



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Consultation on the Sixth Replenishment of IFAD's Resources – Second Session

Rome, 18-19 April 2002

INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA13)

HIPC DEBT RELIEF TRUST FUND SUPPORT FOR REGIONAL AND SUB-REGIONAL MULTILATERAL CREDITORS

1. As requested at the First Session of the Consultation on the Sixth Replenishment of IFAD's Resources, the Fund has obtained information from the World Bank on the structure, modus operandi and resource situation of the Bank-administered HIPC Debt Initiative Trust Fund. This information is contained in the attached document entitled HIPC Debt Relief Trust Fund Support for Regional and Sub-regional Multilateral Creditors.
2. IFAD participated in the Debt Initiative for Heavily Indebted Poor Countries (HIPC) from the beginning, in view of the fact that the Debt Initiative was designed to offer a comprehensive exit strategy – i.e. all eligible countries would see the totality of their debt vis-à-vis any creditor reduced to a sustainable level. The initial estimates of the net present value (NPV) cost to IFAD in 1996 of the Initiative amounted to less than USD 70 million.
3. In order to help multilateral creditors finance their participation, a trust fund for the Initiative was established under the administration of the World Bank. "The HIPC Debt Initiative Trust Fund is an instrument of the donors to the Trust Fund. The Trust Fund provides funding to eligible creditors, based on the instructions of the donors." The Netherlands had provided a significant direct contribution to IFAD towards its estimated cost of participation in the original Initiative of under USD 70 million. Therefore, as stated in footnote 10 of the document, "... IFAD had been expected to fund its HIPC costs from internal resources and direct contributions from donors".
4. In 1999 the decision was taken to enhance the Debt Initiative in order to provide the eligible countries with deeper, broader and faster debt relief. IFAD's costs of participation in the Initiative rose sharply, several-fold to USD 440 million (nominal) or USD 257 million in NPV terms (as estimated by the World Bank in footnote 10). In endorsing IFAD's participation in the enhanced Debt Initiative, the Governing Council reiterated the need for the Fund to minimize the impact on its programme of work. To this effect, in addition to using internal resources, IFAD was asked to explore



the possibility of mobilizing financing for the Initiative through direct external contributions and securing access to the World Bank-administered Trust Fund.

5. Following this mandate from its Governing Bodies, IFAD has sought direct external contributions for the Initiative, and has mobilized 'IFAD-earmarked' resources through the World Bank-administered Trust Fund (Germany and Belgium; the European Commission and Switzerland have also made commitments). In order to pursue this effort, IFAD organized a consultation on 7 February 2002. The conclusions of this meeting are summarized in EB 2002/75/R.14, to be discussed by the Executive Board on 22 and 23 April 2002. One of the recommendations of the meeting was that donors to the World Bank-administered Trust Fund explore IFAD's access to the core (not IFAD-earmarked) funding of the HIPC Debt Initiative Trust Fund.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT



IDA13

**HIPC DEBT RELIEF TRUST FUND SUPPORT FOR
REGIONAL AND SUB-REGIONAL MULTILATERAL CREDITORS**

**International Development Association
September 2001**



**HIPC Debt Relief Trust Fund Support
for Regional and Sub-Regional Multilateral Creditors¹**

STATUS REPORT

**Pledges and Contributions for Multilateral Creditors
excluding the IMF and World Bank**

1. As discussed during the HIPC technical meeting in Paris in February, substantial progress has been made in implementing the HIPC Debt Initiative—with 23 countries having reached their decision point under the enhanced framework by August 2001—and in mobilizing needed resources. Since February an important new element in this progress was the approval of the Latin American financing package (\$575 million) in March, which is expected to permit the full participation and implementation of debt relief by the Inter-American Development Bank (IDB) and Latin American sub-regionals.

2. Table 1 provides the current status of contributions and pledges by bilateral donors and the European Commission (EC) to the HIPC Trust Fund.² Total bilateral pledges to support regional and sub-regional multilateral creditors remain at about \$2.5 billion, including \$600 million from the United States and an estimated \$660 million from the EC.³ The size of the total pledges to the HIPC Trust Fund has changed very little since the beginning of the year. New pledges were received from Finland and Greece. In addition Australia, Canada, Luxembourg and Norway transferred the remaining balances in their ISF accounts to the HIPC Debt Relief Trust Fund and several other donors have indicated their intention to do the same in the near future.

¹ The implications of the HIPC Initiative on IDA's finances and the status of HIPC Trust Fund resources available to support World Bank HIPC debt relief are covered in a separate note.

² This total does not include a contribution by the UK to the IMF through the HIPC Trust Fund of \$43.5 million to support IMF debt service relief to Uganda or \$20 million provided to the IMF by the Netherlands to provide additional debt relief for Zambia. The table also does not include: (i) the IBRD net income allocations to the World Bank component of the HIPC Trust Fund. To date the IBRD has allocated \$1.3 billion for this purpose. The Executive Directors of IBRD have recommended to its Governors the allocation of \$100 million of FY01 net income to the HIPC Trust Fund. The total IBRD net income pledge is \$2.15 billion in NPV terms or an estimated \$2.4 billion in nominal terms. (ii) resources that have been provided by the Nordic Development Fund (NDF) to the HIPC Trust Fund to be used to finance NDF's own debt relief under the Initiative.

³ \$660 million is the estimated US\$ value of the EC contribution of euro 734 million.

Table 1
Enhanced HIPC Framework: Status of Bilateral Donor Pledges to the HIPC Trust Fund ^{a/}
 (As of August 31, 2001, amounts in nominal US\$ million)

Donor	(1)	(2)		(4)	(5)	(6)	Memo: Total Contributions/ Pledges Including EC Attribution to Bilaterals (Cols. 4,2)
	Contributions & Pledges at end-Aug-99	Contributions Pledged After August 1999 EU/EC Attribution ^{b/} Bilateral		Total Bilateral Outstanding Contr ^{c/} Pledges (Cols.1,3)c/d ^{e/}	Total Bilateral Paid-in Contributions	Outstanding Bilateral Contr ^{f/} Pledges(Col.4-5)	
Australia ^{e/}	7		7	14	12	2	^{h/} 14
Austria		17	25	25		25	42
Belgium	13	25	2	15	15		40
Canada	27		86	114	114		114
Denmark	26	15	19	45	35	10	^{h/} 60
Finland	15	10	13	28	19	9	38
France	21	160		21		21	181
Germany	24	154	48	72	24	48	^{h/} 226
Greece	1	8	2	3	1	2	^{h/} 11
Iceland ^{e/}			2	2	1	1	^{h/} 2
Ireland	15	4	5	20	15	5	24
Italy ^{e/}		83	70	70	22	48	^{h/} 153
Japan	10		190	200	56	144	200
Korea ^{g/}							
Luxembourg	1	2		1	1		2
Netherlands	61	34	77	138	138		172
New Zealand ^{e/}			2	2	2		2
Norway	42		37	80	80		80
Portugal	15	6		15	15		21
Spain	15	39	70	85	15	70	^{h/} 124
Sweden	28	18	35	63	28	35	81
Switzerland	30		30	60	45	15	^{h/} 60
United Kingdom ^{f/}	171	85	50	221	90	131	306
United States			600	600	122	478	600
Total EU/EC Contributions		661		661	274	387	^{h/}
Total	\$22	661	1,370	2,552	1,122	1,431	2,552

- ^{a/} Figures are approximate. Some pledges are in the donor's national currency and a number of the contributions are in the form of promissory notes.
- ^{b/} For illustration, the exchange rate used is EURO 90 - US\$1 and the attribution to member states is based on their respective contributions to EDFs. Of this amount, EUR 304 million (eq. to US\$274 million) has been received.
- ^{c/} Includes allocations from the Interest Subsidy Fund (ISF) to the HIPC Trust Fund. There remain approximately \$100 million in ISF surplus assets that have not been allocated or committed to the HIPC Trust Fund.
- ^{d/} 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), and specific country-held multilateral debt relief facilities. Most notably, additional debt service relief has also been provided to several Central American countries in the aftermath of Hurricane Mitch through the Central American Emergency Trust Fund. Bilateral donor funding to that trust fund to provide debt service relief to Honduras and Nicaragua includes (in \$ million): Spain - \$30, Norway - \$15.3, Netherlands - \$12.8, Switzerland - \$18.3, Italy - \$12, United Kingdom - \$16.3, Austria - \$2.7, Canada - \$5.4, Germany - \$13.2, Sweden - \$23.4, United States - \$25, and Denmark - \$10.9 (through a bilateral trust fund administered by IDB). These resources are not included herewith as the debt relief under HIPC is additional to these efforts.
- ^{e/} The contributions provided by Australia, Iceland, and New Zealand are allocated for debt relief provided by IDA/IBRD. Of Italy's contribution, \$25 million is available for debt relief to be provided by IDA.
- ^{f/} In addition, the United Kingdom contributed SDR\$1.5 million to the HIPC Trust Fund for the IMF for debt relief to Uganda.
- ^{g/} Korea has confirmed that it will contribute to the HIPC Trust Fund but has not indicated the exact amount.
- ^{h/} For these donors, contribution agreements have been signed covering part or all of its outstanding balance.

3. Paid-in contributions to the HIPC Trust Fund now total \$1.1 billion.⁴ This leaves a little more than \$1.4 billion in outstanding (yet to be paid-in) pledges. Of this outstanding balance \$555 million is already covered under existing donor contribution agreements—including the euro 430 million (approximately \$390 million) outstanding balance of the EC contribution.

⁴ Includes a July payment of \$122 million by the US from the \$360 million appropriation approved by Congress in the fall of 2000. The US is expected to provide a second payment against this appropriation in the near future.



**HIPC Trust Fund Transactions to Date
in Support of Regional and Sub-Regional Multilateral Creditors**

4. Table 2 lists the HIPC Trust Fund transactions in support of regional and sub-regional multilateral creditors completed during FY01 (July 2000 – June 2001).⁵ These include the nineteen grant agreements—involving 21 transactions (17 for interim relief, 2 original completion points, 1 enhanced completion point and 1 arrears clearance)⁶—that have been signed in FY01 between the African Development Bank Group (AfDB) and HIPC Trust Fund. Total financial support provided by the HIPC Trust Fund under these grant agreements was \$445 million.⁷ Grant Agreements were also signed with BOAD (4 agreements for \$19 million) and CABEI (one agreement for \$12 million).⁸

5. Table 3 provides a list, by donor, of the HIPC Trust Fund resources used to fund operations since inception. Allocations were based on the total funding requirement of the HIPC Trust Fund debt relief grant agreement for each creditor for each country, resources available in the Trust Fund at the time of the transaction, the allocation instructions provided in the donor contribution agreements and any subsequent allocation instructions provided by individual donors.

6. In the context of the Latin American financing framework approved by donors in Santiago, Chile, in March 2001, the HIPC Trust Fund has been working closely with the IDB and the eligible Latin American sub-regional multilateral creditors to provide financial support, once their governing bodies have approved their participation and implementation modalities (including the confirmation of internal financing for this debt relief). As noted in Table 2 a grant agreement was signed with CABEI for Honduras in June and grant agreements are expected to be completed soon with the IDB, CABEI (for Nicaragua) CAF, CMCF and FONPLATA.

7. The Administrator of the HIPC Trust Fund will take advantage of the opportunity presented by the forthcoming October 10-11 semi-annual HIPC/MDB meeting to continue discussions with representatives of these regional and sub-regional multilateral creditors.

⁵ Prior to FY01 the HIPC Trust Fund had provided a total of \$106 million to eligible multilateral creditors to support HIPC debt relief.

⁶ The grant agreements for Mali and Burkina Faso combined the funding for the original completion point and the enhanced interim relief in a single agreement.

⁷ Excluding \$23 million of AfDB internal resources that were applied to the three completion point operations.

⁸ Sub-regional multilateral creditors currently expected to be funded by the HIPC Trust Fund include: BOAD (West African Development Bank), CAF (Corporacion Andina de Fomento), CABEI (Central American Bank for Economic Integration), CDB (Caribbean Development Bank), CMCF (CARICOM Multilateral Clearing Facility), Financial Fund for the Development of the River Plate Basin (FONPLATA).



1.) <u>FY01 Enhanced framework interim relief operations</u>	
<u>AfDB</u>	
Benin	15.2
Burkina Faso	3.6
Cameroon	32.2
Gambia	6.8
Guinea	32.3
Guinea-Bissau	21.2 ^{b/}
Madagascar	25.2
Malawi	22.0
Mali	7.9
Mauritania	27.1
Mozambique	6.9
Niger	8.2
Rwanda	20.0
Sao Tome & Principe	5.5
Senegal	24.1
Tanzania	25.9
Zambia	61.2
Total	<u>345.4</u>
<u>BOAD</u>	
Benin	5.1
Burkina Faso	6.4
Mali	5.3
Senegal	2.4
Total	<u>19.1</u>
<u>CABEI</u>	
Honduras	<u>12.0</u>
Total	<u>376.5</u>
2.) <u>FY01 Completion point operations</u>	
Original Framework	
AfDB - Burkina Faso (internal resources, USD6.1 m)	36.6
AfDB - Mali (internal resources, USD4.9 m)	11.9
Enhanced Framework	
AfDB - Uganda (internal resources, USD11.9 m)	<u>51.2</u>
Total	<u>99.7</u>
3.) <u>Original Framework - operations prior to FY01</u>	
AfDB - Uganda	15.3
AfDB - Mozambique	69.0
CAF - Bolivia	19.5
CMCF - Guyana	<u>2.4</u>
Total	<u>106.2</u>
4.) TOTAL	<u>582.4</u>
^{a/} Excludes Nordic Development Fund transactions which are self-financed.	
^{b/} Includes a USD9.4 million grant for arrears clearance.	



Belgium	7.0
Canada	24.7
Denmark	17.1
EC	230.4
Finland	2.0
Germany	14.1
Italy	8.2
Japan	6.8
Netherlands	86.7
Norway	14.7
Portugal	15.6
Spain	15.0
Sweden	9.6
Switzerland	32.9
United Kingdom	93.4
United States	4.2
Total	582.4

Projected HIPC Trust Fund Requirements

8. As noted during the February 2001 HIPC technical meeting, the \$2.5 billion in financial resources that have been mobilized⁹ through the HIPC Trust Fund for regional and sub-regional multilateral creditors are sufficient to provide the necessary support to currently eligible creditors to permit them to commit to the provision of relief to all countries expected to reach their decision point through 2001.¹⁰ This was a significant achievement. However, it remains imperative that existing pledges be translated into actual contributions in a timely manner in order to permit the Trust Fund to undertake needed transactions as they arise.

⁹ Contributions plus outstanding pledges.

¹⁰ To date, in addition to IDA, the regional and sub-regional creditors that have been considered eligible for financial support from the HIPC Trust Fund have included: the AfDB, IDB, BOAD, CAF, CMCF, CDB, CABI, and FONPLATA. Recently the EC and Germany have earmarked part of their HIPC Trust Fund contribution for IFAD (\$1 million and \$7 million respectively). IFAD's total HIPC debt relief costs are now estimated to be \$257 million (NPV) (see Table 14 of the HIPC Status of Implementation Report). Previously IFAD had been expected to fund its HIPC costs from internal resources and direct contributions from donors. As a result, IFAD's costs have not been included in the estimates of the HIPC Trust Fund's financing requirements. It should be noted that any allocation by donors of a part of their existing pledges to IFAD reduces the resources available from these pledges to fund the requirements of the other eligible creditors and correspondingly increases the HIPC Trust Fund financing gap.



9. Existing HIPC Trust Fund pledges are expected to finance debt relief for the 23 countries which have reached their decision point, and meet financing requirements for the countries that are likely to reach that stage over the next six months. However, they will not be sufficient to cover the total financing requirement of the 34 HIPC countries currently included in the HIPC costing exercise.¹¹ Table 4 provides the current estimate of overall HIPC Trust Fund funding requirements to support the debt relief efforts of regional and sub-regional multilateral creditors in nominal terms.¹² The estimated HIPC Trust Fund's total nominal requirements is over \$3.2 billion. This estimate is \$400 million higher than the February estimate reflecting revised costings and timing estimates and the addition of costs for Ghana.

1.) Delivered to-date (as of August 31, 2001)	0.58
2.) Remaining requirements for countries that have already reached their decision points:	<u>1.19</u>
Africa c/	0.71
Latin America d/	<u>0.48</u>
Sub-total (1,2)	1.77
3.) Possible near-term countries e/	<u>1.49</u>
Total	<u><u>3.26</u></u>

a/ Does not include funding earmarked by donors for IFAD.
b/ Excludes Liberia, Somalia, and Sudan.
c/ AfDB, BOAD.
d/ CABEI, CAF, CMCF, CDB, FONPLATA, IDB: reflects the agreement set out in the Latin American financing framework agreed upon in Santiago, Chile in March 2001.
e/ Burundi, CAR, Congo DR, Congo Rep, Comoros, Cote d'Ivoire, Ethiopia, Ghana, Myanmar, Sierra Leone, Togo.

¹¹ The 34 countries currently included in the costing exercise—the 23 decision point countries plus Burundi, Central African Republic, Côte d'Ivoire, Comoros, Democratic Republic of Congo, Ethiopia, Ghana, Myanmar, Republic of Congo, Sierra Leone, and Togo. Excludes Liberia, Somalia and Sudan.

¹² In NPV terms the total estimated HIPC Trust Fund requirements for the eligible regional and sub-regional creditors are \$2.8 billion. However, since these transactions will take place over the course of the next 4 to 5 years—as countries reach their respective decision and completion points—the nominal funding requirements are higher. These estimates take into account available information from eligible creditors regarding their mobilization of internal resources which has been provided in the context of the semi-annual HIPC MDB meetings, the development of the "Latin American financing package" and the continuing dialogue with these creditors.



10. The total funding requirement for countries that have already reached their decision points is \$1.8 billion (including already delivered funding). Looking forward, the total estimated nominal HIPC Trust Fund financing requirement (with the well recognized caveat about cost uncertainty) for the eleven remaining near term countries is estimated at \$1.5 billion. Combined, these funding requirements for the 34 countries would fully exhaust the resources that have been mobilized to date by the HIPC Trust Fund to support regional and sub-regional banks, and leave a potential funding gap of close to \$700 million (see Table 5).¹³ It will, therefore, be necessary to secure new pledges in the near future to provide the commitment authority to the HIPC Trust Fund to support the debt relief requirements of the last countries in this group to reach their decision point. Clearly there are substantial uncertainties as to the pace and sequencing of the countries in this group, particularly as many of them remain in conflict. Funding needs may increase as country specific DSAs are prepared for the conflict affected countries. The precise timing of these financing requirements, however, is uncertain. While the timing is uncertain, we would recommend that the additional pledges be in place by the middle of 2002.

Contributions paid to-date 2/	1.10
Add: investment income earned to-date 3/	0.06
Less: operations funded to-date	<u>0.58</u>
Cash available	0.58
Add: contributions receivable 4/	0.56
Add: outstanding pledges	<u>0.85</u>
Cash, receivables and outstanding pledges	1.98
Estimated remaining cash requirements	<u>2.67</u>
Estimated financing gap	<u>(0.69)</u>

1/ As of August 31, 2001.
2/ Excludes payments received from Australia, Iceland, Italy, New Zealand earmarked for IDA, earmarkings for IFAD, and the UK contributions for the IMF.
3/ On Trust Fund resources applicable to regional and sub-regional creditors.
4/ Receivables for signed agreements or promissory notes, excluding receivables earmarked for IDA.

¹³ After taking into account investment income that has been earned on balances in the Trust Fund but excluding possible costs for Liberia, Somalia and Sudan. The gap may be reduced somewhat by the applicable investment income that is earned over time on any uncommitted balance within the Trust Fund.



	Delivered thru <u>8/31/2001</u>	Remainder <u>of 2001</u>	<u>2002</u>	<u>2003-05</u>	<u>Total</u>
AfDB	0.53	0.39	0.88	0.85	2.65
Others ^{b/}	<u>0.05</u>	<u>0.14</u>	<u>0.42</u>	<u>-</u>	<u>0.61</u>
Total	<u>0.58</u>	<u>0.53</u>	<u>1.30</u>	<u>0.85</u>	<u>3.26</u>

a/ Excludes Liberia, Somalia, Sudan.
b/ BOAD, CABEL, CAF, CMCF, CDB, FONPLATA, IDB,

Resources Currently Available or Expected Soon in the HIPC Trust Fund

11. Table 6 looks at the HIPC Trust Fund requirements from a cash flow perspective (i.e., what are the size and timing of the estimated requirements to fund individual interim and completion point grant agreements as they arise). The HIPC Trust Fund currently has close to \$600 million in available cash resources. The current estimate of the HIPC Trust Fund's cash commitment requirements for the remainder of 2001 is approximately \$500 million and for 2002, \$1.3 billion. Based on these estimates the HIPC Trust Fund will need to receive over \$1.2 billion in additional cash payments against pledges over the course of the next 15 months to finance expected operations during this period. These estimates will be refined from time to time in discussions with creditors concerning their specific funding requirements for interim and/or completion point relief as well as the potential timing of such transactions.

12. Expected payments and potential new pledges in the near term include:

- | | |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| US | \$360 million approved by Congress in 2001—\$122 million of which has been paid in. Proposed allocation of the remainder of the approved funding under discussion with Congress. The FY02 budget proposal currently before Congress includes a request to fund the remainder of the \$600 million pledge. |
| EC | a second tranche payment of their contribution is under consideration |
| Austria | \$25 million—authorities have informed the HIPC Trust Fund that they will make this contribution in 2001. |



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Italy \$23.5 million—this second tranche payment is scheduled for 2001.

ISF Belgium, Denmark, France, and the UK have informed the Administrator that they intend to transfer their remaining balance in the ISF to the HIPC Trust Fund. Combined these would total about \$28 million.

13. As seen above the HIPC Trust Fund is now fully engaged in the provision of needed financial support to eligible regional and sub-regional credits so that they are able to participate in the HIPC Initiative and provide their share of HIPC debt relief to eligible countries. Over the next calendar year the funding needs of HIPC Trust Fund will rise substantially as current decision point countries reach their completion point and new countries reach their decision point. As a result:

- over the course of 2002 donors need to provide over \$1.2 billion in cash payments against their pledges; and
- as the post conflict countries achieve eligibility the Trust Fund will need additional pledges to provide the financial assurance to the regional and sub-regional creditors that donors will support their debt relief efforts in these countries. The estimated HIPC Trust Fund financing gap for the 34 HIPC countries is \$700 million. These pledges need to be in place before these countries reach their decisions points. While, as noted above, the timing of the decision points and correspondingly the funding requirements for these countries is uncertain, we would recommend that the additional pledges be in place by the middle of 2002.



Allocation Account Balances
From Donor Contributions for
Regional and Sub-Regional Creditors 1/
As of March 31, 2002

	<u>USD Equivalent</u>
Earmarked for:	
Core	200 310 189.08
Donor unallocated account	142 440 801.08
Beneficiary country and creditor	22 537 147.35
African Development Bank	414 349 496.96
BOAD	10 408 684.08
Caribbean Development Bank	3 811 727.60
CABEI	5 046 346.58
FONPLATA	4 000 000.00
IDB	79 399 035.55
IFAD	7 851 497.34
Asia Region	8 612 429.83
Africa Region/creditor specific	14 607 627.28
LAC Region/creditor specific	6 218 067.05
Total	919 593 049.78

1/ Excludes bilateral donor contributions earmarked for
IDA (\$34 million) and NDF contributions to the NDF account

Table 1
Enhanced HIPC Framework: Status of Bilateral Donor Pledges to the HIPC Trust Fund a/
(As of March 31, 2002, amounts in nominal US\$ million)

Donor	(1)	(2)		(3)	(4)	(5)	(6)	Memo: Total Contributions/ Pledges Including EC Attribution to Bilaterals (Cols. 4,2)
	Contributions & Pledges at end-Aug-99	Contributions Pledged		Total Bilateral Outstanding Contr/ Pledges (Cols.1,3)c/d/	Total Bilateral Paid-in Contributions	Outstanding Bilateral Contr/ Pledges(Col.4-5)		
		After August 1999 EU/EC Attribution b/	Bilateral					
Australia e/	7		7	14	14			14
Austria e/		17	26	26	26			44
Belgium	13	25	7	20	20			45
Canada	27		86	114	114			114
Denmark	26	15	19	45	42	3	h/	60
Finland	15	10	13	28	20	8		38
France	21	160	21	21		21		181
Germany	24	154	48	72	50	22	h/	226
Greece	1	8	2	3	3			11
Iceland e/			2	2	2			2
Ireland	15	4	5	20	15	5		24
Italy e/		83	70	70	36	34	h/	153
Japan	10		190	200	115	85		200
Korea g/								
Luxembourg	1	2		1	1			2
Netherlands i/	61	34	77	138	138			172
New Zealand e/			2	2	2			2
Norway	42		37	80	80			80
Portugal	15	6		15	15			21
Spain	15	39	70	85	40	45	h/	124
Sweden	28	18	30	58	58			76
Switzerland	30		30	60	60			60
United Kingdom f/	171	85	50	221	109	112		306
United States			600	600	238	362		600
Total EU/EC Contributions		661		661	500	161	h/	
Total	522	661	1 371	2 554	1 697	857		2 554

a/ Figures are approximate. Some pledges are in the donor's national currency and a number of the contributions are in the form of promissory notes.

b/ For illustration, the exchange rate used is EUR0.90 - US\$1 and the attribution to member states is based on their respective contributions to EDF8. Of this amount, EUR 554 million (eq. to US\$500 million) has been received.

c/ Includes allocations from the Interest Subsidy Fund (ISF) to the HIPC Trust Fund. There remain approximately \$100 million in ISF surplus assets that have not been allocated or committed to the HIPC Trust Fund.

d/ 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), and specific country-held multilateral debt relief facilities. Most notably, additional debt service relief has also been provided to several Central American countries in the aftermath of Hurricane Mitch through the Central American Emergency Trust Fund. Bilateral donor funding to that trust fund to provide debt service relief to Honduras and Nicaragua includes (in \$ million): Spain - \$30; Norway - \$15.3; Netherlands - \$12.8; Switzerland - \$18.3; Italy - \$12; United Kingdom - \$16.3; Austria - \$2.7; Canada - \$5.4; Germany - \$13.2; Sweden - \$23.4; United States - \$25; and Denmark - \$10.9 (through a bilateral trust fund administered by IDB). These resources are not included herewith as the debt relief under HIPC is additional to these efforts.

e/ The contributions provided by Australia, Iceland, and New Zealand are allocated for debt relief provided by IDA/IBRD. Of Italy's contribution, \$25 million is available for debt relief to be provided by IDA. Of Austria's contribution, \$18 million is available for IDA.

f/ In addition, the United Kingdom contributed SDR31.5 million to the HIPC Trust Fund for the IMF for debt relief to Uganda.

g/ Korea has confirmed that it will contribute to the HIPC Trust Fund but has not indicated the exact amount.

h/ For these donors, contribution agreements have been signed covering part or all of its outstanding balance.

i/ In addition, the Netherlands provided US\$20 million for debt relief provided by the IMF to Zambia over and above the debt relief called for under the HIPC Debt Initiative. This amount is not included in the contribution amount presented above.



1.) <u>CY 2001 Enhanced framework interim relief operations</u>	
<u>AfDB</u>	
Benin	15.2
Burkina Faso	3.6
Cameroon	32.2
Chad	10.6
Gambia	6.8
Guinea	32.3
Guinea-Bissau	21.2 b/
Madagascar	25.2
Malawi	22.0
Mali	7.9
Mauritania	27.1
Mozambique	6.9
Niger	8.2
Rwanda	20.0
Sao Tome & Principe	5.5
Senegal	24.1
Tanzania	25.9
Zambia	61.2
Total	<u>356.0</u>
<u>BOAD</u>	
Benin	5.1
Burkina Faso	6.4
Mali	5.3
Senegal	2.4
Total	<u>19.1</u>
<u>CABEI</u>	
Honduras	12.0
Nicaragua	44.5
Total	<u>56.5</u>
<u>IDB</u>	
Honduras	7.6
Nicaragua	20.0
Total	<u>27.6</u>
Total	<u>459.2</u>
2.) <u>CY 2001 Completion point operations</u>	
Original Framework	
AfDB - Burkina Faso (excluding internal resources of USD6.1 million)	36.6
AfDB - Mali (excluding internal resources of USD4.9 million)	11.9
Enhanced Framework	
AfDB - Uganda (excluding internal resources of USD11.9 million)	51.2
IDB - Bolivia	50.7
CAF - Bolivia	36.1
Total	<u>186.5</u>
3.) <u>NDF - cumulative disbursements on original and enhanced (Bolivia, Mozambique, and Uganda)</u>	
	<u>1.6</u>
4.) <u>IFAD c)</u>	
	<u>2.7</u>
5.) <u>TOTAL - CY2001 operations</u>	
	<u>650.0 d)</u>
a) Does not include HIPC Trust Fund support of IDA debt relief operations or transfers to the IMF.	
b) Includes a USD9.4 million grant for arrears clearance signed in Dec. 2000.	
c) Payment into IFAD's HIPC debt relief trust fund.	
d) Operations funded by HIPC Trust Fund prior to CY2001 include:	
AfDB - Uganda	15.3
AfDB - Mozambique	69.0
CAF - Bolivia	19.5
CMCF - Guyana	2.4
Total	<u>106.2</u>



Table 3
Funding of HIPC Debt Relief Operations
During Calendar Year 2001 - By Donor
For Regional & Sub-regional Multilateral Creditors
USD million

Belgium	6.7
Canada	39.0
Denmark	17.5
EC	262.8
Finland	3.6
Germany	23.6
Ireland	0.7
Italy	14.4
Japan	22.1
Netherlands	79.8
Nordic Development Fund	1.6
Norway	9.9
Spain	25.0
Sweden	7.6
Switzerland	35.1
United Kingdom	56.5
United States	43.9
Total	<u>650.0</u>

Table 4
HIPC Trust Fund
Payments in CY 2001

<u>Donor</u>		<u>CU Million</u>	<u>USD Million a/</u>
Payments received in CY 2001			
Austria	EUR	29.07	26.30
Australia	USD	2.10	2.10
	USD	6.98	6.98 b/
Belgium c/	BEF	100.00	2.30
	USD	0.24	0.24 b/
BOAD	EUR	1.52	1.33
Canada	CAD	15.00	9.53
	USD	1.36	1.36 b/
Denmark	DKK	60.00	7.29
	USD	0.21	0.21 b/
EU/EC	EUR	250.00	225.93
Finland	FIM	30.00	4.61
Germany	DEM	40.00	17.94
	EUR	9.37	8.47
Greece	EUR	2.50	2.28
Iceland	ISK	48.00	0.55
Ireland	IEP	4.50	4.86
Italy	USD	14.01	14.01
Luxembourg	USD	0.01	0.01 b/
Nordic Development Fund	USD	5.34	5.34
Norway	USD	18.00	18.00
	USD	0.27	0.27 b/
Spain	USD	25.00	25.00
Sweden	SEK	320.00	30.08
Switzerland	CHF	23.46	14.16
United Kingdom c/	USD	14.00	14.00
United States	USD	239.04	<u>239.04</u>
Total payments			<u>682.19</u>

a/ At historical exchange rates.

b/ Transfer from the Interest Subsidy Fund (ISF).

c/ Belgium and the United Kingdom have notified the HIPC Trust Fund that they will provide additional contributions to EUR5.45 million and USD3.2 million, respectively; payments for these additional contributions had not been received as of December 31, 2001.