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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Seventy-Fourth Session
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IFAD'S PARTICIPATION IN THE DEBT INITIATIVE FOR HEAVILY INDEBTED POOR COUNTRIES: NEW COUNTRY CASES AND PROGRESS REPORT 2001

I. INTRODUCTION

1. The purpose of this paper is to:

   (a) submit one new country case, Chad, for Executive Board consideration and decision for debt relief under the enhanced Debt Initiative for Heavily Indebted Poor Countries (HIPC);

   (b) provide the Executive Board with the annual overview of progress in the implementation of the Debt Initiative in general;

   (c) provide the Executive Board with the annual overview of the status of IFAD's participation in the Debt Initiative up to October 2001, including information on the progress made in resource mobilization; and

   (d) request the agreement of the Executive Board to submit a Progress Report on the Debt Initiative for Heavily Indebted Poor Countries to the next session of the Governing Council in 2002, for information, based on this Executive Board paper.

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II. DEBT RELIEF FOR CHAD

2. With a net present value (NPV)-of-debt-to-exports ratio of 222% in 2000, Chad's external debt situation is unsustainable, even after the full application of all traditional debt-relief mechanisms. The international community has declared Chad eligible for debt relief under the enhanced framework of the Debt Initiative in recognition of the sustained macroeconomic, structural and social reforms pursued in recent years, and of the determined steps the Government has taken to address the policy interruptions experienced in the second half of 2000. These policy interruptions, which resulted in the postponement of Chad's decision point, had been accentuated by a sharp decline in agricultural production. This decline followed erratic rainfall and resulted in famine and in a need for government spending to address famine-related food emergencies.

3. Past good performance has been particularly marked in fiscal and public-finance management reform (addressing also the need for tracking of poverty-related expenditures), civil-service reform, incentives and trade policies (with the elimination of most price controls), privatization of public enterprises and financial-sector reform. Consequently, real gross domestic product growth has been satisfactory; the external current account deficit was reduced; fiscal imbalances are being corrected through an increase in revenues and a curbing of expenditures (while expenditures in priority sectors such as health and education have increased); inflation has been limited; and Chad is maintaining most of the gains in competitiveness it made because of the 1994 CFA franc devaluation. Gross primary enrolment for girls and boys has increased, while infant mortality rates have decreased.

4. The principal elements of Chad's medium-term development strategy are presented in its interim poverty-reduction strategy paper (I-PRSP). Pending the conclusion of a national household income and expenditure survey, the I-PRSP is based on an extensive participatory process (broad-based local consultations with focus groups to identify the core dimensions of rural poverty), in the course of which Chad's poor expressed particular concern with access to education, health, safe water, microfinance, agricultural equipment and transport infrastructure. They face problems with food security, livestock production and a degrading environment. They also express concern over corruption and bad management, considered to be important constraints on poverty reduction. As a consequence, the I-PRSP identifies four priority sectors for poverty alleviation and growth: health (with a strong HIV/AIDS programme), education, basic infrastructure and rural development.

5. With 80% of Chad's population residing in rural areas, poverty is mainly a rural phenomenon. Much of the rural population suffers from repeated famines, a deterioration of the natural environment due to soil erosion and land degradation, and violent conflicts between livestock holders and farmers. The major constraint on the elimination of rural poverty is low agricultural productivity, owing to ineffective farm practices, inefficient marketing of outputs and agricultural inputs (fertilizers, pesticides, improved seed, veterinary products and farm tools), and limited access to financial markets. Yet Chad has considerable natural potential for increased agricultural production. The Government will seek to develop the potential of its agriculture, livestock and services sectors. A market-based approach to rural development, including the reform of the cotton sector, will provide the basis for broad-based, high growth outside the petroleum sector.

6. The National Rural Development Strategy aims to increase production sustainably – while preserving the environment and reinforcing local capacities – through the strengthening of producer organizations and rural services (with the private sector) and through defining and implementing: a rural extension strategy, a national microfinance strategy, a national environmental strategy, a community-driven rural development programme and a gradual decentralization of central-government responsibilities to locally elected governments.

7. After several years of delays, tangible progress has also been made in the reform of the cotton sector, which touches 300 000 farm families. Complementary to the state's proposed divestiture of Cotontchad, an effort was made in early 2000 to ensure that cotton farmers can contribute to shaping and implementing the reform process – and become its main beneficiaries – through the strengthening of producer organizations, adoption of a cotton-sector reform strategy, introduction of a pricing scheme linked to world cotton prices, introduction of a price-setting committee consisting of farmers and Cotontchad, involvement of farmer committees in the procurement process for cotton fertilizers and pesticides (distributed by Cotontchad) and the planning of the primary marketing of seed cotton, and organization of a farmers' forum on the privatization of Cotontchad.

8. These priorities are well reflected in the sector allocations of the Virtual Poverty Fund (VPF) for 2001 and for the medium term. The VPF seeks to ensure both the full integration of poverty-reduction expenditures into the overall national budget and the tracking of poverty-related expenditures funded specifically from Debt Initiative resources. IFAD's country strategic opportunities paper (COSOP) and its country portfolio – consisting of three loan-financed projects in addition to activities supported by the Belgian Survival Fund (BSF) and the IFAD/NGO Extended Cooperation Programme (ECP) – fully support these priorities of the national rural development strategy.

9. In order to achieve the target NPV-of-debt-to-exports ratio of 150% provided for under the enhanced Debt Initiative, all creditors will be expected to provide a reduction of 30% in the NPV of their outstanding claims as of the end of 2000. Total relief from all of Chad's creditors would amount to USD 170 million in NPV terms. Bilateral and commercial creditors will provide USD 36 million in NPV terms in debt reduction, with multilateral creditors providing USD 134 million in NPV terms. **IFAD's Executive Board is invited to approve IFAD's contribution to the debt relief for Chad in the amount of SDR 1 166 825 in 2000 NPV terms** (tentatively SDR 1.58 million in nominal terms, spread over a period of 6 years[1]).

10. Chad will reach its completion point under the enhanced Debt Initiative framework when the conditions in the following areas have been met: (a) continued commitment to the financial and economic programme supported by the Poverty-Reduction and Growth Facility (PRGF) of the International Monetary Fund (IMF); (b) completion of a poverty-reduction strategy paper (PRSP) through a participatory process (the I-PRSP defines the process for finalizing such a fully participatory PRSP), international endorsement of the strategy and a first annual report on its implementation; (c) implementation of an agreed set of measures in the context of the Government's poverty-reduction strategy, with a focus on governance and public administration (including the strengthening of public-expenditure management to facilitate the identification and tracking of poverty-related spending), and with specific triggers related to access to farm equipment and water points; and (d) confirmation of the participation of other creditors in the debt-relief operation.

[1] Normally IFAD's debt relief will be provided in the form of a 100% reduction of the semiannual debt-service payments for each eligible loan, from the completion point onwards (without interim relief) until the relief target is reached, according to approved basic policy and practice. However, if the resource position in IFAD's Trust Fund account would not permit a 100% reduction of debt-service relief, IFAD may (even temporarily) provide lower levels of debt-service payment relief. This will be determined by the Fund at its sole discretion and notified to the Borrower periodically. Of course, the NPV-of-debt-relief target itself will **not** be affected by this flexible management of the relief modalities.

III. PROGRESS IN THE IMPLEMENTATION OF THE DEBT INITIATIVE

11. **Country cases**. As of 31 September 2001, twenty-three countries[2] have become eligible for debt relief under the Initiative. Bolivia, Mozambique and Uganda[3] have reached their completion points under the enhanced Initiative; and Burkina Faso, Guyana and Mali have reached their completion points under the original Initiative. Six more countries (Benin, Burkina Faso, Guyana, Senegal, Mali and the United Republic of Tanzania) are expected to reach their enhanced Initiative completion points by the end of 2001 or shortly thereafter. The 23 countries that have reached their decision points have received commitments for a total of USD 34 billion in debt-service relief (including more than USD 2.5 billion from multilateral institutions). Their existing debt stocks will have been reduced from USD 54 billion to USD 21 billion in NPV after the full application of traditional and Debt Initiative debt relief, as well as additional bilateral debt relief beyond the Debt Initiative. On average, HIPC Debt Initiative debt relief will reduce debt-service payments from 26% of government revenue before this debt relief, to less than 10% by 2005, and thus below the current average for developing countries. As projected debt-service payments fall, average commitments for poverty-reducing social expenditures are expected to increase by more than 50% from 1999 to 2002.

Table 1. The 42 Heavily Indebted Poor Countries

HIPCs with Enhanced Initiative Decision Points (23)	HIPCs Not Yet Arrived at the Decision Point (15)	Possibly Sustainable Country Cases
Benin, Burkina Faso, Cameroon, Chad, The Gambia, Guinea, Guinea-Bissau, Guyana, Honduras, Madagascar, Malawi, Mali, Mauritania, Nicaragua, Niger, Rwanda, Senegal, Sao Tome and Principe, United Republic of Tanzania, Zambia **With Decision Points and Completion Points:** Bolivia, Mozambique, Uganda	Burundi, Central African Republic, Comoros, Congo, D.R. Congo, Côte d'Ivoire, Ethiopia, Ghana, Laos, Liberia, Myanmar, Sierra Leone, Somalia, Sudan, Togo	Angola, Kenya, Viet Nam, Yemen

12. Major efforts are ongoing to bring the remaining 15 countries to their decision points as soon as conditions permit. It is expected that Ethiopia, Ghana and Sierra Leone will do so in the coming months.

13. However, about ten of these remaining countries are either emerging from armed conflict and/or facing significant arrears problems. In order to ensure that the decision points of the countries concerned are not delayed much longer after achievement of decision-point conditions, it is expected that the international financial institutions (IFIs) will be called upon to deal with the arrears issues in a proactive, creative way, possibly in line with the range of arrears-settlement arrangements that were applied in the Guinea-Bissau country case (document EB 2000/71/R.12). The first such country cases that may come forward for Executive Board consideration, possibly as soon as April 2002, are the Democratic Republic of the Congo and Sierra Leone, both with significant levels of arrears. The discussions on debt reconciliation, debt-sustainability analysis and arrears clearance capacity are ongoing. Even though IFAD is pursuing compliance with its zero-tolerance policy on arrears (document GC 21/L.7), **guidance from the Executive Board will be useful as to how IFAD should position itself vis-à-vis such country cases in the context of the Debt Initiative and in**

[2] In addition, Côte d'Ivoire has been declared eligible for debt relief under the original Debt Initiative framework, but the completion point has been delayed.

[3] It is possible, but not yet confirmed, that, because of minor debt-reconciliation problems at the decision-point stage, the completion point review of the debt-sustainability analysis for Mozambique would call for a modest revision of the common debt-reduction factor and thus of the required debt relief. If confirmed, this issue will be presented for Executive Board consideration at a future session.

accordance with the general policy previously approved by the Executive Board at its Seventy-First Session.

14. **Updated total Debt Initiative cost estimates**. As was foreseen at the start of the HIPC Debt Initiative, total costs keep evolving over time, mainly as a result of: the enhanced precision of debt-reconciliation exercises; the evolving economic environment; the evolution of interest rates and consequently discount rates; and developments in the Debt Initiative policy framework itself.

15. As shown in Table 2, the most recent estimates of total costs have increased over earlier estimates for the following reasons:

(a) Comoros has been added to the list of HIPCs, now totalling 42 countries, and Ghana has now opted to avail itself of the debt relief offered under the Initiative;

(b) a number of countries have seen their debt-relief requirements increase in the light of updated debt-sustainability analyses; and

(c) the present need to express costs for new country cases in 2000 NPV terms rather than 1999 NPV terms.

Table 2. Updated Estimates of Total Costs of the Debt Initiative
(in USD billion)

	Previous Estimate in 1999 NPV terms 32 countries	**Updated Estimate in 1999 NPV terms 34 countries[a]**	**Updated Estimate in 2000 NPV terms 34 countries[a]**	**Percentage of Total Costs**
Total costs (without Liberia, Somalia and Sudan)	**29.3**	**31.3**	**33.2**	**100**
Bilateral and commercial creditors	**15.1**	**16.1**	**17.1**	**51**
Multilateral creditors	**14.2**	**15.2**	**16.1**	**49**
Total costs including Liberia, Somalia and Sudan	**37.3**	**39.2**	**41.6**	**125**

[a] Including Comoros and Ghana

Source: IMF/World Bank staff estimates

16. The following points should be stressed:

(a) The policy of reviewing debt-sustainability analyses at the completion point – with the possible consequent need to top up decision-point commitments of debt relief in order to reach the 150% NPV-of-debt-to-exports ratio – is likely to lead to further cost increases, especially in the light of the current global economic situation. Staff of IMF and the World Bank are currently assessing the impact of the global economic slowdown on the economic and, especially, export performance of HIPCs.

(b) Delays for many countries in reaching their completion points will lead to further increases in the total nominal cost of the Debt Initiative for those institutions that do not provide interim relief.

17. **Policy developments**. As implementation of the Debt Initiative progresses, IMF and World Bank staff are developing operational guidelines. In this context, the attention of the Executive Board

is drawn to two developments: the option of completion-point top-up; and the method for assessing the NPV of nominal debt relief provided.

(a) **Completion-point top-up of debt relief**. The policy framework for the enhanced Initiative provides the international community with the option to consider, in exceptional circumstances, additional debt relief at the completion point beyond that committed at the decision point. In response to a request by their executive boards, IMF and the World Bank developed technical guidelines to operationalize this provision. For countries with actual debt burdens at the completion point markedly above the Initiative's sustainability targets, a comprehensive assessment of a country's economic circumstances would be made in order to determine whether there had been a fundamental change in the country's economic circumstances and whether the change was clearly due to exogenous developments. If, based on this assessment, a country is deemed to warrant additional relief, the amount would be determined using as criteria the debt sustainability thresholds already established for the enhanced Initiative (the NPV-of-debt-to-exports ratio of 150% or 250% of fiscal revenues). Additional relief would be delivered unconditionally once satisfactory financing assurances from creditors were obtained. It is stressed that the use of this feature is expected to be very exceptional. Moreover, the operational guidelines emphasize the importance of continued adherence to sound economic policies, including prudent debt management, and appropriate policy responses by HIPC governments to any unforeseen exogenous developments affecting external debt sustainability.

With respect to these operational guidelines, IFAD and other IFIs have expressed opposition to the inclusion in such reassessments of additional borrowings during the interim period (i.e. after the cut-off date for eligible debt). It is felt that this could: introduce moral hazard (opportunistic borrowing); create a disincentive for IFIs to provide the additional concessional resources during the interim period, called for under the Initiative in order to assist HIPCs in implementing their poverty-reduction strategies; and lead other IFIs to shoulder additional debt-relief requirements because of significant additional lending by IMF and the World Bank during the interim period (PRGFs, the Poverty Reduction Support Credits (PRSCs)). It would increase the costs of the Debt Initiative, and consequently the pressure on the scarce resources currently available for the Initiative, if no additional external financing became available.

(b) **NPV of nominal debt relief provided**. As countries have started to actually avail themselves of the committed debt relief, the need has arisen for the formulation of common guidelines for assessing the NPV of the nominal amounts of relief being provided. In order to avoid IFIs having to bear the nominal cost increases resulting from delays in delivery of debt relief due to delayed performance by the HIPCs concerned, IMF and the World Bank have agreed that:

(i) under the original Initiative, debt relief provided would be discounted to the original Initiative completion-point date for the country concerned, using the cut-off-date discount factor; and

(ii) under the enhanced Initiative, debt relief provided would be discounted to the enhanced Initiative decision-point date for the country concerned, using the cut-off-date discount factor.

This means that, for instance, for Bolivia:

(i) the debt relief provided under the original Initiative (cut-off date end-1996) would be discounted to September 1998 (the completion point), using the end-1996 discount rate; and

(ii) the debt relief provided under the enhanced Initiative (cut-off date end-1998) would be discounted to February 2000 (the decision point), using the end-1998 discount rate.

18. **Poverty-reduction strategies**. PRSPs are country-owned, medium-term strategies for the reduction of poverty, created for the purpose of allowing countries and their governments to define for themselves the conditions of their access to Debt Initiative treatment (document GC 24/INF.4). Some 60 countries (non-HIPCs as well as HIPCs) have either a full PRSP, an I-PRSP or are in the process of preparing one. The adoption of this good practice is clearly being mainstreamed in low-income countries, and the link to the PRGFs (formerly ESAF) of IMF and the PRSCs of the World Bank – in addition, of course, to the link to the Debt Initiative for HIPCs – clearly constitutes an incentive.

19. The PRSP process is facing a number of challenges. First and foremost, in the context of the Debt Initiative, there is a need to balance speed with quality. Generally speaking, the strategic and operational quality of PRSPs could be improved if somewhat more time were taken to produce them, and there is ample scope to deepen the participatory process for the formulation of PRSPs. Further, the following facts are becoming clear:

(a) More attention needs to be paid to the critical role of civil society and to ensuring that institutional capacity is in place for these actors to sustain their role.

(b) The key role of agricultural development in reducing poverty is inadequately reflected in many of the PRSPs, even though recent progress has been rather encouraging.

(c) The policy, institutional and organizational transformation agenda – to ensure that the strategic priority investments actually translate into poverty reduction – is inadequately reflected in the PRSPs and in the completion-point conditions identified by IMF and the World Bank.

(d) PRSPs largely focus on the short to medium term and not sufficiently on longer-term implementation.

(e) PRSPs are not adequately articulating contingency plans for possible shortfalls in growth or revenue performance, which would lead to unforeseen problems and poorly planned adjustments in PRSP implementation.

(f) There is a need to ensure that Debt Initiative tracking mechanisms do not undermine the ability to track all poverty-reducing spending and improvements in public-expenditure management generally.

(g) More specific work is required to address the rather general lack of realistic, measurable poverty-reduction targets for which governments would choose to be accountable.

20. In the context of this need for further improvement, IFAD is actively organizing its support to about 15 PRSP processes, with a variable-geometry focus on: supporting participatory processes for the planning and updating of PRSPs; providing assistance to actual implementation of the PRSPs and

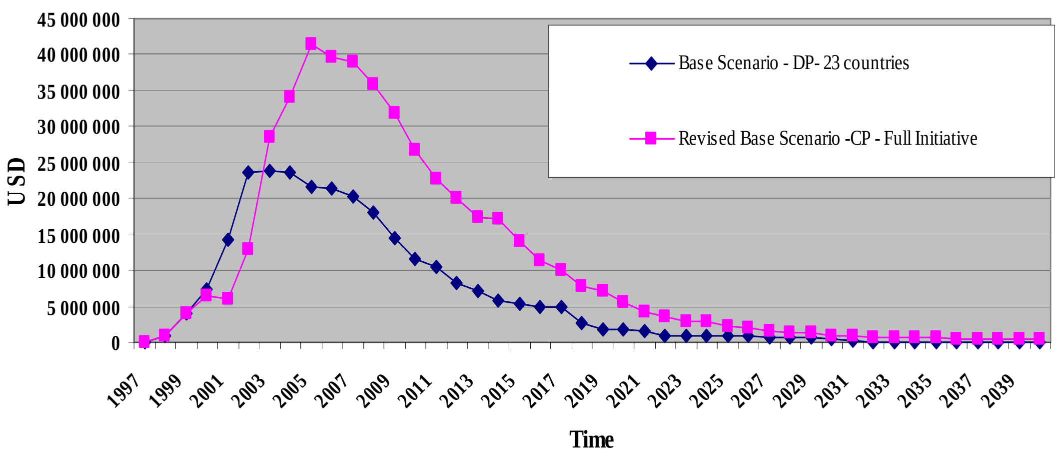
their participatory monitoring; defining and pursuing the agricultural development agenda; helping the poor articulate and meet their policy and organizational requirements; and institutionalizing PRSP processes. Partnership with governments (central and local) and other actors in the sphere of rural development (especially the IFIs) is of foremost concern.

21. **Challenges ahead**. The challenges now consist in ensuring long-term debt sustainability and in implementing strong economic-reform and poverty-reduction programmes in decision-point countries, which is of critical importance. Prudent debt management and the provision of financial resources as grants or on highly concessional terms will also be crucial. IMF and the World Bank are looking into the debt-management issues facing HIPCs, and this work will become part of Debt Initiative considerations. For IFAD, this challenge is calling specifically for reflection on the structuring of agricultural development programmes so as to reduce poverty while simultaneously contributing to debt sustainability for the country.

IV. COST ESTIMATES FOR IFAD AND FINANCING

22. With approval by the Executive Board of debt relief for Chad, IFAD will have committed itself to providing debt relief to 24 countries, for a total NPV amount of approximately SDR 137 million (USD 176 million) (see Annex I). Assuming prompt meeting of the completion-point conditions and a front-loaded modality for debt relief (100% of debt-service relief until the target is reached), this would amount to about SDR 207 million in nominal terms (USD 266 million), spread over varying periods of time, depending on the country, and ranging from 2 to 30 years. Graph 1 shows the profile of the nominal costs of the Debt Initiative to IFAD over time, based on the figures in Annex 2. The base scenario consists of the 23 approved country cases; and the revised scenario covers the full costs to IFAD, adjusted for realistic completion-point timings. Actual debt relief provided to date amounts to approximately SDR 11 million (USD 14 million).

Graph 1. Nominal Costs to IFAD



23. The resources to finance IFAD's debt-relief obligations are coming from internal resources (otherwise available for commitment) and from complementary contributions from the Government of The Netherlands (NLG 26.6 million or about USD 15 million at the historic exchange rate). The Government of Germany has earmarked DM 15 million (about USD 7 million) of its contributions to the World Bank-administered Debt Initiative trust fund for debt owed to IFAD, and this will be disbursed over a three-year period. Encouraging consultations are taking place with other donors to the World Bank-administered trust fund in order to explore and establish broader equitable access for IFAD to this fund.

V. RECOMMENDATION

24. It is recommended that the Executive Board:

(a) Approve the proposed contribution to the reduction of the debt to IFAD of Chad, as of 31 December 2000, for an amount of SDR 1 166 825 in December-2000-NPV terms. This relief will be provided according to the terms of the following resolution:

> "RESOLVED: that the Fund, upon declaration at the completion point by the International Monetary Fund and the World Bank that Chad has satisfied the conditions for debt relief under the Debt Initiative for Heavily Indebted Poor Countries, shall reduce the value of the debt to IFAD for Chad, through the reduction by up to 100% of its respective semiannual debt-service obligations to IFAD (principal and service-charge/interest payments), as these fall due after the respective completion point, and up to the aggregate SDR net-present-value amount of SDR 1 166 825 in December-2000-NPV terms."

(b) Take note of the overview of progress in the implementation of the Debt Initiative in general and for IFAD specifically; and provide guidance for the forthcoming country cases that will be affected by high levels of arrears; and

(c) Agree to submit, on the basis of this Executive Board document, a Progress Report on the Debt Initiative for Heavily Indebted Poor Countries to the next session of the Governing Council in 2002, for information.

SUMMARY OF IFAD'S DEBT INITIATIVE FOR HIPC COMMITMENTS

		Cut-Off Date for Eligible Debt	Total Outstanding Debt Service (SDR)	Discount Rate (%)	NPV of Total Outstanding Debt Service (SDR)	Target NPV-of-Debt-to-Exports Ratio (%)	Target Fiscal Ratio of Debt (%)	Common Debt-Reduction Factor (%)	Total Amount of NPV Debt Relief to be Approved (SDR)	NPV Debt Relief Approved by the Executive Board (SDR)1	Estimated Time Period for Debt Relief (years) assuming 100% of debt service relief2	Estimated Total Nominal Cost (SDR)1	Remarks2
1	**Benin**	Dec-98	33 005 137	5.25	15 081 277	150		31.3		4 7120 440	7	6 243 875	Enhanced
2	**Bolivia**	Dec-98	32 610 471	5.25	18 754 998	150		35.0		6 564 249	6	7 827 077	Enhanced (approved under original Initiative : SDR 2 200 000)
3	**Burkina Faso**	Dec-99	25 533 651	5.59	11 193 315	150		46.3		5 182 505	10	7 313 365	Enhanced (approved under original Initiative : SDR 1 390 860 at DP, revised to 2 955 035 at CP)
4	**Cameroon**	Jun-99	12 846 476	4.87	8 359 948	150		26.9		2 248 826	2	2 713 892	Enhanced
5	**Chad**	Dec-00	9 904 885	6.09	3 889 415	150		30.0	1 166 825		6	1 582 526	Enhanced
6	***Côte d'Ivoire (original)***					*141*	*280.0*	*6.0*		*164 300*			*Original Initiative*
7	**Gambia, The**	Dec-99	15 557 570	5.59	6 710 439	150		27.2		1 825 239	5	2 398 477	Enhanced
8	**Guinea**	Dec-99	38 582 884	5.59	16 169 224	150		31.6		5 109 475	6	6 922 062	Enhanced
9	**Guinea Bissau**	Dec-99	7 772 895	5.59	3 598 230	150		85.4		3 072 889	16	4 429 182	Enhanced
10	**Guyana**	Dec-98	2 943 793	5.25	2 401 076	150	250	63.3		1 519 881	5	1 771 957	Enhanced (original Initiative: SDR 630 000)
11	**Honduras**	Dec-99	16 317 725	5.59	7 482 666	110	250	17.8		1 331 915	3	1 527 814	Enhanced
12	**Madagascar**	Dec-99	37 995 676	5.59	16 318 466	150		39.5		6 445 794	8	9 125 069	Enhanced
13	**Malawi**	Dec-99	43 650 366	5.59	18 947 091	150		44.0		8 336 720	9	12 188 790	Enhanced
14	**Mali**	Dec-98	40 757 521	5.25	18 430 543	150		37.0		6 819 301	8	9 303 306	Enhanced (approved under original Initiative : SDR 1.575 million)
15	**Mauritania**	Dec-98	34 912 948	5.25	15 158 293	137	250	50.0		7 579 147	12	11 400 150	Enhanced
16	**Mozambique**	Dec-98	32 271 650	5.25	14 801 914	150		72.1		10 672 180	19	17 782 940	Enhanced (approved under original Initiative : SDR 7 741 870)
17	**Nicaragua**	Dec-99	18 643 727	5.59	9 039 291	150		72.2		6 526 368	30	14 426 715	Enhanced
18	**Niger**	Dec-99	27 378 896	5.59	11 757 885	150		53.5		6 290 469	12	9 058 516	Enhanced
19	**Rwanda**	Dec-99	27 576 187	5.59	11 996 114	150		71.3		8 553 229	20	15 806 989	Enhanced
20	**Sao Tome and Principe**	Dec-99	5 834 891	5.59	2 458 402	150		83.0		2 040 474	29	4 490 135	Enhanced
21	**Senegal**	Jun-98	29 603 818	5.25	12 079 036	133	250	19.3		2 331 254	4	3 073 121	Enhanced
22	**Tanzania, United Republic of**	Jun-99	49 530 777	4.87	22 121 593	150		54.0		11 945 660	13	17 932 401	Enhanced
23	**Uganda**	Jun-99	50 181 004	4.87	23 655 279	150		54.0		12 773 851	12	16 345 332	Enhanced (approved under original Initiative : SDR 4 160 000)
24	**Zambia**	Dec-99	51 021 226	5.59	21 931 826	150		62.6		13 729 323	16	23 535 754	Enhanced
	Total		644 434 173		292 336 321				1 166 825	135 783 489		207 199 447	
	USD		*828 742 346*		*375 944 509*				*1 500 537*	*174 617 567*		*266 458 489*	
	Exchange rate	*1 SDR =*	*1.286*	*USD, as*	*of 1-Oct-01*								

1 These are highly tentative estimates. The final nominal amounts (and time frame) will depend on: the timing of the completion point, the approach to settling arrears at the decision point and during the interim period (if any), the amounts of debt relief already provided (if any), and the development of the countries' future debt-service obligations (additional disbursements under eligible loans and possibly new loans, if any and if necessary).

2 Amounts approved under the original Debt Initiative (if any) are included in the amount approved to meet enhanced Initiative requirements.

ANNEX II

NOMINAL COST FOR IFAD OVER TIME

USD	Base Scenario – DP – 23 Countries	Revised Base Scenario – CP – Full Debt Initiative
1997	0	0
1998	789 138	789 138
1999	3 931 132	3 931 132
2000	7 329 250	6 526 653
2001	14 257 326	6 048 241
2002	23 622 900	12 954 869
2003	23 793 698	28 520 332
2004	23 613 981	33 978 867
2005	21 631 187	41 428 755
2006	21 457 309	39 702 880
2007	20 284 799	38 942 128
2008	17 987 777	35 759 415
2009	14 541 478	31 795 000
2010	11 624 601	26 667 681
2011	10 438 615	22 813 700
2012	8 169 117	19 960 896
2013	7 165 520	17 368 906
2014	5 890 159	17 067 116
2015	5 248 485	14 075 760
2016	4 971 814	11 432 586
2017	4 872 492	10 066 161
2018	2 707 727	7 882 341
2019	1 810 432	7 020 083
2020	1 795 287	5 670 232
2021	1 624 918	4 306 129
2022	813 417	3 572 105
2023	806 500	2 991 318
2024	799 583	2 965 610
2025	792 666	2 205 558
2026	785 749	1 995 530
2027	778 832	1 465 919
2028	771 914	1 319 895
2029	764 997	1 308 154
2030	374 488	998 166
2031	211 201	989 414
2032	0	772 666
2033	0	766 000
2034	0	727 084
2035	0	688 652
2036	0	541 102
2037	0	513 822
2038	0	387 138
2039	0	383 477
2040	0	352 623
Total	266 458 489	469 653 236