



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

Rome, 9-10 October 2002

HEAVILY INDEBTED POOR COUNTRIES (HIPC) INITIATIVE :
STATUS OF IMPLEMENTATION

1. At its Sixty-Sixth Meeting, the Development Committee (the Joint Ministerial Committee of the Boards of Governors of the World Bank and the International Monetary Fund on the Transfer of Real Resources to Developing Countries) was presented with a document entitled "Heavily Indebted Poor Countries (HIPC) Initiative: Status of Implementation".¹ This document discusses the financial implications to IFAD and other multilateral creditors of their participation in the Debt Initiative. As regards IFAD, the document notes that:

- a) the 2001 net present value (NPV) cost to IFAD of the 26 decision-point country cases is USD 238 million (page 12 of the document), ranking seventh among multilateral creditors;
- b) as against the HIPC requirement of NPV USD 238 million, IFAD has received additional funding of USD 8 million, significantly less than institutions with much smaller exposure than IFAD;
- c) the potential shortfall in the World Bank trust fund is about USD 1 billion (page 14, paragraphs 20 and 21);
- d) the estimated World Bank trust fund requirements do not include additional support for IFAD (page 14, paragraph 22); and
- e) some donors (Belgium, Germany and Switzerland) have made specific allocations for IFAD (page 14, footnote 10), besides the direct contribution from The Netherlands.

2. The Consultation is invited to reflect on the proposal made in REPL.VI/3/INF.3, presented during its Third Session, taking into account the information provided in the above-mentioned World Bank document, and to express its views when discussing the financial issues related to the Sixth Replenishment in the course of this session.

¹ Document DC2002-0020, dated 21 September 2002. Copies of this document will be made available at the Documents Desk.