

INTERNATIONAL DEVELOPMENT ASSOCIATION
AND INTERNATIONAL MONETARY FUND

**Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief
Initiative (MDRI)—Status of Implementation**

Prepared by the Staffs of the IMF and World Bank.

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ABBREVIATIONS AND ACRONYMS

AAP	Assessment Action Plan
ACP	Africa, Caribbean, and Pacific States
AfDB	African Development Bank
AfDF	African Development Fund
AFESD	Arab Fund for Social and Economic Development
AMF	Arab Monetary Fund
APR	Annual Performance Review
AsDB	Asian Development Bank
BADEA	Arab Bank for Economic Development in Africa
BCEAO	Central Bank of West African States
BDEAC	Banque de Développement des États de l’Afrique Centrale (Central African States Development Bank)
BDEGL	Banque de Développement des Etats des Grand Lacs (Development Bank of Great Lake States)
BEAC	Banque des Etats de l’Afrique Centrale (Bank of Central African States)
BIAPE	Banco Interamericano de Ahorro y Préstamo
BPEMS	Budget and Public Expenditure Management System
BOAD	Banque Ouest Africaine de Développement (West African Development Bank)
CABEI	Central American Bank for Economic Integration
CAF	Corporación Andina de Fomento
CAFTA-DR	Central America -Dominican Republic-United States Free Trade Agreement
CAS	Country Assistance Strategy
CCS	Commitment Control System
CDB	Caribbean Development Bank
CDS	Country Development Strategy
CFA	Country Fiduciary Assessment
CIRR	Commercial Interest Reference Rate
CMCF	Caricom Multilateral Clearing Facility
DRC	Democratic Republic of the Congo
DSA	Debt Sustainability Analysis
DSF	Debt Sustainability Framework
EADB	East African Development Bank
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EIB	European Investment Bank
EITI	Extractive Industries Transparency Initiative
EPCA	Emergency Post-Conflict Assistance
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
EUR	Euro
FDI	Foreign Direct Investment
FEGECE	Fonds d’entraide et de garantie des emprunts du Conseil de l’Entente (Fund of Aid and of Loans Guarantee of the Agreement Council)
FOCEM	Fondo Centroamericano de Estabilización Monetaria
FONPLATA	Fund for the Financial Development of the River Plate Basin
FSID	Fonds de Solidarité Islamique pour le Développement (Islamic Fund for Solidarity and Economic Development)
GDF	Global Development Finance
GDP	Gross Domestic Product
GFS	Government Financial Statistics

GPER	Gross Primary Enrollment Rate
GPRS	Growth and Poverty Reduction Strategy
HIPC	Heavily Indebted Poor Country
HRMIS	Human Resource Management Information System
IaDB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
ICSID	International Centre for Settlement of Investment Disputes
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management and Information System
IHS	Integrated Household Survey
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
IsDB	Islamic Development Bank
JAM	Joint Assessment Mission
JBAR	Joint Budget Aid Review
JSAN	Joint Staff Advisory Note
LICs	Low Income Countries
MDAs	Ministries, Departments, and Agencies
MDGs	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative
MTEF	Medium Term Economic Framework
NDF	Nordic Development Fund
NGO	Non-Governmental Organization
NIB	Nordic Investment Bank
NPV	Net Present Value
NTF	Nigerian Trust Fund
ODA	Official Development Assistance
OPEC	Organization of Petroleum Exporting Countries
OFID	OPEC Fund for International Development
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
PEAP	Poverty Eradication Action Plan
PEFA	Public Expenditure and Financial Accountability
PEM	Public Expenditure Management
PEMFAR	Public Expenditure Management and Financial Accountability Review
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PHDR	Poverty and Human Development reports
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PSI	Policy Support Instrument
PTA	Eastern and Southern African Trade and Development Bank
SDR	Special Drawing Rights
SMP	Staff Monitored Program
UCT	Upper-Credit Tranche
UNCTAD	United Nations Conference on Trade and Development
UN	United Nations
WAEMU	West African Economic and Monetary Union
WHO	World Health Organization
WMS	Welfare Monitoring Survey

EXECUTIVE SUMMARY

Overview. This report provides an update on the status of implementation, impact and costs of the enhanced Heavily Indebted Poor Country (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) since mid-2006. It also discusses the status of creditor participation in both initiatives and the issue of litigation of commercial creditors against HIPCs.

Progress in the implementation of the HIPC Initiative and the MDRI. The sunset clause took effect on December 31, 2006, but the Executive Boards decided to grandfather all countries that had been assessed (or in the future are assessed) to have met the HIPC Initiative's income and indebtedness criteria based on end-2004 data. This would allow countries that had not yet met the policy performance criterion of the HIPC Initiative by the end-2006 sunset-clause date to become eligible for debt relief if they adopt, at any time, a qualifying economic program. With the addition of Afghanistan in April 2007, the total number of HIPCs has increased to 41. Since mid-2006, three HIPCs have reached completion point (Malawi, São Tomé and Príncipe, and Sierra Leone) and two other countries have reached decision point (Afghanistan and Haiti). In March 2007, the Inter-American Development Bank (IaDB) joined IDA, IMF, and the African Development Fund (AfDF) in providing 100 percent debt relief on eligible credits to post-completion-point HIPCs.

Challenges for interim and pre-decision-point countries. For many interim HIPCs, the challenges in meeting their completion point triggers are related to maintaining macroeconomic stability, preparing participatory Poverty Reduction Strategy Papers (PRSPs), as well as implementing other country-specific triggers. For many pre-decision-point HIPCs, internal conflict, governance issues, substantial arrears, and difficulties in formulating viable macroeconomic and poverty-reduction programs are among the factors that hinder their progress toward qualification for HIPC Initiative debt relief.

Impact of debt relief under the HIPC Initiative and the MDRI. Debt-service payments have declined as a result of debt relief under the HIPC Initiative and the MDRI, while expenditures on pro-poor growth programs have continued to increase. Debt relief under the HIPC Initiative framework and the MDRI is estimated to have reduced the debt stock of post-decision-point HIPCs by US\$96 billion in end-2006 NPV terms, but long-term debt sustainability remains a challenge. Notwithstanding improved debt ratios, the risk of debt distress of half of post-completion-point HIPCs remains moderate. Strengthening public debt management is a priority for preventing rapid re-accumulation of debt by HIPCs.

Cost of debt relief under the HIPC Initiative. The overall cost of HIPC Initiative debt relief for the 41 HIPCs is estimated at US\$67.7 billion in end-2006 NPV terms. Nearly one-half of this total cost (US\$32.8 billion) represents irrevocable debt relief to the 22 post-completion-point countries. The cost of HIPC Initiative debt relief committed to the nine interim countries amounts to US\$12.1 billion. The estimated cost of HIPC Initiative debt

relief to the remaining ten pre-decision-point countries is expected to be US\$22.7 billion. Between 2005 and 2006, the overall cost of the Initiative increased by US\$1.1 billion in end-2006 NPV terms, of which US\$0.6 billion was due to the inclusion of Afghanistan and the topping-up for Malawi and São Tomé and Príncipe. Multilateral creditors account for about 46 percent of the total estimated cost of debt relief to the 41 HIPCs, Paris Club creditors account for 35 percent of the total cost, and non-Paris Club and commercial creditors for 13 and 6 percent of the total cost, respectively.

Cost of debt relief under the MDRI. The overall cost of the MDRI for the four multilaterals is estimated at US\$47.9 billion in nominal terms, which is additional to HIPC Initiative debt relief. IDA, IMF, AfDF and IaDB have provided approximately 69, 9, 15, and 7 percent of the total MDRI debt relief, respectively. MDRI assistance already delivered to post-completion-point HIPCs is estimated at US\$37.6 billion in nominal terms.

Creditor participation. Most multilateral financial institutions have provided debt relief under the HIPC Initiative and the MDRI, while some small multilateral institutions still need to be encouraged to participate in the HIPC Initiative. Paris Club creditors continue to provide debt relief in line with their commitments under the HIPC Initiative, including by providing interim relief to countries that have reached decision point. These creditors have also provided debt relief on a bilateral basis beyond that committed under the HIPC Initiative at completion point. The delivery of debt relief by non-Paris Club and commercial creditors, has been improving, but remains low. Full participation of these creditors needs to be encouraged.

Litigation against HIPCs. Commercial creditors' lawsuits against HIPCs present a growing challenge to the implementation of the HIPC Initiative. In response to these problems, the international community has intensified its efforts to discourage litigation against HIPCs, and the World Bank and the IMF have continued their intense efforts to encourage broad and equitable participation by all creditors in the HIPC Initiative.

Issues for discussion. Staffs are proposing to the Boards to encourage official bilateral creditors' participation in the HIPC Initiative by placing in the World Bank and IMF external website a "scorecard" identifying the debt relief granted by each bilateral creditor, and to support HIPCs, whether in the context of litigation or otherwise, by preparing "factual contextual notes" on HIPC Initiative issues at the request of the authorities.

I. INTRODUCTION ¹

1. **This report reviews the implementation of the enhanced Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) since the 2006 Status of Implementation Report.**² Section II provides an overview of progress under both initiatives during the last year, and an analysis of the impact of debt relief on debt service, poverty-reducing expenditures, debt stocks, and debt sustainability of HIPC. ³ Section III updates the information on estimated costs and delivery of HIPC Initiative and MDRI debt relief; it also reports on the status of creditor participation, with an emphasis on participation by commercial creditors. Section IV concludes with issues for discussion.

2. **The key findings of this report are as follows:**

- There has been progress in implementing the HIPC Initiative and the MDRI. Three countries have reached the HIPC Initiative's completion point, and two others have reached decision point.
- Lower debt burdens and debt-service payments have been associated with increased poverty-reducing expenditures.
- Most multilateral financial institutions and Paris Club creditors have continued to provide debt relief in line with their commitments under the HIPC Initiative and the MDRI. The delivery of debt relief by non-Paris Club and commercial creditors, while improving, remains low, and full participation of these creditors needs to be encouraged.
- Litigation by commercial creditors against HIPCs presents a growing challenge to the implementation of the HIPC Initiative.

¹ This paper was prepared by Alberto Espejo, Anna Unigovskaya, Eza Al-Zein, Eteri Kvintradze, and Claire Gicquel (IMF), and Gallina A. Vincelette, Frederico Gil Sander, Dominic P. Mellor, and Marta Bruska (World Bank).

² See "Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI)—Status of Implementation", IDA/SecM2006-0455 and SM/06/289 (August 23, 2006). The enhanced HIPC Initiative will henceforth be referred to as the HIPC Initiative.

³ Here and henceforth, the term "HIPCs" refers to all of the 41 countries identified in Table 1, including those countries that have not yet reached decision-point.

II. REVIEW OF THE IMPLEMENTATION AND IMPACT OF THE HIPC INITIATIVE AND THE MDRI

A. Implementation of the HIPC Initiative and the MDRI

Recent Developments

3. The main developments in the implementation of the HIPC Initiative since the publication of the last Implementation Report in August 2006 are as follows:

- The sunset clause took effect on December 31, 2006.⁴ The Executive Boards of the International Development Association (IDA) and the International Monetary Fund (IMF), however, have decided to grandfather all countries that met the income and indebtedness eligibility criteria based on end-2004 data, including countries that might be assessed in the future to have met these criteria.⁵ As a result, countries that did not meet the policy performance eligibility criterion of the HIPC Initiative by the end-2006 sunset clause date may nonetheless become eligible for HIPC Initiative assistance if they adopt, at any time, a qualifying IMF- and IDA-supported program.
- In April 2007, following an agreement on the amount of its liabilities to the Russian Federation, Afghanistan was found to meet the income and indebtedness criteria based on end-2004 data, and was therefore added to the list of countries potentially eligible for assistance under the HIPC Initiative (the ring-fenced list), bringing the total number of HIPCs to 41 (Table 1).
- Haiti and Afghanistan reached decision point in November 2006 and July 2007, respectively, bringing the number of countries that have reached decision point but not yet completion point (i.e. interim countries) to nine.
- Since August 2006, three HIPCs have reached completion point (Malawi, São Tomé and Príncipe, and Sierra Leone), bringing the number of post-completion-point countries to 22.

⁴ See “Initiative for Heavily Indebted Poor Countries—Issues Related to Sunset Clause—Proposed Decision”, SM/06/288 Supplement 2 (October 5, 2006) and IDA/R2006-0175. See also “Heavily Indebted Poor Countries (HIPC) Initiative—Issues Related to the Sunset Clause,” SM/06/288 (August 17, 2006) and IDAR2006-0175/1, August 16, 2006).

⁵ For IDA, both the income and indebtedness criteria are bound by the end-2004 deadline (see “Enhanced HIPC Initiative: Proposals Concerning the Sunset Clause and Provision of Interim Relief” IDA/R2004-0234, September 15, 2004). However, the IMF Board decided that only the indebtedness eligibility criterion be applied to end-2004 data, and not the income criterion (see PRGF-HIPC Trust Instrument –Amendments to Eligibility Criteria, <http://www.imf.org/external/np/prsp/2004/100704.htm>).

- In 2007, the Inter-American Development Bank (IaDB) joined IDA, IMF, and the African Development Fund (AfDF) in providing 100 percent debt relief on eligible debt upon reaching completion point (Box 1).⁶ All post-completion-point HIPC have received debt-stock reductions under the MDRI from these four multilateral institutions.⁷

Table 1. List of Heavily Indebted Poor Countries (as of end-July 2007)

22 Post-Completion-Point Countries^{1/}		
Benin	Madagascar	São Tomé and Príncipe
Bolivia	Malawi	Senegal
Burkina Faso	Mali	Sierra Leone
Cameroon	Mauritania	Tanzania
Ethiopia	Mozambique	Uganda
Ghana	Nicaragua	Zambia
Guyana	Niger	
Honduras	Rwanda	
9 Interim Countries^{2/}		
Afghanistan	Republic of Congo	Guinea
Burundi	Democratic Republic of the Congo	Guinea-Bissau
Chad	The Gambia	Haiti
10 Pre-Decision-Point Countries^{3/}		
Central African Republic	Kyrgyz Republic ^{4/}	Sudan
Comoros	Liberia	Togo
Côte d'Ivoire	Nepal	
Eritrea	Somalia	

^{1/} Countries that have qualified for irrevocable debt relief under the HIPC Initiative and have received MDRI relief.

^{2/} Countries that have qualified for assistance under the HIPC Initiative (i.e. reached decision point), but have not yet reached completion point.

^{3/} Countries that are potentially eligible and may wish to avail themselves of the HIPC Initiative.

^{4/} Based on end-2004 data, the Kyrgyz Republic is potentially eligible to benefit from HIPC debt relief. However, it does not qualify for assistance under the HIPC Initiative because its indebtedness ratios at end-2006 are estimated to be below the HIPC Initiative thresholds.

⁶ In the case of IMF, AfDF, and IaDB, all debts disbursed prior to end-2004 and still outstanding as of the MDRI implementation date or upon reaching completion point are eligible for 100 percent debt cancellation. In the case of IDA, the cut-off date is end-2003.

⁷ References to "MDRI" in this report also include the IaDB-07 Initiative, as IaDB relief has similar characteristics to IDA, IMF and AfDF MDRI assistance (see Box 1).

Box 1. The Inter-American Development Bank Debt Relief Initiative of 2007

In March 2007, the Board of Governors of the Inter-American Development Bank announced the IaDB-07 Initiative, which provides debt relief beyond the HIPC Initiative to post-completion-point HIPCs in Latin America and the Caribbean.

The IaDB-07 Initiative parallels the MDRI implemented by IDA, IMF and AfDF, as it provides 100 percent debt relief on credits disbursed to HIPCs before end 2004 under the IaDB's concessional window and still outstanding on January 1, 2007, or the date of the completion point. IaDB is expected to finance the cost of foregone income with internal resources supplemented by contributions from both borrowing and non-borrowing member countries.

In May 2007, debt relief amounting to US\$3 billion in principal amount cancelled (in nominal terms) was delivered retroactively to January 1, 2007 to Bolivia, Guyana, Honduras and Nicaragua. Haiti, the only remaining HIPC that has IaDB-07 eligible debt to the IaDB, is expected to receive about \$0.4 billion in principal amount cancelled (in nominal terms) of IaDB-07 debt relief upon reaching its completion point.

Progress of Countries in Reaching the HIPC Initiative Decision and Completion Points

4. **In several pre-decision-point HIPCs, progress toward the qualification for HIPC Initiative debt relief has been hindered by internal conflict, governance issues, substantial arrears to multilateral institutions, and, more generally, difficulties in formulating viable macroeconomic and poverty-reduction programs.** To qualify for debt relief under the HIPC Initiative, pre-decision-point countries must build a track record of policy performance under IMF and IDA-supported programs, and put in place a satisfactory poverty reduction strategy.⁸ Four countries currently have IMF-supported programs (Central African Republic, Côte d'Ivoire, the Kyrgyz Republic, and Nepal). In Liberia, Somalia, Sudan and Togo the existence of large arrears to multilateral institutions remains an obstacle to engaging in IMF- and IDA-supported programs.⁹ Eight of the ten pre-decision-point

⁸ A satisfactory poverty reduction strategy paper (PRSP) could be in the form of an Interim-PRSP, PRSP preparation status report, full-PRSP, or PRSP Annual Progress Report (APR).

⁹ Togo has no arrears to the IMF, but to the World Bank and other multilaterals. Côte d'Ivoire has arrears to the World Bank, but a plan has been developed to clear these arrears. The World Bank has recently developed a systematic approach to arrears clearance, see "Further Elaboration of a Systematic Approach to Arrears Clearance" IDA/SecM2007-0443 (June 20, 2007).

countries have poverty reduction strategy papers (PRSPs) in various stages of preparation, and six have already completed an Interim PRSP.

5. **With regard to interim countries, four out of the nine countries have been satisfactorily implementing their macroeconomic policy programs and are making progress in fulfilling their completion-point triggers.**¹⁰ After having experienced interruptions in the implementation of its macroeconomic program in the past several years, the Gambia has begun implementing a new IMF-supported program. Haiti has been recovering from political turmoil and continues to strengthen its macroeconomic performance. Afghanistan and Burundi have also been moving ahead with their macroeconomic policy agenda. The remaining five interim HIPCs (Chad, Guinea, Guinea-Bissau, Democratic Republic of the Congo (DRC), and Republic of Congo) have experienced interruptions in their IMF-supported programs and have faced difficulties in meeting their completion-point triggers.¹¹

6. **Six of the interim HIPCs have completed the preparation of a PRSP.** Burundi, Chad, the DRC, the Gambia, Guinea-Bissau, and Guinea have adopted a full PRSP. Three other countries are currently finalizing their PRSPs. The Republic of Congo's final PRSP draft is expected by end-2007. The authorities in Haiti and Afghanistan are currently preparing their PRSP and expect to conclude the process by end-2007 and early 2008, respectively.

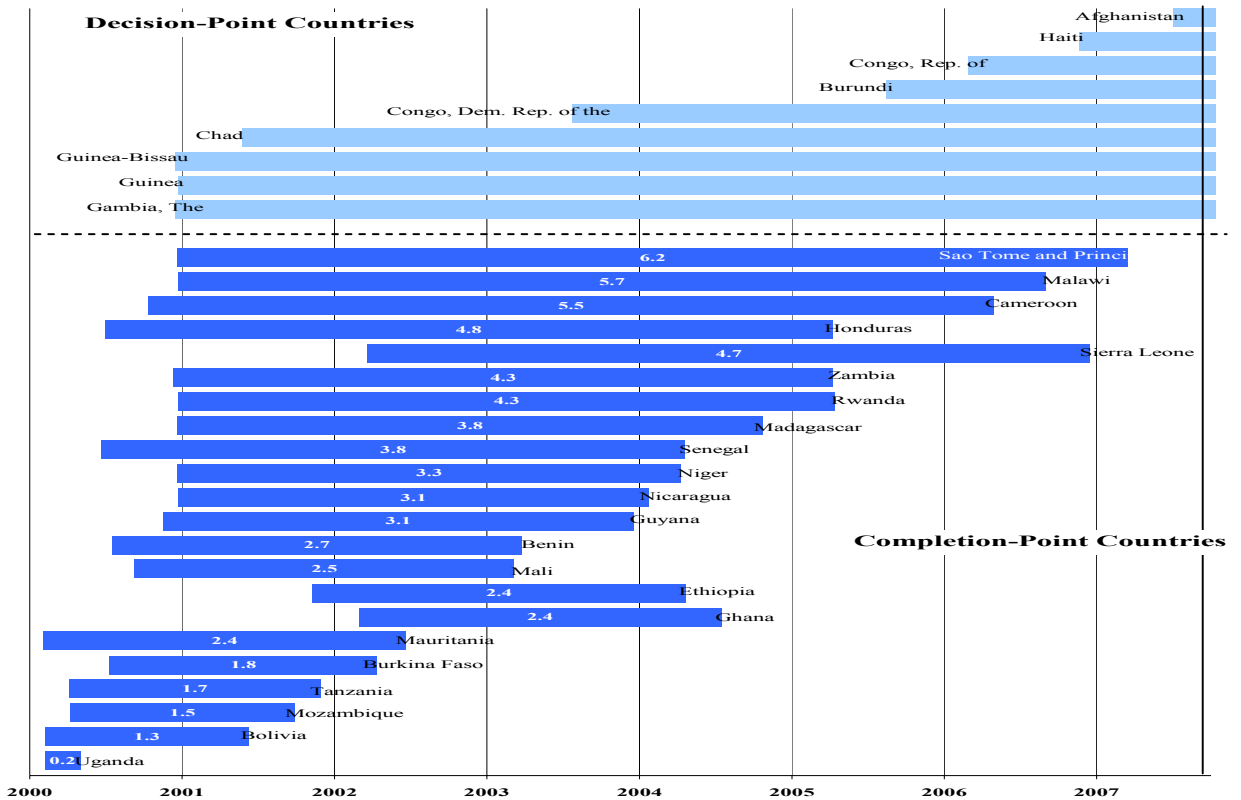
7. **The average length of time that HIPCs spend between decision and completion points has increased since 2000, reflecting challenges in meeting completion-point triggers.** Interim periods have ranged from three months in Uganda (which was a "retroactive" case for purposes of the enhanced HIPC Initiative) to more than six years in São Tomé and Príncipe (Figure 1). Although countries' experiences are diverse, two observations can be made. First, most HIPCs that reached completion point early had made substantial progress in economic reforms under the original HIPC Initiative. The average interim period for countries that participated in the original HIPC Initiative is nearly two years shorter than for those that joined under the enhanced HIPC Initiative (2 vs. 3.8 years). Second, post-conflict HIPCs have needed or may need longer interim periods to address institutional weaknesses and gather sufficient political support to implement sustained reforms.¹²

¹⁰ Completion-point triggers cover three broad areas: maintaining macroeconomic stability, implementing a poverty reduction strategy developed through a broad participatory process, and implementing a pre-defined set of social and structural reforms. The latter are country-specific and can cover many sectors ranging from public expenditure management to health, education, and agriculture.

¹¹ See Appendix I for country-specific information.

¹² Afghanistan, Burundi, Chad, Republic of Congo, the Democratic Republic of the Congo, Guinea-Bissau, Haiti, Rwanda, and Sierra Leone are post-conflict HIPCs. Recent research suggests that prolonged periods for policy improvements and institutional strengthening are required in a post-conflict setting. See for example, "Post-Conflict Recovery: How Should Policies be Distinctive?," Paul Collier, 2007, Centre for the Study of

Figure 1. Interim Period in 31 Post-Decision-Point HIPCs^{1/}
(In years)



Sources: HIPC Decision and Completion Point Documents.

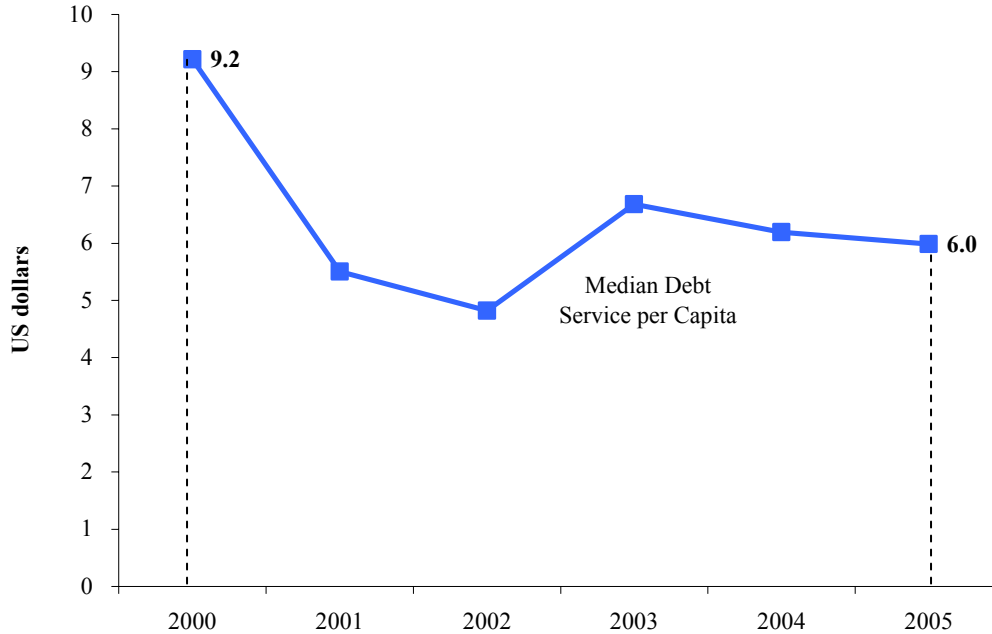
1/ Length of the interim period under the enhanced HIPC Initiative.

B. Impact of the HIPC Initiative and the MDRI

Impact on Resource Availability and Poverty-Reducing Expenditures

8. **Debt-service payments of the 31 post-decision-point HIPCs have declined as a result of debt relief under the HIPC Initiative and the MDRI.** For HIPCs, the median debt-service payment *per capita* has decreased from US\$9.2 in 2000 to US\$6 in 2005 (Figure 2).

Figure 2. Median Debt Service Per Capita for 31 Post-Decision-Point HIPCs ^{1/}
(In U.S. dollars)



Source: IDA and IMF estimates.

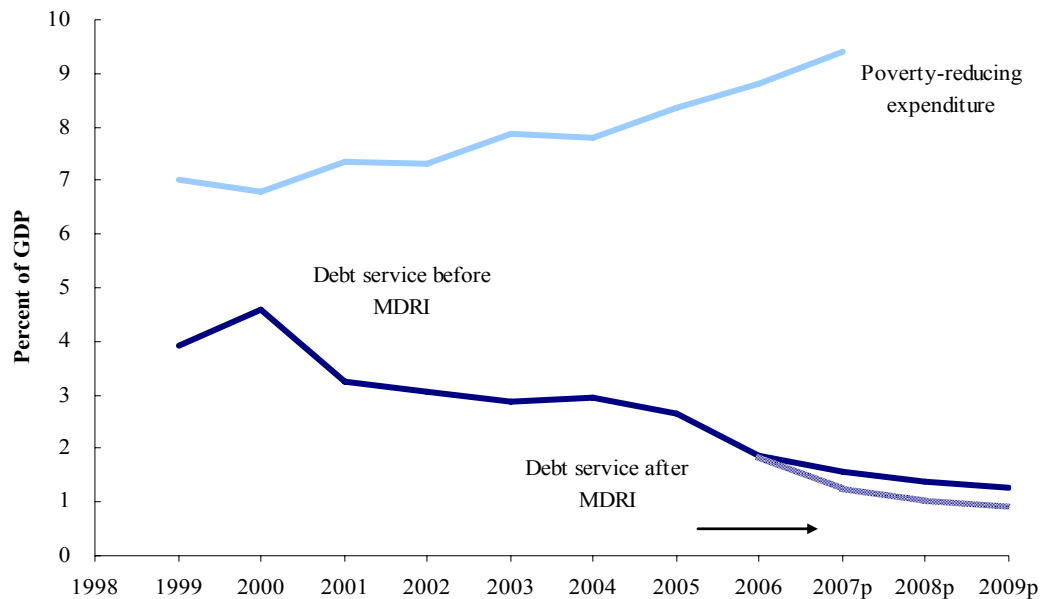
^{1/} Includes 22 post-completion-point, and 9 interim HIPCs.

9. **In 2007, annual debt-service savings from the MDRI for the 22 post-completion-point countries are expected to amount to US\$1.3 billion, equivalent to about 1 percent of these countries' GDP on average.** These savings vary considerably across countries, from 0.3 percent of GDP for Zambia to 1.8 percent of GDP for Guyana (Appendix Table 2). All countries have simultaneously increased budgetary allocations to pro-poor growth programs. The Government of Malawi has done so indirectly, stating its intention to use the relief to increase pro-poor spending in future years and reduce domestic debt levels. São Tomé and Príncipe and Sierra Leone have also incorporated MDRI savings within their budgets for 2007 in line with their PRSP priorities. In general, countries that have benefited from the MDRI are expected to use the available resources to increase poverty-reducing spending and to help meet the MDGs.¹³

¹³ See Appendix V in IDA and IMF, "Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI)—Status of Implementation", IDA/SecM2006-0455 and SM/06/289 (August 23, 2006). In most HIPCs, poverty-reducing expenditures include spending on primary education, basic health, and rural development.

10. **The decrease in debt-service has been accompanied by an increase in poverty-reducing expenditures** (Figure 3 and Appendix Tables 1 and 3). Poverty-reducing expenditures in post-decision-point HIPC countries have increased on average from under 7 percent of GDP in 2000 to 9 percent in 2006. In nominal terms, poverty-reducing expenditures amounted to US\$17 billion in 2006, which represents an increase of US\$3 billion since 2005. These expenditures are more than five times the level of debt-service payments after debt relief.

Figure 3. Average Debt-service and Poverty Reducing Expenditure of Post-Decision Point HIPCs ^{1/}



Sources: HIPC documents; and IMF staff estimates.

1/ Prior to 2006, figures represent debt-service paid, and thereafter, debt-service figures are projected. For detailed country data refer to Appendix Table 2.

11. **Cumulative debt-service savings under the MDRI to post-completion-point countries are estimated at US\$21.1 billion in end-2006 NPV terms** (Table 2). It is estimated that interim and pre-decision-point countries will benefit from further savings of US\$5.7 billion in end-2006 NPV terms upon reaching completion point.

Table 2. MDRI Debt-Service Savings by Creditor and Country Group

(In billions of U.S. dollars, in end-2006 NPV terms)

	IDA	IMF	AfDB	IaDB	Total
Post-Completion-Point HIPCs 1/	13.6	2.8	2.7	2.0	21.1
Interim and Pre-Decision-Point HIPCs 2/	3.7	0.8	0.9	0.3	5.7
All HIPCs	17.3	3.6	3.5	2.3	26.7
Non-HIPCs 3/	0.0	0.2	0.0	0.0	0.2

Sources: World Bank, IMF, AfDB and IaDB staff estimates.

1/ These countries have qualified for MDRI relief. Figures are based on actual commitments. Excludes IMF assistance to Cambodia and Tajikistan.

2/ Estimates are preliminary and subject to a number of assumptions, including the timing of HIPC decision and completion points, and, where applicable, arrears clearance.

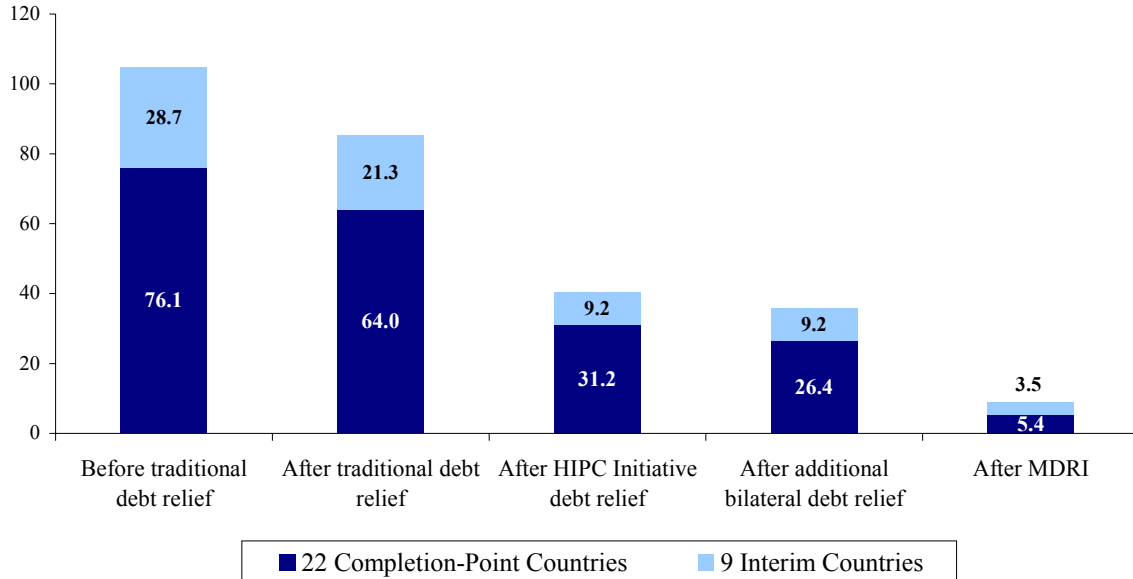
3/ IMF MDRI debt relief to Cambodia and Tajikistan.

Impact on Debt Stocks and Debt Sustainability

12. **Debt relief provided under the HIPC Initiative framework and the MDRI are expected to reduce the debt stock of the 31 post-decision-point HIPCs by US\$96 billion in end-2006 NPV terms** (Figure 4).¹⁴ Traditional debt relief and HIPC Initiative assistance are projected to reduce the total debt stocks of these countries from about US\$105 billion to US\$40 billion, in end-2006 NPV terms.¹⁵ Voluntary additional bilateral debt relief and assistance under the MDRI would further lower debt stocks to about US\$9 billion in end-2006 NPV terms. Debt stocks in the 22 post-completion-point countries are expected to decline from a total of US\$76 billion to US\$5 billion in end-2006 NPV terms after MDRI.

¹⁴ Includes traditional, HIPC Initiative, MDRI, and additional bilateral debt relief.¹⁵ Debt stocks referred to here are the debt stocks in the year prior to the decision point. They do not include new borrowing after the decision point.

Figure 4. Post-Decision-Point HIPCs' Debt Stock before and after the HIPC Initiative, Additional Bilateral Debt Relief and the MDRI ^{1/}
(In billions of U.S. dollars, in end-2006 NPV terms)

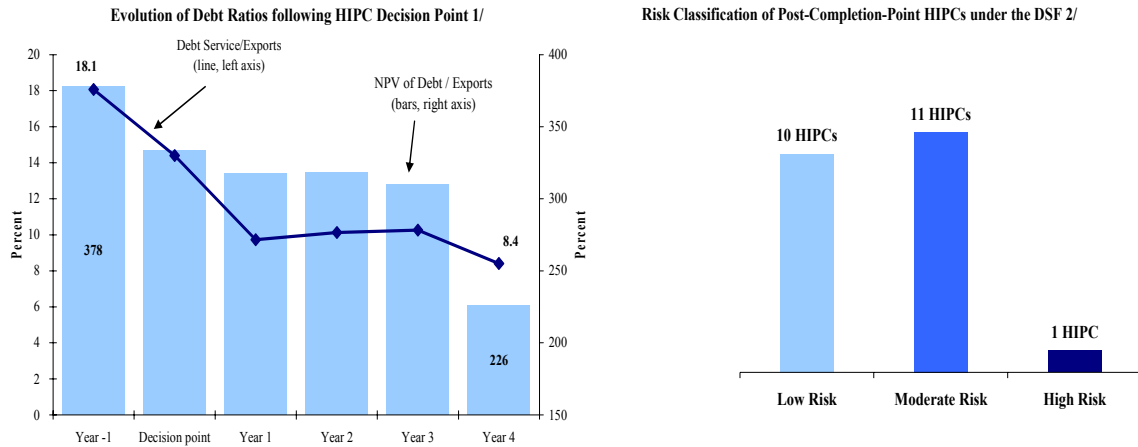


Sources: HIPC Initiative country documents, and IDA and IMF staff estimates.

^{1/} Estimates based on decision point debt stocks.

13. **Debt burden indicators have declined in post-completion-point HIPCs** (Figure 5 and Appendix Tables 1 and 2). Their debt-service-to-export ratios, on average, have been reduced from over 18 percent before the decision point to 8 percent four years after the decision point. Bank-Fund staff projections show that the average debt-service-to-exports ratio of post-decision-point HIPCs is expected to fall from 9.7 percent in 2005, the year before MDRI was implemented, to 3.3 percent in 2011 (Appendix Table 1). The NPV of debt-to-exports ratio in post-completion-point HIPCs has declined in the four years after the decision point, with the cumulative reduction over five years amounting to 152 percentage points, of which 24 percentage points was due to a decrease in debt stocks and 128 percentage points were due to increase in exports.

Figure 5. Debt Ratios and Risk of Debt Distress in Post-Completion-Point HIPCs



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

^{1/} Calculations exclude Malawi where comparable data were not available. For details on the estimates of the present value of debt, see Dikhanov, Y. (2003) “Reconstruction of Historical Present Value of Debt for Developing Countries, 1980–2001: Methodology and Calculations,” World Bank, Development Economics Data Group.

^{2/} Debt distress classification for post-completion-point HIPCs refers to the assessment made under the latest available joint IMF-World Bank Debt Sustainability Analyses (DSAs) as of July 2007 and includes the effect of MDRI.

14. **Notwithstanding the decline in debt burdens, long-term debt sustainability remains a challenge for HIPCs** (Figure 5). Although HIPC Initiative and MDRI debt relief have contributed to improved debt indicators, only ten of 22 post-completion-point HIPCs are classified as having a low risk of debt distress with the remainder being at either moderate (11 countries) or high risk (one country).¹⁶ This suggests that underlying vulnerabilities remain and must be addressed. While policies aimed at diversifying exports, strengthening institutions, and using external resources efficiently are paramount for long-term debt sustainability, prudent borrowing in line with a country’s repayment capacity is also crucial.¹⁷ The case of Burkina Faso illustrates these findings (Box 2).

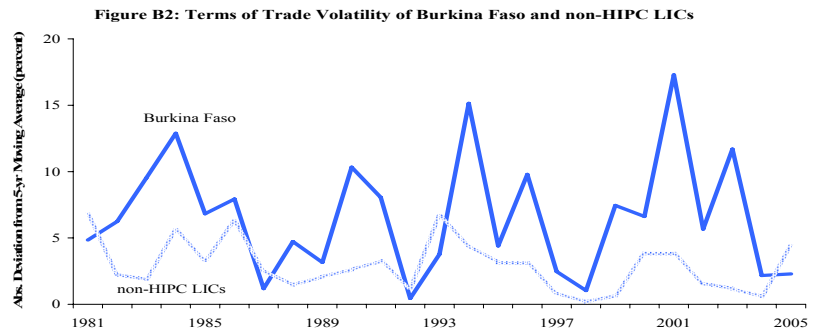
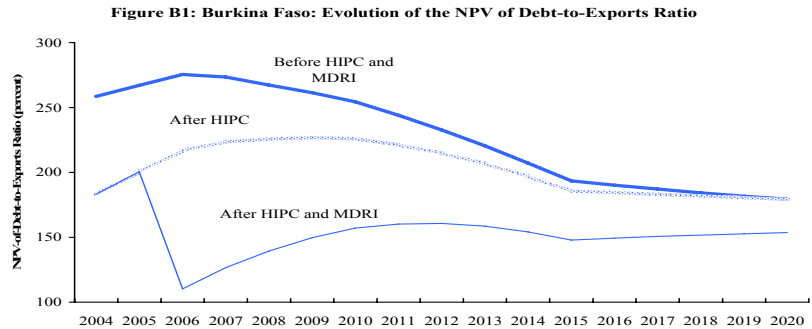
¹⁶ The risk of debt distress is assessed in joint IMF-World Bank low-income country (LIC) Debt Sustainability Analyses (DSAs). According to the latest country DSAs, the risk of debt distress is moderate for Benin, Burkina Faso, Ethiopia, Guyana, Honduras, Malawi, Mauritania, Nicaragua, Niger, São Tomé and Príncipe, and Sierra Leone; the risk of debt distress is high for Rwanda.

¹⁷ A key empirical foundation of the LIC DSF is that countries with better institutions, but similar debt burdens, experience a lower probability of debt distress.

Box 2: Debt Relief and Debt Sustainability: The Case of Burkina Faso

The HIPC Initiative and the MDRI have substantially reduced Burkina Faso's debt burden. The debt has declined from about US\$1.1 billion to US\$259 million in end-2006 NPV terms, with a reduction in the NPV of debt-to-exports ratio of approximately 150 percentage points (Figure B1). The resulting drop in projected debt ratios substantially reduced the risk of debt distress.

However, debt relief by itself cannot address vulnerabilities stemming from the volatility of the terms-of-trade. Burkina Faso's economy remains highly dependent on cotton, which accounted for nearly 60 percent of the value of exports in 2006. Large fluctuations in the price of cotton, as well as the susceptibility of the crop to weather shocks, have led to high economic volatility. Burkina Faso has experienced frequent and severe shocks to its terms of trade and to export growth (Figure B2). Due to high vulnerability to such shocks, Burkina Faso's risk of debt distress is classified as moderate.^{1/}



Burkina Faso's long-term debt sustainability will depend primarily on increasing the economy's resilience through diversifying exports and strengthening institutions. The LIC DSA can help identify challenges to debt sustainability and inform the financing decisions of both the country and its creditors. In view of the moderate risk of debt distress identified in the LIC DSA, IDA and AfDB have shifted, in line with their policies, their financing terms from 100 percent loans to a mix of 50 percent loans and 50 percent grants.

^{1/} For details on risk classification and other aspects of the World Bank-IMF Debt Sustainability Framework, see "Applying the Debt Sustainability Framework for Low-Income Countries Post Debt Relief," (November, 2006) and references therein.

15. **Strengthening public debt management and overall public financial management in HIPC's is also a key requirement for achieving long-term debt sustainability.** As highlighted in the recent joint World Bank and IMF Board paper on public debt management, improving debt management capacity in low-income countries (LICs) is urgent, particularly as access to new sources of non-concessional financing by post-MDRI

countries is increasing.¹⁸ The World Bank and IMF, in partnership with other debt-management technical assistance providers, are assisting HIPCs and other LICs in improving their debt management through the development and implementation of effective medium-term debt strategies, and building a set of indicators that could provide an international standard for evaluating performance. Areas for strengthening include sound public financial management, well-developed public investment selection and monitoring procedures, appropriate institutional arrangements for coordination among public entities, and improved governance. Strengthening public financial management is also needed for improving budget formulation, execution, and reporting, which in turn, allows countries to better track poverty-reducing spending.¹⁹

III. THE HIPC INITIATIVE AND THE MDRI: COST AND CREDITOR PARTICIPATION

A. Costs of the HIPC Initiative

16. **The overall cost to creditors of HIPC Initiative debt relief for the 41 HIPCs is estimated at US\$67.7 billion in end-2006 NPV terms (Table 3).**²⁰ Nearly half of this cost, US\$32.8 billion, represents irrevocable debt relief to the 22 post-completion-point countries. The cost of HIPC Initiative debt relief committed to the nine interim countries amounts to US\$12.1 billion. The estimated cost of HIPC Initiative debt relief to the remaining ten pre-decision-point countries is expected to be about US\$22.7 billion, of which US\$21.1 billion is accounted for by the countries with significant arrears owed to multilateral creditors.²¹

¹⁸ See “Strengthening Debt Management Practices-Lessons from Country Experiences and Issues Going Forward”, SM/07/111 (March 27, 2007) and SecM2007-0141(March 27, 2007).

¹⁹ See “Fiscal Policy Response to Scaled-Up Aid”, SM/07/199 (June 7, 2007).

²⁰ No cost is computed for the Kyrgyz Republic, as its indebtedness ratios at end-2006 are estimated to be below the applicable HIPC Initiative thresholds.

²¹ These are Côte d’Ivoire, Liberia, Somalia, Sudan, and Togo.

Table 3. HIPC Initiative: Costs by Main Creditors and Country Groups

(In billions of U.S. dollars, in end-2006 NPV terms)

	Post-Completion- Point HIPCs	Interim HIPCs	Total Post-Decision- Point HIPCs	Pre-Decision-Point HIPCs	Total
	(I)	(II)	(III) = (I) + (II)	(IV)	(V) = (III) + (IV)
Multilateral creditors	17.8	4.9	22.7	8.3	31.0
IDA 1/	8.8	2.0	10.8	2.9	13.8
IMF	2.6	0.7	3.3	2.5	5.8
AfDB Group	2.3	1.5	3.8	1.0	4.8
IaDB	1.5	0.1	1.5	0.0	1.5
AsDB	0.0	0.1	0.1	0.3	0.3
Other	2.6	0.6	3.2	1.6	4.8
Bilateral and commercial creditors	15.0	7.2	22.3	14.4	36.7
Paris Club	10.7	5.9	16.6	7.6	24.2
Other Official Bilateral	3.5	0.6	4.1	4.6	8.6
Commercial	0.8	0.8	1.6	2.3	3.9
Total Costs	32.8	12.1	44.9	22.7	67.7
Memorandum Items					
Total Costs from Previous Report 2/	30.6	13.0	43.7	22.9	66.6
Total Change in Costs (percent):	7.2	-7.2	2.9	-0.9	1.6
- due to New Cases and Topping-up 3/	7.4	-7.5	2.9	-2.9	0.9
- due to Data Revisions	-0.2	0.3	0.0	2.0	0.7

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

1/ Includes IDA grants worth US\$0.4 billion in end-2006 NPV terms used to repay outstanding IBRD debt obligations in the case of Cameroon and Honduras.

2/ Total costs as reported in Table 4 of "HIPC Initiative and MDRI: Status of Implementation, September 2006", discounted to end-2006 terms.

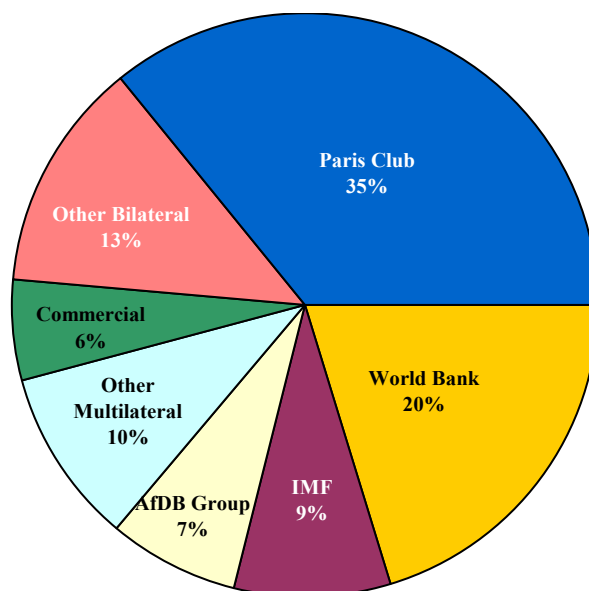
3/ Since August 2006, Malawi, São Tomé and Príncipe, and Sierra Leone reached completion point; Afghanistan and Haiti reached the decision point.

Topping-up assistance was granted to Malawi and São Tomé and Príncipe, but it has not been delivered to São Tomé and Príncipe because of lack of financing assurances.

17. **The distribution of costs shows that multilateral creditors account for about 46 percent of the total cost for the 41 HIPCs (US\$31 billion in end-2006 NPV terms).** The largest shares are borne by IDA (20 percent of total HIPC Initiative costs), IMF (9 percent) and AfDB Group (7 percent). Paris Club creditors account for 36 percent of total cost, and non-Paris Club and commercial creditors for 13 and 6 percent of the total estimated cost, respectively (Figure 6).²²

²² The African Development Bank (AfDB) group is a conglomeration of the African Development Bank (AfDB), the African Development Fund (AfDF), and the Nigeria Trust Fund (NTF).

Figure 6. Distribution of Potential Costs under the HIPC Initiative by Creditors



Sources: HIPCs decision and completion point documents.

18. **Since the 2006 report, the overall cost of HIPC Initiative debt relief increased by US\$1.1 billion in 2006 NPV terms, or 1.6 percent** (Table 3). Approximately US\$0.6 billion of this increase was due to the inclusion of Afghanistan and the provision of topping-up assistance to Malawi and São Tomé and Príncipe.²³ Data revisions account for the remaining US\$0.5 billion, including changes related to the discount rate and debt data reconciliation efforts primarily related to Liberia and the Central African Republic.²⁴

19. **The total cost of topping-up assistance in end-2006 NPV terms is US\$2 billion, which represents 3 percent of the total HIPC Initiative cost.** Five HIPCs have received topping-up assistance to date. These include Burkina Faso, Ethiopia, Malawi, Niger, and

²³ See IMF PRGF-HIPC Trust Instrument, Section III, paragraph 3(e); Box 1 in “Enhanced HIPC Initiative – Completion Point Considerations,” IMF, EBS/01/141 (8/20/2001) and IDA, IDA/SecM2001-0539/1 (8/21/2001). See also “Enhanced HIPC Initiative: Considerations Regarding the Calculation of Additional Debt Relief at the Completion Point” IDA/SecM2003-0476 (2003/08/15).

²⁴ Since the HIPC Initiative and MDRI Status of Implementation Report 2006, a preliminary HIPC document was prepared for the Central African Republic and preliminary loan-by-loan reconciliation was undertaken for Liberia. As a result, debt stocks of these countries were reassessed at levels above those estimated during last year.

Rwanda (Box 3). Topping-up assistance has been committed to São Tomé and Príncipe, but the amount has not yet been fully disbursed due to insufficient financing assurances.

Box 3. Analysis of Topping-Up Cases under the HIPC Initiative^{1/}

The HIPC Initiative framework allows for additional debt relief at completion point (topping-up), if a HIPC has experienced a significant deterioration in its debt burden indicators that was unanticipated at the decision point. For topping-up assistance to be granted, the deterioration must be primarily attributable to exogenous factors. Topping-up assistance may be provided proportionately by all creditors to bring the NPV of debt to the HIPC Initiative threshold at completion point.

Since July 2006, topping-up has been committed to two post-completion-point HIPCs—São Tomé and Príncipe and Malawi—bringing the total number of topping-up cases to six. Topping-up assistance was committed to São Tomé and Príncipe because its export volumes were severely affected by a drought, but topping-up has not yet been disbursed due to insufficient financing assurances. The largely unexpected decline in Malawi's export prices and a fall in international interest rates were the main factors leading to an unanticipated deterioration in Malawi's debt ratios.

Table B1 lists factors that explain changes to the NPV of debt-to-export ratios for all topping-up cases that were unanticipated at decision point. There is considerable cross-country variation – from almost 160 percentage points of underestimation of the ratio in São Tomé and Príncipe to 22 percentage points in Burkina Faso. In most cases, the primary factors that explain the need to provide topping-up are unanticipated changes in the exchange and discount rates, or exports.

Table B1. Topping-Up Cases: Decomposition of the Increase in the NPV of Debt-to-Exports Ratio

(In percentage points)

CP Year	NPV of Debt-to-Exports Ratio at Completion Point		Unanticipated Changes in Ratios	Due to Changes in:							
	(I)	(II)		(IV) Parameters	(V) Unanticipated New Borrowing		(VI) Exports	(VII) Other 4/			
	Projected 1/	Actual 2/	Discount Rates		Exchange Rates	Volume			Loan Terms		
Burkina Faso	5/ 2002	185.5	207.5	21.9	...	...	...	...	...	...	...
Ethiopia	2004	173.5	218.4	44.9	43.9	19.1	-4.6	1.9	-3.5	-11.8	
Niger	2004	184.8	208.7	23.9	20.0	-0.8	6.0	5.0	-6.3	0.0	
Rwanda	2005	193.2	326.5	133.3	59.1	21.6	-10.1	38.6	28.6	-4.5	
Malawi	2006	169.0	229.1	60.2	8.1	32.4	-9.7	13.6	19.7	-3.9	
São Tomé and Príncipe	2007	139.7	298.7	159.1	45.1	10.3	-11.2	10.9	74.3	29.7	

Source: Completion point documents, World Bank and IMF staff estimates.

1/ Projection made at the time of the decision point, after HIPC Initiative assistance.

2/ Actual ratio at completion point including HIPC Initiative assistance committed at decision point.

3/ Refer to changes in the NPV-of-debt-to-exports ratio due to factors described in columns IV through VII.

4/ Other factors include data revisions, and changes in modality of delivering debt relief.

5/ Detailed breakdown of factor decomposition is not available for Burkina Faso.

^{1/} See “Enhanced HIPC Initiative: Considerations Regarding the Calculation of Additional Debt Relief at the Completion Point” IDA/SecM2003-0476 (2003/08/15)

B. Participation of Multilateral Creditors

HIPC Initiative Assistance Costs and Delivery by Major Multilateral Creditors

20. **Most multilateral creditors have agreed to deliver debt relief under the HIPC Initiative.** Twenty-five out of 32 multilateral creditors were participating in the Initiative as of end-July 2007 (Appendix Table 5).²⁵ These creditors account for over 99 percent of all multilateral debt relief committed to the 31 HIPC countries that have reached their decision points (US\$22.7 billion in end-2006 NPV terms). Many multilateral creditors, including IDA, IMF, AfDB Group, and IaDB, have also provided interim assistance to qualifying countries.

21. **The total cost of HIPC Initiative assistance to be provided by IDA amounts to US\$13.8 billion in end-2006 NPV terms** (Table 3). Of this amount, US\$10.8 billion is the cost of HIPC Initiative assistance committed to the 31 post-decision-point HIPC countries (Appendix Table 6A).²⁶ Costs associated with post-decision-point HIPC countries have increased since the 2006 report due to topping-up assistance (US\$0.3 billion) and to HIPC Initiative debt relief committed to the new decision-point countries (US\$0.1 billion). Debt relief is being provided to all interim countries, with the exception of Chad and the Gambia, where IDA interim relief has reached its one-third limit.²⁷ Guinea-Bissau is expected to reach its one-third limit by the end of 2007. Given Haiti's satisfactory performance in implementing its floating completion-point triggers, the limit on its interim assistance was increased to the maximum allowed under IDA's rules.²⁸

22. **The total cost of HIPC Initiative assistance to be provided by IMF is estimated at US\$5.8 billion in end-2006 NPV terms** (Table 3). Of this amount, US\$3.3 billion represents debt relief committed to the 31 post-decision-point HIPC countries. IMF has already deposited in country-specific accounts the entire amount of HIPC Initiative debt relief committed to the 22 countries that have reached completion point (US\$2.6 billion). Interim debt relief is being

²⁵ Seven regional creditors have not indicated their willingness or ability to participate in the HIPC Initiative due primarily to financial constraints. These creditors are: Bank of Central African States (BEAC), Economic Community of West African States (ECOWAS) Bank for Investment and Development, Eastern and Southern African Trade and Development Bank (PTA Bank), Development Bank of Great Lake States (BDEGL), Fund of Aid and of Loans Guarantee of the Agreement Council (FEGECE), Fondo Centroamericano de Estabilización Monetaria (FOCEM), and Islamic Fund for Solidarity and Economic Development (FSID).

²⁶ Of the US\$10.8 billion provided to the 31 post-decision-point HIPC countries, US\$0.4 billion of IDA grants and credits under the HIPC Initiative was used for paying off outstanding IBRD debt or debt service.

²⁷ See "Enhanced Heavily Indebted Poor Countries (HIPC) Initiative: Provision of Interim HIPC Debt Relief on IBRD Loans and IDA Credits," IDA/SecM2004-0604, September 2004.

²⁸ IDA may, on a case-by-case basis and subject to staff assessment of satisfactory progress in policy performance, increase the limit on interim assistance to interim HIPC countries from one third to up to 50 percent of the NPV of total debt relief committed at decision point. See "Enhanced HIPC Initiative: Proposals Concerning Sunset Clause and Provision of Interim Relief" IDA/R2004-0234 (September 15, 2004).

provided to Burundi, Haiti, and the Gambia.²⁹ Other interim HIPC are not currently eligible for interim assistance because of (i) program slippages (the DRC, Guinea, and Guinea-Bissau); (ii) interim debt relief reached its upper limit, which stands at 60 percent of total IMF commitment in non exceptional circumstances (Chad); or (iii) insufficient financing assurances have been received from other creditors (Republic of Congo). The estimated cost of providing HIPC Initiative debt relief to the 10 pre-decision-point countries is US\$2.5 billion.

23. The total cost of the HIPC Initiative assistance to be provided by other multilaterals is estimated at US\$11.4 billion in end-2006 NPV terms (Table 3):

- The total cost for AfDF is estimated at US\$4.8 billion in end-2006 NPV terms. Debt relief committed to the post-decision-point HIPCs in Africa is equivalent to US\$3.8 billion, of which US\$2.3 billion has already been disbursed to the post-completion-point HIPCs (Appendix Tables 8A).
- The total cost for IaDB is estimated at US\$1.54 billion in end-2006 NPV terms (Appendix Table 9). Four post-completion-point HIPCs in Latin America have received relief from IaDB equivalent to US\$1.48 billion. Debt relief committed to Haiti is estimated at US\$60.4 million and is expected to be disbursed upon reaching completion point. In the meantime, Haiti is eligible for interim debt relief.
- The total cost for AsDB is estimated at US\$325 million in end-2006 NPV terms. Of that amount, US\$56.2 million corresponds to Afghanistan, and US\$268.5 million to Nepal.
- The total cost for the remaining multilateral creditors is estimated at US\$4.8 billion in end-2006 NPV terms, of which US\$2.6 billion corresponds to relief to post-completion-point countries. The cost of debt relief for these multilaterals for interim and pre-decision-point HIPCs is estimated at US\$0.6 billion and US\$1.6 billion, respectively.

MDRI Costs and Delivery by Participating Multilateral Creditors

24. IDA, IMF, and AfDF have delivered debt relief additional to the HIPC Initiative through the MDRI, and IaDB through its 2007 Initiative. MDRI debt relief from these four multilateral creditors amounts to US\$37.6 billion on the principal in nominal terms to post-completion-point HIPCs (Table 4 and Appendix Table 4). IDA, AfDF, IMF and IaDB provided approximately 69, 15, 8, and 8 percent of the total, respectively.³⁰

²⁹ The IMF is not providing interim HIPC Initiative assistance to Afghanistan because it did not have debt with the IMF at decision point.

³⁰ IMF also provided MDRI debt relief to two non-HIPCs with annual income per capita below US\$380 (Cambodia and Tajikistan). The IMF Executive Board modified the original G-8 proposal to fit the requirement, specific to the IMF, that the use of the IMF's resources be consistent with the principle of uniformity of

25. **IDA is expected to provide the largest share of MDRI debt relief to HIPCs amounting to US\$33 billion in principal amount cancelled (in nominal terms).** The 22 post-completion-point countries have already received US\$28.3 billion in nominal debt relief, of which US\$25.8 billion is debt relief on principal repayments and US\$2.5 billion on forgone interest (Table 4 and Appendix Tables 6A and 6B).³¹ The annual reduction in debt-service as a result of MDRI is deducted from the beneficiary's annual IDA allocation. To allay inequity concerns, additional resources provided by donors to compensate IDA for MDRI debt relief are allocated to IDA countries according to IDA's performance-based allocation system, helping maintain the link between IDA resource transfers and country performance.

treatment. Thus, it was agreed that all countries with per-capita income of US\$380 a year or less (whether HIPCs or not) will receive MDRI debt relief financed by the IMF's own resources through the MDRI-I Trust. HIPCs with per capita income above that threshold will receive MDRI relief from bilateral contributions administered by the IMF through the MDRI-II Trust.

³¹ IDA delivered MDRI relief on July 1, 2006 to 19 HIPCs that had reached completion point by that time. Since then, IDA has delivered MDRI debt relief to three more countries (Malawi, Sierra Leone, and São Tomé and Príncipe) on the 1st day of the quarter after they reached their completion points.

Table 4. Nominal MDRI Costs by Creditor and Country Group

(In billions of U.S. dollars)

	Principal	Foregone Interest	Total
Post-Completion-Point HIPC ^{1/}	37.6	...	...
IDA	25.8	2.5	28.3
IMF ^{3/}	3.1	...	3.1
AfDF	5.7	0.8	6.4
IaDB	3.0	0.9	3.9
Interim and Pre-Decision-Point HIPC ^{2/}	10.3	...	...
IDA	7.2	0.6	7.9
IMF ^{3/}	0.9	...	0.9
AfDF	1.7	0.2	2.0
IaDB	0.4	0.1	0.5
All HIPC ^s	47.9	...	...
IDA	33.0	3.2	36.2
IMF ^{3/}	4.1	...	4.1
AfDF	7.4	1.0	8.4
IaDB	3.4	1.0	4.4
Non-HIPC ^s 4/	0.2	...	0.2

Sources: Country authorities, and World Bank, IMF, AfDB and IaDB staff estimates.

1/ These countries have qualified for MDRI relief. Figures are based on actual disbursements and commitments.

2/ Estimates are preliminary and subject to a number of assumptions, including the timing of HIPC decision and completion points, and, where applicable, of arrears clearance.

3/ The estimated costs for IMF reflect the stock of debt eligible for MDRI relief, which is the debt outstanding (principal only) as of end-2004 and that has not been repaid by the member and is not covered by HIPC assistance (EBS/05/158 Revision 1, 12/15/2005).

4/ IMF MDRI assistance to Cambodia and Tajikistan.

26. **IMF is expected to provide MDRI assistance of US\$4.3 billion in nominal terms to HIPC^s and non-HIPC^s** (Table 4). IMF has already disbursed US\$3.1 billion to the 22 post-completion-point HIPC^s, and about US\$182 million to Cambodia and Tajikistan. (Appendix Tables 7A and 7B)³² Additional resources would be needed to finance debt relief to interim and pre-decision-point countries, as the original MDRI financing framework did

³² IMF delivered MDRI relief on January 6, 2006 to all HIPC^s that had reached their completion point, except Mauritania. MDRI relief was delivered to Mauritania in June 2006, and to Cameroon, Malawi, São Tomé and Príncipe, and Sierra Leone on the day they reached their respective completion points.

not include Afghanistan, countries newly identified in the 2006 ring-fencing exercise (Eritrea, Haiti, the Kyrgyz Republic, and Nepal), and the three protracted arrears cases (Liberia, Sudan, and Somalia).³³

27. **Total MDRI debt relief to be provided by AfDF would amount to US\$7.4 billion in principal amount cancelled (in nominal terms).** AfDF started to implement MDRI in July 2006 by providing debt relief to post-completion-point countries in Africa retroactively from January 2006. AfDF has already delivered US\$6.4 billion in nominal terms to post-completion-point countries, of which US\$5.7 billion is debt relief on the principal and US\$0.8 billion on forgone interest (Appendix Tables 8A and 8B).³⁴ Annual allocations from AfDF to countries receiving MDRI debt relief are reduced by the amount of MDRI debt-service relief in that year.

28. **The total debt cancellation under the IaDB 2007 Initiative is estimated at US\$3.4 billion in principal amount cancelled (in nominal terms).** IaDB has already provided US\$3.9 billion in nominal terms to Bolivia, Guyana, Honduras, and Nicaragua, US\$3.0 billion is debt relief on the principal and US\$0.9 on forgone interest (Appendix Table 9). Estimated debt relief of US\$0.5 billion in nominal terms will be provided to Haiti upon reaching HIPC Initiative completion point.

C. Participation of Bilateral Creditors

Participation of Paris Club Creditors in the HIPC Initiative

29. **Paris Club creditors have continued to provide interim debt relief to countries that have reached decision point and stock-of-debt reductions to countries that have reached completion point.** The estimated cost to Paris Club creditors of providing HIPC debt relief to the 31 post-decision-point countries is US\$16.6 billion in end-2006 NPV terms (Table 3 and Appendix Tables 11 and 12). The total HIPC Initiative debt relief provided to the post-completion-point countries amounts to US\$10.7 billion. Paris Club creditors are also providing interim debt relief to the nine interim countries. The additional cost of providing debt relief to the ten pre-decision-point HIPCs is estimated at US\$7.6 billion.

30. **Almost all 19 Paris Club creditors have agreed, on a bilateral basis, to grant HIPCs additional debt relief beyond what was committed under the HIPC Initiative.**

³³ See “Update on the Financing of the Fund’s Concessionality Assistance and Debt Relief to Low-Income Member Countries” (SM/07/117, April 4, 2007). No cost is computed for the Kyrgyz Republic, as its indebtedness ratios at end-2006 are estimated to be below the applicable HIPC Initiative thresholds.

³⁴ In July 2006, AfDF delivered MDRI relief, retroactively calculated from January 1, 2006 to the 14 African HIPC countries that had already reached completion point as at that date. Since then AfDF has delivered MDRI debt relief to four more countries (Cameroon, Malawi, Sierra Leone, and Sao Tome & Principe) after they reached completion point.

Practices in providing additional debt relief vary and depend on the stage the HIPCs have reached and the categories of eligible claims (see Appendix Tables 11, 12 and 13). At the decision point, some creditors have provided stock-of-debt reductions on various categories of debt in addition to interim relief. At the completion point, most creditors cancel 100 percent of their pre-cutoff claims, and some also cancel part or all of their post-cutoff claims.³⁵ To date, Paris Club creditors have delivered US\$7 billion in additional debt relief to post-completion-point HIPCs, an increase of about 66 percent relative to their commitments under the HIPC Initiative.³⁶

Participation of Non-Paris Club Official Bilateral Creditors in the HIPC Initiative

31. **Based on information collected by staffs through June-2007, non-Paris Club creditors have delivered slightly more than one third of their expected share of HIPC Initiative debt relief** (Appendix Table 15).³⁷ However, delivery varies significantly across creditors: only six countries are estimated to have delivered their full share of the expected HIPC Initiative debt relief, while 23 creditors accounting for about 66 percent of the expected HIPC Initiative debt relief from non-Paris Club creditors, have provided partial debt relief. Twenty one other creditors, accounting for about 34 percent of the expected debt relief, have not yet delivered any HIPC Initiative debt relief.

32. **Staffs will continue to encourage full participation of non-Paris Club creditors in the HIPC Initiative.** Full participation is essential to maximize the benefits of the HIPC Initiative and to promote equitable sharing of the debt-relief burden among all creditors. Staffs will continue to discuss HIPC Initiative issues and share technical information during Article IV consultations and other missions in creditor countries and encourage them to provide full HIPC Initiative debt relief at the time of completion point. Staffs will continue to encourage bilateral creditors to share more detailed information and to disseminate their efforts in this area more widely. More extensive and transparent information is needed to better assess and monitor the actual delivery of HIPC Initiative debt relief, particularly from those creditors that account for a substantial part of HIPC Initiative debt relief. Staffs also call on Executive Directors to continue conveying to their non-Paris Club constituency the importance of full participation in the HIPC Initiative.

³⁵ The cutoff date defines a reference date for Paris Club debt treatments. As a general rule, credits granted after the cutoff date are not subject to future rescheduling. However, Paris Club creditors may cancel post-cutoff debt if required to restore debt sustainability under the HIPC Initiative.

³⁶ Among recent developments, Spain announced in July 2007 that it will cancel all its ODA and non-ODA claims on post-completion-point HIPCs contracted before January 1, 2004. The cancellation will be applied retroactively to HIPCs that have already reached completion point, and to others when they reach completion point.

³⁷ A Survey on non-Paris Club creditors' participation in the HIPC Initiative was sent out to 28 of the 50 non-Paris Club creditors identified in post-completion-point documents as creditors of 22 post-completion-point HIPCs. See "Enhanced HIPC Initiative—Status of Non-Paris Club Official Bilateral Creditor Participation", forthcoming background paper to this Report.

33. **These efforts to address low non-Paris Club creditor participation may, however, need to be complemented with other measures.** In cases where the decision to grant relief depends on high-level political approval, it is proposed that the issue be raised directly by IDA and IMF managements, or through bilateral contacts between country authorities. In addition, to give more visibility to the creditor's status, staffs suggest the use of a "scorecard" identifying the debt relief granted by each bilateral creditor, including non-Paris Club creditors, prominently published on the Fund's and the Bank's websites.³⁸

34. **Regarding debtors, staffs will also step up efforts to encourage HIPCs to conclude bilateral agreements with non-Paris Club creditors.** Such agreements are essential to remove any legal ambiguity about a country's debt obligations and prevent the accumulation of arrears. In addition, the Boards could be informed on a more regular basis on the participation of non-Paris Club creditors. It is suggested that a box be included in IMF staff reports and World Bank country-specific documents of post-completion-point HIPCs³⁹, which provides detailed information on the debt relief received from non-Paris Club creditors and on the status of contacts and negotiations with those that have yet to provide debt relief.

D. Participation of Commercial Creditors

35. **Commercial creditors account for a small portion of expected debt relief to post-decision-point HIPCs, but their share is projected to increase once new countries move toward decision point.** Commercial creditors account for about 4 percent of total costs of HIPC Initiative debt relief to the 31 post-decision-point HIPCs. However, the costs range among individual HIPCs from zero (Afghanistan, Burkina Faso, the Gambia, Haiti, and Mauritania) to 35 percent in the Republic of Congo.⁴⁰ The share of debt relief from commercial creditors is expected to increase in the future as a number of pre-decision-point countries have large eligible commercial debt, which are estimated at 25 percent for Côte d'Ivoire, 18 percent for Liberia, 7 percent for Sudan, and 6 percent for the Central African Republic (in end-2006 NPV terms).

36. **Staffs have attempted to estimate the debt relief delivered by commercial creditors.** To that purpose, staffs gathered debt relief data from commercial banks and surveyed post-decision-point HIPCs on the delivery of debt relief by commercial creditors. The Creditors Committee, formerly known as the London Club, shared information on the terms of debt buyback operations with 16 HIPCs, of which 15 are post-decision-point

³⁸ Information provided to staffs in confidence will only be published if the requisite consents for its publication have been obtained.

³⁹ Publishing information provided in confidence to staffs would require the consent of the provider.

⁴⁰ The cost amounts to 10 percent for Ghana and 13 percent for Sierra Leone, while it amounts to 3.4 percent on average for the other 23 post-decision-point HIPCs.

countries (Benin, Bolivia, Cameroon, Ethiopia, Guinea, Madagascar, Mauritania, Mozambique, Nicaragua, Niger, Senegal, Sierra Leone, Tanzania, Uganda, and Zambia) and one is a pre-decision-point HIPC (Côte d'Ivoire).⁴¹

37. **Significant buyback operations took place before or right around the establishment of the HIPC Initiative, and thus were not counted as debt relief under the Initiative.** The Creditors Committee completed buyback operations between 1982 and 1995 in Benin, Bolivia, Madagascar, Mozambique, Niger, Sierra Leone, Uganda, and Zambia. Many of these deals were financed through the World Bank's Debt Reduction Facility (DRF) for IDA-only Countries (Box 4). Thus, most commercial banks' claims were not included in HIPC Initiative debt-relief calculations for these countries, as the debt was extinguished before they reached the decision point. This partly explains the low share of commercial debt in post-decision-point HIPCs.

38. **At the onset of the HIPC Initiative, the Creditors Committee delivered debt relief amounting to US\$1.4 billion through the DRF.** Between 1995-1998, the Creditors Committee negotiated buyback operations with some HIPCs resulting in significant debt relief for Ethiopia (US\$166 million, 1.2 percent of GDP), Guinea (US\$78 million, 2.3 percent of GDP), Mauritania (US\$48 million, 1.8 percent of GDP), Nicaragua (US\$1 billion, 19 percent of GDP), and Senegal (US\$54 million, 0.6 percent of GDP). These claims were not included in the HIPC Initiative debt-relief calculations, as the debt was extinguished before countries reached decision point.

39. **Subsequent buyback operations provided debt relief on claims that were included in the HIPC Initiative debt-relief calculations.** Specifically, the Creditors Committee fully delivered their share of the expected HIPC Initiative debt relief to Cameroon (US\$520 million, 3 percent of GDP) and Tanzania (US\$137 million, 1 percent of GDP). Both buybacks operations were implemented through the DRF for IDA-only countries. In June 2007, the Republic of Congo reached an agreement with the Creditors Committee that could provide debt relief on about 55 percent of the total outstanding commercial debt at decision point.

⁴¹ The Creditors Committee is an informal group of international commercial banks that meets on *ad-hoc* basis to negotiate debt restructuring operations with sovereign countries. Reference to the "Creditors Committee" applies to individual creditors, which differ across cases. Distressed debt funds and suppliers have joined the Committee in some debt negotiations.

Box 4. The Debt Reduction Facility for IDA-only Countries

The World Bank's Debt Reduction Facility (DRF) for IDA-Only Countries plays an important role in reducing exposure to commercial creditors of HIPCs. Established by the Boards of IBRD and IDA in 1989, the DRF helps extinguish commercial debts through buybacks at a deep discount. To date, the DRF has supported 22 buybacks in 21 countries. The DRF has helped extinguish around US\$8 billion of external commercial debt. DRF operations have been completed in 15 post-completion-point HIPCs, in one of the nine interim HIPCs, and in two of the ten pre-decision-point HIPCs. In April 2007, IDA's Board approved a five year extension of the DRF to July 31, 2012. It is expected that the extension of the DRF will encourage commercial creditor participation and help reduce commercial debt in upcoming HIPCs after reaching decision point.

Also in April 2007, IDA's Board approved a second commercial debt reduction operation for Mozambique. This buyback is expected to be closed in September 2007 and to extinguish all of Mozambique's remaining US\$176 million of eligible commercial external debt, including principal, interest, and associated penalties.

In July 2007, IDA's Board approved a second commercial debt reduction operation for Nicaragua. This buyback is expected to be concluded before the end of 2007 and would help eliminate most if not all of Nicaragua's remaining US\$1.4 billion of eligible commercial external debt, including principal, interest and penalties. DRF operations for other HIPCs are currently in the preparatory stage or under consideration.

40. **The information available from the survey suggests that only a few non-bank commercial creditors have provided their share of HIPC Initiative debt relief – directly in the form of debt cancellation or restructurings, or implicitly through market-based buyback operations.**⁴² Some suppliers and non-banks have provided full HIPC debt relief on claims to Guyana and Madagascar, and some non-banks have provided partial debt relief to the Democratic Republic of Congo.⁴³ In the case of Guyana, a supplier dropped its legal action against the country and granted debt relief following pressure from the Guyanese government and several non-governmental organizations. Concessional terms were provided in the restructuring of some commercial loans to the Democratic Republic of the Congo.

⁴² The information on suppliers that have provided debt relief is not exhaustive, as some post-decision-point HIPCs have not responded to the survey.

⁴³ A survey was sent to 30 countries that had reached their decision points by May 2007. Twenty-four countries replied (80 percent). The survey was not sent to pre-decision point HIPCs.

E. Commercial Creditor Litigation against HIPCs

41. **A number of commercial creditors and distressed debt funds have engaged in litigation against HIPCs** (Table 5 and Appendix Table 16).⁴⁴ Eleven out of the 24 respondents to the staffs' survey reported that they have been targeted with lawsuits by a total of 46 litigating creditors. Eight new legal actions are reported since the 2006 survey, of which five are against Nicaragua, two against Cameroon, and one against Ethiopia. Over the same period, eight previously reported cases have been reclassified. The HIPCs facing the most litigation cases are Nicaragua, the Republic of Congo, Cameroon, and Uganda, with nine, eight, seven, and six lawsuits, respectively.⁴⁵

42. **The HIPC authorities have reported that lawsuits are most frequently filed in industrial country courts, which are often the applicable jurisdiction of the legal obligation, or where litigating creditors are often based.**⁴⁶ Responses to the survey indicated that litigating creditors are concentrated in the United States and United Kingdom (home to eight and four litigating creditors, respectively) and the British Virgin Islands (seven). Lawsuits against HIPCs have been filed mainly in New York, Paris, and London with fifteen, seven, and seven litigations, respectively. Another eight cases are disputed in other foreign courts, and ten were filed in courts in the HIPCs themselves (Appendix Table 16).

⁴⁴ Given the voluntary nature of the HIPC Initiative, creditors do not have a legally binding obligation to participate in the Initiative.

⁴⁵ Some countries have reported being threatened by litigation, specifically Sierra Leone (four cases) and Cameroon (one case). The staffs have not included this information in the tables.

⁴⁶ Based on the authorities' responses to the survey on commercial creditor participation.

Table 5. HIPC Initiative: Commercial Creditor Participation and Lawsuits^{1/}
(Status at end-2006)

	NPV of Debt Owed to Commercial Creditors at Decision Point	Commercial Creditor Participation 2/		Commercial Creditor Lawsuits 2/				
		Expected Debt Relief under HIPC 3/	Delivery of Debt Relief 4/	Number of Litigating Creditors	Claims of Litigating Creditors		Court Awards 5/	
					(In millions of U.S. dollars, in end-2006 NPV terms)	(In units)	(In millions of U.S. dollars)	(In percent of GDP)
22 Completion-Point HIPCs 6/								
TOTAL	3,923	753	23	36	1,095		399	
Benin	11	2	...	0	...	...	...
Bolivia 7/	28	9	0	0	...	...	...
Burkina Faso	0	0	...	0	...	...	...
Cameroon	1,026	81	...	7	444	2.4	51	
Ethiopia	165	37	0	2	187	1.4	...	
Ghana	559	280	...	...	...	...	...
Guyana	72	25	20	3	46	5.3	...	
Honduras	68	4	0	1	1	0.0	...	
Madagascar	25	3	3	0	...	...	...
Malawi	65	10	0	0	...	...	...
Mali	9	3	0	0	...	...	...
Mauritania	0	0	0	0	...	...	...
Mozambique	219	66	0	0	...	...	...
Nicaragua	1,188	75	0	9	285	5.3	276	
Niger	6	3	...	...	...	...	...
Rwanda	1	1	...	0	...	...	...
São Tomé and Príncipe	7	2	0	1	9	11.2	...	
Senegal *	4	1	0	0	...	...	...
Sierra Leone	201	109	0	5	31	2.2	27	
Tanzania	153	0	...	0	...	...	...
Uganda	65	13	0	6	36	0.4	30	
Zambia *	50	30	0	2	55	0.6	16	
9 Interim HIPCs 6/								
TOTAL	3,847	813	40	10	724		592	
Afghanistan 8/	0	0	...	...	...	...	...
Burundi *	7	6	...	0	...	...	...
Chad *	7	2	...	0	...	...	...
Congo, Dem. Rep. of the *	330	184	40	2	149	1.7	149	
Congo, Rep. of	3,490	618	0	8	575	7.8	443	
Gambia, The	0	0	...	...	...	...	...
Guinea *	12	3	...	...	...	...	...
Guinea-Bissau	2	1	...	0	...	...	...
Haiti	0	0	...	0	...	...	...
31 Post-Decision-Point HIPCs	7,771	1,566	63	46	1,819		991	

Source: Survey on Commercial Creditor Participation and Creditor Lawsuits against HIPCs.

1/ Commercial creditors lawsuits against HIPCs are reported without assessing the merits of these disputes.

2/ The survey was responded by the HIPC authorities of 24 countries out of 30, surveyed in May 2007. No response or insufficient information are shown with three dots.

3/ At decision point.

4/ As reported by the authorities of HIPCs. It does not include information on debt relief provided by the Creditors Committee.

5/ Some lawsuits are pending or in arbitration.

6/ No response to the survey is shown with an asterisk on the side of the country name.

7/ Debt owned to Spanish banks was treated as bilateral debt at the Paris Club in 2001.

8/ Responses to the survey were received in May 2007. For this reason, Afghanistan did not participate in the survey as it reached decision point in July 2007.

43. More than half of the litigating creditors have won lawsuits against HIPCs (Table 5 and Appendix Table 16). Of the 46 litigation cases reported in the survey, 25 creditors have obtained court judgments against seven HIPCs (Cameroon, the Democratic Republic of the Congo, Republic of Congo, Nicaragua, Sierra Leone, Uganda, and Zambia),

amounting to about US\$1 billion on original claims of US\$427 million (see Box 5 for details on the case of Zambia). A few HIPC countries have reached agreements with some commercial creditors through out-of-court settlements (Guyana, Sierra Leone, and Uganda). In addition, the HIPC authorities reported the presence of international commercial arbitration proceedings involving four HIPC countries (Cameroon, the Democratic Republic of the Congo, Republic of Congo, and São Tomé and Príncipe). In the case of the Republic of Congo, creditors have obtained at least five court judgments against the country and are seeking to enforce them in multiple jurisdictions. Five lawsuits (against Cameroon, Honduras, Sierra Leone, and Uganda) are still pending.

Box 5. Litigation Against HIPCs: Donegal versus Zambia

In 1979, Romania extended a US\$15 million credit facility to Zambia for purchasing agricultural machinery. Zambia defaulted and fell into arrears in 1981. Subsequent efforts to reschedule this debt under Paris Club terms failed. In 1999, Donegal offered to buy the debt from Romania. After lengthy negotiations and, notwithstanding Zambia's slightly higher offer, Romania sold the debt to Donegal for US\$3.2 million (on a claim with a face value of US\$30 million). Following the debt assignment to Donegal, and in controversial circumstances, Zambia acknowledged the validity of Donegal's claims.

Donegal tried to convert the claim into investments in Zambia. After three years of unsuccessful negotiations, Donegal commenced litigation in the British Virgin Islands seeking compensation of US\$42 million. A settlement agreement was reached in return for Donegal discontinuing the British Virgin Islands legal proceedings, and Zambia agreed to repay US\$14 million over a three-year period. The settlement agreement, governed by English law and including a waiver of sovereign immunity, stipulated that if Zambia defaulted on its obligations, Zambia would pay the original debt plus interest. Zambia fell into arrears in 2004, upon which Donegal commenced litigation in England seeking US\$55 million. In February 2007, the English High Court ruled in favor of Donegal, but accepted one of Zambia's defenses that the stipulated interest rate under the settlement agreement was an illegal penalty. The end-result was a reduction of Donegal's claim to US\$15.4 million.

44. **Lengthy court proceedings may impose severe burdens on budgets and institutional resources of HIPCs.** When lawsuits are filed in overseas courts, most HIPCs have secured the services of legal firms and financial advisors established in France, the United Kingdom, and the United States. For cases filed in local courts, HIPCs have relied on their own public counselors/lawyers.⁴⁷

⁴⁷ Staffs included questions on litigation costs in the 2007 survey, but not enough responses were provided to make a reliable estimate of legal costs.

45. **Low participation of commercial creditors may delay the release of IMF interim debt relief.**⁴⁸ As of end-June 2007, the IMF had not yet received sufficient assurances of creditor participation to start disbursing interim debt relief to the Republic of Congo, which reached its decision point in April 2006. In addition, some pre-decision-point HIPC that have significant debt to commercial creditors (such as Côte d'Ivoire or Liberia) may find it difficult to meet the current threshold of creditor participation required to access IMF interim debt relief. The low participation of commercial creditors could ultimately jeopardize HIPC Initiative debt relief at completion point and MDRI assistance, in cases where the required threshold could not be met.

46. **Finally, commercial creditor litigation raises concerns of inequitable treatment.** The HIPC Initiative's goal of proportional burden-sharing among creditors is undermined when commercial debt is paid back on more favorable terms than for most bilateral and multilateral creditors. It also prevents HIPCs from using resources freed by debt relief for the initially intended purposes.

47. **To address the above concerns, the international community has stepped up its efforts to discourage litigation against HIPCs.** The G-8 Finance Ministers agreed in May 2007 to work together to identify measures to deal with litigations against HIPCs.⁴⁹ Paris Club creditors confirmed their commitment not to sell their claims on HIPCs to creditors who do not intend to provide debt relief under the HIPC Initiative. In addition, these creditors have committed to intensify their work on litigation issues with a view to identifying concrete measures to tackle this problem.⁵⁰ The provision of technical and legal support is being stepped up from different sources. In September 2006, the Commonwealth Secretariat established a HIPC Legal Clinic to raise awareness on the risks and implications of litigation. AfDB is exploring the possibility of establishing a technical assistance facility on legal issues for HIPCs. IDA and the IMF have also taken steps to encourage broader and more equitable participation by all creditors in the HIPC Initiative (Box 6).

48. **Staffs could intensify their efforts to support HIPCs by providing contextual notes on HIPC Initiative issues at the request of the HIPC authorities (whether in the context of litigation or otherwise).** Consistent with IMF's and World Bank's requirement to operate with neutrality, these contextual notes would not take sides in any dispute but would provide factual information about the international characteristics of the HIPC Initiative, the delivery of debt relief by multilaterals and Paris Club creditors, the purpose and the relevance

⁴⁸ IMF delivers interim assistance when financing assurances are obtained from creditors representing at least 70 percent of HIPC-eligible debt. For a country to reach completion point, financing assurances from creditors representing at least 80 percent of HIPC-eligible debt are required.

⁴⁹ Pre-Summit Statement of the G8 Finance Ministers; May 19, 2007.

⁵⁰ Paris Club Press Release on the Threats Posed by Some Litigating Creditors to Heavily Indebted Poor Countries; May 22, 2007.

of delivering debt relief, the importance of broad and equitable creditor participation to ensure reaching HIPC Initiative's debt sustainability and poverty reduction goals, and the macroeconomic situation of the country. The HIPC authorities may use these notes for any purpose they deem appropriate, including to provide information to creditors or courts on HIPC issues.

Box 6. Encouraging the Participation of Commercial Creditors in the HIPC Initiative

The World Bank and the IMF are taking steps to encourage the participation of commercial creditors in the HIPC Initiative. The Boards have encouraged staffs to use moral suasion to promote participation of commercial creditors in the HIPC Initiative while maintaining neutrality in disputes.^{1/} The IMF Articles of Agreement and Board policies require that the IMF operates with neutrality and impartiality in disputes among members and in disputes of members with other creditors.^{2/} The two institutions have played a role in catalyzing private creditors' provision of debt relief to HIPCs through their actions on several levels, specifically

- Staffs have encouraged countries to act swiftly in negotiating debt-restructuring agreements with commercial creditors, following current policies on good faith negotiations.^{3/}
- The World Bank's Debt Reduction Facility for IDA-only countries is being used to help HIPCs buy back their external debt from commercial creditors at deep discount.
- Staffs have tracked and released data on lawsuits, litigations, and settlements/awards against HIPCs in its annual progress report on the implementation of the HIPC Initiative and the MDRI.
- Staffs have made consistent efforts to raise public awareness of the issues and costs involved in lawsuits against HIPCs, including through extending their contacts with NGOs.

^{1/} "Enhanced HIPC Initiative—Status of Implementation," September 2002, IDA (IDA/SecM2002-0467), and IMF (SM/02/94, September 6, 2002) Annex III. "Enhanced HIPC Initiative—Creditor Participation Issues", March 2003, IDA/SecM2003-0092 and SM/03/82 (March 11, 2003).

^{2/} "The Role of IMF in the Settlement of Disputes Between Members Relating to External Financial Obligations" (EBM/84/99, June 22, 1984), and Minutes of the Board discussion.

^{3/} "Fund Policy on Lending into Arrears to Private Creditors-Further Considerations" (EBM/99/64, June 14, 1999).

IV. ISSUES FOR DISCUSSION

1. Do Directors support the staffs' proposed action to encourage official bilateral creditors to participate in the HIPC Initiative (namely, "scorecard" identifying the debt relief granted by each bilateral creditor)?
2. Do Directors support the preparation of factual contextual notes on HIPC Initiative issues at the request of the authorities in support of HIPCs? Do Directors have further suggestions on actions to encourage the participation of commercial creditors in the HIPC Initiative, while taking into account the voluntary nature of the HIPC Initiative?

**Annex I. Enhanced HIPC Initiative: Implementation Status by Country
(As of end-July 2007)**

A. Pre-Decision-Point Countries

Central African Republic

Recent Political Developments: Since the May 2005 elections, the political situation has generally been peaceful, and the security situation is improving due to military support from France and a peace accord signed with rebels in April 2007. Tensions, however, remain partly due to the tight fiscal situation (wage arrears). Banditry continues to adversely affect economic activity through its impact on the agricultural sector and trade in the important economic corridor with Cameroon. Instability in neighboring countries (Chad and Sudan) remains a source of border insecurity.

PRSP Status: A progress status report on the PRSP process was presented to the Boards of IDA and IMF in November 2006. The PRSP is scheduled to be completed by end-2007. The World Bank and the United Nations Development Program have been providing technical assistance to support the preparation of the PRSP.

IMF-Supported Program and Macroeconomic Status: Upon completing an EPCA-supported program in 2006, a three-year PRGF-supported program covering 2007-09 was approved in December 2006. The first formal review is scheduled for August 2007. The economy is recovering with real GDP growth reaching 3.8 percent in 2006, supported by an expansion in forestry and mining (primarily diamond industry), private investment in telecommunications, and foreign-financed public investment. Average inflation increased to 6.7 percent during 2006, mainly due to the increase in world oil prices and domestic food prices in light of insecurity in rural areas. The external current account deficit improved slightly in 2006 to 2.1 percent of GDP. The government's overall fiscal objectives were achieved during 2006 as both revenue performance and expenditure control improved. The primary fiscal balance moved from a deficit of 3.5 percent of GDP in 2005 to a surplus of 0.4 percent of GDP in 2006, which is in line with the budget. The Paris Club agreed in April 2007 to debt rescheduling on Naples terms and to a moratorium on all debt service for the duration of the PRGF-supported program.

Decision Point: A preliminary HIPC document was approved by IDA and IMF Boards in March 2007. The decision point document is scheduled to be presented to the Boards in the third quarter of 2007.

Comoros

Recent Political Developments: The political situation has deteriorated sharply. Inter-island cooperation has broken down following the “unofficial” reelection of the Anjouanese president in a June 2007 ballot not recognized by the Union Government and the international community. Efforts led by the African Union are underway to resolve the political impasse.

PRSP Status: An I-PRSP has been presented to the Boards of IDA and IMF alongside a JSAN in May 2006. The new administration has endorsed the I-PRSP. As noted in the JSAN, the I-PRSP and related action plan are more comprehensive than is usually expected, and they contain most of the material required for a full PRSP. Going forward, it will be important to translate the strategy into near-term specific priority actions that are consistent with implementation capacities and the anticipated financial resources. This will require some further prioritization among sectors. The staffs also believe that more work will be required in addressing implementation risks and strengthening monitoring systems. The full PRSP is not likely to be completed before the end of 2007.

IMF-Supported Program and Macroeconomic Status: Comoros had an SMP in place from the beginning of 2005 to end-2006. In March 2007, an IMF staff mission reviewed end-2006 performance under the SMP and concluded agreement on a program that could be supported under the PRGF. The PRGF request, initially scheduled for Board consideration in July 2007, was put on hold until the restoration of inter-island cooperation. If the political situation stabilizes, staff will visit Comoros with a view to reviving the PRGF. Required financing assurances for the PRGF have been lined up following the AfDB’s approval of an arrears clearance operation under its Post Conflict Country Facility. The implementation, however, will only be confirmed in a donor conference to be scheduled once the political crisis is resolved.

Decision Point: If the Executive Board approves PRGF-supported program for Comoros by end-2007, the decision point could be reached in the second half of 2008.

Côte d’Ivoire

Recent Political Developments: After four years of failed attempts, a peace accord was signed on March 4, 2007 in Ouagadougou by President Gbagbo and Mr. Soro, the former rebel leader. The Ouagadougou peace accords led to a new transition government representing all key political groups, and a homegrown roadmap to reunification and elections. Mr. Soro was appointed a Prime Minister. The implementation of the roadmap has so far been steady, albeit somewhat slow reflecting extensive consultations. The redeployment of civil service in the whole territory of Côte d’Ivoire has begun, and

disarmament, demobilization, and reintegration have officially started with a peace ceremony in late July. The roadmap foresees presidential elections in February 2008.

PRSP Status: An I-PRSP was endorsed in March 2002, but the conflict delayed the completion of the full PRSP. Since May 2005, there has been a new institutional framework in place for managing the PRS process. A full PRSP is expected to be prepared in 2008.

IMF-Supported Program and Macroeconomic Status: The last PRGF arrangement approved in March 2002 went off track later that year due to a crisis. An EPCA was approved in August 2007. Satisfactory policy implementation under the EPCA could become a bridge to a new PRGF-supported program. In 2007, real GDP growth is projected to increase to 1.7 percent (from 1 percent in 2006) provided reunification and the return of confidence, notably in industry, continues to be supported by favorable export prices. A further pick up in growth, supported by stronger oil/gas production is expected for 2008. The fiscal situation in 2006 remained difficult due to expenditure overruns. In particular, sovereignty expenditures were financed by accumulation of external arrears. Social and reunification spending has increased in the 2007 budget, while subsidies for the electricity sector and low-priority project allocations have declined. Revenue measures include higher taxes for petroleum products, and improved tax administration following the deployment of the tax régies in the country.

Decision Point: The decision point is expected to be reached in mid-2008.

Eritrea

Recent Political Developments: Since independence in 1993, Eritrea has been ruled by President Isaias Afwerki and the People's Front for Democracy and Justice. Eritrea has forged closer economic and political ties with China in recent years. Relations with neighboring Sudan have improved, leading to resumption of full diplomatic relations and a re-opening of the border. Eritrea continues to be in a state of mobilization over the border demarcation dispute with Ethiopia, lingering from 2000.

PRSP Status: An I-PRSP was drafted in June 2003, but it was neither finalized nor presented to IMF and IDA Boards. PRSP discussions have not resumed with the Fund and the Bank.

IMF-Supported Program and Macroeconomic Status: The government had expressed an interest in an SMP in the context of the 2005 Article IV consultation, but discussions on an SMP during a mission in June 2006 have not been concluded. IMF staff will probe the government's intentions again during the upcoming 2007 Article IV mission. The macroeconomic situation is characterized by stagnant economic activity. High fiscal deficits are fuelling double-digit inflation and are resulting in an unsustainable debt burden. The

external balance is maintained through heavy reliance on private transfers and controls over the use of foreign exchange.

Decision Point: The date of the decision point is undetermined.

Kyrgyz Republic

Recent Political Developments: Following mass demonstrations in November 2006 the constitution was amended to reduce the powers of the president. Most changes were then reversed at the end of December and the Prime Minister resigned. In March 2007, the Prime Minister was replaced by an opposition leader, but most of the cabinet remained in place. Political tensions have subsided after a series of demonstrations in April 2007 which called for early presidential elections and strengthening of the Prime Minister's and the parliament's powers at the expense of the President. The focus of the debate has now shifted to a further constitutional reform.

PRSP Status: A full PRSP was completed and endorsed by the Boards in February 2003. The second APR and accompanying JSAN were sent to the Boards in April 2006. The authorities have updated the PRSP (renamed Country Development Strategy, CDS) extending the poverty reduction strategy to 2010. The CDS and accompanying JSAN were issued to Boards of IMF and IDA in April 2007.

IMF-Supported Program and Macroeconomic Status: A PRGF-supported program was approved by the Executive Board in February 2005. The program remains on track, and the fourth review was completed in June 2007. The staff expects the authorities to continue adhering to the program, which expires in mid-March 2008. The fifth review is scheduled for Board consideration in late 2007. Real GDP growth is projected at 6.5 percent and inflation at 5 percent in 2007.

Decision Point: A preliminary HIPC decision point paper was presented to the Boards in October 2006, and a decision point paper was prepared for presentation to the Boards in March 2007. It was, however, withdrawn following the Kyrgyz government's request not to avail itself of HIPC/MDRI debt relief after strong pressures from the parliament and the civil society.⁵¹ At present, preliminary data suggest that the Kyrgyz Republic's indebtedness ratios at end-2006 are estimated to be below the applicable HIPC Initiative thresholds, and thus, the country would not qualify for debt relief under the HIPC Initiative.

⁵¹ More recently, the IMF and Bank managements explained to the authorities that Kyrgyz Republic would not qualify for debt relief under MDRI either on the basis of the income per capita criterion (Kyrgyz' per capita income of \$542 exceeds the threshold for debt relief by the IMF), or on the basis of reaching completion-point under the HIPC Initiative (a condition for debt relief under MDRI by IDA, AfDF, and IMF).

Liberia

Recent Political Developments: Boosted by the continued presence of around 15,000 United Nations Mission in Liberia (UNMIL) troops, peace and stability has been maintained in Liberia since August 2003 allowing for free and fair elections in late 2005. UNMIL's mandate was extended by 6 months on March 30, 2007, with the Security Council calling for a detailed draw-down plan. A primary objective of the government is to prepare local security forces to assume responsibility for maintaining law and order, and peace. A strained relationship between the executive branch of the government and the opposition-led legislature was partly responsible for late passage of the 2007/08 budget (by one month), and inability of the executive branch to secure legislative approval for other key public financial management reforms. The president will continue to rely on the cooperation of other political parties to maintain good progress in its economic reform program.

PRSP Status: The government finalized an I-PRSP in January 2007 for the period July 2006-June 2008. The I-PRSP was circulated to the Boards in February, and a JSAN was presented in May 2007. The poverty reduction strategy rests on four pillars: (i) enhancing national security; (ii) revitalizing the economy; (iii) strengthening governance and the rule of law; and (iv) rehabilitating infrastructure and delivering basic services. At the February 2007 Liberia Partners Forum, participants endorsed the developmental priorities identified in the I-PRSP. Finalization of a full PRSP for the period 2008-12 is expected in mid-2008.

IMF-Supported Program and Macroeconomic Status: Liberia has been implementing staff monitored programs (SMPs) since February 2006. The current SMP was discussed by the Executive Board in February 2007, at which time Directors agreed with the staff's assessment that the policies under the SMP met the standards for an upper-credit-tranche (UCT) arrangement, apart from program financing assurances. Performance to date under the SMPs has been broadly satisfactory. Real GDP is estimated to have grown about 8 percent in 2006, compared to about 5 percent in 2005, and is projected to grow 9.4 percent in 2007. Anchored by a broadly stable exchange rate, inflation is projected to be in single digits by end-2007. The current account balance is estimated to have widened substantially in 2006 mainly because of higher donor-funding and food imports. It is expected to contract slightly in 2007 with the pick up of exports. In addition, the authorities are eager to make progress in clearing Liberia's arrears to multilateral institutions, which would be possible by mobilizing the necessary financing from a group of bilateral contributors.

Decision Point: The decision point could be reached in the last quarter of 2007. This is, however, subject to (i) key multilateral creditors securing the financial resources needed to provide their respective shares of debt relief for Liberia, and (ii) continued satisfactory performance on the SMP.

Nepal

Recent Political Developments: The political situation remains vulnerable despite the signing of a "Comprehensive Peace Accord" (CPA) between the government and the Maoists in November 2006. Of the four steps outlined in the CPA leading up to constituent assembly elections and durable peace, three have been completed. A new "interim government", which includes the Maoist party, was formed in April 2007. The constituent assembly elections originally planned for June, however, have been postponed to November 2007, and new dates have not been announced. Meanwhile, disturbances continue as the Maoists push for the declaration of a republic (without elections) and other interest groups stall proceedings of the parliament with their own demands. There are also fears that violent clashes in the southern belt, the Tarai, could derail the peace process if not handled appropriately.

PRSP Status: A full PRSP was completed and presented to the Boards of IMF and IDA in November 2003. The PRS has been incorporated into the government's five-year plan and implemented since then. The JSAN of the third PRSP Progress Report was circulated to the Board in December 2006. The authorities have recently completed and circulated a PRSP Progress report for 2005/06. Because the current five-year plan expired in July 2007, an interim plan is being developed by the transitional government for the next three years.

IMF-Supported Program and Macroeconomic Status: A PRGF-supported arrangement is set to expire in November 2007. The fourth program review was completed in June 2007. The current PRGF-supported program is on track and, beyond the program period, the authorities have expressed interest in a successor arrangement. The macroeconomic situation has stabilized. Real GDP growth is projected to rise to 4-4.5 percent in 2007/08 from 2.5 percent in 2006/07 supported by tourism, transportation, and services. Private investment remains sluggish given the unfavorable business climate, labor demands and power shortages. In 2006/07, underlying inflation was 6.5 percent and roughly in line with the developments in India. Private remittances have been robust, and international reserves rose from US\$1.8 billion at end 2005/06 to US\$2.5 billion in 2006/07.

Decision Point: The expected decision point is uncertain. The Nepalese authorities have not yet made a decision regarding their participation in the HIPC Initiative. Based on recent data and the results of the updated DSA, Nepal remains eligible for the HIPC Initiative.

Somalia

Recent Political Developments: The political and security situation in Somalia remains fragile. Fighting between the Ethiopian-backed government and the Union of Islamic Courts (UIC) continues. The viability of the Transitional Federal Government (TFG), which was formed in 2004, remains uncertain as its legitimacy is continuously being challenged by

warring clans. A national reconciliation conference—proposed by the international community and endorsed by the president of the TGF—has been postponed several times.

PRSP Status: There is no PRSP process in place in Somalia. Given the lack of a fully functional national authority and continued domestic conflict, Somalia is not expected to proceed with the preparation of a PRSP in the near term.

IMF-Supported Program and Macroeconomic Status: Somalia has not had an IMF-supported arrangement since 1987, and current prospects for an arrangement are minimal. Fund reengagement with Somalia depends on progress in the peace process, including the formation of an internationally recognized government, and reaching an agreement on clearance of overdue obligations to IMF. In addition, Somalia would need to demonstrate sufficient capacity and improvement in its data reporting to qualify for a formal IMF-supported program.

Decision Point: The date of the decision point is undetermined.

Sudan

Recent Political Developments: A Comprehensive Peace Agreement was signed in January 2005, including the establishment of the Government of National Unity and the Government of Southern Sudan. While important commitments were met over the past year of Comprehensive Peace Agreement implementation, overall progress has been below expectations. Darfur remains Sudan's single most difficult political issue. Recent developments, however, suggest room for some guarded optimism. Sudanese negotiators agreed on June 2007 in Addis Ababa to the deployment of the UN/African Union hybrid force in Darfur. There remains a significant risk that this achievement will be short-lived if it is not followed by domestic and international political dialogue to address the root causes of the Darfur crisis.

PRSP Status: The government prepared a draft I-PRSP in 2004. In February 2007, the Government of National Unity developed a workplan to go directly to preparation of a national PRSP (i.e., without preparation of a formal I-PRSP). This workplan was finalized, and a Government of National Unity's request for funding is reportedly nearing approval. Government of National Unity is also preparing a five-year strategic plan in consultation with Government of Southern Sudan. In a draft circulated in June 2007, the plan aims to provide a framework for focusing and coordinating peace and development efforts over the next five years, building on the Joint Assessment Mission. The timing of the completion of a PRSP is uncertain.

IMF-Supported Program and Macroeconomic Status: Sudan has had a string of SMPs since the late 1990s. A mid-year review of the 2006 SMP was presented to the IMF Board in

November 2006. Sudan's performance deteriorated in the second half of 2006 and early 2007, reflecting mainly fiscal policy slippages, and lower than expected oil production and prices. As a result, Sudan's external current account deficit worsened, contributing to a significant loss in net international reserves of the central bank. The Sudanese authorities have recently agreed on a new 18-month SMP which is expected to be discussed by the Board in September 2007.

Decision Point: The timing of HIPC decision point is uncertain, given the need for arrears clearance and the establishment of a policy track record.

Togo

Recent Political Developments: A government of national unity took office in late August 2006, following a successful dialogue between opposition parties and the government. The parliamentary elections are expected to be held in October 2007. Free and transparent elections are seen as critical for ending the long-lasting socio-political crisis and the resumption of donor support.

PRSP Status: An I-PRSP was approved by the Council of Ministers in November 2004 but has not been submitted to the Boards of IDA and IMF. The government is updating the document and expects to present it to the Boards by the end of 2007. A PRSP could be available at the beginning of 2009.

IMF-Supported Program and Macroeconomic Status: The 1994 ESAF-supported program went off track in 1998, and Togo has not had an IMF arrangement since then. Following progress on governance-related structural reforms, Togo started a nine-month SMP, covering the period October 2006-June 2007. All SMP targets through end-February 2007 were met, but program risks are high in the run-up to the elections. Successful performance under the SMP could pave the way for a PRGF agreement, but Togo would first have to reach understanding on external arrears clearance. Following a spike in 2005, inflation returned to the low single digits in 2006. Fiscal policy implementation improved significantly in the second half of 2006. Continued progress on political reforms and the reduction of energy shortages is expected to help economic recovery continue in 2007 (growth is projected at around 3 percent in 2007).

Decision Point: Togo is expected to reach the decision point by end-2008. This would require establishing a policy track record under a PRGF-supported arrangement.

B. Interim Countries

Afghanistan

PRSP Status: The Interim PRSP (the Interim Afghanistan National Development Strategy) was approved by the cabinet, and presented at a donor conference in London, in January 2006. It was discussed by the Boards of IDA and IMF in May and June 2006, together with the JSAN. Preparations toward full PRSP are progressing well and the authorities intend to finalize it by early-to-mid-2008. Progress was reported to donors at the Afghanistan Development Forum in late April 2007.

IMF-Supported Program and Macroeconomic Status: On June 26, 2006, the IMF Board approved Afghanistan's PRGF-supported program. The program is on track, and the second review was completed in July 2007. Macroeconomic performance during the 2006/07 fiscal year conformed broadly with the objectives of the program. Economic growth has been sustained, albeit at a lower rate than in recent years, inflation subsided, and fiscal and monetary developments remained favorable. The current arrangement expires in June 2009; Afghanistan can either request an extension of the arrangement or an SMP.

Completion Point: Afghanistan could reach the completion point by mid-2009.

Status of Completion Point Triggers: Progress has been made in preparing the PRSP, but further efforts will be required to cost, prioritize, and integrate the strategy into the budget before the Afghanistan National Development Strategy is completed. In this regard, steps are underway to strengthen the Medium-Term Expenditure Framework and improve budgetary alignment in time for the 2008/09 budget. The government has also taken steps to improve budget presentation and reporting. These steps include submission to the parliament of the audit report for 2005/06 budget, plans to conduct an audit of the 2006/07 budget, and the introduction of program budgeting, on a pilot basis, in the Ministry's of Education. The government is also working towards strengthening the tracking and reporting of the external debt data, and may commence producing quarterly debt reports later this year. The government has placed high priority on implementing its Public Administration Reform Strategy and, as part of this strategy, the implementation of pay and grading reform is due to start this year.

Burundi

PRSP Status: Burundi's first full PRSP was published in September 2006. A JSAN was prepared and discussed by the Boards of IDA and IMF, along with the PRSP in March 2007. The full PRSP benefited from broad and inclusive consultations from all stakeholders at national, provincial and communal levels. Following the sharp deterioration of social indicators over the past decade, Burundi seems to have made some progress since the return

to peace, although its social indicators remain among the weakest in sub-Saharan Africa. The government's priorities in the strategy of reducing poverty are: (i) improving governance and security; (ii) achieving equitable and sustainable growth; (iii) developing human capital by improving the quality of social services; and (iv) reinforcing the fight against HIV/AIDS.

IMF-Supported Program and Macroeconomic Status: Burundi has had a satisfactory track record under the programs supported by EPCA (2002-03) and under the PRGF (2004-07). The PRGF-supported program for 2004-07 remains on track, although structural reforms, including privatization of coffee sector, have been delayed. The fifth review under the PRGF-supported program was completed in March 2007. Macroeconomic developments in 2006 were in line with the program. Growth reached 5.1 percent on the account of a strong recovery in agriculture, notably the coffee sector, and inflation remained in single-digits at 9.1 percent. Growth in 2007 is expected to be sustained, albeit at a lower rate (about 4 percent), due to an expected contraction of coffee production, and inflation is expected to be further reduced to 5.5 percent. Tax revenue has been consistent with projections under IMF program. The primary fiscal deficit is expected to be below IMF-supported program projections (5.7 percent of GDP versus 8.9 percent targeted) due to cuts in budgeted expenditures.

Completion Point: Burundi could reach the completion point in early 2008.

Status of Completion Point Triggers: The budget classification adopted in 2005 made it possible to identify pro-poor expenditures, the share of which has increased markedly. In particular, budgetary allocations for priority spending targeting pro-poor activities and projects have increased from 33.6 percent of total expenditure in 2005 to 35.5 percent in the 2006 revised budget law. Public spending on education has increased significantly from 4.6 percent of GDP in 2005 to more than 6 percent in 2006 due to the recruitment of 6,500 additional teachers and the construction of new classrooms (capital expenditures were financed with HIPC resources). The elimination of primary schools fees in September 2005 contributed to the increase in primary school enrollment rate from an estimated 80 percent in 2003/04 to almost 100 percent in 2005/06 (96.7 percent for girls). The Public Expenditure Tracking survey (PETS) scheduled this year in education, health, and justice sectors is expected to motivate further improvements in service delivery. Although more effort is needed to make national health policy fully operational, in 2006 progress has been made. Recent reports from the World Health Organization (WHO) indicate that measles vaccination coverage rate has increased from 78 percent in 2004 to 92 percent in 2006. During the same period, DTC-Hib-Hep3 coverage increased from 83 percent to 92 percent, while Polio3 coverage increased from 76 percent to 88 percent. Little progress, however, has been achieved so far on debt management.

Chad

PRSP Status: The PRSP was completed in June 2003 and discussed by the Boards of IDA and IMF in November 2003. The first APR was circulated to the Boards in June 2005. The government finalized the second APR in December 2005, and the report was officially submitted to IDA and IMF in March 2007. In 2006, work started on a new PRSP, which is expected to be ready by October 2007.

IMF-Supported Program and Macroeconomic Status: The latest PRGF-supported arrangement approved in 2005 is off track. As of July 2007, the first and the second reviews had yet to take place due to poor overall performance under the program (fiscal slippages) and the break in relations with the World Bank over Chad's unilateral changes to the revenue management arrangement agreed as part of the World Bank financing for the Chad-Cameroon pipeline. Relations with the World Bank have been restored on the basis of an interim agreement, while a new comprehensive oil revenue management strategy is under preparation. The execution of the 2007 budget agreed with IMF is expected to pave the way for the completion of the first and the second reviews under the PRGF arrangement. In the first few months of 2007, however, expenditure commitments have been incompatible with the agreed budget.

Completion Point: Chad could reach the completion point by mid-2008 at the earliest.

Status of Completion Point Triggers: The triggers on basic infrastructure, rural development, water access, health and education have been met. The health-related triggers have largely been met, and significant progress has been made on the trigger related to HIV/AIDS and sexually transmitted diseases. Some progress has been made in the education area on reducing the repetition rate. Progress has also been made in the governance area: the Public Expenditure Tracking Survey has been undertaken, the procurement code was adopted in 2003, and the implementation of the Governance Strategy and Action Plan adopted in 2002 is underway. However, work remains to be done to complete the governance triggers including on strengthening the implementation of the computerized expenditure circuit.

Republic of Congo

PRSP Status: A draft PRSP was submitted to the Fund in February 2007. The staffs have provided comments to the authorities in May 2007. The government expects to complete the full PRSP by end-December 2007. A JSAN for the I-PRSP was approved by the Boards in December 2004.

IMF-Supported Program and Macroeconomic Status: A three-year PRGF-supported program was approved in December 2004. The first and second reviews were completed in

August 2005, and July 2006, respectively. The third review could not be completed in October 2006 because of significant fiscal slippages and the nonobservance of most structural benchmarks. In May 2007, the staff and the authorities reached understandings *ad referendum* on a six-month SMP that could lead to a resumption of discussions on a PRGF-supported arrangement by end-2007. Prospects for growth in 2007 appear weaker than in recent years (around 3.7 percent), reflecting the expected temporary decline in oil output. The non-oil fiscal deficit is expected to be reduced by 10 percentage points to 42 percent of non-oil GDP in 2007. Structural and governance reforms will mainly cover improvements in public financial management, a strengthening of transparency in the oil sector, and further governance reforms.

Completion Point: The expected completion point date is end-2009 at the earliest.

Status of Completion Point Triggers: A progress report for the HIPC implementation was presented to the Boards of IDA and IMF in April and May 2007, respectively. Following understandings with the authorities on an action plan for HIPC implementation in August 2006, progress has been mixed. Progress has been made in finalizing a draft PRSP, reforming the forestry sector, and adopting a comprehensive public financial management action plan. The poverty diagnosis has improved. However, weaknesses in the public investment management system raise questions on the quality of public investment. Although all technical preparatory work has been completed (with technical assistance from IMF), the functional budget classification, consistent with IMF GFS 2001 is expected to become fully effective only in January 2008. Progress in setting up an institutional framework to fight corruption is being made, even if slower than expected. Parliament adopted, in June 2007, a law creating the Anti-Corruption Observatory, an independent monitoring and oversight institution with mixed representation of state institutions and civil society organizations. In the education sector, progress has been made on identifying ghost workers, although no final decision on the process for their elimination has been taken. The recruitment of 1,000 teachers at the primary education level in 2006 has been partially met. An independent purchasing authority has been created to manage the purchase and distribution of basic pharmaceuticals for the public sector. In 2007, it took over the budget allocation for basic medicines for the public sector. The implementation of this provision is expected to enhance transparency and traceability of public expenditure on pharmaceuticals and make progress towards meeting the completion point trigger. To date, 17 centers for voluntary AIDS counseling and testing are being established, of which 10 are operational. With the planned decentralization of services to the regions, this trigger should easily be met. The external debt management trigger has not yet been fully met, though progress is being made. Quarterly debt data are available at the government's debt management agency and are posted on the government website. The government's debt management capacity has improved over the last two years. However, the government has not yet provided the necessary evidence that would allow staffs to verify that the HIPC trigger is fully met.

Democratic Republic of the Congo

PRSP Status: A JSA of the I-PRSP was sent to the Board of IDA in June 2004. A full PRSP was completed, officially adopted and formally transmitted to development partners in July 2006. In March 2007, the new duly-elected government endorsed the PRSP. The PRSP was presented to the IMF Board in April 2007. The JSAN and the PRSP were discussed at an IDA Board meeting in May 2007. The Fund Board will have an opportunity to discuss the JSAN in September 2007 alongside with the Article IV consultation.

IMF-Supported Program and Macroeconomic Status: The PRGF-supported arrangement, approved by the Board in July 2002, expired in March 2006, prior to the completion of the last review due to fiscal slippages and delays in implementing structural reforms. Subsequently, an SMP covering the period April-December 2006 was agreed on. However as a result of weak performance under the 2006 SMP, mainly due to fiscal slippages in the second half of the year, a new SMP was agreed for 2007. Strong performance under the 2007 SMP would pave the way for a successor PRGF-supported program. In 2007, growth is expected to reach 6.5 percent.

Completion Point: The Democratic Republic of the Congo is expected to reach the completion point in the first half of 2008.

Status of Completion Point Triggers: Some progress towards the adoption of satisfactory sectoral development strategies has been achieved. The Sector Country Status reports for Education (2004) and Health (2005) were completed. However, spending on education and health has remained well below the levels envisaged in the PRSP. An agricultural sector review was completed in May 2006. UNCTAD has financed the acquisition of new public debt management software (DMFAS). The progress towards strengthening the technical capacity of the public debt management agency should be complemented by improvements in the collaboration of various government bodies involved in the contracting and payment of public debt.

The Gambia

PRSP Status: The first PRSP covering 2002-05 was completed in April 2002 and presented to IDA and IMF Boards in July 2002. The second PRSP covering the period 2007-11 was completed in November 2006. The second PRSP and JSAN were issued to the Board of IDA in July 2007, and the IMF's Board presentation is expected in August 2007.

IMF-Supported Program and Macroeconomic Status: Following the successful implementation of an SMP during October 2005–March 2006, the Board approved a new three-year PRGF arrangement in February 2007. The first review is expected to be completed at end-August 2007. Macroeconomic performance has been good in the past few years, and

medium-term macroeconomic outlook is positive. Growth is projected to reach 7 percent in 2007, led by strong performance in construction, telecommunications, and tourism. Inflation has been at low single-digit levels since early 2006 and is expected to remain low (at about 5 percent in 2007) despite an upsurge earlier this year following an increase in the international prices of some key imported commodities.

Completion Point: The Gambia could reach the completion point by end-2007.

Status of Completion Point Triggers: All the triggers except one on privatization of public processing plants in the groundnut sector have been met. The staff of the World Bank has endorsed the government's new comprehensive framework for revitalizing the groundnut sector, which includes measures to open all aspects of operations to the private sector and a greater role for an independent stakeholder body for setting producer prices. The authorities hope their new approach will provide sufficient basis for the Boards of IDA and IMF to waive the condition requiring privatization of the public assets.

Guinea-Bissau

PRSP Status: A full PRSP, together with the first JSAN, was issued to the Board of IMF in April 2007 for information, and presented at the Board of IDA in May 2007.

IMF-Supported Program and Macroeconomic Status: The PRGF-supported program went off-track immediately after its inception at the end of 2000, reflecting fiscal policy slippages. Since then, the government engaged in successive SMPs. The latest SMP expired in December 2006. IMF reviewed the developments under the 2006 SMP in July 2006 and the performance was evaluated as mixed. The SMP could be followed by an EPCA-supported program in the third quarter of 2007 (covering 2007-09) and eventually by a PRGF-supported arrangement (covering 2009-12). The fiscal situation remains difficult, and sufficient donor support must be secured to fill the financing gap for 2007 before post-conflict assistance can begin.

Completion Point: The completion point could be reached by end-2009, but could be delayed until 2010 as the build-up of administrative capacity (under EPCA) necessary to implement a PRGF may take more than two years.

Status of Completion Point Triggers: Progress is being made in public finance management. A Treasury Committee, which is in charge of controlling revenue collection and ensuring that expenditure commitments are consistent with financial resources, has been operating since 2003, although with certain irregularities during 2006. However, the parliament still lacks the capacity to control the budget process effectively. A modern public procurement system was introduced in five pilot ministries (education, health, agriculture, infrastructure and finance) in 2002. The government is in the process of upgrading the

system and expanding it to five additional ministries to include defense and fisheries. School fees in the primary sector have been eliminated, which has allowed for an increase in the gross enrollment rate above the 61 percent target. In the health sector, the 40 percent target for the proportion of children fully vaccinated per year was exceeded largely owing to donor assistance. A malaria action plan has been operational since 2002; the strategic framework for the fight against HIV/AIDS was adopted, and the country benefited from MAP assistance in 2004.

Guinea

PRSP Status: The first PRSP was presented to the Boards in July 2002. The JSAN commenting on the third APR was sent to the Boards for information in July 2007. The authorities are finalizing a new PRSP, which could be presented to the Boards of IMF and IDA in the last quarter of 2007.

IMF-Supported Program and Macroeconomic Status: The PRGF arrangement approved in May 2001 went off track in December 2002 and expired in May 2004. Subsequent efforts to start a new program, including through the implementation of an SMP covering April 2005-March 2006, were unsuccessful. Negotiations on a new PRGF arrangement started again during the 2007 Article IV mission that visited Conakry in July 2007. Guinea macroeconomic performance in 2006 was weak, with real GDP growth of 2 percent, end-year inflation close to 40 percent, the depletion of official foreign reserves, and a strong depreciation of the exchange rate. Economic activity and public finances have been affected by a general strike organized by trade unions in early 2007. The government which was appointed in March 2007 has started to implement stabilization policies and broad-based governance reforms. Measures already taken have contributed to a rapid disinflation and an appreciation of the exchange rate, but the external position remains precarious as net international reserves continue to be virtually nil and the stock of external arrears significant.

Completion Point: If the PRGF-supported program is approved by end-2007, remains on track and the new PRSP satisfactorily implemented for one year, the completion point could be reached by end-2008.

Status of Completion Point Triggers: The regulatory framework for micro-credit institutions has been established. A new law covering microfinance was adopted in 2005, establishing a revised and adequate framework for micro-credit institutions. The government has revised the institutional set-up for governance and anti-corruption policies by creating a National Agency for the Fight against Corruption, replacing the previous Anti-Corruption Committee. The Agency has regularly made public progress reports on its resources and activities. The trigger requiring audits of all large government procurement contracts on a quarterly basis has not yet been met. A quarterly publication of audits has not been done by

the government since audits are not conducted quarterly. A comprehensive audit covering 2002-04 is still to be finalized. Progress has been made in meeting the triggers in the social sectors. The education sector triggers have been generally surpassed, especially with regard to improved gross enrollment ratios, including for girls. On health, the immunizations objectives were met early in the decade, but the success could not be maintained in the wake of weak macroeconomic policies and budget execution. A similar outcome applies to the second health indicator measuring consultations for pregnant women.

Haiti

PRSP Status: The authorities have completed the first draft of an I-PRSP. The I-PRSP, together with a JSAN, was issued to the Boards of IDA and IMF in November 2006. The authorities are drafting a full PRSP, which is expected by end-2007.

IMF-Supported Program and Macroeconomic Status: A PRGF-supported program was approved by the Board of IMF in November 2006. The first review of the PRGF-supported program was completed in July 2007. All quantitative performance criteria were met with large margins, and most structural performance criteria and benchmarks were fulfilled. The economy has gradually recovered from the shocks of 2004 (political turmoil and severe floods), and annual GDP growth is estimated to have increased to 2.3 percent in FY06 (from 1.8 percent in FY05 and a contraction of 3.5 percent in FY04). Inflation has declined, and net international reserves have increased. Authorities have strengthened fiscal and monetary discipline. Government spending has been constrained, and central bank financing of the deficit has been largely eliminated.

Completion Point: The expected completion point date is the last quarter of 2008.

Status of Completion Point Triggers: The authorities are on track with their PRGF-supported program, they are working on a full PRSP and there has been progress in all other triggers except the adoption of a public financing mechanism to help poor families pay for the costs of school fees in non-public schools. However, a Bank-supported program has recently been launched and is expected to help the authorities meet this trigger.

C. Post-Completion Point Countries

Benin

PRSP Status: The second PRSP was completed in April 2007 and presented to the Boards of IDA and IMF in June 2007. Despite some progress in sustaining positive per capita economic growth, maintaining macroeconomic stability and improving some social indicators, monetary poverty prevalence remains high as stated in the updated PRSP2. Preliminary data on the incidence of monetary poverty show an increase from 28.5 percent in 2002 to 36.8 percent in 2006, however the new data may not be comparable to the earlier series. An assessment based on “living conditions” points, however, to a modest improvement in non-monetary poverty indicators including with regard to maternal and child health, and to socio-communal investments. The authorities intend to reassess and clarify the conflicting developments in poverty prevalence indicators.

IMF-Supported Program and Macroeconomic Status: A PRGF-supported program was approved in August 2005. The second review of the program was completed in June 2007. Growth strengthened somewhat in 2006, after a slowdown in 2005. However, economic activity was weaker than expected under the PRGF-supported program, reflecting mostly lower than-anticipated cotton output. In 2007, real GDP growth is projected at slightly over 4 percent, the rate achieved in 2006. Downside risks to the economic outlook include electric power shortages and persistent weaknesses in the cotton sector. Fiscal policy has been conservative under the new government. Revenue collection has strengthened, while expenditures have been contained below targets, thus permitting the clearance of unpaid bills from the previous administration.

Public Financial Management: As a result of the reforms initiated in 1998, the budget coverage is more comprehensive, treasury general ledgers are produced regularly, the integrated financial information system is improving, and program budgeting is gradually taking hold in some line ministries. Progress has also been made in producing and reviewing sectoral budget performance reports. The use of exceptional procedures has been drastically limited by the new government. In September 2006, a decree was signed to organize the internal control framework. The Financial Inspection Department has been greatly strengthened. A draft procurement Code, complying with the West African Economic and Monetary Union’s (WAEMU) Directives on public procurement and delegation of public services, has been prepared by the National Regulatory Agency for Procurement and submitted to the Council of Ministers. The national debt committee, chaired by the Minister of Finance, has improved its debt management and reporting. However, numerous weaknesses remain and must be addressed. These include unrealistic budget forecasts; inadequate budget classification; insufficient appropriation of program budgeting by line ministries; lack of basic functionalities for the software used by the treasury and proper interface with the budget execution software, resulting in weak expenditure monitoring; inadequate accounting resources and untimely reconciliation of government accounts;

inaccurate accounts and treasury ledgers. An audit of Benin's public finance information systems is under preparation, on the basis of which a medium-term strategy for strengthening PFM will be developed. There are still delays in completing budget audit reports due to lack of resources and lack of independence in managing resources for the Chamber of Accounts from the Supreme Court.

Bolivia

PRSP Status: The latest formal PRSP prepared in June 2001 sets out poverty reduction policies and targets for the period through 2015. Its implementation has been uneven largely due to political uncertainty that lasted until end-2005. A new government that took power in early 2006 has put forward a National Development Plan that includes policies aimed to reduce poverty and income inequality. Although a formal national dialogue was not maintained to formulate the Plan, the government argued that a broad consultation process with "social movements" was implemented. After the first year of implementation, the government has reported positive developments in the areas of health and education. According to the last official report on the advances towards reaching the MDGs in Bolivia (UDAPE, November 2006), extreme poverty was reduced from 41.2 percent in 1996 to 38.2 percent in 2005. Malnutrition of children under 3 years decreased from 38.3 percent in 1989 to 24.2 percent in 2003.

IMF-Supported Program and Macroeconomic Status: Bolivia is in surveillance mode. The latest Stand-By Arrangement expired in March 2006 with the last review completed in October 2005. The new administration inherited a favorable macroeconomic situation prompted by favorable external conditions that boosted natural gas and mining exports and led to further accumulation of international reserves. While GDP growth has remained above 4 percent per year, it has been concentrated in few sectors and private investment levels have stayed low. Inflation has been low and is expected to remain at manageable levels. The fiscal accounts shifted into a significant surplus in 2006. The economy is expected to continue to benefit from the favorable external environment.

Public Financial Management: Bolivia met four of the 16 expenditure management benchmarks in the 2004 HIPC Assessment and Action Plan. Since 2004 several initiatives have been implemented, including the strengthening of the financial management information system (SIGMA), which is also being gradually expanded to the sub-national governments. Furthermore, a draft budget framework law has been prepared that seeks to improve budget formulation, including a medium-term budget framework and economic and functional classifications that would improve the capacity to track social spending. Passage of the new law is on hold awaiting the result of the constitutional assembly, as possible reforms that could be implemented in the area of fiscal decentralization could imply further amendments. Other achievements include putting in place a system to track public employment expenses and progress with the design of a new legal framework for sub-

national debt. Finally, the Ministry of Finance is entering into voluntary Performance Agreements with sub-national entities, to promote the strengthening of the public expenditure and the debt management. Despite the progress, challenges remain. Those include weaknesses in budget coverage, formulation (multi-year planning), internal controls, and internal and external audits. Bolivia still lacks an automatic budget tagging mechanism to track local government spending. While the new government supports transparency in public expenditure management, concrete actions in this area have not been proposed.

Burkina Faso

PRSP Status: The second full PRSP covering the period 2004-06 and the accompanying JSAN were considered by the Boards of IDA and IMF in May 2005. The most recent (sixth) APR and related JSAN were circulated to the Boards for information in May 2007. They reconfirm the government's successful implementation of the PRS and, in combination with the new medium-term economic framework, extend the government's strategy from 2006 to 2009. IDA staff estimates that the poverty headcount fell by 12 percentage points between 1998 and 2005. Progress has been made in improving access to basic services, raising immunization coverage rates, lowering infant and child mortality rates, ensuring a good supply of essential drugs, and reducing the transmission of HIV/AIDS. The number of health centers with minimum required personnel has increased since the completion point. However, efforts to combat malaria and malnutrition issues as well as better expenditure management to balance scaling up of anti-retroviral treatment with necessary HIV prevention programs are warranted. The gross enrollment rate in primary education reached 47 percent (2005), but more needs to be done in the sector with respect to decentralization, addressing aid coordination, and improving the cost effectiveness of school construction.

IMF-Supported Program and Macroeconomic Status: Four successive programs under the PRGF were implemented, with the last one completed in September 2006. The fifth PRGF-supported program for 2007-10 was approved by the Board of IMF in April 2007. The first review is expected to be completed by December 2007. Burkina Faso has had a good macroeconomic track record over the recent years. Real GDP grew by 6.5 percent in 2006, and inflation declined to 2.4 percent. Since 2004, adverse external developments, in particular the drop in world cotton prices, have posed significant economic challenges. While the current account has improved in 2006, the cotton sector faced severe financial difficulties. Cotton sector reform is a critical component of the current PRGF-supported program.

Public Financial Management: Burkina Faso's public financial management system performance has improved since the completion point in 2002. In early 2007, the authorities adopted and started implementing a new public finance strategy and action plan, which uses findings from the Public Expenditure and Financial Accountability (PEFA) exercise. An IMF technical assistance mission visited Ouagadougou in June 2007 to assist the government in

implementing elements of this action plan. Budget coverage is generally complete and extra-budgetary expenditures are negligible. The budget is a reliable implementation guide. The ability to track spending has improved with the adoption of a new budget nomenclature and the implementation of annual surveys on service delivery. The medium-term expenditure framework and annual budget laws are aligned with PRS priorities. Internal budget reports and the entry of transactions into the accounts are timely. Internal control is enforced—though limited by weak capacity and procedures—and the external audit of budget execution is submitted to the National Assembly. A reform program is addressing remaining shortcomings in the procurement system, including those related to the institutional framework and to capacity. The government is working on integrating priority poverty-reducing spending in the budget tracking system.

Cameroon

PRSP Status: The PRSP was prepared by the government through an extensive and comprehensive consultation process, and discussed at the Boards of IDA and IMF in July 2003. Subsequently, four APRs were prepared, with the latest reporting on progress in 2006 presented to national stakeholders and donors in March 2007. The government has started the preparation of a new PRSP which will have a stronger focus on growth and employment. The new PRSP could be completed in the first half of 2008. A number of sector strategies are being updated and a household survey is also planned.

IMF-Supported Program and Macroeconomic Status: A three-year arrangement supported under the PRGF was approved in October 2005. The IMF-supported program is on-track, as the Board has completed the third review in June 2007. The main priorities of the program are to accelerate growth while preserving fiscal sustainability and creating an environment conducive to private sector development. Economic growth picked up somewhat in 2006, and inflation in the 12-month period through December reached 5 percent. While the overall fiscal position improved, partly due to higher oil prices and lower debt service payments, concerns about budget execution and poverty objectives remain. Real GDP growth is expected to accelerate to 6 percent in 2011 reflecting economic stimulus from increased capital spending financed by debt relief, the implementation of structural reforms, and investment in infrastructure and energy.

Public Financial Management: In the HIPC AAP reviews, Cameroon has progressed from achieving benchmark ratings in four out of 15 areas in 2001 to seven out of 16 areas in 2004. Budget allocation to the priority sectors of the PRSP has progressively increased since 2000. An integrated public finance information system is functioning and has improved monitoring of the flow of resources and the timeliness of fiscal reporting. A supreme audit body (la *Chambre des Comptes*) has become operational. The government has stepped up the dissemination of budget information (via website and newspapers) and is promoting budget execution oversight by stakeholders/end-users. The authorities are taking part in the EITI and

recently published two reports for the oil sector covering the period 2000-05. The foundations for the introduction of a medium-term expenditure framework are in place, with the development of sector strategies and expenditure plans consistent with the strategy. A new, organic budget law to be approved in 2007 is expected to lead to further improvements in PFM over the medium term. A public debt management strategy that is consistent with the medium-term macroeconomic framework and fiscal objectives is being prepared. Key elements of the strategy include: the contraction of loans on concessional terms, a detailed study of projects requiring loan financing, periodic preparation of a debt-sustainability analysis (at least once a year) and before signing any loans amounting to more than 0.5 percent of GDP. To ensure coordinated action on PFM issues, the authorities are preparing an action plan that will be ready by end-2007. Non-oil revenue mobilization, however, remains a key challenge.

Ethiopia

PRSP Status: Ethiopia completed its first PRS, the Sustainable Development and Poverty Reduction Program, in July 2002. It was followed by two APRs in December 2003 and July 2005, reporting a broadly satisfactory implementation of the PRSP. A new PRS (Plan for Accelerated and Sustained Development to End Poverty, PASDEP) was finalized in January 2007 and approved by the parliament. The PASDEP aims to accelerate Ethiopia's progress toward achieving the MDGs. Specific targets are reducing the poverty headcount index to 29 percent by 2009/10 (from about 39 percent in 2004/05), and increasing the proportion of the population with access to electricity to 50 percent (from the current 16 percent). The growth strategy under the PASDEP incorporates measures to boost economic activity through commercializing agriculture and fostering the non-farm private sector. In addition, the treatment of governance policy in the PASDEP has received prominence – with specific commitments to civil service reform, decentralization, public financial management, justice, parliament, political governance, civil society, and the media.

IMF-Supported Program and Macroeconomic Status: Ethiopia is not engaged in an IMF-supported program. The last PRGF-supported program expired in October 2004. The economy has been enjoying a buoyant, broad-based expansion since the drought-related contraction in 2002/03. Rebounding from the contraction of 2002/03, real GDP grew by an average annual rate of 10.7 percent between 2003/04 and 2005/06. However, recent data show that inflation remains high and official reserves are below 2 months of import coverage.

Public Financial Management: Ethiopia's PFM systems have improved since the HIPC completion point in 2004, when seven out of the 16 expenditure management benchmarks were met (AAP 2004). Since then the authorities have been working to strengthen cash management, roll out budget and accounting reforms to additional sub-national governments, and pass new procurement legislation. Expenditure performance and financial management

systems have been reviewed jointly by the government and donors through the Joint Budget Aid Review introduced in 2004 and regularized in 2005. According to the latest available assessment (2005 PEFA), planning, budgeting and reporting systems had improved, especially due to accounting reforms, better budget processes, internal controls and cash management, and internal and external audits. In April 2006, staff assessments confirmed that progress has been underway on various fronts: a single treasury/single pool fund has been introduced in all regions and at the federal level; a double-entry modified cash accounting has been introduced in the federal government and in almost all regions; the FY 2004/05 federal budget and almost all of the FY 2003/04 regional budgets have been closed. The government is proceeding with an initiative to implement a performance-based budgeting that will strengthen the medium-term expenditure framework. A cash-management system (“zero balance drawing limit”), which substantially reduced idle cash balances, has been introduced. Under the Protection of Basic Services Project, efforts are underway to introduce rolling audits and interventions to enhance accountability. The government still needs to ensure timely and regular consolidation of extra budgetary funds in fiscal reporting and the reconciliation of fiscal and monetary accounts. The implementation of BIS/BDA3 (which improved timing and accuracy of reporting) and the implementation of internet access vision (IBEX) are important steps forward in financial management information system.

Ghana

PRSP Status: The Ghana Growth and Poverty Reduction Strategy (GPRS II), covering the period 2006-09, was completed in October 2005 and presented to the Boards of IDA and IMF in June 2006. The new strategy updates the first GPRS focusing on: (i) accelerating private sector-led growth; (ii) promoting vigorous human resource development; and (iii) encouraging good governance and civic responsibility. The next update of the GPRS is expected in 2008-09. The poverty headcount has declined by 11 percentage points between 1999 and 2006, reaching 28.5 percent in 2006. Current real GDP growth projections suggest that Ghana could reach the MDG of halving the 1990 poverty rate before 2015. To support this positive trend, total poverty-related spending has risen during the past few years, reaching 10.5 percent of GDP by end-2006. The share of supervised maternal deliveries rose to 54 percent by end-2005, up from 49 percent in 2002, with particularly marked increases in the deprived regions. The national gross primary enrollment rate (GPER) reached 91 percent May-2006, up from 81 percent mid-2003. There was a decline in the HIV/AIDS prevalence rate among pregnant women, dropping to 3.1 percent in early 2006, from 3.6 percent in 2003. Further progress in poverty reduction will require greater coordination across sectors, including strengthening the links between interventions in health and the provision of safe water and sanitation aiming at reducing infant and under-five mortality rates.

IMF-Supported Program and Macroeconomic Status: A three-year PRGF arrangement in support of Ghana’s PRS expired in October 2006 upon the completion of the sixth and final review. Supported by a favorable external environment, a relatively high rate of growth

has been achieved (estimated at 6.2 percent in 2006). Inflation stood at 15 percent at end-2005, and has declined gradually to slightly above 10 percent in June 2007. The fiscal deficit, however, widened to 7.7 percent of GDP in 2006 from 3 percent in 2005 on account of lower than projected tax revenue, and increased wage bill and energy subsidies. Nevertheless, the country's medium term macroeconomic outlook is favorable, with sustained growth and declining inflation. The good performance of exports will remain key for the realization of this outlook.

Public Financial Management: Ghana's public financial management has improved since the HIPC completion point in 2004. The country currently meets eight of the 16 HIPC public financial management benchmarks, up from seven benchmarks at the time of the 2004 HIPC AAP assessment, and one in 2001. The 2006 PEFA diagnostics, confirms that Ghana's PFM system is performing at an average standard. Areas of specific progress include: (i) broadening budget coverage; (ii) improving expenditure control and timeliness of fiscal reporting; and (iii) strengthening PFM capacity through deployment of computer systems. Budget coverage has been broadened to include more information on internally generated funds and donor grants. Under the new audit law, internal audit units have been established in all Ministries, Departments, and Agencies (MDAs), and external oversight of budget execution has improved through timely submission of Auditor-General reports to parliament. Since August 2005 monthly reports on budget execution have generally been completed within six weeks. In all eight pilot MDAs, computerized budget and public expenditure management system has been set up, with four out of six modules already fully functional, and two ready for deployment. The system is expected to be rolled out to other MDAs in Accra and three regional capitals. In addition, the new computer-based integrated payroll management system has been deployed. There has also been progress in implementing the new public procurement law, with increased coverage provided by the entity tender committees and the tender review boards.

Guyana

PRSP Status: Guyana's 2001 PRSP was discussed by the Boards of IDA and IMF in September 2002. Subsequently, three APRs were prepared, the latest covering 2005. Of a total of 25 poverty reduction targets identified in 2001, Guyana successfully met or exceeded 14. There were shortfalls in targets related to access to treated water and adequate sanitation, the distribution of house lots and land titles, the percentage of trained teachers in secondary schools, and HIV/AIDS. However, pro-poor spending in the budget, at 19.7 and 20.1 percent of GDP in 2005 and 2006 respectively, exceeded considerably the HIPC target of 15 percent of GDP. The World Bank and IMF met jointly with the authorities in June 2007 to discuss the preparation of the new PRSP, which is to be completed by end-2007. The new PRSP will be informed by a poverty diagnosis from a new household survey data completed in April 2007 and prepared with the support of the World Bank. A poverty reduction monitoring and evaluation system is being put in place.

IMF-Supported Program and Macroeconomic Status: The last PRGF arrangement was approved by the IMF Board in September 2002. The arrangement was extended twice and concluded after the completion of the sixth review in September 2006. The discussions of a new arrangement are ongoing. Real GDP grew by 5 percent in 2006, reflecting recovery in private sector credit, strong private remittances, and foreign direct investment. Inflation fell to 4 percent, following the decline in international fuel prices and supported by a stable exchange rate. While current account deficit widened to 25 percent of GDP as a result of rapid growth in both consumer and capital imports, it was fully financed by foreign direct investment and official disbursements. In the medium-term, GDP growth is projected to average 4.5 percent while inflation is projected to remain low at around 4 percent. The current account deficit is projected to narrow to 14 percent of GDP by 2011 due to a deceleration of imports of capital and intermediate goods and higher exports of sugar and gold. The fiscal framework envisages continued fiscal consolidation with a targeted primary surplus of 1 percent of GDP by 2010.

Public Financial Management: The PFM system has improved since the completion point in December 2003. Guyana met 11 of the 16 expenditure management benchmarks in the December 2006 HIPC assessment. This reflects improvements in: (i) comprehensiveness of fiscal reporting, (ii) use of expenditure tracking surveys, (iii) reconciliation of bank accounts, and (iv) effectiveness and transparency of procurement processes. Improvements were also made in budget execution and reporting as a result of the extension to all central government agencies of the new Integrated Financial Management System (IFMAS). However, PFM is limited in several areas: (i) internal control and audit systems remain weak; (ii) despite the improvement, overall reconciliation of fiscal accounts is unsatisfactory; (iii) guidance of the budget process by medium-term forecasts is insufficient; and (iv) external audit process is weak. There is limited use of the system to track end-use of actual spending and also the monitoring of the government's bank float is weak. The legal framework for the budget, external audit, and public procurement has improved significantly, with the adoption of three new laws during 2003–05 in each of these areas. However, more time is needed for the legal provisions to be fully implemented. A joint World Bank/IaDB Country Fiduciary Assessment (CFA) is ongoing and is expected to be concluded by end-2007. It aims to produce a comprehensive action plan for strengthening PFM and PPS in a coordinated manner. Guyana is currently also undertaking a PEFA assessment.

Honduras

PRSP Status: The Honduras PRSP was completed in August 2001 and discussed by the Boards shortly thereafter. Progress reports were prepared in 2003, 2005, and 2007. The authorities are planning to prepare a PRSP update by end-2007. According to the latest Progress Report, between one-half and two-thirds of the PRSP goals were met in 2005. Poverty and extreme poverty, however, have fallen only slightly in recent years, in spite of

faster growth and growing PRSP spending. After rising in recent years, PRS spending declined to 8.3 percent of GDP in 2006 from 8.9 percent in 2005.

IMF-Supported Program and Macroeconomic Status: A three-year PRGF expired in February 2007 before the completion of the fourth review. In conjunction with a favorable external environment, growth exceeded 5 percent in 2006 and inflation fell to around 6 percent. Fiscal pressures, however, have been mounting, due to public sector wage increases, energy subsidies, weakening state enterprise finances, and higher net lending. Prospects for growth in 2007 remain positive, bolstered by a favorable external environment and continued growth of remittances, albeit at a more moderate pace. A key challenge is to anchor the fiscal deficit to a level that stabilizes debt while shifting spending towards priority sectors (public investment and PRS spending).

Public Financial Management: Honduras met seven of the 16 HIPC PEM benchmarks in 2004. There has been notable progress in the public financial management since the HIPC completion point. The integrated financial administration system (SIAFI) introduced in May 2005 has been rolled out across the central government. The government's bank accounts have been consolidated, a single treasury account has been implemented for the 2007 budget exercise, and electronic bank payment system has become operational. In addition, the information system for public procurement was made operational in October 2005.

Madagascar

PRSP Status: The APR for the first PRSP was prepared in June 2006. In November 2006, the government finalized its second poverty reduction strategy, the Madagascar Action Plan (MAP), covering the period 2007-12. The Plan along with the accompanying JSAN was presented to the Boards of IDA and IMF in March 2007 and February 2007, respectively. The Plan, prepared in a participatory manner, builds from the first PRSP. The overall incidence of poverty declined from around 80 percent in 2002 to 68.7 percent in 2005. In 2005, however, urban poverty at 52 percent was higher than the 2001 levels of 44 percent, while rural poverty at 73.5 percent was lower than the 2001 level of 77.2 percent. Progress had been achieved in non-income dimensions of poverty reduction, too. With progress in implementing the government's "Education for All Program", net primary enrolment rates in school year 2006/07 were over 90 percent, a significant increase from the 70 percent in the school year 2001/02. However, improving the quality of schooling remains a major challenge. The government has prepared its health sector development program. Some key health outcomes (child mortality, immunization coverage) and nutrition outcomes (child underweight rate) have improved, but obstacles remain particularly in decreasing maternal mortality rates. The HIV/AIDS prevalence rate has been contained at around 1 percent and efforts are being directed at supporting family planning and women's health issues. Access to safe water has improved. The implementation of the roads program has accelerated, with positive effects on rural population (access to reliable transport increased from 46 percent in

2003 to 57 percent in 2005). The anti-corruption agency (BIANCO) has become operational. Steps have been taken to improve the investment climate, implement public-private partnerships, and improve the co-ordination of private sector development policies through the establishment of the Economic Development Board of Madagascar.

IMF-Supported Program and Macroeconomic Status: The Board of IMF approved a new three-year PRGF-supported arrangement and activation of the Trade Integration Mechanism for Madagascar in July 2006. The first review was completed in December 2006. The previous PRGF-supported arrangement expired in March 2005. In 2006, real GDP grew by 4.9 percent, largely because of the startup of construction of a large mining project, sizeable investments in public infrastructure, and strong performance in telecommunication, transportation, and financial services. Inflation declined to 10.8 percent. Real GDP is projected to grow at an average annual rate of 8 percent during 2007-11 owing to the implementation of two large mining projects, and inflation is projected to decline to 5 percent beginning in 2008.

Public Financial Management: Public financial management reform in Madagascar has been guided by the 2004 and follow-up 2005 and 2006 Priority Action Plans of the Ministry of Finance and Budget. Priority objectives include strengthening the budget preparation process, aligning the budget with PRSP priorities, and improving the capacity for controlling expenditure commitments and payments. Madagascar met four of the 16 HIPC PFM benchmarks in 2004. A 2006 PEFA assessment has been conducted, showing that nine of the PEFA indicators score a B or higher in 2006. Internal control mechanisms and institutions are weak. Madagascar's public finance system has been challenged by the introduction of program budgeting in 2005 that was an ambitious undertaking given the weak capacity and understanding of this instrument. Key outputs since July 2006 are as follows: (i) reform co-ordination unit in the Ministry of Finance and Budget has been further strengthened; (ii) budget preparation process has been strengthened along lines recommended in the PER, and a budget framework paper was presented to the cabinet in April 2007; (iii) integrated financial management system has become operational in the central treasury and five regional treasuries, and was extended to some sector ministries; (iv) consolidation of procurement reform with the capacity of the Procurement Oversight institution was strengthened, and a comprehensive training and capacity-building plan was implemented in the ministries of education, health, transport, agriculture and environment; and (v) the Auditor-General has made strong efforts to clear the backlog of audited accounts with the *Loi de Reglement 2004* submitted to parliament in December 2006 and the annual accounts for 2005 submitted to the Auditor General in April 2007.

Malawi

PRSP Status: The full PRSP was completed and presented to the Boards of IDA and IMF in August 2002. The third and the latest APR (covering July 2004-December 2005) was

submitted to the Boards in May 2006. The accompanying JSAN was prepared and presented to the Boards in conjunction with the HIPC Completion Point document in August 2006. A new PRSP (called the Malawi Growth and Development Strategy, MGDS) was approved by the cabinet in August 2006, submitted to the Boards in November 2006, and discussed in January 2007 together with accompanying JSAN. The analysis from the 2004-05 Integrated Household Survey (IHS) Data shows that there was no significant change in poverty levels in Malawi since the last IHS conducted in 1997/98. The poverty headcount decreased from 54.1 percent to 52.4 percent but the decrease was not statistically significant. However, the 2006 Welfare Monitoring Survey (WMS) found that the poverty headcount had decreased to 45 percent.⁵²

IMF-Supported Program and Macroeconomic Status: A PRGF-supported program was approved in August 2005. The performance under the program has been satisfactory, with the government adhering to the key program objective of reducing domestic debt and moving toward a more flexible exchange rate system. Conclusion of the 4th review discussions, initiated in April 2007, and the 5th review are planned for end-September 2007. The IMF board will discuss the two reviews tentatively by end-November 2007.

Public Financial Management: Malawi has made significant progress in strengthening the PFM. The government is continuing to implement the Integrated Financial Management System, first unveiled in October 2006. A PFM action plan was completed in October 2006 and is expected to be implemented over three years. The plan includes measures to improve budget preparation, planning, and execution. The plan also calls for improved fiscal monitoring and reporting; enhanced audit capacity; stronger local governments; and more effective policymaking tools. It covers measures for planning, mobilizing, and allocating resources to Malawi's development strategies. Based on the action plan, the government will continue phasing-in the Integrated Financial Management and Information System. A new payroll management system, the Human Resource Management Information System has also been introduced to deal with previous weaknesses in payroll management. Furthermore, capacity for internal as well as external auditing and for public procurement is being strengthened through recruitment of extra staff and training. There has also been some progress in public debt management although more needs to be done. The Debt and Aid Division has recently been re-organized according to international best practice in front office, middle office, and back office. Since the reorganization, the Debt and Aid Division has produced an annual debt and aid report and, most recently, a half-yearly report. Malawi has finalized its debt management policy. The government plans to prepare a Debt and Aid Management policy and to have it approved by the cabinet before the end of 2007.

⁵² The results of the 2006 WMS should be interpreted with caution. The results are based on prediction models from the household survey (IHS2 2005) and only some variables have been updated, leading to large confidence intervals.

Mali

PRSP Status: Mali's PRSP was adopted in May 2002 and, subsequently, two APRs were prepared. The latest 2006 APR is expected to be available in September 2007. Mali adopted its second generation PRSP for 2007-11. Although the data from a household survey conducted in 2006 are still being compiled, it appears that poverty, health and social indicators are generally continuing their gradual improvement. The latest fully available data (from 2001) indicate that poverty fell significantly between 1989 and 2001, and income inequality decreased. In addition, a variety of health and education indicators tracked under the PRS have improved since 2002.

IMF-Supported Program and Macroeconomic Status: A PRGF-supported arrangement was approved by the IMF Board in June, 2004. The latest fifth review was concluded in February 2007. After recovering from exogenous shocks in 2004, the economy has been growing steadily since 2005 owing to good cereal harvests, strong gold production and expansion in certain service sectors. Preliminary estimates show that despite a disappointing cotton harvest, real GDP grew 5.3 percent in 2006. It is expected to grow 5.2 percent in 2007. Inflation has remained under 2 percent in 2006. The medium term outlook assumes average GDP growth of 5.5 percent and annual inflation of 2.5 percent through 2010.

Public Financial Management: The core public financial management systems have continued to improve since the 2004 AAP when Mali met 11 of the 16 expenditure management benchmarks. Based on the 2007 PEFA findings, budget management has been improving in recent years. Mali's budget system works well, particularly at central government level. However, to strengthen the role of the budget as the key instrument for PRS implementation and dialogue with the external partners, further progress is required. A major challenge for Mali is to strengthen all budget control-related functions. Key remaining weaknesses are procurement, internal controls, timely audits of budget execution, tracking of grant-financed activities and extra budgetary funds. Tracking of poverty-reducing expenditures is satisfactory. The authorities have a comprehensive action plan to strengthen PFM; and, while some delays have developed in plans to enhance internal controls and audits, progress continues.

Mauritania

PRSP Status: The first PRSP, covering 2001-04, was prepared in February 2001. Its implementation was broadly satisfactory, in spite of the slippages on macroeconomic performance. The second PRSP, covering 2006-10, was presented to the Boards of IDA and IMF in December 2006. A Progress Report for the PRSP-2 is expected in 2008. In the accompanying JSAN, staffs estimated that the second PRSP presented an ambitious development program for poverty reduction in Mauritania. They also noted that policy strengthening is needed in the priority areas, including promoting good governance and anti-

corruption practices; identifying and removing the binding physical, structural and institutional constraints to economic diversification and higher private sector-led non-oil growth; and developing a realistic monitoring and evaluation system of progress toward the PRSP-2 objectives.

IMF-Supported Program and Macroeconomic Status: In December 2006 following satisfactory implementation of an SMP during the first six months of 2006, the IMF Board approved a three-year PRGF-supported program. The first review of the economic performance under the arrangement was completed in April 2007. In 2007, macroeconomic prospects are positive: non-oil sector growth is expected to strengthen, driven by the expected elimination of power shortages and a rebound in construction; and inflation is expected to decline to 7 percent. Lingering uncertainties about future oil production remain a significant risk for the program. During 2007-11, the real GDP growth is projected at 5.8 percent. Inflation is expected to fall below 5 percent starting in 2009, and official reserves are expected to be maintained at 3 months of import cover through 2009.

Public Financial Management: In 2006, the transition authorities implemented a number of remedial actions in the PFM sphere. In June 2006, following the implementation of these measures, staffs advised the Boards that Mauritania met the MDRI criteria because: (i) there was no indication of extra-budgetary spending during the first quarter of 2006; (ii) the arrears clearance target for the first quarter of 2006 had been largely met; (iii) the periodic reconciliation of data between the Treasury and the *Banque Centrale de Mauritanie* was established and the Treasury routinely produced monthly balances; (iv) the authorities had adopted a new functional budget classification and, on its basis, reclassified the 2006 budget; and (v) the global MTEF (2007-09) had been updated. This updated assessment of the MDRI was approved by the Boards of IDA and IMF in June 2006 and MDRI relief to Mauritania was effective July 1, 2006. Further progress has since been made with the use of computer applications in all ministries that allowed an enhanced budget execution, a significant reduction in the Treasury float, and the reimbursement of domestic arrears. Management of oil revenues has also improved. In late 2006, an ordinance was issued regarding the transfer of all government revenues from the hydrocarbon sector to the *Fonds National Des Revenues Des Hydrocarbures*, and a draft law on petroleum revenue management was prepared with the assistance of IMF.

Mozambique

PRSP Status: The government implemented a new Action Plan for Reducing Absolute Poverty (PARPA II) in September 2006, which was presented to the Boards of IDA and IMF in conjunction with a JSAN in December 2006. The most recent Progress Report on PARPA I was prepared in June 2005, according to which Mozambique is likely to reach the poverty MDG (to halve poverty by 2015) and the infant mortality goal (to halve the under-5 infant mortality rate by 2015). However, it is unlikely that the country will meet the goal of

universal primary school completion by 2015, nor the goal of gender equality in education (for completion rates, rather than enrollment rates).

IMF-Supported Program and Macroeconomic Status: In June 2007, the Board approved a three-year PSI upon the completion of the sixth and final review of the PRGF-supported program. In 2006, macroeconomic performance remained strong with accelerating growth and moderate inflation. In 2007, real GDP is expected to grow at over 7 percent per year and inflation is expected to remain below 6 percent. Sustainable fiscal and external positions will be maintained, although some downside risks related to exogenous shocks remain.

Public Financial Management: A PEFA assessment report issued in March 2006 highlights that PFM systems in Mozambique have shown major improvements in recent years. The government has been implementing a nationwide PFM reform, with a focus on rolling out a government financial management information system to most line ministries at the central and provincial level. The medium-term fiscal framework is also closely aligned with the PARPA II priorities. Its approval by the Council of Ministers in 2006 made it a credible tool to guide the preparation of subsequent budgets and to track priority expenditures on a real-time basis. Budget coverage, execution, and reporting have improved through the publication of quarterly budget execution reports and strong *ex-ante* control. Fiscal information presented in official reports covers 95 percent of general government as defined in the Government Financial Statistics (GFS). In general, actual current expenditures are often very close to the originally approved budget law and the execution of investment expenditures is often at least 15 percent lower than budgeted amounts. The government approved regulations to the Local State Entities Law that confers a central role to districts in the planning process and in local development, including the introduction of an investment budget. However, the framework for intergovernmental fiscal relations lacks a clear strategy for monitoring subnational fiscal operations. A new public procurement code in line with international standards was also approved in late 2005. Implementation of the new procurement code is proceeding steadily. As part of implementation, a large-scale training program for civil servants and suppliers started in 2006. While the numbers of internal and external audits has increased exponentially over the past few years, further strengthening of audit capacity is needed to reinforce the integrity of fiscal operations.

Nicaragua

PRSP Status: The first PRSP was completed in July 2001. Subsequently, the authorities prepared two PRSP Progress Reports and a preliminary draft of a third Progress Report. A new PRSP was completed in November 2005 and approved by the Boards of IDA and IMF at end-2005. The new PRSP was incorporated into the National Development Plan (2005-09) and the authorities are currently preparing a PRSP update. The government has recently outlined a new Economic and Financial Program for 2007-09. The Program is a short-to-

medium-term set of policies and actions designed to complement the longer-term poverty reduction strategy of the 2005-09 National Development Plan and to elaborate in more detail the Ortega Administration's priorities. Nicaragua has made progress in each of the pillars of the PRSP, and public spending on PRSP programs has remained above 12 percent of GDP. The progress in poverty reduction has been modest, however. The overall poverty ratio increased slightly (from 45.8 percent in 2001 to 46.1 percent in 2005) even though extreme poverty and the poverty gap declined. Poverty reducing spending increased from around 9 percent of GDP in 2003, to about 12 percent of GDP in 2006. While indicative targets in the education and water sectors were met, similar success was not achieved in the health sector.

IMF-Supported Program and Macroeconomic Status: A three-year PRGF-supported program was approved in December 2002, but went off-track at the end of 2004. After a significant progress in the second half of 2005 permitting the completion of all outstanding reviews in January 2006, the arrangement was extended through December 2006. The eleventh and final review of the program was completed in December 2006. Ad-referendum agreement was reached in July 2007 on a new three-year PRGF program with the new Ortega administration, and a Board meeting has been tentatively scheduled for September/October 2007. The program envisages an increase in the fiscal space. According to current projections, real GDP growth will pick up in the medium term to 5 percent per annum, inflation will remain moderate, external reserves will rise, and the external account will continue to be supported by strong flows of donor resources and FDI. Several important vulnerabilities exist including a relatively high level of public debt, a large current account imbalance, a high level of dollarization, and sensitivity to external shocks.

Public Financial Management: Nicaragua's PFM system performance has improved since the completion point. Nicaragua met six of the 16 HIPC PFM benchmarks in 2004. The 2005 Fiscal Administrative Law strengthened the budgetary process by eliminating off-budget transactions, improving the coverage of the fiscal accounts, strengthening procurement procedures, and increasing transparency in fiscal reporting. Within-year budget reporting, on an administrative, economic and functional basis, is available quarterly, enabling active monitoring of spending. Poverty reducing expenditures are clearly defined in the budget and their execution is tracked. The government intends to seek administrative improvement in the existing institutional structures to achieve better fiscal management including by strengthening the cash and treasury management, the budget recording system, the monitoring of local governments and autonomous agencies, and human resource capacity at the Ministry of Finance. Nevertheless, budget rigidities, including constitutionally mandated transfers to universities and the judiciary, will continue to constrain fiscal management and efforts to prioritize spending. A technical assistance program has been developed with the Fund staff to advance the authorities' reform efforts in the area of PFM. In addition, the World Bank has carried out a PER which offers additional guidance to improving PFM in Nicaragua.

Niger

PRSP Status: Niger completed its full PRSP in January 2002. The PRSP was presented and endorsed by IMF and IDA Boards in February 2002. Since then, four APRs were issued including the latest one in October 2006. A new PRSP is being finalized. Significant progress has been made in expanding access of the poor to education and clean water during 2003-06, and while progress in the health sector was slow in 2003-04, it has improved during 2005-06. Income poverty has remained broadly unchanged since the adoption of the first full PRSP, with the share of total population living in poverty estimated at around 62 percent in 2005.

IMF-Supported Program and Macroeconomic Status: In January 2005, the IMF Board approved a third three-year PRGF-supported program. The program is on track, and the fourth review was completed in June 2007. Overall macroeconomic performance remained satisfactory in 2006, with real GDP growth reaching 4.8 percent following a second consecutive year of record agriculture output. For 2007, real GDP growth is projected at 4.5 percent and inflation is projected at 2 percent. Over 2007-09 economic growth is expected to be driven by increased agricultural output, accelerated mining activities (notably uranium), continued prudent government financial policies, and investments in infrastructure, including telecommunications. Macroeconomic objectives for 2007-09 remain in line with the objectives spelled out in the new PRSP. These include: (i) achieving an annual real GDP growth rate of about 5 percent; (ii) limiting annual inflation by about 2 percent; and (iii) reducing the external current account deficit (excluding official transfers) to about 16.5 percent of GDP by 2009.

Public Financial Management: Niger's PFM system has continued to improve since the country reached the HIPC Completion Point in April 2004. Niger met five of the 16 expenditure management benchmarks in the 2004 HIPC PFM assessments, up from three of the 15 benchmarks in 2001. Progress has been strongest in budget preparation, with medium-term public expenditure frameworks for the rural development and agriculture sectors added in 2006 to the existing MTEFs for health and basic education, and being integrated into the budget preparation process. Time lags in transmitting budget execution reports for consolidation and delays in the preparation of budget execution laws have been substantially reduced. The government has committed to integrating all HIPC resources into line ministry budgets based on their performance on budget management and reforms. This was done for the ministries of Health, Education, and Rural Development. The authorities are aware that improving PFM is critical for the effective implementation of the PRS. In July 2005, they adopted the Public Expenditure Management and Financial Accountability Review conducted with IDA's support. The government continues to make progress in implementation of this review. In this regard, it has (i) prepared an action plan to strengthen the financial control function; (ii) adopted a new organizational structure for the Treasury; (iii) improved the classification and monitoring of priority programs; (iv) established a new department of public procurement to ensure conformity with rules and regulations, and a

regulatory agency under the Prime Minister to issue regulations and settle disputes; (v) established an Audit Court (*Cour des Comptes*) as an independent entity; and (vi) recruited additional finance inspectors, and will shortly prepare a procedures manual for financial inspection. In addition, the government is finalizing the computerization of expenditure management and putting into operation a pilot unit to allow spending ministries to initiate expenditure commitments, obtain the necessary approvals from the budget directorate, and get information on treasury payments. The unit will be fully operational in January 2008.

Rwanda

PRSP Status: Rwanda's PRSP was completed in June 2002, and discussed by the Boards of IDA and IMF in August 2002. Three progress reports were prepared, with the third being completed in fall of 2005. The second PRSP (PRSP-II) is expected to be finalized in fall 2007, focusing on implementation of measures to promote sustained poverty reducing long-term growth. The 2005/06 Household Living Conditions Survey (EICV) found that 57 percent of the population lives below the poverty line. There have been improvements in non-income indicators of poverty related to access to services, education and health. For example, the primary school net enrolment rate is now 86 percent, and 47 percent of individuals are now covered by health insurance—the majority by mutual insurance arrangements. Ownership of various durable goods has also increased: about 53 percent of households now own a radio, and 6 percent own a telephone. Despite these successes, inequality increased with the Gini coefficient rising from 0.47 to 0.51.

IMF-Supported Program and Macroeconomic Status: The Executive Board approved a three-year PRGF-supported program on June 2006, and the second review was completed in June 2007. Macroeconomic performance continued to improve in 2006. Real growth increased by more than 5 percent on the back of a strong performance in the services, manufacturing, and the agricultural sectors. Inflation, however, increased due to reduced food supplies. A key challenge for macroeconomic policies in 2007 is to manage grant-financed fiscal expansion successfully.

Public Financial Management: Rwanda has continued to make progress in implementing its PFM systems since the April 2005 completion point. As noted in the 2001 and 2004 HIPC AAP reports, Rwanda met 8 out of 15 and 8 out of 16 benchmarks, respectively. An update of ratings will be available from the current PEFA assessment by the fall of 2007. The existing expenditure controls are adequate and ensure that funds are committed before spending takes place. The internal audit function is currently being constituted. The newly operational *Sous-Comite de la Dette* responsible for coordinating debt management prepared an action plan for 2006. Progress in reforms has slowed in the past few months due to capacity constraints, the disruptive effects of an extensive civil service reform, and substantial turnover in staff at the ministry of finance. However, the approval of the Organic Budget Law and supporting regulations are expected to revive the reform momentum.

São Tomé and Príncipe

PRSP Status: A full PRSP was adopted by the government in December 2002. The authorities formally submitted it to IDA and IMF in February 2005, and the JSAN was discussed by the Boards of IDA and IMF in April and August of 2005, respectively. The newly-elected government submitted the first annual progress report to IDA and IMF in June 2006. The first APR and accompanying JSAN were distributed to both Boards in October 2006.

IMF-Supported Program and Macroeconomic Status: A PRGF-supported program, approved in April 2000, went off track due mainly to fiscal policy slippages and continued delays in structural reforms. Under a new three-year PRGF arrangement approved in August 2005, implementation of macroeconomic policies and structural reforms has been strengthened. Following policy slippages and an upsurge in inflation during the period leading to election between mid-2005 and mid-2006, the authorities implemented remedial measures that have brought the PRGF-supported program back on track. The fourth program review was completed in June 2007.

Public Financial Management: A new organic public finance law providing the legal and institutional framework for the integrated government financial administration system was adopted in early 2007. This law introduced significant improvements in the budget system, including better budget classification, more transparency, and increased coverage, which helped to develop and implement the 2007 budget. The law also supports the creation of an accounting directorate for the Ministry of Planning and Finance and permits the setting up of an integrated computerized system. In addition, a pilot system was introduced in early 2007 to improve budget preparation and execution.

Senegal

PRSP Status: Senegal's first PRSP was presented to the Board in December 2002 and progress reports were prepared in 2004 and 2005. The authorities' second PRSP, covering 2006–10, was issued to the Boards in January 2007. Poverty and social indicators have improved, but substantial efforts will be needed to meet the MDGs. Maternal and child mortality have been reduced and access to safe water and primary education has improved. However, the poverty reduction agenda underlying the PRSP remains largely unfulfilled, reflecting absorptive capacity constraints and weaknesses in PFM. The second PRSP, if properly implemented, could alleviate these weaknesses. A reorientation of spending will also be needed to provide sufficient allocations to priority sectors—especially health and education.

IMF-Supported Program and Macroeconomic Status: A three-year PRGF-supported program expired in April 2006. A preliminary agreement was reached on a successor program under the PSI in July 2007. The agreement is built around a framework of economic and financial policies for 2007-10, complemented by targeted reforms to increase fiscal transparency and governance, strengthen the framework for private sector activity, and enhance the role of the financial sector in providing access to credit and capital. Growth is projected to accelerate to slightly above 5.5 percent on average during 2007-10, compared to 2 percent in 2006. The external current account deficit (including grants) is projected at around 10 percent of GDP, financed by inflows in foreign direct investment related to several large investment projects. The fiscal deficit is projected to decline from a peak of 5.5 percent of GDP in 2006 to about 4 percent of GDP over the next three years.

Public Financial Management: A new legal and institutional framework on procurement was enacted in May 2007, but its enforcement will be crucial. The persistent weaknesses in the area of public procurement are expected to be addressed in the context of a new Fund-supported program. The program will also focus on reinforcing the planning, evaluation and monitoring of Senegal's large investment program and properly assessing and reflecting budgetary risks.

Sierra Leone

PRSP Status: The final version of a full PRSP was issued to IDA and IMF Boards, and circulated to the donor community in the spring of 2005. The latest JSAN was presented to the Boards of IDA and IMF in December 2006. Plans are underway for the preparation of a new PRSP. Progress in poverty reduction is yet to be determined due to lack of a recent household survey, but sustained high GDP growth rates suggest that some improvements may have happened.

IMF-Supported Program and Macroeconomic Status: A PRGF arrangement was approved in May 2006. The second review under the PRGF-supported program could not be completed as three out of eight performance criteria (the ceilings on bank credit to the government and on net domestic assets, and the floor on the primary budget balance) were missed at end-December 2006. The authorities have identified a set of corrective measures with the aim of bringing the program back on track by end-September 2007. Real GDP growth continued to be strong and inflation declined in 2006. However, fiscal performance weakened significantly during the second half of 2006 and the first half of 2007, and inflation has reverted to double digits in early-2007.

Public Financial Management: Progress in PFM has been encouraging with a number of measures implemented in the context of multi-donor budget support and the PRGF arrangement. These include the new government budgeting and accountability law, which restores parliamentary control over public finances and reinstates the oversight roles of the

Auditor General and the Public Accounts Committee. The government has also introduced a new IFMIS to facilitate expenditure control and accounting. It was rolled out to Sierra Leone Police. There have been some delays in the installation of the IFMIS in all key ministries, departments and agencies. Once completely installed, the new system should contribute significantly to strengthening expenditure controls. The Anti-Money Laundering Act and the Procurement Act were also passed. With regard to debt management, the Ministry of Finance and the Bank of Sierra Leone have conducted a debt sustainability analysis. The authorities have indicated their commitment to strengthening external debt management capacity and to avoiding non-concessional external borrowing. The Debt Unit of the Ministry of Finance launched an annual Public Debt Bulletin that complements the Economic Bulletin published by the Ministry of Finance Economic Policy and Research Unit. The Ministry of Finance prepared a PFM National Action Plan and re-established the PFM Oversight Committee with five sub-committees.

Tanzania

PRSP Status: Tanzania's first PRSP was prepared in 2000. Three annual progress reports were subsequently prepared. The second PRSP issued in 2005 and discussed by IMF and IDA Boards in April and May 2006, respectively, covers the period 2005-10. For the second PRSP, the first progress report was published in December 2006. The PRSP's implementation arrangements are handled through Tanzania's budget guidelines and medium-term expenditure framework. Although no recent data on Tanzania's poverty levels are available—the latest household survey was carried out in 2000/01—poverty simulations suggest that Tanzania's recent growth performance is likely to have translated into a decline in income poverty. Regarding non-income dimensions of poverty, significant progress was made in access to primary education and the reduction of malnutrition and child mortality. The results of the Household Budget Survey as well as four Poverty and Human Development reports (PHDR) were published, providing continued analysis and monitoring of Tanzania's income and non-income poverty. The fourth PHDR which includes poverty maps was published in March 2006.

IMF-Supported Program and Macroeconomic Status: The Board of IMF approved a three-year PSI in February 2007 upon the completion of the sixth and final review under the PRGF arrangement. Performance under the PSI is broadly on track and Tanzania's overall macroeconomic performance and prospects remain favorable. Despite the negative effects of drought in late 2005 on agriculture and energy (hydro power) supplies, real GDP growth slowed only moderately in 2006 (to 6.2 percent). Growth is projected to rise to 7-7.5 percent in 2007 assuming energy supply problems and infrastructure bottlenecks are addressed promptly. Inflation rose to 6.7 percent in 2006 from 5 percent in 2005.

Public Financial Management: Tanzania has made progress in the PFM reform process since the November 2001 completion point. Overall, Tanzania met eleven out of the 16

public financial management benchmarks according to the 2004 PFM Country Assessment and Action Plan review, up from nine out of 15 in 2001. The government is building on the 2004 assessment in the area of budget execution and reporting, particularly through the extension of the IFMIS to local governments. The government's commitment to continued PFM reforms is evidenced by the adoption of a wide-ranging PFM reform program, which should ensure appropriate sequencing as well as ownership of the reforms. Budget formulation has been strengthened to provide more effective linkage between policy and resource allocations through the Strategic Budget Allocation System; continued efforts are being made to enhance internal audit and external audit functions; and the reform of the procurement system has reached the implementation stage. Cash management is also being strengthened.

Uganda

PRSP Status: Uganda's PRS, the Poverty Eradication Action Plan (PEAP), launched in 1997, has been revised twice through broad-based and participatory consultations with stakeholders. The current version was approved in May 2005. A Pillar Review workshop in preparation for the first Annual PEAP Implementation Review (APIR) was conducted in February 2007, where the APIR Report 2005-06 was also discussed. Robust economic growth and higher coffee prices in the past three years have benefited many Ugandans, as both the incidence of poverty and income inequality fell. Rapid population growth, however, moderated these gains. Income poverty declined from 56 percent in 1992 to 34 percent in 2000, and further to estimated 31.5 percent by 2005/06. While inequality improved by 4.5 percent between 2002/03 and 2005/06, as measured by the Gini coefficient, regional disparities persist in the north. At the sectoral level, strong results have been realized in education, health, water and sanitation, agriculture, telecommunication and trade sectors. Nonetheless, further success in reducing poverty and inequality will hinge on rationalization of public expenditures, measures to enhance efficiency in service delivery, a firm stance against corruption, and restoration of peace and stability in conflict-affected areas of the north and the east.

IMF-Supported Program and Macroeconomic Status: Uganda is currently supported by a PSI. The latest program review was completed in June 2007. Macroeconomic performance remains relatively strong, and fiscal developments are broadly on track. Real GDP growth declined slightly to 5.4 percent in 2005/06 due to the electricity shortage, but is projected to rise to 6.2 percent in 2006/07 as the electricity shortage is being addressed. Uganda's medium-term expenditure framework aims at higher public savings based on spending restraint and a rising domestic revenue ratio, although the pace of fiscal consolidation slowed in 2006/07, mainly because of the electricity crisis and its impact on the economy. Temporary shocks pushed the underlying inflation above the threshold of 5 percent in 2006/07, but inflation is projected to fall below 5 percent in 2007/08.

Public Financial Management: Since the 2004 HIPC assessment, when Uganda met nine out of the 16 benchmarks, the country continues to make progress in improving its PFM. The 2005 assessment based on the PFM Performance Measurement Framework concludes that the budget is comprehensive and transparent, quality of information has improved, and audits are timely. It notes, however, that the credibility of the budget is undermined by continuous growth of arrears in spite of the Commitment Control System (CCS), deficiencies in fiscal risk oversight, lack of impact of the audits due to the delays imposed by the Public Accounts Committee, and the use of “releases” rather than “actual” expenditure data to assess budget performance. Despite these challenges, Uganda’s core PFM systems are established and work reasonably well. In addition to strengthening the legal and regulatory framework for efficient PFM, Uganda has rolled out its Integrated Financial Management System at the central government level, and is in the process of rolling it out at local government level, which will support the implementation of the CCS. To further strengthen PFM, the government has incorporated most donor projects in the medium term expenditure framework and is consolidating all revenues, spending and accounts of semi-autonomous bodies into the government budget. Enforcement of procurement and payroll rules and procedures, solution to the ongoing arrears problem (estimated at about 3 percent of GDP), independence and resource capacity of the Auditor General’s office, tracking of contingent liabilities and improving the timeliness and effectiveness of legislative and public scrutiny are some of the areas of fiduciary risk that will continue to require attention. Whilst an internal audit is being piloted in two ministries with plans to rollout to additional four ministries next financial year, the implementation of these proposals has been delayed by institutional constraints. Funding delays for the introduction of the Integrated Personnel and Payroll System have also hampered the impetus to improve payroll controls. The Financial Management and Accountability Project is designed to build on recent innovations. The PFM Performance Report and an update of the Country Integrated Fiduciary Assessment occurred in May 2006. A draft of the Local Government PFM Assessment was issued, too. The government has also prepared a Debt Management Strategy to support its fiscal operations by outlining principles for external and domestic borrowing.

Zambia

PRSP Status: Zambia’s first full PRSP was discussed by the Boards of IDA and IMF in July 2002. The Fifth National Development Plan, 2006-10, which serves as the PRSP, was launched in January 2007. The staffs have prepared a JSAN to be presented to the Boards of IMF and IDA in July and August 2007, respectively. Implementation of Zambia’s PRS has been broadly satisfactory since the HIPC completion point. In line with PRSP objectives, a significant number of new teachers and health workers were hired in 2005 and 2006. The new PRSP, however, acknowledges that despite the implementation of the PRSP and the positive economic growth since 1999, the national poverty level remains high. The degree of poverty and its severity is more pronounced in rural areas of Zambia. The authorities have developed a definition of poverty reducing spending which is aligned with the programs

identified in the PRSP. To ensure effective monitoring and evaluation, the government has developed a set of key performance indicators and will submit periodic reports to cabinet on the implementation of the PRSP programs. The 2007 budget is based on an accelerated implementation of poverty reducing programs (PRPs) in sectors such as health, education, infrastructure, and agriculture, and is in line with the Fifth National Development Plan.

IMF-Supported Program and Macroeconomic Status: A three-year PRGF-supported program approved in June 2004 is set to expire at end-September 2007. The fifth and sixth reviews were completed in June 2007. Real GDP growth remained robust at 6 percent in 2006 and inflation fell to about 9 percent in 2006. International reserves have increased significantly in recent years and reached 2.2 months of imports in 2006.

Public Financial Management: Zambia met only three of the 16 HIPC PFM benchmarks in 2003. Since then the country has engaged in a process of substantially enhancing its PFM systems. In cooperation with development partners, the government designed a comprehensive Public Expenditure Management and Financial Accountability reform program, which was implemented in the first half of 2005. The initial focus of the program was on the improvements necessary to reach the HIPC completion point. Since reaching the HIPC completion point, Zambia's PFM systems have improved and the core systems work reasonably well. Progress has been achieved in key areas including the strengthening of commitment controls through improved financial management systems, capacity building and the preparation of terms of reference for technical assistance, budget operations, debt management, information flows and procurement. In addition, a cash-flow framework has been implemented in all line ministries; a framework for monitoring and evaluating the PEMFA reform program has been prepared using the Public Expenditure and Financial Accountability (PEFA) indicators; and quarterly budget execution reports covering most ministries are now available within 45 days of the end of the quarter. The Public Expenditure Management and Financial Accountability reform program reported in December 2005 that 9 out of the 28 PEFA indicators received the lowest ratings of D or D+. On this basis, it was decided to focus the reform efforts in these poor performing areas. While there has been progress in some of these areas, including the improvement in efficiency of tax collections and in strengthening budget execution, there have been delays in the piloting of the IFMIS. In addition, despite some progress, significant weaknesses remain in the areas of procurement, financial reporting and auditing.

Annex II: Country Coverage, Data Sources, and Assumptions for the HIPC Initiative and MDRI Costing Exercise

Country Coverage

- The costing analysis for the 31 post-decision-point countries includes: Afghanistan, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Chad, Democratic Republic of the Congo, Republic of Congo, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Uganda, and Zambia.
- The costing analysis for the pre-decision-point countries is based on 9 HIPCs: Central African Republic, Comoros, Côte d'Ivoire, Eritrea, Liberia, Nepal, Somalia, Sudan, and Togo⁵³.

Data Sources

- Staff estimates are based on HIPC Initiative decision and completion point documents for all 31 post-decision-point countries, and preliminary documents or estimates presented in “Heavily Indebted Poor Countries (HIPC Initiative) – List of Ring-Fenced Countries that Meet the Income and Indebtedness Criteria at end-2004”⁵⁴ for the 9 pre-decision-point HIPCs.
- Data was updated through end-July 2007.

Assumptions for the HIPC Initiative and MDRI Costing Exercise

- Calculations of total costs include costs under the original and HIPC Initiative frameworks and the MDRI.
- Cost estimates for the HIPC Initiative are based on debt data after full use of traditional debt-relief mechanisms.
- The following exchange rates have been used for the MDRI calculations:
 - o IDA and AfDF. The MDRI Trust Fund replenishment rate of 1.47738 US dollars per SDR.
 - o IMF. The exchange rate of the date that debt relief was delivered, and, in cases where debt was not yet delivered, the rate as of July 01, 2007 was used.
 - o IaDB. Currency units in US dollars at end-2006.

⁵³ Kyrgyz Republic is not included in cost estimates, as its indebtedness ratio at end-2006 is estimated at below the HIPC Initiative threshold.

⁵⁴ See IDA/R2006-0041/2 and EBS/06/35.

Update of Cost Estimates in Net Present Value Terms

The cost of HIPC Initiative assistance calculated in NPV terms at the time of the decision point is discounted to end-2006 using the average interest rate applicable to the debt relief. This rate was estimated at 4.6 percent and corresponds to the implicit long-term interest rate of currencies that comprise the SDR basket over the period 2004-2006, calculated as a 6-month average of the Commercial Interest Reference Rate (CIRR) over this period, weighted by the participation of the currencies in the SDR basket. The same rate was used to calculate MDRI debt relief in end-2006 NPV terms.

Table 1. Summary of Debt Service and Poverty Reducing Expenditures 2000-2011 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
								Projections				
	Prel.											
Debt Service 2/												
Paid/Due after Enhanced HIPC Initiative Relief 3/	3,795	2,869	3,001	3,292	3,689	3,875	3,285	3,730	3,943	4,125	4,055	4,327
Due after MDRI	...	...	...	...	...	...	...	2,444	2,412	2,481	2,325	2,567
Debt Service Savings from MDRI	...	...	...	...	...	...	...	1,285	1,531	1,644	1,730	1,760
Poverty Reducing Expenditures 4/	5,819	6,657	7,716	9,124	11,153	13,864	17,040	20,097	22,505	24,882	26,916	26,434
Average Ratios (in percent)												
Debt Service/Exports 2/ 5/	16.6	12.6	12.7	11.5	11.9	9.7	6.4	5.0	4.7	4.4	3.4	3.3
Debt Service/GDP 2/ 5/	4.6	3.2	3.1	2.9	2.9	2.7	1.9	1.6	1.4	1.3	0.9	0.9
Poverty-Reducing Expenditure/Government Revenue 4/	37.8	43.0	45.8	48.1	45.8	51.7	50.2	55.1	59.9	58.5	57.6	56.1
Poverty-Reducing Expenditure/GDP 4/	6.8	7.3	7.3	7.9	7.8	8.4	8.8	9.4	9.9	10.1	10.2	10.1

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

1/ Data refer to 31 post-decision-point HIPCs, unless specified otherwise.

2/ Excludes Afghanistan for which data for early years are not available.

3/ Debt service figures for 2000 largely reflect pre-HIPC Initiative relief debt service because many countries did not reach their decision points until late in 2000 or thereafter. Debt service paid covers 2000-2006, and debt service due covers 2007-2011. For post-completion point HIPCs, debt service due assumes full HIPC Initiative debt relief, and additional debt relief, provided by some Paris Club Creditors on a voluntary basis. For pre-completion-point countries, debt service due includes interim debt relief and full HIPC Initiative assistance expected at the projected completion point. See appendix table 2 for a detailed breakdown.

4/ Excludes Afghanistan and Haiti for which data is not available.

5/ For projections, debt service due after MDRI is used for countries that reached completion point. The debt service due after HIPC Initiative assistance is used for countries that have not yet reached completion point.

Table 2. Debt Service of 31 Post-Decision-Point HIPCs, 2000-2011
(In millions of U.S. dollars, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
							Prel.	Projections				
A. Post-Completion-Point HIPCs												
Benin												
Paid	54.5	36.2	35.7	32.5	35.8	29.1	26.6	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	70.1	71.8	71.3	72.1	72.1
Due after MDRI	...	...	...	...	...	...	...	29.4	30.1	28.4	29.2	28.8
In percent of export	13.8	9.8	9.5	8.0	7.6	5.1	5.2	4.6	3.9	3.2	3.2	2.8
In percent of GDP	2.3	1.4	1.3	0.9	0.9	0.7	0.6	0.5	0.5	0.4	0.4	0.4
Bolivia												
Paid	268.3	260.5	274.9	374.0	321.8	427.8	360.3	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	397.3	364.2	345.8	366.4	363.7
Due after MDRI	...	...	...	...	...	...	...	269.0	272.8	279.2	302.2	306.8
In percent of export	18.3	17.1	17.6	20.0	12.6	14.4	9.3	6.4	5.9	6.0	5.9	5.4
In percent of GDP	3.2	3.2	3.5	4.6	3.7	4.5	3.2	2.1	1.9	1.8	1.7	1.6
Burkina Faso												
Paid	48.0	35.1	33.5	48.9	45.7	44.5	41.3	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	67.2	67.6	72.0	78.5	89.6
Due after MDRI	...	...	...	...	...	...	...	37.4	35.9	41.6	48.2	60.3
In percent of export	19.2	12.8	10.8	12.6	8.1	7.6	5.5	4.5	3.9	4.2	4.4	5.0
In percent of GDP	1.8	1.2	1.0	1.1	0.9	0.8	0.7	0.5	0.5	0.5	0.5	0.6
Cameroon 2/												
Paid	339.7	260.9	240.4	284.8	259.1	406.2	260.1	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	334.8	363.0	362.2	357.3	364.8
Due after MDRI	...	...	...	...	...	...	...	54.9	57.6	60.5	52.9	52.8
In percent of export	12.4	9.6	8.8	8.7	7.2	10.3	5.5	1.2	1.2	1.3	1.1	1.1
In percent of GDP	3.8	2.8	2.2	2.1	1.6	2.4	1.4	0.3	0.3	0.3	0.2	0.2
Ethiopia 2/												
Paid	142.8	195.7	101.3	86.5	80.4	39.8	78.4	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	107.8	115.3	120.0	113.7	131.7
Due after MDRI	...	...	...	...	...	...	...	33.7	36.4	40.5	46.7	65.4
In percent of export	14.5	20.0	10.3	7.6	5.4	2.1	3.7	1.3	1.2	1.2	1.2	1.6
In percent of GDP	1.8	2.5	1.4	1.1	0.8	0.4	0.6	0.2	0.2	0.2	0.2	0.3
Ghana 2/												
Paid	580.6	204.8	238.1	312.0	403.8	574.7	703.0	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	321.1	352.4	426.3	518.1	689.0
Due after MDRI	...	...	...	...	...	...	...	208.9	240.2	314.1	405.9	576.8
In percent of export	23.8	8.5	9.1	10.1	11.6	14.9	14.3	3.9	4.0	4.7	5.5	7.1
In percent of GDP	11.7	3.9	3.9	4.1	4.6	5.4	5.5	1.4	1.4	1.6	1.9	2.4
Guyana 2/												
Paid	79.7	52.1	55.2	49.7	45.3	30.0	24.4	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	33.3	39.3	37.4	41.9	53.3
Due after MDRI	...	...	...	...	...	...	...	16.3	19.9	18.1	22.0	35.0
In percent of export	11.8	7.9	8.3	7.4	6.0	4.3	3.3	2.0	2.2	1.9	2.1	3.1
In percent of GDP	11.2	7.5	7.6	6.7	5.8	3.6	2.7	1.7	2.0	1.6	1.9	2.9
Honduras 2/												
Paid	211.4	189.6	224.6	232.6	197.7	170.6	160.4	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	174.2	203.6	148.1	193.0	254.4
Due after MDRI	...	...	...	...	...	...	...	110.6	132.3	79.2	102.7	156.4
In percent of export	8.5	7.8	8.9	8.7	6.4	4.9	4.2	2.8	3.1	1.7	2.1	3.0
In percent of GDP	3.6	3.0	3.5	3.4	2.7	2.1	1.8	1.1	1.2	0.6	0.8	1.0
Madagascar 2/												
Paid	83.9	46.7	54.6	69.0	71.2	68.8	64.1	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	83.9	89.6	94.7	99.3	96.8
Due after MDRI	...	...	...	...	...	...	...	50.7	52.6	54.3	55.4	48.4
In percent of export	7.1	3.5	7.5	5.5	5.0	5.1	3.9	2.9	2.8	2.7	1.4	1.1
In percent of GDP	2.2	1.0	1.2	1.3	1.6	1.4	1.2	0.7	0.6	0.6	0.5	0.4
Malawi 2/												
Paid	101.7	72.3	55.5	107.5	69.2	45.5	45.0	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	67.2	51.7	48.4	47.4	22.9
Due after MDRI	...	...	...	...	...	...	...	12.1	8.3	10.1	9.8	7.9
In percent of export	25.3	17.0	13.4	24.8	13.9	8.9	8.3	2.0	1.4	1.6	1.4	1.1
In percent of GDP	5.8	4.2	2.1	4.4	2.6	3.6	1.4	0.4	0.2	0.3	0.2	0.2
Mali 2/												
Paid	82.2	79.0	67.3	67.2	78.2	98.3	74.4	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	109.5	108.9	117.0	124.4	129.7
Due after MDRI	...	...	...	...	...	...	...	68.2	70.2	76.2	85.9	89.2
In percent of export	12.7	9.0	6.3	5.8	6.4	7.1	4.3	3.7	3.8	3.9	4.1	4.2
In percent of GDP	3.1	2.6	2.0	1.5	1.5	1.8	1.3	1.1	1.0	1.1	1.1	1.0

Note: Data corresponding to years of decision and completion points are in thin and thick boxes, respectively.

Table 2 (continued). Debt Service of 31 Post-Decision-Point HIPCs, 2000-2011

(In millions of U.S. dollars, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
							Prel.	Projections				
Mauritania 2/												
Paid	65.1	28.5	26.6	40.0	42.8	44.7	82.0	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	80.5	89.2	72.8	72.1	73.5
Due after MDRI	...	...	...	...	...	...	...	40.9	38.1	22.4	34.2	35.1
In percent of export	16.2	7.1	6.6	11.0	8.7	6.3	5.6	2.7	2.5	1.6	1.8	1.5
In percent of GDP	6.0	2.5	2.3	3.1	2.9	2.4	3.1	1.5	1.3	0.8	0.9	0.8
Mozambique												
Paid	18.0	27.1	62.0	71.8	58.1	66.6	23.3	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	85.7	89.7	103.6	110.3	116.1
Due after MDRI	...	...	...	...	...	...	...	50.2	54.7	55.5	56.2	70.6
In percent of export	2.5	2.7	5.2	5.3	3.2	3.1	0.8	1.6	1.8	1.8	1.7	1.8
In percent of GDP	0.5	0.7	1.5	1.5	1.0	1.0	0.3	0.6	0.6	0.6	0.5	0.6
Nicaragua 2/												
Paid	184.7	153.3	158.0	98.3	76.3	88.7	97.8	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	167.1	176.3	165.3	157.2	165.4
Due after MDRI	...	153.3	...	...	...	...	...	109.3	106.6	109.8	108.6	88.3
In percent of export	16.8	17.1	17.3	9.3	5.6	5.4	5.0	5.0	4.2	3.9	3.5	2.6
In percent of GDP	4.7	3.7	3.9	2.4	1.7	1.8	1.9	1.9	1.7	1.7	1.6	1.2
Niger 2/												
Paid	22.4	34.1	53.0	27.1	22.7	24.6	13.8	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	33.7	40.7	47.8	52.0	53.7
Due after MDRI	...	...	...	...	...	...	...	16.8	17.6	19.7	22.3	25.7
In percent of export	7.9	12.2	17.5	6.5	4.3	4.3	2.3	2.3	2.2	2.3	2.4	2.6
In percent of GDP	1.2	1.8	2.4	1.0	0.8	0.7	0.4	0.4	0.4	0.4	0.4	0.4
Rwanda 2/												
Paid	37.3	22.2	15.9	15.5	18.5	16.8	10.1	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	18.1	16.4	17.0	14.5	17.8
Due after MDRI	...	...	...	...	...	...	...	4.5	5.0	5.5	6.2	7.2
In percent of export	24.9	14.1	12.0	11.1	9.8	7.4	3.5	1.5	1.5	1.5	1.5	1.6
In percent of GDP	2.1	1.3	0.9	0.9	1.0	0.8	0.4	0.2	0.2	0.2	0.2	0.2
Sao Tome and Principe 2/												
Paid	3.5	0.7	1.7	3.2	2.4	10.1	4.5	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	3.5	3.8	4.5	4.6	5.1
Due after MDRI	...	...	...	...	...	...	...	1.4	1.7	2.3	2.6	3.1
In percent of export	21.8	4.3	9.0	15.4	11.8	48.1	19.0	5.9	6.4	8.1	8.4	9.1
In percent of GDP	4.8	0.9	1.8	3.2	2.2	8.9	3.6	1.0	1.1	1.4	1.4	1.5
Senegal												
Paid	164.2	130.3	145.6	159.6	160.8	131.3	61.0	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	159.4	150.6	227.1	241.1	243.7
Due after MDRI	...	...	...	...	...	...	...	60.0	111.2	128.1	132.0	115.9
In percent of export	12.5	9.3	9.5	8.7	7.4	5.6	2.6	2.3	3.8	4.0	3.9	3.1
In percent of GDP	3.5	2.7	2.7	2.3	2.0	1.5	0.7	0.6	0.9	1.0	0.9	0.8
Sierra Leone												
Paid	52.7	94.2	21.0	14.3	24.5	25.9	20.2	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	11.5	20.1	24.1	32.5	35.6
Due after MDRI	...	...	...	...	...	...	...	2.8	4.1	4.1	6.3	8.5
In percent of export	45.9	73.0	12.8	6.2	9.9	8.9	5.7	0.7	1.1	0.8	1.2	1.5
In percent of GDP	8.3	11.7	2.2	1.5	2.3	2.1	1.4	0.2	0.2	0.2	0.3	0.4
Tanzania 3/												
Paid	154.4	92.0	90.3	83.2	241.7	151.1	62.3	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	156.0	195.6	204.0	203.7	176.6
Due after MDRI	...	...	...	...	...	...	...	93.3	94.4	98.3	102.8	75.7
In percent of export	11.8	6.7	6.0	4.8	10.5	5.4	2.0	2.8	2.4	2.3	2.2	1.5
In percent of GDP	1.7	1.0	0.9	0.8	2.0	1.2	0.5	0.7	0.6	0.6	0.5	0.4
Uganda												
Paid	103.3	42.6	59.7	61.7	97.8	118.6	79.4	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	101.5	112.1	112.3	112.7	114.6
Due after MDRI	...	...	...	...	...	...	...	57.2	72.0	72.0	70.8	71.4
In percent of export	15.7	6.3	8.6	8.2	10.1	9.8	5.8	3.3	3.9	3.6	3.3	3.2
In percent of GDP	1.7	0.8	1.0	1.0	1.4	1.4	0.8	0.5	0.6	0.5	0.5	0.5
Zambia 2/												
Paid	137.2	138.5	118.1	183.7	373.2	165.6	66.0	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	115.3	156.7	172.7	185.5	184.4
Due after MDRI	...	...	...	...	...	...	...	87.6	77.1	61.5	58.6	61.8
In percent of export	15.7	13.1	10.9	14.6	18.3	6.6	2.2	2.1	2.2	1.9	1.9	1.9
In percent of GDP	4.2	3.8	3.1	4.3	6.9	2.3	0.8	0.8	0.6	0.5	0.4	0.4

Note: Data corresponding to years of decision and completion points are in thin and thick boxes, respectively.

Table 2 (concluded). Debt Service of 31 Post-Decision-Point HIPCs, 2000-2011
(In millions of U.S. dollars, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Prel.							Projections				
B. Interim HIPCs												
Afghanistan												
Paid	...	...	1.1	7.5	7.7	9.2	10.9	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	3.4	3.0	11.5	27.3	35.1
Due after MDRI	...	...	...	...	...	...	...	3.4	3.0	11.1	26.5	34.4
In percent of export	...	...	...	4.0	1.9	1.8	1.8	0.5	0.4	1.1	2.3	2.7
In percent of GDP	...	...	...	0.2	0.2	0.2	0.1	0.0	0.0	0.1	0.3	0.4
Burundi 2/												
Paid	20.9	14.2	28.5	25.8	63.5	26.1	10.3	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	6.1	4.8	6.1	11.1	14.3
Due after MDRI	...	...	...	...	...	...	...	6.1	4.7	6.0	11.0	14.1
In percent of export	38.1	31.4	73.6	51.5	99.8	28.4	10.8	6.5	3.1	3.6	5.8	6.9
In percent of GDP	3.0	2.1	4.5	4.3	9.6	3.3	1.1	0.6	0.4	0.5	0.8	1.0
Chad 2/												
Paid	33.5	11.4	32.7	37.0	40.3	29.5	65.4	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	36.8	39.1	39.8	47.1	47.4
Due after MDRI	...	...	...	...	...	...	...	36.8	22.3	14.5	21.6	23.4
In percent of export	14.3	4.6	12.9	5.5	1.8	0.9	1.8	1.0	0.6	0.4	0.6	0.7
In percent of GDP	2.4	0.7	1.6	1.3	0.9	0.5	1.0	0.6	0.3	0.2	0.3	0.3
Democratic Republic of the Congo 2/												
Paid	0.0	0.0	34.2	165.6	163.2	154.1	79.9	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	243.0	495.5	584.8	437.2	444.2
Due after MDRI	...	...	...	...	...	...	...	243.0	359.6	424.1	264.6	271.7
In percent of export	0.0	0.0	2.9	11.2	8.2	6.4	9.3	8.4	15.0	16.5	11.1	9.9
In percent of GDP	...	...	0.6	2.9	2.5	2.2	0.9	2.7	3.6	3.8	2.2	2.1
Republic of the Congo 2/												
Paid	621.3	517.9	614.9	472.6	529.2	629.5	557.9	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	466.5	272.3	298.1	193.6	176.0
Due after MDRI	...	...	...	...	...	...	...	466.5	272.3	298.1	159.4	145.0
In percent of export	24.0	23.9	25.0	16.7	14.4	12.2	8.3	8.7	4.4	4.6	2.5	2.2
In percent of GDP	19.3	18.5	20.4	13.5	11.4	10.3	7.3	6.8	3.4	3.6	1.9	1.6
The Gambia 2/												
Paid	20.7	16.6	26.1	12.2	28.5	23.4	24.6	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	27.6	23.5	22.9	21.9	20.5
Due after MDRI	...	...	...	...	...	...	...	25.7	15.7	14.4	12.6	10.9
In percent of export	11.0	10.2	15.3	7.3	14.8	12.0	11.6	12.1	6.9	5.7	4.6	3.7
In percent of GDP	4.9	4.0	7.0	3.5	7.1	5.1	4.8	4.5	2.5	2.1	1.6	1.3
Guinea 2/												
Paid	113.1	74.9	88.4	83.8	82.7	123.7	124.1	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	176.2	136.4	88.2	70.8	94.7
Due after MDRI	...	...	...	...	...	...	...	176.2	106.0	60.3	35.5	59.2
In percent of export	15.4	9.3	11.3	10.4	10.0	13.4	11.3	15.1	8.7	4.6	2.5	3.8
In percent of GDP	3.6	2.5	2.8	2.3	2.1	3.8	4.0	3.9	3.0	1.8	1.4	1.7
Guinea-Bissau 2/												
Paid	13.1	1.1	2.3	5.7	6.2	5.0	6.0	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	28.7	34.5	31.8	11.0	7.3
Due after MDRI	...	...	...	...	...	...	...	28.7	34.5	31.8	8.5	3.5
In percent of export	19.1	1.9	3.8	8.0	7.4	4.4	7.8	26.2	30.2	26.4	6.6	2.6
In percent of GDP	6.1	0.5	1.1	2.4	2.3	1.7	2.0	8.4	9.6	8.4	2.1	0.8
Haiti												
Paid	37.2	36.6	40.7	67.0	48.4	104.2	58.7	...	...	...	...	...
Due after enhanced HIPC Initiative relief 1/	...	...	...	...	...	...	...	46.3	58.2	59.6	64.3	67.7
Due after MDRI	...	...	...	...	...	...	...	46.3	58.2	50.4	50.0	47.9
In percent of export	...	8.3	9.3	14.3	9.5	17.5	8.5	5.9	5.9	4.5	4.0	3.5
In percent of GDP	...	1.0	1.2	2.3	1.4	2.4	1.2	0.8	0.9	0.7	0.7	0.6

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

Note: Data corresponding to years of decision and completion points are in thin and thick boxes, respectively.

1/ Debt service due after the full use of traditional debt relief and assistance under the enhanced HIPC Initiative.

For completion-point HIPCs, figures are after additional bilateral assistance beyond the HIPC Initiative.

2/ Debt service figures for 2000 largely reflect pre-HIPC debt service because these countries did not reach their decision point until late in 2000 or later.

Thus, the full impact of relief for these HIPCs did not take effect until 2001 and thereafter.

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

Table 3. Poverty-Reducing Expenditure of 31 Post-Decision-Point HIPCs 2000-2011 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
							Prel.	Projections				
A. Post-Completion-Point HIPCs												
Benin												
In millions of U.S. dollars	110.2	161.0	162.2	153.1	165.8	199.0	222.4	258.8	296.6	335.8	382.6	431.4
In percent of government revenue 3/	29.5	41.8	35.4	25.3	24.9	28.7	26.5	28.0	28.0	28.4	29.4	30.2
In percent of GDP	4.6	6.4	5.8	4.3	4.1	4.5	4.7	4.8	5.1	5.3	5.5	5.7
Bolivia												
In millions of U.S. dollars	899.6	989.6	1,018.9	941.6	1,041.3	1,159.9	1,325.1	1,559.7	1,693.7	1,854.5	2,059.5	2,221.4
In percent of government revenue 3/	47.5	55.1	60.4	56.1	49.5	41.8	35.3	39.6	38.4	39.0	38.9	38.7
In percent of GDP	10.7	12.1	12.9	11.6	11.8	12.3	11.8	12.2	11.8	11.7	11.8	11.9
Burkina Faso												
In millions of U.S. dollars	98.4	109.8	156.8	201.1	274.8	307.2	331.6	405.4	481.6	566.1	618.4	676.1
In percent of government revenue 3/	32.8	35.4	39.0	35.6	39.0	46.5	42.0	45.3	47.5	47.7	46.4	45.1
In percent of GDP	3.8	3.9	4.7	4.7	5.4	5.5	5.5	5.9	6.4	7.0	7.0	7.0
Cameroon 2/												
In millions of U.S. dollars	286.7	335.6	365.0	258.2	824.1	974.9	1,154.7	1,535.4	1,677.0	1,839.3	1,986.7	2,150.7
In percent of government revenue 3/	17.3	20.0	19.4	11.6	34.2	33.6	33.2	43.2	43.5	45.5	46.3	46.4
In percent of GDP	3.1	3.6	3.4	1.9	5.2	5.8	6.3	7.7	7.8	8.0	8.0	8.0
Ethiopia 2/												
In millions of U.S. dollars	534.2	733.4	884.0	1,001.4	1,180.4	1,618.6	2,106.9	2,658.7	3,380.9	3,796.1	4,222.5	4,532.6
In percent of government revenue 3/	45.8	60.1	72.7	77.1	73.1	89.9	93.6	96.4	103.4	105.9	109.5	109.5
In percent of GDP	6.8	9.3	11.9	12.5	12.4	14.2	15.8	16.7	19.0	19.4	19.9	19.9
Ghana 2/												
In millions of U.S. dollars	189.2	241.3	293.7	493.1	679.9	910.0	1,305.1	1,557.0	1,780.9	2,040.7	2,322.6	2,575.0
In percent of government revenue 3/	21.5	25.1	26.5	31.1	32.2	35.7	46.9	46.7	47.7	47.7	47.4	47.0
In percent of GDP	3.8	4.5	4.8	6.5	7.7	8.5	10.1	10.4	10.6	10.6	10.6	10.6
Guyana 2/												
In millions of U.S. dollars	146.7	144.3	151.0	159.5	157.2	173.8	192.3	...	...	...	...	...
In percent of government revenue 3/	65.5	66.3	65.0	68.4	60.8	62.1	61.9	...	...	...	...	...
In percent of GDP	20.6	20.7	20.9	21.4	20.0	21.1	21.4	...	...	...	...	...
Honduras 2/												
In millions of U.S. dollars	493.2	564.9	493.5	520.8	616.8	744.0	758.9	833.0	919.1	981.2	1,058.7	1,138.2
In percent of government revenue 3/	47.0	48.4	40.9	40.5	42.8	46.7	43.6	44.6	45.1	43.7	42.8	41.9
In percent of GDP	8.3	8.9	7.6	7.6	8.3	9.0	8.3	8.3	8.3	8.0	7.8	7.6
Madagascar 2/												
In millions of U.S. dollars	185.4	190.9	190.9	202.9	134.5	528.8	604.1	772.6	843.7	885.9	930.2	976.7
In percent of government revenue 3/	39.6	41.8	54.3	35.4	25.6	103.6	92.5	94.3	90.2	78.8	70.4	63.8
In percent of GDP	4.8	4.2	4.2	3.7	3.1	10.5	11.0	10.9	9.9	9.4	8.8	8.2
Malawi 2/												
In millions of U.S. dollars	0.0	51.4	95.9	98.2	104.6	165.2	225.2	254.2	268.3	302.6	318.9	345.5
In percent of government revenue 3/	0.0	18.3	32.1	27.6	26.6	35.8	46.5	44.6	42.0	43.6	43.3	44.2
In percent of GDP	...	3.0	3.6	4.0	4.0	5.8	7.1	7.4	7.3	7.7	7.6	7.8
Mali 2/												
In millions of U.S. dollars	142.9	155.4	190.0	322.5	367.4	448.1	532.7	560.7	624.8	695.3	774.9	624.7
In percent of government revenue 3/	41.0	39.5	33.5	42.0	42.7	46.5	50.4	49.0	49.2	49.8	51.4	37.9
In percent of GDP	5.3	5.1	5.7	7.3	7.0	8.3	9.3	9.0	9.3	9.8	9.7	6.7

Note: Data corresponding to years of decision and completion points are in thin and thick boxes, respectively.

Table 3 (continued). Poverty-Reducing Expenditure of 31 Post-Decision-Point HIPCs 2000-2011 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Prel.							Projections				
Mauritania 2/												
In millions of U.S. dollars	70.0	79.1	105.0	214.0	179.5	129.1	185.7	238.6	297.8	372.3	472.2	540.1
In percent of government revenue 3/	31.4	35.2	29.7	54.7	39.0	28.7	32.5	39.7	46.2	55.4	68.7	76.4
In percent of GDP	6.5	7.0	9.1	16.6	12.0	7.0	7.0	9.0	10.4	12.6	13.0	13.0
Mozambique												
In millions of U.S. dollars	688.0	665.2	647.4	762.7	842.9	954.7	1,254.7	1,235.8	1,340.9	1,463.2	1,553.0	...
In percent of government revenue 3/	143.3	145.5	127.1	123.3	113.0	102.8	116.1	104.7	101.6	97.0	90.8	...
In percent of GDP	18.5	18.0	15.8	15.9	14.3	14.0	16.2	15.1	15.1	14.9	14.4	...
Nicaragua 2/												
In millions of U.S. dollars	349.3	361.5	410.7	467.5	549.2	635.9	652.0	831.4	915.6	1,009.5	1,095.7	1,436.3
In percent of government revenue 3/	44.1	47.4	54.4	56.0	55.4	57.2	51.5	57.1	54.9	53.3	51.4	60.1
In percent of GDP	8.9	8.8	10.2	11.4	12.3	13.1	12.3	14.6	15.0	15.5	15.7	19.2
Niger 2/												
In millions of U.S. dollars	...	...	169.0	221.0	280.0	289.0	244.0	348.7	400.2	419.6	444.5	477.9
In percent of government revenue 3/	...	...	67.6	70.6	78.8	84.6	49.0	72.8	73.7	68.2	64.1	62.2
In percent of GDP	...	...	7.8	8.1	9.5	8.4	6.7	8.4	8.8	8.4	8.1	8.0
Rwanda 2/												
In millions of U.S. dollars	72.4	90.6	107.8	115.4	137.0	214.7	276.2	390.8	437.6	491.1	564.0	668.6
In percent of government revenue 3/	45.4	48.1	54.8	53.9	52.8	65.9	72.8	92.8	92.5	92.8	95.3	101.6
In percent of GDP	4.0	5.3	6.2	6.9	7.5	10.0	11.1	13.8	13.8	14.1	14.6	15.6
Sao Tome and Principe 2/												
In millions of U.S. dollars	8.0	11.9	10.4	15.8	14.3	18.0	18.4	23.5	26.9	28.0	29.0	29.0
In percent of government revenue 3/	86.2	120.1	84.0	105.6	81.0	117.5	89.3	109.4	113.6	107.6	101.5	93.8
In percent of GDP	10.8	15.6	11.3	15.9	13.2	15.9	14.9	16.6	17.4	16.6	15.8	14.1
Senegal												
In millions of U.S. dollars	238.6	303.6	313.2	456.3	583.7	681.4	725.8	979.7	1,058.1	1,142.7	1,234.1	1,332.9
In percent of government revenue 3/	31.0	37.0	30.4	33.8	36.8	42.8	37.4	44.1	44.6	45.4	44.5	43.9
In percent of GDP	5.1	6.2	5.9	6.6	7.3	7.9	7.9	9.1	9.0	8.9	8.8	8.7
Sierra Leone												
In millions of U.S. dollars	23.5	36.7	57.4	59.7	49.9	53.5	62.7	75.5	87.1	86.4	97.8	116.8
In percent of government revenue 3/	25.7	38.2	52.1	46.8	40.0	37.7	37.6	40.0	39.0	34.0	35.6	38.7
In percent of GDP	3.7	4.6	6.1	6.1	4.6	4.4	4.4	4.9	5.2	4.8	5.0	5.5
Tanzania 3/												
In millions of U.S. dollars	520.1	545.3	780.3	915.5	1,067.6	1,275.9	1,701.3	1,939.9	2,158.9	2,385.2	2,629.9	2,892.3
In percent of government revenue 3/	54.1	53.7	73.0	80.0	76.3	83.8	101.0	94.0	92.3	89.6	86.6	88.6
In percent of GDP	5.7	6.0	8.1	9.1	9.0	10.5	13.4	13.9	14.0	14.0	14.0	14.0
Uganda												
In millions of U.S. dollars	402.5	444.8	553.1	724.8	914.7	1,039.7	1,050.3	1,072.5	1,160.0	1,279.3	1,436.3	...
In percent of government revenue 3/	59.7	68.0	79.3	101.3	98.0	92.9	86.2	72.0	73.1	69.4	68.3	...
In percent of GDP	6.8	7.9	9.5	11.6	13.4	11.9	11.1	9.6	9.5	9.5	10.0	...
Zambia 2/												
In millions of U.S. dollars	170.4	225.1	262.5	300.4	344.1	405.7	762.5	737.2	890.9	1,013.0	1,170.5	1,467.6
In percent of government revenue 3/	21.0	24.9	26.5	27.9	26.6	24.3	41.5	38.2	41.8	44.1	47.2	55.4
In percent of GDP	5.3	6.2	7.0	6.9	6.3	5.6	7.0	6.8	7.5	7.9	8.5	9.8

Note: Data corresponding to years of decision and completion points are in thin and thick boxes, respectively.

Table 3 (concluded). Poverty-Reducing Expenditure of 31 Post-Decision-Point HIPCs 2000-2011 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
							Prel.			Projections		
B. Interim HIPCs												
Afghanistan												
In millions of U.S. dollars	...	...	...	...	...	...	...	...	...	...	...	...
In percent of government revenue 3/	...	...	...	...	...	...	...	...	...	...	...	...
In percent of GDP	...	...	...	...	...	...	...	...	...	...	...	...
Burundi 2/												
In millions of U.S. dollars	26.4	28.5	27.1	29.0	33.5	25.2	28.5	115.4	137.7	155.9	176.9	186.9
In percent of government revenue 3/	20.9	22.4	24.6	23.3	25.3	14.9	16.2	57.5	61.4	64.1	66.8	65.2
In percent of GDP	3.7	4.3	4.3	4.9	5.0	3.1	3.0	11.6	12.3	13.0	13.6	13.3
Chad 2/												
In millions of U.S. dollars	62.4	64.3	84.8	113.0	132.4	326.0	420.0	645.0	660.0	673.0	...	...
In percent of government revenue 3/	56.8	51.6	48.6	48.4	32.7	59.3	39.8	41.8	98.5	79.5	...	...
In percent of GDP	4.5	3.8	4.3	4.1	3.0	5.5	6.6	10.0	10.3	10.9	...	...
Democratic Republic of the Congo 2/												
In millions of U.S. dollars	0.0	0.0	26.2	85.2	130.2	142.6	279.5	426.3	690.8	751.5	982.6	1,210.4
In percent of government revenue 3/	0.0	0.0	6.6	18.0	23.3	15.8	26.6	36.0	52.1	49.2	54.0	58.9
In percent of GDP	...	...	0.5	1.5	2.0	2.0	3.3	4.8	6.9	6.8	8.2	9.2
Republic of the Congo 2/												
In millions of U.S. dollars	0.0	0.0	0.0	142.9	195.7	293.1	473.1	417.7	...	...	...	...
In percent of government revenue 3/	0.0	0.0	0.0	12.8	13.0	13.1	13.1	15.9	...	...	...	...
In percent of GDP	...	...	...	4.1	4.2	4.8	6.2	6.1	...	...	...	...
The Gambia 2/												
In millions of U.S. dollars	20.8	19.6	18.4	16.3	21.5	19.7	24.2	37.7	51.0	60.3	65.6	71.0
In percent of government revenue 3/	26.7	31.1	30.5	29.5	25.6	21.7	22.5	29.9	37.9	41.1	41.9	41.9
In percent of GDP	4.9	4.7	5.0	4.6	5.4	4.3	4.8	6.6	8.0	8.6	8.6	8.6
Guinea 2/												
In millions of U.S. dollars	79.8	102.9	131.5	121.9	116.3	114.4	106.5	168.9	208.5	236.9	273.7	317.1
In percent of government revenue 3/	25.3	30.3	34.0	32.3	31.7	33.1	26.1	31.9	33.5	34.3	34.7	35.1
In percent of GDP	2.6	3.4	4.1	3.4	3.0	3.5	3.4	3.7	4.6	4.9	5.2	5.5
Guinea-Bissau 2/												
In millions of U.S. dollars	0.0	0.0	8.6	10.7	14.2	15.8	15.7	16.7	16.8	16.4	15.5	15.2
In percent of government revenue 3/	0.0	0.0	25.6	27.4	28.3	31.2	25.0	32.1	24.7	23.3	20.7	19.1
In percent of GDP	...	...	4.2	4.5	5.2	5.2	5.1	4.9	4.7	4.3	3.9	3.6
Haiti												
In millions of U.S. dollars	...	...	...	...	...	...	...	...	...	...	...	...
In percent of government revenue 3/	...	...	...	...	...	...	...	...	...	...	...	...
In percent of GDP	...	...	...	...	...	...	...	...	...	...	...	...

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

Note: Data corresponding to years of decision and completion points are in thin and thick boxes, respectively.

1/ The coverage of poverty-reducing expenditures varies across countries, but is generally consistent with the definition in the PRSP and the budget of each HIPC.

In some countries, the definition of poverty-reducing expenditures has evolved over time to include more sectors; therefore, some of the increase in such spending over the 2000-2003 period may reflect changes in the definition.

2/ Data refer to health and education spending.

3/ Government refers to central government.

Table 4. HIPC Initiative and MDRI: Committed Debt Relief and Outlook 1/

Status as of end-July 2007

(In millions of U.S. dollars)

	Decision Point Date	Completion Point Date	Assistance under the HIPC Initiative		Assistance Delivered under MDRI 2/	Total HIPC and MDRI Assistance
			In NPV Terms as of Decision Point 3/ 4/	In Nominal Terms	In Nominal Terms	In Nominal Terms
			(1)	(2)	(3)	(4)	(5)	(6)=(4)+(5)
22 Post-Completion-Point HIPCs			...	45,254	41,750	87,004
Benin	Jul-00	Mar-03	262	460	1,098	1,558
Bolivia 5/	Feb-00	Jun-01	1,330	2,060	2,801	4,861
Burkina Faso 5/ 6/	Jul-00	Apr-02	553	930	1,161	2,091
Cameroon	Oct-00	Apr-06	1,267	4,917	1,266	6,183
Ethiopia 6/	Nov-01	Apr-04	1,935	3,275	3,208	6,483
Ghana	Feb-02	Jul-04	2,187	3,500	3,801	7,301
Guyana 5/	Nov-00	Dec-03	591	1,354	705	2,059
Honduras	Jun-00	Apr-05	556	1,000	2,703	3,703
Madagascar	Dec-00	Oct-04	836	1,900	2,339	4,239
Malawi 6/	Dec-00	Aug-06	939	1,600	1,526	3,126
Mali 5/	Sep-00	Mar-03	539	895	1,914	2,809
Mauritania	Feb-00	Jun-02	622	1,100	855	1,955
Mozambique 5/	Apr-00	Sep-01	2,143	4,300	1,990	6,290
Nicaragua	Dec-00	Jan-04	3,308	4,500	1,895	6,395
Niger 6/	Dec-00	Apr-04	644	1,190	1,026	2,216
Rwanda 6/	Dec-00	Apr-05	651	1,316	486	1,801
São Tomé and Príncipe 6/	Dec-00	Mar-07	117	263	59	322
Senegal	Jun-00	Apr-04	488	850	2,408	3,258
Sierra Leone	Mar-02	Dec-06	675	994	644	1,638
Tanzania	Apr-00	Nov-01	2,026	3,000	3,743	6,743
Uganda 5/	Feb-00	May-00	1,027	1,950	3,422	5,372
Zambia	Dec-00	Apr-05	2,499	3,900	2,699	6,599
9 Interim HIPCs			...	18,159	...	18,159
Afghanistan	Jul-07	...	571	1,272	...	1,272
Burundi	Aug-05	...	826	1,465	...	1,465
Chad	May-01	...	170	260	...	260
Congo, Dem. Rep. of the	Jul-03	...	6,311	10,389	...	10,389
Congo, Rep. of	Mar-06	...	1,679	2,881	...	2,881
Gambia, The	Dec-00	...	67	90	...	90
Guinea	Dec-00	...	545	800	...	800
Guinea-Bissau	Dec-00	...	416	790	...	790
Haiti	Nov-06	...	140	213	...	213
2 Non-HIPCs 7/					182	182
Cambodia	...	...	...	...	82	82
Tajikistan	...	...	...	...	100	100
Total Debt Relief Committed			...	63,413	41,932	105,345

Sources: HIPC documents, and World Bank and IMF staff estimates.

1/ Committed debt relief under the assumption of full participation of creditors.

2/ Nominal MDRI costs include principal and interest foregone for all multilaterals participating in the Initiative, except IMF, which only include principal. The estimated costs for IMF reflect the stock of debt eligible for MDRI relief, which is the debt outstanding (principal only) as of end-2004 and that has not been repaid by the member and is not covered by HIPC assistance (EBS/05/158 Revision 1, 12/15/2005).

3/ Topping-up assistance and assistance provided under the original HIPC Initiative are expressed in NPV-terms as of the time of the decision point.

4/ No totals are shown because the amounts are in different NPV terms (according to the date of the decision point).

5/ Also reached completion point under the original HIPC Initiative. The assistance includes original debt relief.

6/ Assistance includes topping up at completion point.

7/ IMF MDRI debt relief to Cambodia and Tajikistan.

Table 5. HIPC Initiative: Cost Estimates to Multilateral Creditors and Status of their Commitments

Status as of end-July 2007

(In millions of U.S. dollars, in end-2006 NPV terms)

Creditors	Total Cost of HIPC Initiative Debt Relief
Total	22,679.8
Delivering or Committed to Deliver Debt Relief 1/	22,592.3
World Bank Group	10,811.8
African Development Bank (AfDB) Group	3,801.4
International Monetary Fund (IMF)	3,310.3
Inter-American Development Bank (IaDB)	1,538.3
European Union/European Investment Bank (EU/EIB)	896.3
Central American Bank for Economic Integration (CABEL)	671.7
International Fund for Agricultural Development (IFAD)	376.1
Arab Bank for Economic Development in Africa (BADEA)	270.0
OPEC Fund for International Development (OFID)	219.4
Islamic Development Bank (IsDB)	164.1
Corporación Andina de Fomento (CAF)	122.7
Arab Fund for Social and Economic Development (AFESD)	83.5
Caricom Multilateral Clearing Facility (CMCF)	82.1
West African Development Bank (BOAD)	58.8
Asian Development Bank (AsDB)	56.2
Nordic Development Fund (NDF)	36.9
Fund for the Financial Development of the River Plate Basin (FONPLATA)	32.6
Caribbean Development Bank (CDB)	24.2
Arab Monetary Fund (AMF)	15.7
Central Bank of West African States (BCEAO)	7.6
Nordic Investment Bank (NIB)	4.7
East African Development Bank (EADB)	4.3
Banque de Développement des Etats de l'Afrique Centrale (BDEAC)	2.2
Shelter Afrique	0.7
Banco Interamericano de Ahorro y Préstamo (BIAPE)	0.4
Have not Indicated Intention to Provide Relief under the HIPC Initiative	87.5
Banque des Etats de l'Afrique Centrale (BEAC)	42.4
Economic Community of West African States (ECOWAS)	18.4
Eastern and Southern African Trade and Development Bank (PTA Bank)	11.6
Banque de Développement des Etats des Grands Lacs (BDEGL)	8.3
Conseil de L'Entente (FEGECE)	3.6
Fondo Centroamericano de Estabilización Monetaria (FOCEM)	2.3
Fund for Solidarity and Economic Development (FSID)	0.9

Sources: HIPC documents, HIPC authorities, and World Bank and IMF staff estimates.

1/ Some of these creditors are providing relief on a case-by-case basis and have yet to agree to full participation in the delivery of HIPC Initiative debt relief.

Table 6A. Status of Delivery of HIPC Initiative and MDRI Assistance by the World Bank
 Status as of end-July 2007
 (In millions of U.S. dollars)

	World Bank Assistance under the HIPC Initiative			Assistance under the MDRI (IDA only)			Total Committed Assistance under the HIPC Initiative and MDRI in end-2006 NPV Terms (III) + (VI)	Total Delivered Assistance under the HIPC Initiative and MDRI in end-2006 NPV Terms (IV) + (VI)
	Committed Assistance in Nominal Terms (I)	Committed Assistance in NPV Terms as of Decision Point (II)	Committed Assistance in end-2006 NPV Terms (III)	Delivered Assistance in end-2006 NPV Terms 1/ (IV)	Delivered Assistance in Nominal Terms 2/ (V)	Delivered Assistance in end-2006 NPV Terms (VI)		
22 Post-Completion-Point HIPCs								
TOTAL 3/	12,104.3	6,770.8	8,775.8	3,341.9	28,295.1	13,622.6	22,398.4	16,964.5
Benin	124.3	84.4	110.7	53.1	690.8	364.2	474.9	417.3
Bolivia 4/	287.2	197.4	258.9	146.3	1,527.2	788.2	1,047.1	934.4
Burkina Faso 4/ 5/	419.5	231.7	304.0	180.6	740.7	357.1	661.1	537.7
Cameroon	297.0	176.1	231.0	88.2	823.2	399.8	630.8	488.0
Ethiopia 5/	1,288.4	815.6	1,022.7	213.3	2,342.0	981.0	2,003.7	1,194.3
Ghana	1,445.7	781.6	980.0	246.5	2,994.3	1,449.7	2,429.7	1,696.3
Guyana 4/	132.8	72.2	94.8	56.8	189.4	94.9	189.6	151.7
Honduras	171.6	97.8	128.2	90.3	1,193.7	596.1	724.3	686.4
Madagascar	444.4	256.2	336.1	112.0	1,780.1	882.9	1,219.0	994.9
Malawi 5/	993.5	563.5	739.3	129.9	1,226.2	539.0	1,278.3	668.9
Mali 4/	291.8	184.1	241.6	139.6	1,270.2	650.4	892.0	790.0
Mauritania	172.8	99.9	131.0	48.5	551.8	268.6	399.6	317.1
Mozambique 4/	1,050.1	430.3	564.5	553.4	1,319.0	668.2	1,232.7	1,221.6
Nicaragua	382.6	190.9	250.4	60.1	772.7	333.7	584.1	393.8
Niger 5/	410.1	233.8	306.8	78.8	747.5	328.7	635.5	407.5
Rwanda 5/	709.4	362.1	475.0	101.9	351.3	131.9	606.9	233.8
São Tomé and Príncipe 5/	58.9	30.5	40.0	8.2	24.2	8.9	48.9	17.1
Senegal	163.9	123.6	162.2	102.5	1,866.1	989.2	1,151.4	1,091.7
Sierra Leone	234.5	123.4	147.9	39.8	385.3	165.1	313.0	205.0
Tanzania	1,157.1	694.5	911.1	333.8	2,824.2	1,384.7	2,295.8	1,718.5
Uganda 4/	983.6	527.8	692.4	380.5	2,792.5	1,389.0	2,081.4	1,769.5
Zambia	885.2	493.2	647.0	177.8	1,882.5	851.4	1,498.4	1,029.2
9 Interim HIPCs								
TOTAL 1/	2,580.4	1,792.4	2,036.0	586.2	...	...	2,036.0	586.2
Afghanistan	124.6	75.2	71.9	0.0	...	...	71.9	0.0
Burundi	773.0	424.8	444.5	29.5	...	...	444.5	29.5
Chad 6/	111.0	68.1	85.4	41.1	...	...	85.4	41.1
Congo, Dem. Rep. of the	1,031.2	855.5	979.9	385.6	...	...	979.9	385.6
Congo, Rep. of	70.7	48.9	51.2	2.7	...	...	51.2	2.7
Gambia, The 6/	35.6	22.3	29.2	11.9	...	...	29.2	11.9
Guinea	233.6	151.4	198.7	79.4	...	...	198.7	79.4
Guinea-Bissau	179.6	93.3	122.3	34.8	...	...	122.3	34.8
Haiti 6/	21.1	52.8	52.8	1.1	...	...	52.8	1.1
Total Debt Relief Committed 1/	14,684.7	8,563.2	10,811.8	3,928.1	28,295.1	13,622.6	24,434.3	17,550.7

Sources: HIPC documents, and World Bank staff estimates.

1/ Total delivered HIPC assistance to end-2006.

2/ Nominal MDRI costs include principal and interest foregone.

3/ The total amounts shown are only indicative, as they represent the sum of individual commitments expressed in different NPV terms, corresponding to the time of the decision point of each HIPC.

4/ Also reached completion point under the original HIPC Initiative. The assistance includes original debt relief.

5/ The assistance includes topping-up at completion point.

6/ HIPC assistance committed in nominal terms has been revised because these HIPCs have reached the interim period HIPC debt relief limit.

Table 6B. World Bank Group Debt Service after HIPC Initiative and MDRI Debt Relief, 2000-2011
(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actual 1/							Projections 1/				
Debt Service before HIPC Initiative Debt Relief												
Afghanistan	-	-	-	31	4	5	5	7	9	9	9	9
Benin	15	14	15	14	15	16	19	23	24	25	27	28
Bolivia	31	21	23	27	33	35	37	39	44	50	54	57
Burkina Faso	14	10	15	15	16	18	21	25	26	26	26	31
Burundi	13	14	16	19	20	25	22	44	48	51	54	57
Cameroon	92	115	91	70	51	49	63	26	29	31	32	33
Chad	9	15	11	10	12	17	22	23	25	32	35	38
Congo, Republic of	12	82	12	10	7	6	5	11	11	11	11	11
Congo, Dem. Rep. of the	-	-	361	43	47	60	37	95	99	100	101	101
Ethiopia	34	38	43	55	67	73	76	78	92	98	99	111
Gambia, The	2	4	3	4	5	4	4	7	10	11	12	13
Ghana	57	63	70	76	91	102	104	115	122	130	136	148
Guinea	19	22	22	26	28	32	33	50	56	61	66	67
Guinea-Bissau	6	5	5	6	7	7	8	15	16	18	19	19
Guyana	7	6	8	6	6	6	6	6	6	6	7	8
Haiti	10	4	-	-	1	70	18	27	22	28	20	21
Honduras	63	65	58	45	41	110	45	27	28	33	33	38
Madagascar	28	32	32	38	45	48	52	57	63	67	71	78
Malawi	31	35	34	40	44	47	51	58	60	67	70	73
Mali	23	21	22	22	25	27	33	41	42	45	47	53
Mauritania	12	9	10	11	13	15	16	17	19	19	22	24
Mozambique	11	10	12	16	25	28	30	31	33	36	42	46
Nicaragua	12	12	10	12	16	18	19	20	22	25	28	30
Niger	16	17	16	16	17	20	24	29	31	32	32	35
Rwanda	12	15	16	19	21	23	25	26	27	29	30	33
São Tomé and Príncipe	1	1	2	2	2	2	2	4	4	4	5	5
Senegal	36	34	31	31	33	36	44	54	60	63	70	76
Sierra Leone	3	4	7	9	12	13	13	24	24	24	25	26
Tanzania	50	52	58	63	71	71	86	105	108	112	126	135
Uganda	35	34	42	55	69	75	75	78	84	88	97	106
Zambia	27	34	35	39	50	51	55	60	62	66	70	79
TOTAL	681	787	1078	829	894	1113	1051	1221	1305	1399	1475	1589
Debt Service after HIPC Initiative Debt Relief												
Afghanistan	-	-	-	31	4	5	5	5	5	5	5	5
Benin	12	7	8	7	7	8	11	14	15	15	17	17
Bolivia	31	21	14	14	20	21	22	23	26	31	33	36
Burkina Faso	11	3	8	6	8	8	11	15	15	15	15	19
Burundi	13	14	16	19	20	17	2	23	25	27	28	30
Cameroon	92	87	72	54	51	49	52	14	16	19	19	20
Chad	9	11	6	5	6	11	16	19	21	23	26	28
Congo, Republic of	12	82	12	10	7	6	2	7	7	7	7	8
Congo, Dem. Rep. of the	-	-	361	28	15	26	0	54	57	57	58	58
Ethiopia	34	36	18	26	36	16	15	15	20	22	22	28
Gambia, The	2	2	1	2	2	4	4	7	7	8	9	9
Ghana	57	63	37	31	42	49	47	54	57	61	65	72
Guinea	19	11	11	14	16	19	18	35	39	43	47	47
Guinea-Bissau	5	1	0	1	2	1	1	9	9	10	11	11
Guyana	7	4	5	4	4	3	3	3	3	3	4	4
Haiti	10	4	-	-	1	70	16	19	19	19	20	21
Honduras	57	46	45	45	41	92	16	17	18	21	21	29
Madagascar	28	17	17	21	27	29	32	35	39	42	46	51
Malawi	31	18	15	19	22	24	26	11	12	13	14	15
Mali	21	11	12	11	12	13	18	25	26	28	30	35
Mauritania	7	3	4	5	7	8	8	9	10	11	13	14
Mozambique	8	5	6	9	16	18	20	20	21	33	42	46
Nicaragua	12	7	2	3	6	7	7	7	8	10	12	15
Niger	16	8	6	6	5	5	6	9	10	10	10	12
Rwanda	12	3	2	4	6	6	3	4	4	4	4	6
São Tomé and Príncipe	1	0	0	0	0	1	0	2	2	2	2	3
Senegal	31	20	16	20	22	18	25	33	38	41	64	76
Sierra Leone	3	4	3	2	3	4	4	14	14	14	15	15
Tanzania	22	13	15	17	23	22	36	52	54	55	64	71
Uganda	26	23	28	35	42	46	46	48	52	55	61	69
Zambia	27	15	13	14	21	17	17	20	22	25	29	34
TOTAL	617	539	754	461	492	624	491	625	674	732	815	904

Table 6B (concluded). World Bank Group Debt Service after HIPC Initiative and MDRI Debt Relief, 2000-2011
(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actual 1/						Projections 1/					
Debt Service after HIPC Initiative Debt Relief and MDRI												
Afghanistan	-	-	-	31	4	5	5	5	5	5	4	4
Benin	12	7	8	7	7	8	5	1	1	1	1	1
Bolivia	31	21	14	14	20	21	12	2	2	3	4	4
Burkina Faso	11	3	8	6	8	8	5	3	3	3	3	5
Burundi	13	14	16	19	20	17	2	23	24	25	27	29
Cameroon	92	87	72	54	51	49	45	1	2	3	3	4
Chad	9	11	6	5	6	11	16	19	15	10	12	13
Congo, Republic of	12	82	12	10	7	6	2	7	7	7	4	4
Congo, Dem. Rep. of the	-	-	361	28	15	26	0	54	52	48	48	48
Ethiopia	34	36	18	26	36	16	10	4	7	8	8	11
Gambia, The	2	2	1	2	2	4	4	7	3	4	4	5
Ghana	57	63	37	31	42	49	24	7	7	7	8	11
Guinea	19	11	11	14	16	19	18	35	30	19	21	22
Guinea-Bissau	5	1	0	1	2	1	1	9	9	10	10	9
Guyana	7	4	5	4	4	3	2	0	0	0	0	0
Haiti	10	4	-	-	1	70	16	19	17	9	1	1
Honduras	57	46	45	45	41	92	9	3	3	3	3	5
Madagascar	28	17	17	21	27	29	18	5	5	6	6	8
Malawi	31	18	15	19	22	24	16	1	1	2	2	2
Mali 2/	21	11	12	11	12	13	8	4	4	5	6	8
Mauritania	7	3	4	5	7	8	5	1	1	1	2	2
Mozambique	8	5	6	9	16	18	12	5	5	6	9	11
Nicaragua	12	7	2	3	6	7	4	2	2	2	2	4
Niger	16	8	6	6	5	5	3	1	1	2	2	2
Rwanda	12	3	2	4	6	6	2	1	1	1	2	3
São Tomé and Príncipe	1	0	0	0	0	1	0	2	2	2	2	3
Senegal	31	20	16	20	22	18	11	4	5	6	8	10
Sierra Leone	3	4	3	2	3	4	4	11	11	10	11	12
Tanzania	22	13	15	17	23	22	15	8	9	9	10	12
Uganda	26	23	28	35	42	46	25	3	3	4	5	7
Zambia	27	15	13	14	21	17	9	2	3	3	4	5
TOTAL	617	539	754	461	492	624	310	252	242	226	231	263

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

1/ From 2000 to 2006, information corresponds to debt service actually paid to the World Bank. Debt service projections from 2007 onwards are based on stocks as of end-December 2006.

Table 7A. Implementation of the HIPC Initiative and MDRI by the IMF

Status as of end-July 2007

(In millions of SDRs)

Member	HIPC Initiative Assistance				MDRI Debt Relief 1/		Total HIPC and MDRI Debt Relief Delivered (A+B)
	Decision Point	Completion Point	Amount Committed	Amount Disbursed into HIPC Umbrella Account 2/	Delivery Date	MDRI Trusts	
22 Completion-Point HIPCs			1,557	1,668		2,169	3,837
Benin	Jul. 2000	Mar. 2003	18	20	Jan. 2006	34	54
Bolivia	Feb. 2000	Jun. 2001	62 3/	65	Jan. 2006	155	220
Burkina Faso	Jul. 2000	Apr. 2002	44 3/	46	Jan. 2006	57	103
Cameroon	Oct. 2000	Apr. 2006	29	34	Apr. 2006	149	183
Ethiopia	Nov. 2001	Apr. 2004	45	47	Jan. 2006	80	126
Ghana	Feb. 2002	Jul. 2004	90	94	Jan. 2006	220	314
Guyana	Nov. 2000	Dec. 2003	57 3/	60	Jan. 2006	32	91
Honduras	Jun. 2000	Apr. 2005	23	26	Jan. 2006	98	125
Madagascar	Dec. 2000	Oct. 2004	15	16	Jan. 2006	128	145
Malawi	Dec. 2000	Aug. 2006	33	37	Sep. 2006	15	52
Mali	Sep. 2000	Mar. 2003	46 3/	49	Jan. 2006	62	112
Mauritania	Feb. 2000	Jun. 2002	35	38	Jun. 2006	30	69
Mozambique	Apr. 2000	Sep. 2001	107 3/	108	Jan. 2006	83	191
Nicaragua	Dec. 2000	Jan. 2004	64	71	Jan. 2006	92	163
Niger	Dec. 2000	Apr. 2004	31	34	Jan. 2006	60	94
Rwanda	Dec. 2000	Apr. 2005	47	51	Jan. 2006	20	71
São Tomé and Príncipe	Dec. 2000	Mar. 2007	1	-- 4/	Mar. 2007	1	1
Senegal	Jun. 2000	Apr. 2004	34	38	Jan. 2006	95	133
Sierra Leone	Mar. 2002	Dec. 2006	100	107	Dec. 2006	77	183
Tanzania	Apr. 2000	Nov. 2001	89	96	Jan. 2006	207	303
Uganda	Feb. 2000	May. 2000	120 3/	122	Jan. 2006	76	198
Zambia	Dec. 2000	Apr. 2005	469	508	Jan. 2006	398	907
9 Interim HIPCs			305	18			18
Afghanistan	Jul. 2007	Floating	0	0			0
Burundi	Aug. 2005	Floating	19	0			0
Chad	May. 2001	Floating	14	9			9
Congo, Dem. Rep. of	Jul. 2003	Floating	228	3			3
Congo, Rep. of 5/	Mar. 2006	Floating	6	--			--
Gambia, The	Dec. 2000	Floating	2	0			0
Guinea	Dec. 2000	Floating	24	5			5
Guinea-Bissau	Dec. 2000	Floating	9	1			1
Haiti	Nov. 2006	Floating	2	0			0
1 Interim HIPC under the Original HIPC Initiative							
Côte D'Ivoire	Mar. 1998	--	17 3/ 6/	--			
2 Non-HIPCs						126	126
Cambodia	--	--	--	--	Jan. 2006	57	57
Tajikistan	--	--	--	--	Jan. 2006	69	69
Total			1,878	1,687		2,295	3,982

Source: International Monetary Fund.

1/ Excludes remaining HIPC Initiative assistance delivered.

2/ Includes interest on amounts committed under the enhanced HIPC Initiative.

3/ Includes commitment under the original HIPC Initiative.

4/ Additional HIPC assistance of SDR 0.824 million to be disbursed to São Tomé and Príncipe subject to receipt of satisfactory financing assurances from other creditors.

5/ No interim debt relief has been provided by the IMF as the necessary financing assurances from external creditors are not yet in place.

6/ Côte D'Ivoire reached its decision point under the original HIPC Initiative in 1998; but did not reach its completion point under the original HIPC Initiative, nor has it reached the decision point under the enhanced HIPC Initiative.

Table 7B. IMF Debt Service after HIPC Initiative and MDRI Debt Relief, 2000-2011

(In millions of U.S. dollars, as of July 15 2007)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actuals							Projections 1/				
Debt Service before HIPC Initiative Debt Relief												
Afghanistan	-	-	-	12	1	1	1	2	2	2	2	2
Benin	14	16	16	16	12	8	0	1	1	1	1	1
Bolivia	31	32	30	30	40	55	2	15	0	0	0	0
Burkina Faso	11	15	15	18	19	16	1	1	1	1	2	4
Burundi	6	6	3	1	29	1	1	1	1	5	10	13
Cameroon	21	5	3	12	26	37	23	1	1	1	1	3
Chad	2	4	8	10	13	14	16	15	14	13	12	8
Congo, Dem. Rep. of the 2/	0	0	570	5	6	12	8	73	140	155	166	174
Congo, Rep. of	1	3	10	9	12	12	5	1	1	1	3	6
Ethiopia 3/	12	14	15	16	13	13	1	1	1	1	1	1
Gambia, The	2	1	0	0	10	2	4	5	5	4	3	1
Ghana	39	68	17	22	40	49	4	5	5	5	5	21
Guinea	9	13	13	16	18	24	21	22	19	14	12	7
Guinea-Bissau	1	1	2	5	5	3	4	3	2	2	2	0
Guyana	26	17	17	17	18	16	1	1	1	1	3	8
Haiti	5	2	15	15	5	5	36	1	1	1	1	1
Honduras	10	14	44	41	15	26	1	1	1	1	3	6
Madagascar	6	3	5	8	8	12	1	1	1	1	3	5
Malawi	10	8	8	10	13	17	19	1	1	1	1	2
Mali	19	24	29	29	29	25	1	1	1	1	1	2
Mauritania	12	15	18	19	17	14	24	1	1	1	1	1
Mozambique	31	29	24	21	22	28	0	0	0	0	0	2
Nicaragua	7	7	7	9	17	26	1	2	2	2	2	4
Niger	3	2	4	9	13	13	1	1	1	1	1	5
Rwanda	13	12	7	2	5	9	0	0	0	0	0	1
São Tomé and Príncipe	0	0	0	-	0	0	1	0	0	0	0	0
Sierra Leone	27	78	31	32	20	8	5	0	0	0	2	5
Senegal	25	31	30	39	46	43	1	2	2	2	2	5
Tanzania 3/	32	27	27	26	31	47	2	2	2	2	3	4
Uganda 3/	53	50	44	45	40	50	2	2	2	2	2	3
Zambia	9	222	220	222	223	224	3	4	4	4	5	9
TOTAL	435	716	1,231	714	764	811	189	165	212	224	250	302
Debt Service after HIPC Initiative Debt Relief												
Afghanistan	-	-	-	12	1	1	1	2	2	2	2	2
Benin	11	11	11	10	7	6	0	1	1	1	1	1
Bolivia	21	23	19	21	23	42	2	15	0	0	0	0
Burkina Faso	8	8	9	4	3	3	1	1	1	1	2	4
Burundi	6	6	3	1	29	1	1	1	1	1	2	6
Cameroon	20	4	3	12	22	36	18	1	1	1	1	3
Chad	2	2	5	6	12	12	16	15	11	8	8	8
Congo, Dem. Rep. of the 2/	0	0	570	4	4	10	8	10	61	68	76	105
Congo, Rep. of	1	3	10	9	12	12	5	1	1	1	2	3
Ethiopia 3/	12	14	10	10	9	7	1	1	1	1	1	1
Gambia, The	2	1	0	0	10	2	4	4	4	3	3	1
Ghana	39	68	8	5	23	28	4	5	5	5	5	21
Guinea	9	10	12	14	17	24	21	19	10	1	3	3
Guinea-Bissau	1	0	2	5	5	3	4	3	2	1	0	0
Guyana	17	6	10	8	6	6	1	1	1	1	3	8
Haiti	5	2	15	15	5	5	36	1	1	1	1	1
Honduras	10	12	39	41	10	14	1	1	1	1	3	6
Madagascar	6	2	3	4	7	10	1	1	1	1	3	5
Malawi	10	5	8	8	9	14	19	1	1	1	1	2
Mali	18	17	19	18	17	14	1	1	1	1	1	2
Mauritania	7	7	7	8	9	9	21	1	1	1	1	1
Mozambique	0	2	6	9	9	14	0	0	0	0	0	2
Nicaragua	7	7	6	6	9	5	1	2	2	2	2	4
Niger	3	2	3	6	7	4	1	1	1	1	1	5
Rwanda	13	4	3	2	1	2	0	0	0	0	0	1
São Tomé and Príncipe	0	0	0	-	0	0	1	0	0	0	0	0
Sierra Leone	27	78	2	2	2	3	5	0	0	0	2	5
Senegal	23	26	25	32	32	30	1	2	2	2	2	5
Tanzania 3/	25	6	5	9	16	37	2	2	2	2	3	4
Uganda 3/	32	20	20	22	16	30	2	2	2	2	2	3
Zambia	9	71	67	70	221	25	3	4	4	4	5	9
TOTAL	344	416	898	376	553	410	180	97	121	113	135	219

Table 7B (concluded). IMF Debt Service after HIPC Initiative and MDRI Debt Relief, 2000-2011

(In millions of U.S. dollars, as of July 15 2007)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actuals							Projections 1/				
Debt Service after HIPC Initiative Debt Relief and MDRI												
Afghanistan	-	-	-	12	1	1	1	2	2	2	2	2
Benin	11	11	11	10	7	6	0	1	1	1	1	1
Bolivia	21	23	19	21	23	42	2	15	0	0	0	0
Burkina Faso	8	8	9	4	3	3	1	1	1	1	2	4
Burundi	6	6	3	1	29	1	1	1	1	1	1	3
Cameroon	20	4	3	12	22	36	18	1	1	1	1	3
Chad	2	2	5	6	12	12	16	15	8	1	1	2
Congo, Dem. Rep. of the 2/	0	0	570	4	4	10	8	10	7	6	6	14
Congo, Rep. of	1	3	10	9	12	12	5	1	1	1	1	2
Ethiopia 3/	12	14	10	10	9	7	1	1	1	1	1	1
Gambia, The	2	1	0	0	10	2	4	3	0	0	0	0
Ghana	39	68	8	5	23	28	4	5	5	5	5	21
Guinea	9	10	12	14	17	24	21	19	10	1	1	1
Guinea-Bissau	1	0	2	5	5	3	4	3	2	1	0	0
Guyana	17	6	10	8	6	6	1	1	1	1	3	8
Haiti	5	2	15	15	5	5	36	1	1	1	1	1
Honduras	10	12	39	41	10	14	1	1	1	1	3	6
Madagascar	6	2	3	4	7	10	1	1	1	1	3	5
Malawi	10	5	8	8	9	14	19	1	1	1	1	2
Mali	18	17	19	18	17	14	1	1	1	1	1	2
Mauritania	7	7	7	8	9	9	21	1	1	1	1	1
Mozambique	0	2	6	9	9	14	0	0	0	0	0	2
Nicaragua	7	7	6	6	9	5	1	2	2	2	2	4
Niger	3	2	3	6	7	4	1	1	1	1	1	5
Rwanda	13	4	3	2	1	2	0	0	0	0	0	1
São Tomé and Príncipe	0	0	0	-	0	0	1	0	0	0	0	0
Sierra Leone	27	78	2	2	2	3	5	0	0	0	2	5
Senegal	23	26	25	32	32	30	1	2	2	2	2	5
Tanzania 3/	25	6	5	9	16	37	2	2	2	2	3	4
Uganda 3/	32	20	20	22	16	30	2	2	2	2	2	3
Zambia	9	71	67	70	221	25	3	4	4	4	5	9
TOTAL	344	416	898	376	553	410	180	97	60	40	51	115

Sources: International Monetary Fund.

1/ Projections are based on credit outstanding as of end-June 2007. Data for 2007 includes actual debt service by members during Jan-Jun 2007.

Average SDR/U.S. dollar exchange rate during Jan-Jun 2007 is used for projection.

2/ The figures for 2000-2002 shown in the table represent actual payments made by the Democratic Republic of the Congo to IMF, including the settlement of its arrears on June 12, 2002.

3/ Fiscal year data for actual figures.

Table 8A. Status of Delivery of HIPC Initiative and MDRI Assistance by the African Development Bank (AfDB) Group

Status as of end-July 2007

(In millions of U.S. dollars)

	AfDB Group Assistance under the HIPC Initiative			Assistance under the MDRI (AFDF only)		Total Committed Assistance under the HIPC Initiative and MDRI in end-2006 NPV Terms	Total Delivered Assistance under the HIPC Initiative and MDRI in end-2006 NPV Terms
	Committed Assistance in NPV Terms as of Decision Point	Committed Assistance in end-2006 NPV Terms	Delivered Assistance in end-2006 NPV Terms 1/	Delivered Assistance in Nominal Terms 2/	Delivered Assistance in end-2006 NPV Terms	(II) + (V)	(III) + (V)
	(I)	(II)	(III)	(IV)	(V)		
18 Post-Completion-Point HIPCs 3/							
TOTAL	1,792.4	2,319.5	959.2	6,434.7	2,659.9	4,979.3	3,619.1
Benin	37.6	49.3	35.8	357.9	161.5	210.8	197.3
Burkina Faso	81.9	107.4	47.5	337.9	132.6	240.0	180.1
Cameroon	78.8	103.4	51.2	223.7	88.4	191.9	139.6
Ethiopia	334.0	418.8	159.6	751.4	286.8	705.6	446.4
Ghana	131.2	164.5	101.4	488.9	209.3	373.8	310.7
Madagascar	60.1	78.8	40.4	373.3	160.2	239.0	200.6
Malawi	125.4	164.5	33.4	278.2	102.7	267.2	136.1
Mali	69.1	90.6	57.4	553.7	251.1	341.8	308.5
Mauritania	72.8	95.5	63.3	258.3	113.0	208.5	176.3
Mozambique	146.8	192.5	18.0	551.3	225.8	418.3	243.8
Niger	48.5	63.6	15.8	192.2	73.3	136.9	89.1
Rwanda	110.9	145.5	32.9	105.3	41.0	186.4	73.8
São Tomé and Príncipe	41.6	54.6	9.3	33.1	11.2	65.8	20.5
Senegal	56.9	74.6	71.5	405.5	182.2	256.8	253.7
Sierra Leone	43.4	52.0	12.5	143.2	54.0	106.0	66.5
Tanzania	124.9	163.8	66.8	619.4	249.3	413.1	316.1
Uganda	82.6	108.4	44.9	520.1	220.8	329.2	265.8
Zambia	146.1	191.7	97.6	241.3	96.6	288.3	194.2
7 Interim HIPCs 3/							
TOTAL	1,284.8	1,481.9	521.0		...	1,408.7	521.0
Burundi	149.4	156.3	9.4		...	149.4	9.4
Chad	37.0	46.3	25.7		...	43.9	25.7
Congo, Dem. Rep. of the	905.1	1,036.7	309.9		...	986.0	309.9
Congo, Rep. of 4/	41.9	43.8	45.8		...	41.9	45.8
Gambia, The	15.8	20.8	18.4		...	19.5	18.4
Guinea	75.3	98.8	87.6		...	93.3	87.6
Guinea-Bissau	60.4	79.2	24.1		...	74.8	24.1
Total Debt Relief Committed	3,077.2	3,801.4	1,480.2		2,659.9	6,388.1	4,140.1

Sources: African Development Bank Group, World Bank and IMF staff estimates.

1/ Total delivered enhanced HIPC assistance to end 2006.

2/ Nominal MDRI costs include principal and interest foregone.

3/ Includes only HIPCs that owe debt to AfDB Group.

4/ The total amount of HIPC Initiative debt relief has been provided through an arrears clearance operation in 2004.

Table 8B. AfDB Group Debt Service after HIPC Initiative and MDRI Debt Relief, 2000-2011
(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actuals							Projected				
Debt Service before HIPC Initiative Debt Relief												
Benin	5	4	8	7	9	9	12	5	6	8	12	13
Burkina Faso	8	4	10	9	9	8	11	5	5	6	7	7
Burundi	0	-	-	3	29	18	6	7	7	7	7	8
Cameroon	47	25	63	41	40	38	38	28	27	27	14	11
Chad	3	1	7	6	3	10	7	8	11	14	14	14
Congo, Dem. Rep. of the	-	-	65	73	42	118	121	128	134	138	141	143
Rep. of Congo 1/	7	-	0	33	148	55	27	18	13	12	12	12
Ethiopia	45	34	46	46	49	49	50	31	29	18	17	17
Gambia, The	3	3	3	3	4	4	4	5	6	8	10	10
Ghana	31	16	37	29	30	32	40	27	26	15	11	11
Guinea	24	18	26	22	53	18	18	18	18	24	24	25
Guinea-Bissau	-	4	4	4	4	4	4	4	4	4	6	7
Madagascar	13	10	14	12	10	9	13	6	6	7	7	7
Malawi	10	7	10	11	12	12	12	5	6	6	6	6
Mali	7	6	14	9	13	14	20	7	8	8	12	19
Mauritania	12	8	12	12	12	13	18	15	15	15	14	13
Mozambique	3	6	7	7	8	7	13	12	15	15	16	20
Niger	1	2	3	3	5	5	11	6	6	6	4	4
Rwanda	6	4	8	7	8	9	11	4	4	4	4	4
São Tomé and Príncipe	1	1	2	2	2	2	2	3	3	3	3	4
Senegal	25	14	31	24	26	26	29	23	24	23	24	24
Sierra Leone	2	2	3	4	5	5	5	7	7	7	7	8
Tanzania	11	8	12	15	16	16	21	10	11	12	12	12
Uganda	7	5	9	10	12	12	19	10	9	10	7	8
Zambia	31	24	24	26	27	26	28	17	11	9	8	6
TOTAL	302	204	419	418	576	521	540	406	409	407	399	413
Debt service after HIPC Initiative debt relief 2/												
Benin	3	-	3	2	3	4	6	-	-	6	12	13
Burkina Faso	4	-	3	2	3	3	6	-	-	0	1	2
Burundi	0	-	-	3	29	15	0	0	1	1	1	1
Cameroon	44	13	52	35	40	38	27	9	12	12	9	9
Chad	3	-	3	2	-	7	3	4	6	9	8	8
Congo, Dem. Rep. of the	-	-	65	72	-	19	10	13	15	18	19	20
Rep. of Congo 1/	7	-	0	33	106	55	27	18	13	12	12	12
Ethiopia	45	34	15	16	19	20	22	3	2	-	-	-
Gambia, The	3	0	1	1	1	1	2	2	4	8	10	10
Ghana	31	16	19	8	10	13	22	11	11	3	5	4
Guinea	24	7	15	12	37	1	2	11	18	24	24	25
Guinea-Bissau	-	-	-	0	1	1	1	1	1	1	2	3
Madagascar	13	1	5	5	10	4	7	-	-	-	-	-
Malawi	10	-	3	4	5	12	12	-	-	-	-	-
Mali	5	-	5	1	5	6	11	-	-	-	5	19
Mauritania	5	-	3	3	4	5	10	8	7	7	5	10
Mozambique	2	4	5	5	5	4	11	9	12	11	12	20
Niger	1	-	1	1	2	2	7	3	2	3	0	0
Rwanda	6	-	2	2	3	5	4	-	-	-	-	-
São Tomé and Príncipe	1	-	1	0	1	1	1	1	1	1	1	1
Senegal	20	6	23	20	11	8	20	23	24	23	24	24
Sierra Leone	2	2	2	1	2	2	2	4	4	4	4	4
Tanzania	6	-	4	5	6	7	12	-	0	1	1	1
Uganda	3	-	3	4	5	5	12	2	3	2	0	1
Zambia	31	2	5	7	27	17	10	3	2	0	-	-
TOTAL	271	83	240	243	335	254	247	125	136	146	157	188

Table 8B (concluded). AfDB Group Debt Service after HIPC Initiative and MDRI Debt Relief, 2000-2011

(In millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actuals							Projected				
Debt service after HIPC Initiative debt relief and MDRI												
Benin	3	-	3	2	3	4	4	-	-	0	3	3
Burkina Faso	4	-	3	2	3	3	4	-	-	-	-	-
Burundi	0	-	-	3	29	15	0	0	0	0	0	0
Cameroon	44	13	52	35	40	38	26	8	10	10	7	6
Chad	3	-	3	2	-	7	3	4	4	4	4	4
Congo, Dem. Rep. of the	-	-	65	72	-	19	10	13	14	16	17	18
Rep. of Congo 1/	7	-	0	33	106	55	27	18	13	12	12	11
Ethiopia	45	34	15	16	19	20	15	-	-	-	-	-
Gambia, The	3	0	1	1	1	1	2	2	2	4	5	5
Ghana	31	16	19	8	10	13	16	5	4	-	-	-
Guinea	24	7	15	12	37	1	2	11	16	16	15	15
Guinea-Bissau	-	-	-	0	1	1	1	1	1	1	1	1
Madagascar	13	1	5	5	10	4	4	-	-	-	-	-
Malawi	10	-	3	4	5	12	12	-	-	-	-	-
Mali	5	-	5	1	5	6	7	-	-	-	-	4
Mauritania	5	-	3	3	4	5	9	6	5	5	3	5
Mozambique	2	4	5	5	5	4	7	5	7	7	7	10
Niger	1	-	1	1	2	2	5	1	1	1	-	-
Rwanda	6	-	2	2	3	5	2	-	-	-	-	-
São Tomé and Príncipe	1	-	1	0	1	1	1	1	0	0	0	0
Senegal	20	6	23	20	11	8	16	16	16	15	15	14
Sierra Leone	2	2	2	1	2	2	2	2	2	2	2	2
Tanzania	6	-	4	5	6	7	7	-	-	-	-	-
Uganda	3	-	3	4	5	5	8	-	-	-	-	-
Zambia	31	2	5	7	27	17	8	1	-	-	-	-
TOTAL	271	83	240	243	335	254	199	93	96	94	93	101

Sources: African Development Bank Group

1/ The total amount of HIPC Initiative debt relief has been provided through the 2004 arrears clearance operation (total sum in NPV terms: 39.6 millions of U.S. dollars)

2/ Debt service after HIPC for interim HIPC countries assumes that interim debt relief is provided according to the schedule determined at decision point.

Table 9. Status of Delivery of HIPC and IaDB-07 Initiatives Assistance by the Inter-American Development Bank (IaDB)

Status as of end-July 2007

(In millions of U.S. dollars)

	IaDB Assistance under the HIPC Initiative			IaDB 2007 Debt Initiative (MDRI equivalent)		Total Committed Assistance under the HIPC Initiative and 2007 Initiative in end-2006 NPV Terms (II) + (IV)	Total Delivered Assistance under the HIPC Initiative and 2007 Initiative in end-2006 NPV Terms (III) + (V)
	Committed Assistance in NPV Terms as of Decision Point (I)	Committed Assistance in end-2006 NPV Terms (II)	Delivered Assistance in end-2006 NPV Terms 1/ (III)	Delivered Assistance in Nominal Terms 2/ (III)	Delivered Assistance in end-2006 NPV Terms (IV)		
4 Post-Completion-Point HIPCs 3/							
TOTAL	1,126.5	1,477.9	492.3	3,876.7	1,964.2	3,442.1	2,456.5
Bolivia	477.1	625.9	139.0	1,050.2	516.6	1,142.4	655.5
Honduras	133.8	175.5	106.7	1,367.1	749.4	924.9	856.1
Guyana	124.4	163.2	38.8	469.9	247.0	410.2	285.7
Nicaragua	391.2	513.3	207.9	989.5	451.3	964.6	659.2
1 Interim HIPC 3/							
TOTAL	60.4	60.4	0.0 ...	...	...	60.4	0.0
Haiti	60.4	60.4	0.0 ...	...	...	60.4	0.0
Total Debt Relief Committed	1,186.9	1,538.3	492.3	3,876.7	1,964.2	3,502.5	2,456.5

Sources: Inter-American Development Bank, World Bank and IMF staff estimates.

1/ Total delivered enhanced HIPC assistance to end 2006.

2/ Nominal IaDB-07 Initiative costs include principal and interest foregone.

3/ Includes only HIPCs that owe debt to IaDB.

Table 10. Status of Bilateral Donor Pledges to the HIPC Trust Fund

Status as of 28 June 2007
(In millions of U.S. dollars)

Donor	Inception through September 2002			October 2002 to October 2004				November 2004 to October 2006	November 2006 onwards (incl new pledges)		Total Bilateral and EC-ACP Contributions Pledged since Inception ^{f/}
	EC-ACP Pledged and Paid-In	Bilateral Pledged and Paid-In	Total Pledged and Paid-In	EC-ACP Pledged a/	Bilateral Pledged b/ c/	EC-ACP Paid-In	Bilateral Paid-in	Bilateral Pledged and Paid-in e/	Bilateral Pledged	Bilateral Paid-In	
Australia		13	13							1/	13
Austria	18	26	44	6						2/	50
Belgium	26	20	46	10							64
Canada		116	116		51		51	28		3/	195
Denmark	15	43	58	5	21		21		8	4/	93
Finland	10	25	35	3	13		13	13	13	7 5/	77
France	166	21	187	60	11				26	4/	285
Germany	160	72	232	58	60 d/		24		52	6/	402
Greece	9	3	12	3	2		2				17
Iceland		2	2		1		1				3
Ireland	4	20	23	1					8	7/	33
Italy	86	70	156	31 h/	29 h/						215
Japan		200	200		58		58				258
Korea					10		10				10
Luxembourg	2	1	2	1							4
Netherlands	36	136	172	13	56				14	4/	254
New Zealand		2	2								2
Norway		79	79		47		47	20	20	4/	166
Portugal	7	15	22	2							24
Russian Federation					10		10	15			25
Spain	40	85	125	15	25		25		15		180
Sweden	19	58	77	6	26		26		20	14 8/	129
Switzerland		60	60		35		35		4	4	99
United Kingdom	88	221	310	32	95		84		65	4/	501
United States		600	600		150		75				750
Total Bilateral Contributions		1,889			709		485	76	245	25	2,918
Total EC-ACP Contribut	685			246 d/		126					931
Total g/	685	1,889	2,574	246	709	126	485	76	245	25	3,849

Sources: World Bank Group

a/ On May 16, 2003, the EC-ACP Council, bringing together Ministers from African, Caribbean, and Pacific countries and EU Member States, approved a contribution of EUR 200 million.

This contribution was funded from resources already allocated to EC-ACP cooperation through the 8th and 9th replenishments of the European Development Fund.

b/ Most EU Member States pledges made at the October 2002 HIPC technical meeting included their share of an expected EC-ACP contribution. When the EC-ACP contribution was finalized in May 2003, bilateral pledges of EU members were adjusted, attributing the EC-ACP contribution based on each donor's share in EDF9. In addition, a number of donors made pledges after the October 2002 meeting or increased the amount of their pledges, including Canada, Finland, Greece, Korea, Norway, Russia and the United Kingdom.

c/ Many donors linked the level of their 2002 pledge to specific funding gap estimates or to other conditions such as additional funding for IFAD. These pledge conditions are noted on page 4 of the Chairman's summary of HIPC technical meeting on October 24, 2002.

d/ Contribution agreements have been signed covering the full amount of the donor's outstanding pledge. The EC has signed an agreement for EUR 200 million, of which EUR 100 million has been paid. Germany has signed an agreement for EUR 50 million, of which EUR 20 million has been paid. EUR 10 million is payable in 2008 and EUR 20 million is payable in 2009.

e/ Excludes contribution earmarked for IDA provided in the context of IDA14.

f/ Many donors have also provided debt relief through other initiatives and mechanisms including: the Debt Reduction Facility for IDA-only Countries (providing financing for commercial debt reduction efforts), specific country-held multilateral debt relief facilities, bilateral debt relief trust funds, and the Central American Emergency Trust Fund.

g/ This total includes (1) contributions of US\$80 million that were earmarked to IDA from Australia, Austria, Iceland, Italy, the Netherlands and New Zealand; and (2) contributions of US\$52 million that were earmarked to IFAD.

h/ Based on a funding gap of US\$1 billion contingent on collective efforts to move to US\$1 billion as needed and provided IFAD is included in the funding gap.

Notes related to the new pledges based on the November 19, 2006 meeting and June 28, 2007 meeting in Maputo

1/ Australia plans to make an additional contribution to IDA15 equivalent to its share of IFAD's HIPC costs.

2/ Austria has indicated its intent to contribute in 2009.

3/ Canada is releasing its IFAD share (4.5%) of the IFAD costs out of its 2005 contribution.

4/ The following donors have indicated their intent to fund a share of the financing requirement, including the estimated requirement of US\$ 282.4 million for IFAD:

Denmark's pledge is based on its share of HIPC cost in IDA14 (1.58%) of the AfDB cost and its IFAD share (1.7%) of the IFAD cost.

France's pledge is based on its ADF-X share (9.2%) of the AfDB costs, and its IFAD share (4.34%) of IFAD's expected costs for 2007.

The Netherlands' pledge is based on its IDA14 share (2.8%) of AfDB and IFAD costs.

Norway's pledge is calculated as its ADF-X share (3.54%) of the AfDB costs and its IFAD share (4.5%) of the IFAD costs.

The United Kingdom's pledge is based on its IDA14 share (13.2%) of AfDB and IFAD costs.

5/ Finland has paid EUR 5 million representing half of its total pledge.

6/ Germany's contribution of EUR 38.5 million is subject to governmental and parliamentary approval.

7/ Ireland's pledge is subject to governmental and parliamentary approval.

8/ Sweden's pledge is based on its IDA14 share (4.1%) of the AfDB and IFAD costs. Of this total, SEK 100 million was paid in 2006.

The balance will be paid in 2007. Up to an additional SEK 40 million may be available subject to contributions from other donors.

Table 11. HIPC Initiative: Cost Estimates to Paris Club Official Bilateral Creditors by Creditor Country 1/

(In millions of U.S. dollars, in end-2006 NPV terms)

	Paris Club Creditors																				Total							
	Australia	Austria	Belgium	Brazil	Canada	Denmark	Finland	France	Germany	Ireland	Israel	Italy	Japan	Luxembourg	Netherlands	Norway	Portugal	Russia	South Africa	Spain		Sweden	Switzerland	Trinidad & Tobago	United Kingdom	United States	IDA-administered	EFC Loans
31 Post-Decision-Point HIPCs																												
Alghansian																												
Benin				1						7			13	11				359										
Bolivia		13	30		2	1			35	132		28	198		11				2		60	1			2			
Burkina Faso		2						14				4			3						6			1				
Burundi		4	0		0			57	0			0	26		0									0				
Cameroon		95	44		45	21	0	549	189			46	12		9					32	17	11		47	17			
Chad		0						14	0			2			0													
Congo, Dem. Rep.		41	480	1	21			795	307			388	496		193	10				14	50	9		86	1,067		7	
Congo, Rep.			12	35	13	0		587	47			48			0				35	107		3		56	13			
Ethiopia	1	3	4					4	42			125	7		1				404					10	35			
Gambia, The		3						2																				
Ghana		17	1		13		5	63	79			21	619		55					31	19			90	24			
Guinea		2	1					105	1			10	24		3				24	3			1	24				
Guinea-Bissau			5	8				6	2			106					54		9	7								
Guyana					2	1		1				1			5				3					70	4			
Haiti					0			7				4								2								
Honduras					6	3		25	4			13	87		5					32		2						
Madagascar		19	18		17			145	39			1	75	67					52	46	7	3		15	12			
Malawi		10						5				165																
Mali								88				0	5		2									7	0			
Mauritania					26			35	4			0	5		26					16				9	4			
Mozambique		11		183				226	130			318	41				176		126	8	7		104	29				
Nicaragua	1	2		50			8	56	324			84	73		31				273	194			1	43				
Niger				0				101					14								10			9	6			
Rwanda		2	0		2	0		32	0			0	9		0									0	0			
Sao Tomé and Principe								2	4			5								2								
Senegal			1		1			120	0			8	0		6	12				14				0	1			
Sierra Leone		0	10			0		16	9			37	86		18	6						10		8	42			
Tanzania		21	61	83	32			70	50			69	397		54	7			70	0			119	13				
Uganda		6						24	1			66	6		6					6			20	1				
Zambia		5		38	36			111	309			48	482		0				153				153	94				
Total	3	310	669	426	188	26	20	3,319	1,686	0	17	1,517	2,832	0	425	56	235	1,563	1	596	103	39	159	822	1,542	7	16,563	

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

1/ Creditor invited on a case-by-case basis to participate in some Paris Club agreements.

2/ Not a Paris Club member. In some cases, IDA-administered European Economic Commission (EEC) loans (which are treated as Paris Club debt) are apportioned among EEC members. Amounts listed for Luxembourg correspond to its portion of such EEC loans.

Table 12. Debt Relief Committed and Delivered by the Paris Club Official Bilateral Creditors
(In millions of U.S. dollars, in end-2006 NPV terms)

Debtor Country	HIPC Initiative Assistance Committed	HIPC Initiative Assistance Provided	Debt Relief Beyond HIPC Initiative Provided	Total Debt Relief Provided	Debt-Relief-Provided to Debt-Relief-Committed (In percent)
22 Post-Completion-Point HIPCs					
TOTAL	10,712.8	10,712.8	7,040.3	17,753.1	165.7
Benin	83.6	83.6	...	83.6	100.0
Bolivia	543.7	543.7	...	543.7	100.0
Burkina Faso	30.2	30.2	23.0	53.2	176.3
Cameroon	1,135.7	1,135.7	3,179.4	4,315.1	380.0
Ethiopia	637.3	637.3	205.9	843.2	132.3
Ghana	1,037.6	1,037.6	699.2	1,736.8	167.4
Guyana	249.5	249.5	37.7	287.2	115.1
Honduras	221.2	221.2	897.4	1,118.7	505.7
Madagascar	514.1	514.1	638.5	1,152.6	224.2
Malawi	185.3	185.3	219.0	404.3	218.2
Mali	149.3	149.3	...	149.3	100.0
Mauritania	180.0	180.0	23.0	203.0	112.8
Mozambique 1/	1,360.1	1,360.1	...	1,360.1	100.0
Nicaragua	1,141.1	1,141.1	161.1	1,302.2	114.1
Niger	140.8	140.8	54.1	194.9	138.4
Rwanda	45.4	45.4	7.5	52.9	116.6
São Tomé and Príncipe	19.0	19.0	0.6	19.6	103.1
Senegal	165.5	165.5	402.7	568.1	343.4
Sierra Leone	243.0	243.0	28.9	271.9	111.9
Tanzania	1,044.7	1,044.7	...	1,044.7	100.0
Uganda	155.6	155.6	...	155.6	100.0
Zambia	1,430.2	1,430.2	462.4	1,892.5	132.3
9 Interim HIPCs					
TOTAL 2/	5,850.6	...	...	...	...
Afghanistan	401.1	...	...	...	...
Burundi	89.7	...	...	...	...
Chad	18.3	...	...	...	...
Congo, Dem. Rep. of the	3,966.8	...	...	...	...
Congo, Rep. of	955.8	...	...	...	...
Gambia, The	6.3	...	...	...	...
Guinea	200.3	...	...	...	...
Guinea-Bissau	197.4	...	...	...	...
Haiti	14.9	...	...	...	...
TOTAL	16,563.5	...	...	...	...

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

1/ Agreements with Portugal and Japan are still pending.

2/ No information is available regarding the provision of interim debt relief to these countries by the Paris Club creditors.

Table 13. Paris Club Creditors' Delivery of Debt Relief under Bilateral Initiatives beyond the HIPC Initiative 1/

Countries Covered		ODA (In percent)		Non-ODA (In percent)		Provision of Relief	
		Pre-cutoff date debt	Post-cutoff date debt	Pre-cutoff date debt	Post-cutoff date debt	Decision point (In percent)	Completion point
(1)		(2)	(3)	(4)	(5)	(6)	(7)
Australia	HIPCs	100	100	100	100 ^{2/}	2/	2/
Austria	HIPCs	100	-	100	-	Case-by-case, flow	Stock
Belgium	HIPCs	100	100	100	-	100 flow	Stock
Canada	HIPCs ^{3/}	- ^{4/}	- ^{4/}	100	100	100 flow	Stock
Denmark	HIPCs	100	100 ^{5/}	100	100 ^{5/}	100 flow	Stock
France	HIPCs	100	100	100	-	100 flow ^{6/}	Stock
Finland	HIPCs	100	- ^{7/}	100	- ^{7/}	-	-
Germany	HIPCs	100	100	100	100	100 flow	Stock
Ireland	-	-	-	-	-	-	-
Italy	HIPCs	100	100 ^{8/}	100	100 ^{8/}	100 flow	Stock
Japan	HIPCs	100	100	100	-	-	Stock
Netherlands, the	HIPCs	100 ^{9/}	100	100	-	90-100 flow ^{9/}	Stock
Norway	HIPCs	10/	10/	11/	11/	-	-
Russia	HIPCS	- ^{12/}	- ^{12/}	100	100	-	Stock
Spain	HIPCs	100	100 ^{13/}	100	100 ^{13/}	-	Stock
Sweden	HIPCs	-	- ^{14/}	100	-	-	Stock
Switzerland	HIPCs	- ^{15/}	- ^{15/}	90-100 ^{16/}	-	90-100 flow	Stock
United Kingdom	HIPCs	100	100	100	100 ^{17/}	100 flow ^{17/}	Stock
United States	HIPCs	100	100	100	100 ^{18/}	100 flow	Stock

Source: Paris Club Secretariat.

1/ Columns (1) to (7) describe the additional debt relief provided following a specific methodology under bilateral initiatives and need to be read as a whole for each creditor. In column (1), "HIPCs" stands for eligible countries effectively qualifying for the HIPC process. A "100 percent" mention in the table indicates that the debt relief provided under the enhanced HIPC Initiative framework will be topped up to 100 percent through a bilateral initiative.

2/ Australia: post-cutoff date non-ODA relief to apply to debts incurred before a date to be finalized; timing details for both flow and stock relief are to be finalized.

3/ Canada: including Bangladesh. Canada has granted a moratorium of debt service as of January 2001 on all debt disbursed before end-March 1999 for 13 out of 17 HIPCs with debt service due to Canada. Eligible countries are Benin, Bolivia, Cameroon, Dem. Rep. Of Congo, Ethiopia, Ghana, Guyana, Honduras, Madagascar, Rwanda, Senegal, Tanzania, and Zambia. 100% cancellation will be granted at completion point. As of July 2004, Canada has provided completion point stock of debt cancellation for Benin, Bolivia, Guyana, Senegal and Tanzania.

4/ 100 percent of ODA claims have already been cancelled on HIPCs, with the exception of Myanmar's debt to Canada.

5/ Denmark provides 100 percent cancellation of ODA loans and non-ODA credits contracted and disbursed before September 27, 1999.

6/ France: cancellation of 100 percent of debt service on pre-cutoff date commercial claims on the government as they fall due starting at the decision point. Once countries have reached their completion point, debt relief on ODA claims on the government will go to a special account and will be used for specific development projects.

7/ Finland: no post-COD claims

8/ Italy: cancellation of 100 percent of all debts (pre- and post-cutoff date, ODA and non-ODA) incurred before June 20, 1999 (the Cologne Summit). At decision point, cancellation of the related amounts falling due in the interim period. At completion point, cancellation of the stock of remaining debt.

9/ The Netherlands: 100 percent ODA (pre- and post-cutoff date debt will be cancelled at decision point); for non-ODA: in some particular cases (Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, Nicaragua, Rwanda, Tanzania, Uganda and Zambia), the Netherlands will write off 100 percent of the consolidated amounts on the flow at decision point; all other HIPCs will receive interim relief up to 90 percent reduction of the consolidated amounts. At completion point, all HIPCs will receive 100 per cent cancellation of the remaining stock of the pre-cutoff date debt.

10/ Norway has cancelled all ODA claims.

11/ Due to the current World Bank/IMF methodology for recalculating debt reduction needs at HIPC completion point, Norway has postponed the decisions on whether or not to grant 100% debt reduction until after the completion point.

12/ Russia has no ODA claims

13/ Spain provides 100 percent cancellation of ODA and non-ODA claims contracted before January 1, 2004

14/ Sweden has no ODA claims.

15/ Switzerland has cancelled all ODA claims.

16/ In some particular cases (Central African Republic, Liberia, Republic of Congo, Sierra Leone, Togo), Switzerland will write off 100 percent of the remaining debt stock at completion point; all other HIPCs will receive debt relief according to Paris Club terms.

17/ United Kingdom: "beyond 100 percent" full write-off of all debts of HIPCs as of their decision points, and reimbursement at the decision point of any debt service paid before the decision point.

18/ United States: 100 percent post-cutoff date non-ODA treated on debt assumed prior to June 20, 1999 (the Cologne Summit).

Table 14. HIPC Initiative: Cost Estimates to Non-Paris Club Official Bilateral Creditors by Creditor Country 1/
(In millions of U.S. dollars, in end-2006 NPV terms)

31 Post-Decision-Point HIPCs	Non-Paris Club Official Bilateral Creditors																												
	Algeria	Angola	Argentina	Brazil	Bulgaria	Burundi	Cameroon	Cape Verde	China	Colombia	Congo, Dem. Rep.	Costa Rica	Cote d'Ivoire	Croatia	Cuba	Czech Republic	Ecuador	Egypt	Former Serbia & Montenegro	Guatemala	Honduras	Hungary	India	Iran	Iraq	Israel	Jamaica	Kuwait	Libya
Afghanistan	-	-	-	-	8	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	1	-	-	3	-
Benin	-	-	3	-	-	-	-	6	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	0
Bolivia	-	-	-	7	-	-	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Burkina Faso	1	-	-	-	-	-	-	3	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19	5	-
Burundi	-	-	-	-	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	5	-
Cameroon	-	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	-	-	-
Chad	-	-	-	-	-	-	0	4	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	0	6	-	-
Congo, Dem. Rep.	4	-	-	-	10	1	-	31	-	-	-	-	-	-	-	-	8	34	37	-	-	3	-	-	-	16	38	11	44
Ethiopia	-	-	-	-	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	1	-
Gambia, The	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	-	-
Ghana	-	-	-	-	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	15	-	-
Guinea	-	-	-	-	1	-	-	11	-	-	-	-	-	-	-	-	4	2	-	-	-	-	-	1	-	-	21	5	-
Guinea-Bissau	5	7	-	-	-	-	-	1	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	17	1	-
Guyana	-	-	2	2	0	-	-	4	-	-	-	-	-	0	-	-	-	0	-	-	-	-	1	-	-	-	9	8	-
Haiti	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Honduras	-	-	-	-	-	-	-	-	-	5	-	6	-	-	-	-	-	-	-	6	-	-	-	-	-	-	-	8	-
Madagascar	20	1	-	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38	-	-	5	30	-
Malawi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	-	-
Mali	5	-	-	-	-	-	-	24	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	3	-	-	9	1	-
Mauritania	24	-	-	-	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24	-	-	34	14	-
Mozambique 4/	124	15	-	-	8	-	-	7	-	-	-	-	-	-	2	-	-	1	-	-	-	-	5	3	25	-	24	39	-
Nicaragua 5/	24	-	-	-	79	-	-	4	-	-	-	489	-	-	-	6	0	5	464	127	6	2	37	-	-	-	0	74	-
Niger	13	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	44	15	-
Congo, Rep.	2	7	-	-	0	-	-	12	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	14	3	-
Rwanda	-	-	-	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	14	1	-
Senegal	2	-	-	-	-	-	-	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42	-	-
Sierra Leone	-	-	-	-	-	-	-	37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9	-	-
Sao Tomé and Principe	0	9	-	-	-	-	0	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tanzania	23	1	-	-	8	-	-	35	-	-	-	-	8	-	-	8	0	31	-	-	-	4	9	34	21	-	-	23	26
Uganda	-	-	-	-	-	0	-	14	-	-	-	-	-	-	-	-	-	12	-	-	-	-	10	-	0	-	-	14	20
Zambia	-	-	-	-	2	-	-	42	-	-	-	-	-	-	-	0	-	12	-	-	-	-	12	-	1	-	-	-	-
Total	247	39	5	9	117	1	0	347	5	0	495	13	0	3	14	0	13	122	471	127	19	38	71	113	17	0	416	292	

Table 14 (concluded). HIPC Initiative: Cost Estimates to Non-Paris Club Official Bilateral Creditors by Creditor Country 1/
(In millions of U.S. dollars, in end-2006 NPV terms)

	Mexico	Morocco	Namibia	Niger	Nigeria	Oman	Pakistan	Korea, P. Dem.	Korea, Rep.	Peru	Poland	Portugal	Romania	Rwanda	Saudi Arabia	Senegal	Slovak Republic	South Africa	Taiwan, Province of China	Tanzania	Thailand	Togo	Trinidad & Tobago	United Arab Emirates	Uruguay	Venezuela	Zambia	Zimbabwe	Other	Total
31 Post-Decision-Point HIPCs																														
Afghanistan																4														16
Benin				0																										16
Bolivia																											0			25
Burkina Faso																9														84
Burundi																11														35
Cameroon																4														17
Chad																4	0													25
Congo, Dem. Rep.			1													18														251
Ethiopia								20			6																			147
Gambia, The																														17
Ghana									5							10														42
Guinea			3										6			27						1								82
Guinea-Bissau							3									12														80
Guyana									0																					34
Haiti																														5
Honduras																														5
Madagascar																														58
Malawi																														105
Mali																		1												27
Mauritania																														71
Mozambique 4/																														162
Nicaragua 5/	54							0		5			34																	306
Niger								2		10	8																			161
Congo, Rep.																22														61
Rwanda													0			17														37
Senegal																28														112
Sierra Leone																1														50
Sao Tome and Principe												8																		20
Tanzania								0			2		0			7											0			237
Uganda							2	1	7	2				1	3	3														78
Zambia														4	0															73
	66	6	1	0	2	2	4	30	7	10	21	8	45	1	254	0	35	6	397	4	1	0	1	106	1	72	0	0		4,073

Sources: HIPC Country Documents; IMF staff estimates.

1/ Non-Paris Club creditors include those creditors that did not indicate their intention to participate in the Paris Club meeting at the time the completion point document for a particular country was being prepared.

Thus, the claims of some creditors that are not permanent members of the Club, but were invited by the Paris Club to participate in the completion point debt negotiation for a given country and signed the Paris Club Agreed Minutes at the end of this negotiation, are not considered in here.

2/ Presented as "Former Czechoslovakia" in Table 15.

3/ Listed as Yugoslavia in decision point documents.

4/ Includes claims held by the Československa Obchodni Banka on Mozambique at the time of decision point.

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

Table 15. Delivery of Debt Relief by Non-Paris Club Official Bilateral Creditors 1/
(In millions of U.S. dollars, 2006 NPV terms unless otherwise indicated)

Creditor Country	No. of Completion Point Debtors		HIPC Assistance Costs	
	Total	Relief Provided	NPV Terms	Percent of Total Cost
			(1)	(2)
I. Full delivery of HIPC Relief (6 creditors):				
Jamaica	1	1	0	0.0
Morocco	1	1	3	0.1
Republic of Korea	2	2	7	0.2
Rwanda	1	1	1	0.0
South Africa 2/	2	2	6	0.2
Trinidad and Tobago 2/	1	1	1	0.0
Total			17	0.5
II. Partial delivery of HIPC Relief (23 creditors):				
Algeria	11	1	240	6.9
Argentina	2	1	5	0.1
Brazil 2/	2	1	9	0.2
Bulgaria	6	3	108	3.1
Burundi 3/	1	1	0	0.0
China 4/	20	17	281	8.0
Cuba	2	1	2	0.1
Former Czechoslovakia 5/	5	3	49	1.4
Former Serbia & Montenegro	6	1	87	2.5
Guatemala 6/	2	1	471	13.4
Hungary	4	3	19	0.5
India 7/	7	5	38	1.1
Kuwait 8/	18	14	302	8.6
Libya	13	3	277	7.9
Mexico	2	1	66	1.9
People's Democratic Republic of Korea	7	1	30	0.8
Poland	4	2	21	0.6
Romania	3	1	38	1.1
Saudi Arabia	13	10	162	4.6
Tanzania 4/	1	1	4	0.1
United Arab Emirates	9	1	28	0.8
Venezuela	4	1	72	2.1
Total			2307	65.9
III. No delivery of HIPC Relief (21 creditors):				
Angola	4	0	25	0.7
Cape Verde	1	0	0	0.0
Colombia	1	0	5	0.1
Costa Rica	2	0	495	14.2
Cote d'Ivoire	2	0	13	0.4
Democratic Republic of the Congo	1	0	0	0.0
Ecuador	1	0	0	0.0
Egypt	1	0	0	0.0
Honduras	1	0	127	3.6
Iran	2	0	71	2.0
Iraq	9	0	111	3.2
Niger	1	0	0	0.0
Nigeria	1	0	2	0.1
Oman	1	0	2	0.0
Pakistan	1	0	1	0.0
Peru	1	0	10	0.3
Portugal 2/	1	0	8	0.2
Taiwan, Province of China	7	0	303	8.7
Uruguay	1	0	1	0.0
Zambia	1	0	0	0.0
Zimbabwe	1	0	0	0.0
Total			1176	33.6
Grand Total (I+II+III)			3501	100.0

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

1/ Estimates based on end-June 2007 data, which includes creditors who have claims on post-completion-point countries. A detailed version of this table is shown in "Enhanced HIPC Initiative—Status of Non-Paris Club Official Bilateral Creditor Participation", forthcoming background paper to this Report.

2/ While not a member of the Paris Club, Brazil has agreed to participate in the Paris Club rescheduling meeting for most HIPCs and provided substantive debt relief in the context of the Paris Club. South Africa, as been classified as a non-Paris Club for Mozambique and Malawi. However, South Africa did not participate in the Paris Club exit meetings for Benin and Malawi. Similarly, Trinidad and Tobago has been classified as a non-Paris Club for Nicaragua. However, it has provided debt relief to Nicaragua outside of the Paris Club. Brazil has been classified as non-Paris Club only for Bolivia and Guyana, although it actually participated in Paris Club meeting for Bolivia. Brazil did not participate in the Paris Club meeting for Nicaragua. Portugal has also provided debt relief under the Paris Club.

3/ Debtors have indicated that some relief has been provided but the information received is insufficient to quantify it.

4/ The debt relief estimates for China are based on debt cancellations data provided by debtors.

5/ Shown as Czech and Slovak Republics in Table 14, and counted as two countries for determining the number of creditors with partial delivery.

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

7/ In June 2003, India announced its intention to write off all non-export credit claims on HIPCs. However, several agreements remain unsigned. India has not yet agreed to provide full relief on export-credit claims.

8/ Debt relief estimates for Kuwait are based on detailed loan by loan information provided by the Kuwait Fund for Economic Development (KFAED).

Table 16. Commercial Creditor Lawsuits Against HIPCs 1/

HIPC Debtor	Creditor 2/	Domicile of Creditor	Court Location	Status of Legal Action	Original Claim 3/ 4/	Amount Claimed by the Creditor 5/	Judgment for Creditor 6/
					(In millions of U.S. dollars)		
Cameroon					79.9	444.1	50.9
	(1) Winslow Bank	Bahamas	France, UK and USA	Judgement awarded	9.0	46.3	46.3
	(2) Del Favero	Italy	UK	Judgement awarded	0.8	4.6	4.6
	(3) SCONSET	British Virgin Islands	Switzerland	In arbitration	18.2	53.9	...
	(4) Gracechurch (Paris)	Cayman Islands	France	In court	9.5	39.7	...
	(5) Antwerp	British Virgin Islands	...	In arbitration	15.2	196.0	...
	(6) Rumbold International Ltd	British Virgin Islands	...	In arbitration	22.1	81.8	...
	(7) Greylock Global opportunity	USA	...	In arbitration	5.0	21.9	...
Congo, Dem. Rep. of the					55.8	148.9	148.9
	(1) FG Hemisphere	USA	Belgium	Judgement awarded	55.8	81.7	81.7
	(2) KHD Humboldt Wedag AG Koln and others	...	Royal court of Jersey	Judgement awarded	...	67.1	67.1
Congo, Rep. of					527.2	465.6	443.3
	(1) Groupe Antoine Tabet (GAT)	Lebanon	Switzerland and France	Judgement awarded	126.0	88.6	92.2
	(2) NUFI-AIG. C. ITHO Middle East	USA	USA	Judgement awarded	11.2	24.3	8.3
	(3) FG Hemisphere Associates LLC	USA	USA, France and Belgium	Judgement awarded	35.9	152.0	151.9
	(4) AF-CAP, Inc.	Bermuda	USA and Europe	Judgement awarded	9.6	20.8	10.9
	(5) Berrebi	France	France	Judgement awarded	2.1	13.7	13.7
	(6) Kensington International Ltd	Cayman Islands	UK, USA, and others	Judgement awarded	29.6	118.6	118.6
	(7) Walker International holding LTD	British Virgin Islands	UK, USA, and others	Judgement awarded	20.8	47.8	47.8
	(8) Commisimpex	Rep. of Congo	France	Out of court settlement	292.0	...	...
Ethiopia					131.5	186.7	...
	(1) Kintex-Bulgaria	Bulgaria	Russia	In arbitration	8.7	8.7	...
	(2) Yugoimport	Serbia	Russia	In arbitration	122.8	178.0	...
Guyana					42.5	46.4	...
	(1) Citizens Bank Guyana Inc.	Guyana	Guyana	Out of court settlement	24.3	24.7	...
	(2) Booker plc	UK	ICSID	Dropped	4.1	7.5	0.0
	(3) Export Services Incorporated	USA	Guyana	Judgement awarded	14.1	14.1	...
Honduras	(1) BAGO Laboratories	Argentina	...	In court	1.5	1.5	...
Nicaragua 7/					79.8	285.2	275.6
	(1) LNC Investment, Inc.	New York, USA	USA	Judgement awarded	26.3	87.1	87.1
	(2) Hemisphere Associates (Nicaragua Claim) L.L.C.	New York, USA	USA	Judgement awarded	30.9	126.0	126.0
	(3) Greylock Global Opportunity Marster Fund Ltd	British Virgin Islands	USA	Judgement awarded	10.5	50.9	50.9
	(4) Hamsah Investments, Ltd.	British Virgin Islands	USA	Judgement awarded	2.5	11.6	11.6
	(5) Inex-Interexport Belgrade						
	(6) 14 October Krusevac						
	(7) IMT AD Belgrade	Belgrade, Serbia	USA	In court	9.6	9.6	...
	(8) DP FAP Famos						
	(9) MFK Corporation Ltd						
São Tomé and Príncipe	(1) Annadale Associates	UK	France	In arbitration	3.0	8.9	...
Sierra Leone					25.3	31.1	27.4
	(1) J& Franklin Ltd	UK	UK	Judgement awarded	1.1	3.4	3.4
	(2) UMARCO	France	UK	In court	0.6	0.6	0.6
	(3) Executive Outcome Panama	Sierra Leone	Sierra Leone	Judgement awarded	19.5	23.0	23.0
	(4) Chatelet Investment Ltd	Sierra Leone	Sierra Leone	In court	0.4	0.4	0.4
	(5) Scancem International ANS	Norway	Norway	Out of court settlement	3.7	3.7	...
Uganda					18.4	36.2	29.6
	(1) Banco Arabe Espanol	Spain	Uganda	Judgement awarded	1.0	2.7	2.7
	(2) Transroad Ltd	UK	Uganda	Judgement awarded	4.0	16.7	16.7
	(3) Industry Machinery 14 Oktober	Former Yugoslavia	Uganda	Judgement awarded	7.0	8.9	8.9
	(4) Sour Fap Famous	Former Yugoslavia	Uganda	Judgement awarded	0.3	1.4	1.4
	(5) Iraq Fund for International Development	Iraq	Uganda	In court	6.0	6.4	0.0
	(6) Shelter Afrique	Kenya	Uganda	Out of court settlement	0.1	0.1	...
Zambia 8/					16.3	55.3	15.7
	(1) Connecticut Bank of Commerce	USA	...	Judgement awarded and	0.9	0.3	0.3
	(2) Donegal International Limited	British Virgin Islands	UK	In court	15.4	55.0	15.4

Source: Survey on Commercial Creditor Participation and Creditor Lawsuits against HIPCs.

Note: The survey was responded by the HIPC authorities of 24 countries out of 30 surveyed in May 2007. Responses to previous surveys have been included in the table, with the exception of lawsuits against Mozambique and Niger which were determined as official claims.

1/ Commercial creditors lawsuits against HIPCs are reported without assessing the merits of these disputes. The information reported in this table reflects responses to the survey only, and it should not be considered a complete summary of all commercial creditor proceedings against HIPCs.

2/ Either original creditor or holder of current claim.

3/ Exchange rates at decision point were used for reporting claims in U.S. dollars.

4/ Excludes accumulated interest and charges.

5/ Amount could include interest, charges, and penalties.

6/ Settlement amounts are not reported, as confidentiality agreements might be in place.

7/ Joint litigation for cases 5 through 9.

8/ "Fap Famos Belgrade" claim, reported in the 2006 survey, was reclassified as a bilateral debt.