/15	250	31	9	21.2	24.2	28.4
3. Lower NPV debt/export target and fiscal thresholds								
(a)	175	30/15	280	33	6	23.7	26.7	30.1
(b)	150	30/15	280	33	6	28.2	31.1	34.5
4. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds								
(a)	175	30/15	250	33	7	25.0	28.0	31.9
(b)	150	30/15	250	33	6	29.5	32.4	36.1
(c)	150	30/15	200	34	10	32.1	35.0	39.1
<i>Memorandum item:</i> Total NPV-of-debt at completion point after traditional mechanisms but before action under HIPC Initiative						112.8	112.1	104.2

Source: IMF and World Bank staff estimates. Costs expressed in NPV terms in 1998 US dollars using a 6 percent discount rate.

1/ The countries are: Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Dem. Rep. of, Congo, Rep. of, Cote d'Ivoire, Equatorial Guinea, Ethiopia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Lao P.D.R., Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Vietnam, Yemen, and Republic of Zambia.

2/ First number refers to the minimum ratio of exports/GDP (percent) and second threshold refers to minimum ratio of fiscal revenue/GDP (percent needed to qualify for NPV debt-to-revenue target.

3/ Including costs which would arise from retroactive application of alternative targets and thresholds to countries that have reached decision or completion points.

4/ Track record as agreed by the Boards for early cases, and three years after assumed decision point for other countries.

5/ Baseline track record.

Table 2: Estimated Costings of Illustrative Changes in HIPC Initiative Framework
All 41 Countries excluding Liberia, Somalia, Sudan 1/
Including Retroactivity

	<u>Assumed targets and thresholds (percent):</u>			<u>Number of countries receiving assistance:</u>		<u>Estimated costs (in 1998 US\$ bn. NPV) 3/</u>		
	<u>NPV debt-to-export target</u>	<u>Fiscal window thresholds 2/</u>	<u>NPV debt-to-revenue target</u>	<u>Total under baseline track record</u>	<u>Of which: under fiscal criterion</u>	<u>Baseline track record 4/</u>	<u>1 year first stage with 3 year 2nd stage</u>	<u>Fix relief at Decision Point 5/</u>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Current framework	200	40/20	280	26	3	12.5	14.2	17.4
2. Lower NPV debt/fiscal target and thresholds	200	30/15	250	28	8	14.6	16.0	20.2
3. Lower NPV debt/export target and fiscal thresholds								
(a)	175	30/15	280	30	5	16.9	18.3	21.6
(b)	150	30/15	280	30	5	21.1	22.4	25.8
4. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds								
(a)	175	30/15	250	30	6	18.2	19.6	23.4
(b)	150	30/15	250	30	5	22.3	23.7	27.4
(c)	150	30/15	200	31	9	24.9	26.3	30.4
<i>Memorandum item:</i>								
Total NPV-of-debt at completion point after traditional mechanisms but before action under HIPC Initiative						98.7	98.4	90.4

Source: IMF and World Bank staff estimates. Costs expressed in NPV terms in 1998 US dollars using a 6 percent discount rate.

1/ The countries are: Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Dem. Rep. of, Congo, Rep. of, Cote d'Ivoire, Equatorial Guinea, Ethiopia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Lao P.D.R., Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Tanzania, Togo, Uganda, Vietnam, Yemen, and Republic of Zambia.

2/ First number refers to the minimum ratio of exports/GDP (percent) and second threshold refers to minimum ratio of fiscal revenue/GDP (percent needed to qualify for NPV debt-to-revenue target).

3/ Including costs which would arise from retroactive application of alternative targets and thresholds to countries that have reached decision or completion points.

4/ Track record as agreed by the Boards for early cases, and three years after assumed decision point for other countries.

5/ Baseline track record.

Table 3: Estimated Costings of Illustrative Changes in HIPC Initiative Framework
32 Countries which have met HIPC Initiative Entry Requirements 1/
Including Retroactivity

	<u>Assumed targets and thresholds (percent):</u>			<u>Number of countries receiving assistance:</u>		<u>Estimated costs (in 1998 US\$ bn. NPV) 3/</u>		
	<u>NPV debt-to-export target</u>	<u>Fiscal window thresholds 2/</u>	<u>NPV debt-to-revenue target</u>	<u>Total under baseline track record</u>	<u>Of which: under fiscal criterion</u>	<u>Baseline track record 4/</u>	<u>1 year first stage with 3 year 2nd stage</u>	<u>Fix relief at Decision Point 5/</u>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Current framework	200	40/20	280	22	3	10.8	11.8	15.0
2. Lower NPV debt/fiscal target and thresholds	200	30/15	250	24	7	12.9	13.6	17.8
3. Lower NPV debt/export target and fiscal thresholds								
(a)	175	30/15	280	26	5	14.5	15.3	18.6
(b)	150	30/15	280	26	5	18.0	18.7	22.1
4. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds								
(a)	175	30/15	250	26	5	15.8	16.5	20.3
(b)	150	30/15	250	26	5	19.3	20.0	23.7
(c)	150	30/15	200	27	8	21.9	22.6	26.7
<i>Memorandum item:</i>								
Total NPV-of-debt at completion point after traditional mechanisms but before action under HIPC Initiative						82.6	82.5	74.7

Source: IMF and World Bank staff estimates. Costs expressed in NPV terms in 1998 US dollars using a 6 percent discount rate.

1/ From the list of 41 countries, excluded here are: Angola, Burundi, Congo, Dem. Rep. of, Equatorial Guinea, Liberia, Myanmar, Sao Tome and Principe, Somalia, and Sudan.

2/ First number refers to the minimum ratio of exports/GDP (percent) and second threshold refers to minimum ratio of fiscal revenue/GDP (percent needed to qualify for NPV debt-to-revenue target.

3/ Including costs which would arise from retroactive application of alternative targets and thresholds to countries that have reached decision or completion points.

4/ Track record as agreed by the Boards for early cases, and three years after assumed decision point for other countries.

5/ Baseline track record.

Table 4. HIPC Initiative--Additional Countries Expected to Qualify for Assistance under Various Options 1/

	Baseline Track Record (1)	Additional Countries to column (1)	
		One year first stage with three year second stage (2)	Fix relief at Decision Point with baseline track record (3)
1. Current framework	See footnote 1 (29 countries)	C.A.R.	None.
2. Lower NPV debt/fiscal target and thresholds	Honduras, and Togo	C.A.R., Honduras, and Togo	Honduras, Senegal, and Togo
3. Lower NPV debt/export target and fiscal thresholds			
(a)	C.A.R., Honduras, Togo, and Yemen	C.A.R., Honduras, Togo, and Yemen	C.A.R., Honduras, Laos, and Togo
(b)	C.A.R., Honduras, Togo, and Yemen	C.A.R., Honduras, Togo, and Yemen	Benin, C.A.R., Ghana, Honduras, Laos, and Togo
4. Lower NPV debt/export target and lower NPV debt-revenue target and thresholds			
(a)	C.A.R., Honduras, Togo, and Yemen	C.A.R., Honduras, Togo, and Yemen	C.A.R., Honduras, Laos, Senegal, and Togo
(b)	C.A.R., Honduras, Togo, and Yemen	C.A.R., Honduras, Togo, and Yemen	Benin, C.A.R., Ghana, Honduras, Laos, Senegal, and Togo
(c)	C.A.R., Honduras, Senegal, Togo, and Yemen	C.A.R., Honduras, Senegal, Togo, and Yemen	Benin, C.A.R., Ghana, Honduras, Laos, Senegal, and Togo

Source: HIPC Initiative Review and Outlook, and staff estimates based on information collected for that paper.

1/ Beyond countries that have or are expected to qualify under existing framework, namely Bolivia, Burkina Faso, Burundi, Cameroon, Chad, Congo, Dem. Rep. of, Congo, Rep. of, Cote d'Ivoire, Ethiopia, Guinea, Guinea-Bissau, Guyana, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, Sao Tome and Principe, Sierra Leone, Somalia, Sudan, Tanzania, Uganda, and Zambia

Table 5. HIPC Initiative--Estimates of Potential Costs by Creditor
 Current Framework and Selected Alternative Scenarios with Retroactivity
 (US\$ billion in 1998 NPV terms, all 41 countries excluding Liberia, Somalia and Sudan) 1/

	Current Framework	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
Scenario criteria						
NPV debt/exports target	200	150	150	150	175	150
NPV debt/revenue target	280	250	250	250	250	280
Export/GDP, Revenue/GDP thresholds	40/20	30/15	30/15	30/15	30/15	30/15
Track record	Baseline	Baseline	1 year 1st stage 3 year 2nd stage	Baseline	Baseline	Baseline
Debt relief fixed at:	Completion point	Completion point	Completion point	Decision point	Decision point	Decision point
Total costs (including retroactivity)	12.5	22.3	23.7	27.4	23.4	25.8
Bilateral and commercial creditors						
Paris Club	6.3	10.8	11.9	14.2	12.3	13.3
Other official bilateral	5.2	8.8	9.9	11.5	10.0	10.9
Commercial	1.0	1.4	1.5	1.7	1.5	1.6
	0.1	0.5	0.6	0.9	0.9	0.8
Multilateral creditors						
World Bank	6.2	11.6	11.8	13.3	11.1	12.5
IMF	2.4	4.6	4.6	5.1	4.3	4.9
AfDB/AfDF	1.2	1.9	2.0	2.3	2.0	2.2
IDB	1.0	1.6	1.7	2.0	1.8	1.9
Other	0.5	0.9	0.9	1.0	0.9	0.9
	1.3	2.6	2.7	2.9	2.1	2.7

Source: IMF and World Bank staff estimates.

1/ Proportional burden-sharing among creditors is assumed.

Table 6. HIPC Initiative--Estimates of Potential Costs by Creditor
 Current Framework and Selected Alternative Scenarios with Retroactivity
 (US\$ billion in 1998 NPV terms, 32 Countries which have met HIPC Initiative Entry Requirements) 1/

	Current Framework	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
Scenario criteria						
NPV debt/exports target	200	150	150	150	175	150
NPV debt/revenue target	280	250	250	250	250	280
Export/GDP, Revenue/GDP thresholds	40/20	30/15	30/15	30/15	30/15	30/15
Track record	Baseline	Baseline	1 year 1st stage 3 year 2nd stage	Baseline	Baseline	Baseline
Debt relief fixed at:	Completion point	Completion point	Completion point	Decision point	Decision point	Decision point
Total costs (including retroactivity)	10.8	19.3	20.0	23.7	20.3	22.1
Bilateral and commercial creditors						
Paris Club	4.3	7.2	7.6	9.2	8.1	8.6
Other official bilateral	0.9	1.4	1.4	1.7	1.5	1.6
Commercial	0.1	0.5	0.5	0.9	0.8	0.7
Multilateral creditors						
World Bank	2.1	4.1	4.1	4.6	3.9	4.3
IMF	1.0	1.7	1.7	2.0	1.8	1.9
AfDB/AfDF	0.8	1.3	1.3	1.7	1.5	1.6
IDB	0.5	0.9	0.9	1.0	0.8	0.9
Other	1.1	2.3	2.4	2.6	1.9	2.5

Source: IMF and World Bank staff estimates.

1/ Proportional burden-sharing among creditors is assumed.