

## **THE EXTERNAL DEBT SITUATION OF AFRICAN AND OTHER OIC MEMBER COUNTRIES**

SESRTCIC

Out of the 57 OIC member countries, 23 are currently severely indebted countries, 15 are moderately indebted countries, 13 are less-indebted countries and only 6 countries are not classified by indebtedness. Given this situation, this paper attempts to evaluate the external debt situation of the OIC member countries in general and those in the Sub-Saharan African region in particular. It examines the basic external debt indicators of these countries and compares them with those of the developing countries. The paper also presents a brief discussion on the international efforts for debt relief and their implications for OIC countries, particularly for the OIC-Heavily Indebted Poor Countries (HIPC).

### **1. INTRODUCTION**

The debt problem facing the majority of OIC member countries, particularly the severely indebted least developed ones in Sub-Saharan Africa, constitutes a serious obstacle to the development efforts and economic growth of these countries, deepening the vicious circle of poverty, raising social tensions and fuelling continuous economic and political instability. The debt service takes up a large part of scarce budgetary resources that could be directed to productive and social areas. The heavy indebtedness situation of these countries is worsened by vulnerability to external shocks, volatile commodity prices as well as increases in the prices of the essential imports of these countries.

Complex internal and external factors played together to culminate in this heavy foreign debt burden coupled, at the same time, with the scarcity of foreign financing in recent years. It is widely accepted now that the debt burden crippling the majority of the OIC countries emanates, to a greater extent and notwithstanding the internal factors, from the high proportion of foreign financing through floating interest debt instruments. On the other hand, foreign financing and access to soft loans became increasingly difficult. Thus, although the issue of the external debt

problem remains a national one on the agenda of the heavily indebted poor countries, it is also an issue which needs the support of the international community. Therefore, recent initiatives taken by the international community to reduce poverty and accelerate economic growth around the world have included debt relief efforts as well.

In 1999, as a response to the worsening situation of the external debt of the world's heavily indebted poor countries (HIPCs), the World Bank and the International Monetary Fund (IMF) endorsed the Enhanced HIPC initiative (EHIPC). This initiative modified the original framework launched in 1996 in order to provide faster debt relief to HIPC countries. As it seeks to improve the debt indicators of these countries, the EHIPC initiative also aims at reducing poverty in these countries. Currently, there are 41 HIPCs around the world, 21 of them are OIC low-income member countries in Sub-Saharan Africa. The heavy foreign debt burden in these countries represents an area of serious concern and a major challenge for themselves and for the OIC as well.

This report is prepared in compliance with ICFM Resolution No.7 /28-E, which requests SESRTCIC to continue to follow the debt situation of OIC African and other member countries. The report monitors and evaluates the external debt situation of the OIC member countries in general (All-OIC) and those in Sub-Saharan Africa in particular (OIC-SSA). It examines the basic external debt indicators of these countries and compares them with those of the developing countries (DC). In addition, the report presents a brief discussion of the international efforts for debt relief, particularly the EHIPC Initiative. It ends with some concluding remarks and policy recommendations.

## **2. OVERALL ACCOUNT OF THE EXTERNAL DEBT SITUATION OF AFRICAN AND OTHER OIC MEMBER COUNTRIES**

### **2.1. Overview**

The World Bank classifies the countries participating in its debtor-reporting system by both income and indebtedness levels. The classification criterion in the 2001 edition of the World Bank's *Global Development Finance* identifies three income groups, namely the low-income countries, the middle-income countries and the high-income countries. It also identifies

four categories of indebtedness levels. These are the severely indebted countries, the moderately indebted countries, the less indebted countries, and a group of countries that are not classified by indebtedness. Table 1 displays the OIC countries according to this classification.

**TABLE 1: CLASSIFICATION OF OIC-SSA AND OTHER OIC COUNTRIES BY INCOME GROUP AND INDEBTEDNESS, 2001**

Income Group <sup>(1)</sup>	Severely Indebted <sup>(5)</sup>	Moderately Indebted <sup>(6)</sup>	Less Indebted <sup>(7)</sup>	Not Classified
<b>Low-Income</b> <sup>(2)</sup>	Afghanistan <u>Mali</u> Benin <u>Mauritania</u> Cameroon <u>Niger</u> Comoros <u>Nigeria</u> Cote d'Ivoire Pakistan <u>Guinea</u> <u>Sierra Leone</u> Guin. Bissau <u>Somalia</u> Indonesia <u>Sudan</u> Kyrgyz Rep. <u>Uganda</u>	Bangladesh <u>Burkina Faso</u> <u>Chad</u> <u>Gambia</u> <u>Mozambique</u> <u>Senegal</u> Togo Turkmenistan Yemen	Azerbaijan Tajikistan	Uzbekistan
<b>Middle-Income</b> <sup>(3)</sup>	Guyana Iraq Jordan Syria <u>Gabon</u>	Algeria Morocco Tunisia Turkey Lebanon Malaysia	Albania <u>Djibouti</u> Egypt Iran Kazakhstan Bahrain Libya Oman Saud Arabia Maldives Suriname	Palestine
<b>High-Income</b> <sup>(4)</sup>				Brunei Kuwait Qatar U.A.E
<b>Totals</b>				
OIC-SSA	15	6	1	0
Other OIC	8	9	12	6
All OIC	23	15	13	6
World	46	43	60	59

Source: World Bank, Global Development Finance 2001, Analysis and Summary Tables, Table A1.7, pp. 150-51.

Notes: The underlined countries are OIC-SSA. (1) According to 1999 GNP per capita calculated using the World Bank *Atlas* method. (2) GNP per capita is \$755 or less. (3) GNP per capita is between \$756-\$9265. (4) GNP per capita is \$9266 or more. (5)  $PV/XGS \geq 220\%$  and  $PV/GNP \geq 80\%$ , where PV is the net present value of debt and XGS is exports of goods and services. (6)  $132\% \leq PV/XGS \leq 220\%$  or  $48\% \leq PV/GNP \leq 80\%$ . (7)  $PV/XGS \leq 132\%$  and  $PV/GNP \leq 48\%$ .

Table 1 above shows that 23 of the 57 reported OIC member countries (40.4 per cent) are severely indebted countries, 15 (26.3 per cent) are moderately indebted countries, 13 (22.8 per cent) are less-indebted countries and only 6 countries (10.5 per cent) are found to be not classified by indebtedness. Of the 23 severely indebted OIC countries, 15 (65.2 per cent) are OIC-SSA countries. Except Gabon, which is classified as middle-income country, these countries are also classified as low-income countries. Other 6 OIC-SSA countries are classified as low-income but moderately indebted countries, and only one OIC-SSA country (Djibouti) is classified as middle-income and less indebted country.

Yet, the external debt problem is an issue of serious concern and a major challenge not only for the OIC least developed and poor countries in Sub-Saharan Africa, but also for many other OIC middle-income countries. In this context, the information in Table 1 above shows that 4 OIC middle-income countries in other regions are classed as severely indebted countries, 6 as moderately indebted countries, and 10 as less indebted countries. The only 6 OIC countries that are not classified by indebtedness include 4 countries, which are classified as high-income countries.

Against this brief background, the report examines in detail, in the following sub-sections, the basic external debt indicators of the OIC-SSA countries and other OIC countries and compares them with those of the developing countries (DC). The indicators used are the total external debt stock and its components and some debt ratios that measure the indebtedness and debt payment burden levels.

## **2.2. Total External Debt Stock and Its Composition**

The external debt stocks of all OIC, OIC-SSA, and the group of DC were generally increasing steadily over the last two decades. However, debt stock increases appear more pronounced in the case of all OIC and DC groups, particularly in the 1990s. The debt stock of all OIC countries increased from \$159.5 billion in 1980 to \$411.2 billion in 1990, corresponding to an increase by 10 per cent per annum in the 1980s. Yet, the share of OIC countries in the total debt stock of the DC increased by only 1 percentage point in the same period (from 27.2 per cent in 1980 to 28.2 per cent in 1990). However, the debt stock of all OIC countries reached \$625.3 billion in 1999, corresponding to 24.3 per

cent of the total debt stock of the DC and an increase by 4.7 per cent per annum during the period 1990-99. Meanwhile, the total debt stock of the DC increased by 9.5 percent per annum during the 1980s and by 6.4 per cent per annum during the period 1990-99 (see Table 2 and 3).

**TABLE 2: TOTAL EXTERNAL DEBT STOCK (Billion US \$)**

	1980	1990	1995	1996	1997	1998	1999
<b>All OIC</b>	<b>159.5</b>	<b>411.2</b>	<b>573.1</b>	<b>580.9</b>	<b>583.5</b>	<b>627.6</b>	<b>625.3</b>
As % of DC	27.2	28.2	26.6	25.9	25.0	25.0	24.3
<b>OIC-SSA</b>	<b>35.0</b>	<b>102.5</b>	<b>120.3</b>	<b>118.0</b>	<b>110.8</b>	<b>115.0</b>	<b>109.2</b>
As % of All OIC	21.3	24.9	21.0	20.3	19.0	18.3	17.5
<b>Other OIC</b>	<b>125.5</b>	<b>308.7</b>	<b>452.8</b>	<b>462.9</b>	<b>472.7</b>	<b>512.6</b>	<b>516.0</b>
As % of All OIC	78.7	75.1	79.0	79.7	81.0	81.7	82.5

Source: Derived from Table A.1 in the Annex.

On the other hand, the total external debt stock of the OIC-SSA countries increased from \$35 billion in 1980 to \$102.5 billion in 1990, corresponding to an increase by 11.7 per cent per annum in the 1980s. The share of the OIC-SSA countries in the total external debt stock of all the OIC countries increased during the same period from 21.3 per cent in 1980 to 24.9 per cent in 1990. However, after reaching \$120.3 billion in 1995, the debt stock of all OIC-SSA countries decreased during the second half of the 1990s. It reached \$109.2 billion in 1999, corresponding to 17.5 per cent of the total external debt stock of all the OIC countries and an increase by only 0.7 percent per annum during the period 1990-99.

Accordingly, the debt stock growth of OIC-SSA, especially in the 1990s, was marginal compared to both all OIC and DC groups. This might be explained, on the one hand, by the difficulty of external borrowing by these countries in that period, and, on the other hand, by the debt relief efforts, which start to pay dividend.

The composition of the external debt stock is an important factor in debt analysis since it has a direct bearing on the processes of debt repayment, rescheduling and relief. The external debt stock consists of the following three major categories of debt: long-term debt, IMF credit, and short-term debt. Long-term debt consists of public and publicly guaranteed long-term debt and private non-guaranteed long-term debt (see Table 3). In terms of its main component, the structure of the external debt stock of the groups of OIC, OIC-SSA and DC did not witness a significant change during the last two decades.

**TABLE 3: TOTAL EXTERNAL DEBT STOCK: COMPOSITION AND PERFORMANCE 1980-90 AND 1990-99**

	Growth rates (Average % change)					
	OIC-SSA		ALL OIC		DC	
	80-90	90-99	80-90	90-99	80-90	90-99
<b>Total Debt Stock (EDT)</b>	<b>11.7</b>	<b>0.7</b>	<b>10.0</b>	<b>4.7</b>	<b>9.5</b>	<b>6.4</b>
<b>Long-term debt (LDOD)</b>	<b>12.5</b>	<b>-1.7</b>	<b>10.1</b>	<b>1.5</b>	<b>10.5</b>	<b>6.4</b>
Public and publicly guaranteed	13.2	0.5	10.3	2.6	11.8	3.2
Official debts	15.6	3.1	11.3	3.8	13.2	3.6
Multilateral	17.6	5.5	12.8	4.4	15.6	5.2
Concessional	19.8	8.2	13.4	7.8	14.2	6.7
Bilateral	14.6	1.9	9.5	3.5	11.9	3.6
Private creditors	8.1	-10.7	8.6	0.0	9.7	3.6
Private non-guaranteed	1.5	9.6	8.0	26.8	-0.7	23.6
<b>Use of IMF credit</b>	<b>8.1</b>	<b>2.5</b>	<b>4.4</b>	<b>14.4</b>	<b>8.3</b>	<b>6.3</b>
<b>Short-term debt (STD)</b>	<b>6.4</b>	<b>7.2</b>	<b>9.6</b>	<b>7.4</b>	<b>5.1</b>	<b>5.8</b>

Source: Study calculations, based on the data in the World Bank's *Global Development Finance 2001*.

The long-term debt remained the largest component of the external debt in these groups (see Table 4). In 1999, the share of the long-term debt in the total external debt stock reached 79.6 per cent in the OIC-SSA countries and 82.3 per cent in the group of other OIC countries and 81.1 per cent in DC. During the 1980s, the long-term debt of OIC-SSA countries increased, on average, by 12.5 per cent per annum, followed by the DC group with 10.5 per cent and the OIC group by 10.1 per cent (Table 3). However, the growth rate of the long-term debt decreased in the period 1990-99 in all the groups. It recorded a negative rate of growth of 1.7 per cent per annum in the group of OIC-SSA countries, and grew by only 1.5 per cent per annum in the OIC group and by 6.4 per cent in the group of DC in the same period (Table 3).

**TABLE 4: LONG-TERM DEBT TO TOTAL EXTERNAL DEBT (%)**

	1980	1990	1995	1996	1997	1998	1999
<b>All OIC</b>	<b>83.4</b>	<b>84.3</b>	<b>82.9</b>	<b>80.9</b>	<b>80.1</b>	<b>83.9</b>	<b>81.8</b>
<b>OIC-SSA</b>	<b>79.7</b>	<b>85.9</b>	<b>81</b>	<b>79.1</b>	<b>79.9</b>	<b>80.1</b>	<b>79.6</b>
Other OIC	84.4	83.8	83.1	81.2	80.22	84.7	82.3
DC	74.2	80.8	77.3	76.7	76.8	80.4	81.1

Source: Derived from Table A.1 and A.6 in the Annex.

On the other hand, the share of the short-term debt in the external debt stock has been creeping up in all the OIC groups during the 1990s. However, although this share is still on the increase, the rate of its

increase has fairly slowed. The short-term debt of the OIC-SSA countries increased, on average, by 7.2 per cent annually during 1990-99 against 7.4 per cent for the group of all OIC countries and 5.8 per cent for the DC group (Table 3).

The distribution of the long-term debt into official and private debt is important due to its bearing on the issues of financial access and debt repayment and relief. During 1980-99, the share of the official debt in the long-term debt of the OIC-SSA countries has more than doubled while that of the private debt increased to a lower extent. Similar but milder trends are observed in the groups of DC and OIC countries. The public-private debt ratio of the OIC-SSA countries was 1.2 in 1980 but reached 5.6 by 1999. In the DC, the public-private ratio increased from 0.7 in 1980, with private debts taking the larger share, to 1.3 in 1999 and in the OIC group, it increased from 1.3 to 2.1 during the same period (Table 5).

The distribution of official debts into multilateral and bilateral is also of significance, particularly for countries that face repayment problems, and thus need to restructure their debts. With the increase of the OIC-SSA countries' official debt, both their multilateral and bilateral debt elements have risen over the years, particularly during the 1980s. The rates of growth of these two components amounted to 17.6 per cent and 14.6 percent per annum, respectively, during the period 1980-90 (Table 3).

**TABLE 5: PUBLIC AND PUBLICLY GUARANTEED DEBT TO PRIVATE NON-GUARANTEED DEBT AND OFFICIAL TO PRIVATE DEBT RATIOS**

Groups	Ratios	1980	1990	91-97	1999
<b>OIC-SSA</b>	Guaranteed/Non-Guaranteed	9.9	50.4	38.1	22.9
	Official debt/Private debt	1.2	2.5	4.6	5.6
<b>All OIC</b>	Guaranteed/Non-Guaranteed	16.0	19.6	9.3	5.8
	Official debt/Private debt	1.3	1.7	1.7	2.1
<b>DC</b>	Guaranteed/Non-Guaranteed	5.4	17.0	8.4	2.9
	Official debt/Private debt	0.7	1.1	1.1	1.3

Source: Study calculations, based on the data in the World Bank's *Global Development Finance 2001*.

Lastly, concessional debt has risen substantially in the group of OIC-SSA countries, with an annual rate of growth of 19.8 per cent and 8.2

per cent in 1980-90 and 1990-99, respectively. In the same periods, these rates were 13.4 percent and 7.8 per cent in the group of OIC countries and 14.2 per cent and 6.7 per cent in the DC, respectively. Overall, it is observed that there is a sharp fall in the annual rate of growth of almost all types of debts in all the groups in the 1990s compared with the 1980s. This may be explained as a reflection of the impact of debt relief and rescheduling, especially within the context of the Heavily Indebted Poor Countries Initiative (HIPC) after 1996.

### 2.3. Indebtedness and Debt Repayment Burden

This section examines and evaluates briefly the levels of both indebtedness and debt payment burden in the groups of OIC-SSA countries and OIC countries and compares them with those of the DC. This is done by using certain debt ratios. The debt ratios used are: debt-export ratio, i.e., total external debt to exports of goods and services (EDT/XGS), debt-GNP ratio (EDT/GNP), debt-service ratio, i.e., total debt service to XGS (TDS/XGS), and interest-service ratio, i.e., interest repayments on total debt to XGS (INT/XGS). The indebtedness level is gauged by debt-export and debt-GNP ratios while debt-service and interest-service ratios measure the debt payment burden (see Table 6).

**TABLE 6: INDEBTEDNESS AND DEBT PAYMENT BURDEN INDICATORS**

	Indebtedness Indicators							
	EDT/XGS (%)				EDT/GNP (%)			
	1980	1990	1999	99/80	1980	1990	1999	99/80
<b>All OIC</b>	127.9	187.5	161.3	1.3	30.1	52.7	60.8	2.0
<b>OIC-SSA</b>	73.0	317.6	410.8	5.6	29.1	110.8	109.3	3.8
<b>DC</b>	84.4	160.7	141.0	1.7	18.2	30.9	40.5	2.2
	Debt Payment Burden Indicators							
	TDS/XGS				INT/XGS			
	1980	1990	1999	99/80	1980	1990	1999	99/80
<b>All OIC</b>	15.9	23.1	20.8	1.3	7.8	8.9	5.5	0.7
<b>OIC-SSA</b>	7.9	18.5	14.2	1.8	4.5	11.1	4.6	1.0
<b>DC</b>	12.8	18.1	21.4	1.7	6.8	7.8	6.7	1.0

Source: Study calculations, based on the data in the World Bank's *Global Development Finance 2001*.

After having relatively moderate indebtedness indicators in 1980s, the OIC-SSA countries saw their level of indebtedness soar out of control during the 1990s, with rates higher than their regional averages. By 1999, the average indebtedness ratios of the group were among the



highest in the world. Debt-export and debt-GNP ratios were 5.6 and 3.8, respectively times their 1980s' levels. The group registered an average debt-export ratio of 410.8 per cent in 1999, which is significantly high when compared with the ratios of 161.3 per cent and 141 percent recorded respectively by the groups of OIC countries and DC. In the same year, the debt-GNP ratio was 109.3 per cent in the OIC-SSA countries compared with 60.8 per cent in the OIC countries and 40.5 percent in the DC (Table 6).

Similar trends have also been observed in the debt payment indicators of the OIC-SSA countries. After registering debt-service (TDS/XGS) and interest-service (INT/XGS) ratios lower than those of both the OIC and the DC in 1980 (see Table 6), the debt payment position of the OIC-SSA countries has also worsened in the 1990s. The group registered the highest debt-service ratio of 18.5 per cent in 1990. Although the group succeeded to decrease this ratio to 14.2 per cent in 1999, it was still almost double its 1980s' level, but significantly lower than the same ratio registered by both OIC and DC groups in the same year. Similar trend has also been observed in the case of the interest-service ratio.

It is clear that, in recent years, the OIC-SSA countries had the worst debt performance, although their debt ratios were comparable in terms of interest-service ratio, and much better in terms of debt-service ratio, with respect to the other two reference groups of OIC and DC countries in 1980. However, throughout the 1990s, the group of OIC-SSA countries had relatively very high debt ratios. The relatively less extreme payment ratios in recent years compared to the high indebtedness ratios may be explained as a reflection of non-payment of outstanding debts, rescheduling and also of debt relief within the framework of HIPC Initiative after 1996.

### **3. THE ENHANCED HIPC INITIATIVE: PROGRESS AND NEXT STEPS**

#### **3.1. Background**

The international efforts in favour of debt relief of the heavily indebted poor countries (HIPC) have been centered in recent years on the HIPC Initiative since its inception and launching in September 1996. However,

this initiative has been widely criticised for suffering from problems of understanding, cumbersome procedures, excessive conditionality, restrictions over eligibility, inadequate debt relief and unfulfilled promises and expectations.

In 1998, the joint IMF-World Bank Committee initiated a wide consultation effort to revise and reform the HIPC Initiative. The revision intended to address the poor achievement record in the initiative objectives, as well as to take note of the stakeholder' and critics' viewpoints. In June 1999, the Group of eight (G8) leaders in their Cologne Summit addressed the issue of HIPC's debt and declared a commitment to cancellations reaching up to 100 per cent of the HIPC's stock of debt. Following the Cologne Summit, in their annual meeting in September 1999, the IMF-World Bank unveiled modifications to the HIPC scheme under the name Enhanced HIPC Initiative (EHIPC).

The aim of the EHIPC Initiative is to provide deeper, broader and faster debt relief to the HIPC's. The declared aims of the EHIPC Initiative are to accelerate the delivery of assistance; to link debt relief, *firmly and transparently*, to poverty reduction; and to augment, *more than double*, the amount of the scheme's projected debt relief (World Bank 2000). The EHIPC scheme seeks to achieve broader debt relief by lowering debt sustainability targets and thus increasing the number of eligible countries for assistance under the initiative. Under EHIPC Initiative, the eligible countries will be provided interim assistance, including relief from the IMF and the World Bank as well as more concessional restructuring of debts provided within the Paris Club<sup>1</sup> framework. However, interim relief will be made to these countries once they reach their decision points.<sup>2</sup>

However, the EHIPC initiative retained the basic conditional framework of the original HIPC scheme. As part of the debt relief process, the EHIPC initiative requires eligible HIPC's to establish a

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<sup>1</sup> The Paris Club is a group of official bilateral creditors, mostly from developed countries. They devised new and increasingly concessional mechanisms since the late 1980s for debt relief.

<sup>2</sup> Point at which the IMF decides whether a member qualifies for assistance under the HIPC Initiative (normally at the end of the initial three-year performance period) and decides on the amount of assistance to be committed.

certain track record and to prepare and present Poverty Reduction Strategy Papers (PRSPs). Another feature of the EHIPC initiative is the adoption of floating completion points so as to accelerate delivery of debt relief. This modification eliminated the three years interim period in the original HIPC initiative. This, however, links the completion point with the development and implementation of the PRSPs, in addition to the fulfillment of a pre-determined set of key structural and social reforms.

**TABLE 7: GROUPING OF THE HIPC COUNTRIES**

OIC HIPCs		Other HIPCs	
<b>Benin</b>	<b>Mauritania</b>	Angola	Liberia
<b>Burkina Faso</b>	<b>Mozambique</b>	<b>Bolivia</b>	<b>Madagascar</b>
<b>Cameroon</b>	<b>Niger</b>	Burundi	<b>Malawi</b>
<b>Chad</b>	Sierra Leone	Central Africa	Myanmar
Côte d'Ivoire	<b>Senegal</b>	Congo, Dem. Rep.	<b>Nicaragua</b>
<b>Gambia</b>	Somalia	Congo, Rep. of	<b>Rwanda</b>
<b>Guinea</b>	Sudan	Ethiopia	<b>São Tomé &amp; Príncipe</b>
<b>Guinea-Bissau</b>	Togo	Ghana	<b>Tanzania</b>
<b>Guyana</b>	<b>Uganda</b>	<b>Honduras</b>	Vietnam
<b>Mali</b>	Yemen	Kenya	<b>Zambia</b>
		Laos	

Source: IMF: "Debt Relief for Poverty Reduction: The Role of the Enhanced HIPC Initiative", IMF, Washington DC, August 2, 2001.

Note: Countries in bold are HIPCs that reached their decision points.

### 3.2. Recent Developments under EHIPC Initiative Framework

So far, under the EHIPC framework, there are 41 countries classified as HIPCs. 20 of them are OIC member countries. Except Guyana, all the other 19 OIC HIPCs are low-income countries, and except Yemen, the remaining 18 OIC HIPCs are OIC-SSA countries. However, by August 2001 only 23 HIPCs out of the 41 world HIPCs had reached their decision points and been committed assistance by creditors under the EHIPC Initiative (see countries in bold in Table 7). So far, only two HIPCs (Bolivia and Uganda) have reached their completion points. 14 countries among the 23 HIPCs that reached their decision points are OIC member countries, 13 of them are OIC-SSA countries.

As of August 2001, the committed and expected debt relief of the 23 HIPCs that reached their decision points under the EHIPC

Initiative amounted to \$20.8 billion in net present value (NPV)<sup>3</sup> terms or \$34.6 billion in nominal debt service relief terms (Table A.7 in the annex). The expected debt relief for the 14 OIC HIPCs amounted to \$9.1 billion in NPV terms and to \$16.9 billion in nominal debt service relief terms. These amounts make up 44.1 and 48.7 per cent of the total HIPCs group committed debt relief in terms of NPV and nominal debt service relief, respectively (table 8). Six OIC-SSA HIPCs are included in the list of the 15 HIPC cases that are still to be considered. These are: Côte d'Ivoire, Comoros, Sierra Leone, Somalia, Sudan and Togo.

**TABLE 8: EHIPC INITIATIVE: COMMITTED DEBT RELIEF:  
STATUS OF OIC HIPCs AS OF AUGUST 2001(in Million US \$)**

	<b>Reduction in NPV Terms</b>	<b>Nominal Debt Service Relief</b>	<b>Date of approval</b>
<b>Countries that have reached their completion points</b>			
Uganda	1003	1950	Apr-00
<b>Countries that have reached their decision points</b>			
Benin	265	460	Jul-00
Burkina Faso	398	700	Jun-00
Cameroon	1260	2000	Oct-00
Chad	170	260	May-01
Gambia	67	90	Dec-00
Guinea	545	800	Dec-00
Guinea Bissau	416	790	Dec-00
Guyana	585	1030	Nov-00
Mali	522	870	Sep-00
Mauritania	622	1100	Jan-00
Mozambique	1970	4300	Apr-00
Niger	521	900	Dec-00
Senegal	488	850	Jun-00
<b>Countries that are still to be considered</b>			
Cote d'Ivoire	345	800	Mar-98
Comoros	..	..	..
Sierra Leone	511	867	Jul-01
Somalia	..	..	..
Sudan	..	..	..
Togo	..	..	..
<b>Total</b>	<b>9177</b>	<b>16900</b>	
<b>% of all HIPCs</b>	<b>44.1</b>	<b>48.7</b>	

Source: Derived from Table A.7 in the Annex.

<sup>3</sup> The present value measures the discounted stream of all future debt service payments.

Among the significant developments during 1999-2000 with regard to HIPC's has been the growing acceptance and pledges by creditors to grant relief beyond the Cologne Summit terms, which provide 90 per cent or higher debt relief in NPV terms to the eligible HIPC's. Under its concessional rescheduling terms, the Paris Club provided in 1999 a concessional debt reduction of up to 90 per cent in net present value (NPV) terms (i.e., \$19 billion) for those countries that reached their floating completion points (IMF 2000, p.4). Most important among these developments are the commitments made by the G8 countries, which offer 100 per cent debt cancellation. However, the commitments to cancel debt have again been linked to the EHIPC framework, which means only countries going through the HIPC process would be expected to benefit from these commitments.

### **3.3. Evaluation and Next Steps**

Although the period 2000-01 was the best in terms of the number of countries that received promises or actual debt relief, the progress under the EHIPC initiative has, so far, been slow, both to the sponsors and to the HIPC countries, the target of the initiative. Although the steps taken under the EHIPC scheme are greeted by many as positive developments, the EHIPC Initiative still has its opponents who criticise it as an inadequate approach. In this context, a recent UN Secretary General report criticised the HIPC initiative by saying, "while such acceleration is welcome, the current approach is not likely to succeed in removing the debt overhang of the world's poorest countries" (UN 2000).

The UN report argues that while the HIPC/PRSP approach recognises the importance of involvement by debtor governments for its success, its design is not consistent with this objective. The HIPC process has become more complicated with the linking of debt relief to poverty alleviation through the PRSPs. In this connection, the IMF, the OECD and the World Bank held a joint meeting at the IMF Office in Europe in September 2001, where they showed that there is a concern of a slowing implementation of PRSP as HIPC's reach completion points in the long-term (IMF, OECD, WB 2001, p.5). This will be an obstacle for additional debt relief for the HIPC's that reached decision points at that

time, as the implementation of the PRSP will be costly to provide sufficient assistance for these countries.

On the other hand, there are concerns about the availability of resources and the willingness of creditors as well as about the likely shortfalls in the implementation of the EHIPC scheme, which indicates that all creditors may not provide sufficient debt relief to the HIPC. For this reason, the IMF and the World Bank have established a HIPC Trust Fund to facilitate new loan disbursements to cover cost commitments made by other creditors and to avoid a deferral of loan disbursements under the HIPC Initiative.

It has been observed that some HIPCs that will emerge from the EHIPC process are still spending more on debt than on priority social investments. In this context, an evaluation study carried out by an international non-governmental organisation (Oxfam 2000) found that of the 12 reviewed HIPCs, all but three will continue to spend more on debt servicing than on health and primary education after they received debt relief. Some HIPCs, including **Senegal**, Tanzania and Zambia will emerge in a perverse position of paying more on debt servicing after the debt relief than what they are paying now. In six of the countries reviewed, post-relief debt payments will absorb over 15 per cent of the countries' budget revenues, and up to 40 per cent in **Cameroon**, Malawi and Zambia.

In its 2001 Trade and Development Report (pp. 55-56), UNCTAD argues that "under the current procedures, it may take several years before [some LDCs] are able to fulfil the conditions required to reach the decision point". Current expectations regarding the economic impact of the EHIPC initiative on the countries that have reached their decision points are not realistic. In this connection, the study of Oxfam 2000, mentioned above, suggests that the targets and figures shown by the IMF-World Bank report grossly exaggerate the real benefit of the EHIPC initiative. Moreover, there are many debt-stressed LDCs and other countries in Africa, which are not defined as HIPC.

All the above-mentioned critique studies called for a bolder approach to the problem. They called for a comprehensive assessment

and review of the framework and targets set under the HIPC initiative, including other indebted non-HIPCs that are distressed by debt burden. The report of the UN Secretary General mentioned above suggests that an independent panel of experts who are not unduly influenced by creditor interests should carry out such an assessment. Nevertheless, the success of the EHIPC Initiative will depend on the final achievement of its objectives, which is yet to be examined in the following years given the long-term features of this initiative.

#### **4. CONCLUSION AND POLICY RECOMMENDATIONS**

The external debt overhang in the majority of OIC countries, particularly in the OIC HIPCs in Sub-Saharan Africa, constitutes a serious obstacle to the development efforts and economic growth of these countries. The Sub-Saharan African region continues to be the focus of attention for the international debt relief efforts, as it holds the majority of the world's HIPCs. Out of the world's 41 HIPCs, 33 are located in Sub-Saharan Africa, 18 of them are OIC members. Some of the region's well-off and non-HIPC countries are also suffering from an unsustainable debt situation. South Africa and Nigeria are examples of these countries. The debt service in HIPCs takes up a large part of scarce budgetary resources that could be directed to productive and social areas. The situation in these countries is aggravated further by the negative effects of external shocks such as declining or volatile commodity prices and increases in the prices of essential imports, mainly oil, of these countries.

The external debt stock of the OIC countries, particularly the OIC HIPCs in Sub-Saharan Africa, has increased over the last two decades. The latest available data indicate that the indebtedness and the debt payment position of the OIC-SSA countries have deteriorated, particularly in the 1990s. Debt sustainability measures have reflected the precarious position of these countries and that of the other HIPCs in the SSA region in general. However, on the positive side, the two-year period 1999-2000 has witnessed extensive international debt relief efforts and developments that could have a long-term positive effect on the debt scene in general and on the indebtedness of the HIPCs in particular.

Since the introduction of the original HIPC initiative in 1996, an international campaign was launched calling for the cancellation of the poor countries unsustainable debt by the year 2000. This campaign has very much spread and intensified in the last two years and it has been very instrumental in pushing the debt issue to the forefront of the international political agenda.

The EHIPC Initiative, unveiled by the IMF-World Bank annual meeting, in September 1999 was the most significant development in this regard. The new EHIPC, while it kept the basic structure of the original HIPC scheme, has introduced a number of significant modifications. These include lower debt sustainability targets, the provision of additional interim support for eligible countries, the explicit link of the scheme to poverty reduction through preparation of Poverty Reduction Strategy Papers (PRSPs) and the linking of the process to civil society institutions and change. The new scheme's declared aim is to provide 'deeper, broader and faster' debt relief to eligible countries.

Accordingly, major creditors of the world and the G8 as well as private and other bilateral creditors have responded positively. In this respect, actions that have been taken by multilateral and bilateral creditors and the donor community, particularly under the framework of the Paris Club, to provide faster, deeper and broader debt relief for HIPCs are welcome as useful steps towards solving the serious debt problems of these countries. However this is to be done again within the controversial conditional context of the EHIPC Initiative.

While the progress made has been welcomed as a step in the right direction, many have argued that the new HIPC scheme is offering too little. The EHIPC initiative has been subjected to vigorous criticisms. The grounds upon which these criticisms are made include complexity, excessive conditionality, and inadequacy of the new framework. Prominent among the EHIPC scheme critics is the UN Secretary General who called for a reassessment of the HIPC framework by an independent panel that is not unduly influenced by the interests of the creditors.



Considering the current state of affairs on the debt scene in general and on the HIPC countries in particular, the OIC debtor countries, particularly the OIC-HIPCs, should sustain and intensify their efforts in:

- Benefiting from recent international debt relief measures by creating conducive national frameworks including fiscal reforms, budgetary frameworks, sectoral adjustments, contributing to poverty eradication and faster economic growth, export promotion, increased savings and investment, enhanced productive capacities, employment, international competitiveness and productivity.
- Using effectively the resources released by debt relief as well as other available sources of development finance in a manner that fully takes into account the interests of the poor and also promote long-term economic growth and beneficial integration into the world economy.
- Carefully designing and implementing national development policies and strategies with full participation of the public and the private sectors.
- Initiating joint action with other OIC countries and institutions as well as with other international development partners and financial institutions on the debt situation, including a comprehensive assessment of their debt problems and debt sustainability.
- Improving debt management capability with a regular consultation process, including creditors and other relevant international financial and development institutions on their debt problems and to this end seize the opportunity to enlarge the scope of responsibilities of the all relevant agencies in these countries for undertaking this progress.
- Directing resources to priority areas of a coordinated program to reduce the debt burden, and encouraging the private sector to be more careful in using resources provided to them from abroad, particularly to build foreign investor confidence, which may increase future debt relief opportunities of the these countries.

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World Bank (2001) Global Development Finance 2001, Country Tables.

World Bank (2001) Global Development Finance 2001, Analysis and Summary Tables.

## ANNEX

TABLE A.1: TOTAL EXTERNAL DEBT (EDT) OF THE OIC COUNTRIES (US\$ billion)

	1980	1990	1995	1996	1997	1998	1999
Benin	0.42	1.29	1.61	1.59	1.63	1.65	1.69
Burkina Faso	0.33	0.83	1.27	1.29	1.30	1.41	1.52
Cameroon	2.59	6.68	9.44	9.64	9.37	9.93	9.44
Chad	0.28	0.52	0.90	1.00	1.03	1.09	1.14
Comoros	0.04	0.19	0.20	0.21	0.21	0.20	0.20
Cote d' Ivoire	7.46	17.25	18.90	19.52	15.61	14.85	13.17
Djibouti	0.03	0.21	0.28	0.30	0.27	0.29	0.28
Gabon	1.51	3.98	4.36	4.31	4.28	4.43	3.98
Gambia	0.14	0.40	0.43	0.45	0.43	0.46	0.46
Guinea	1.13	2.48	3.24	3.24	3.52	3.55	3.52
Guinea Bisseau	0.14	0.69	0.90	0.94	0.92	0.97	0.93
Mali	0.73	2.47	2.96	3.01	3.14	3.20	3.18
Mauritania	0.84	2.10	2.35	2.41	2.46	2.59	2.53
Mozambique		4.65	7.46	7.57	7.64	8.32	6.96
Niger	0.86	1.73	1.59	1.54	1.58	1.66	1.62
Nigeria	8.92	33.44	34.09	31.41	28.46	30.32	29.36
Senegal	1.47	3.74	3.84	3.66	3.66	3.85	3.71
Sierra Leone	0.47	1.15	1.18	1.18	1.14	1.26	1.25
Somalia	0.66	2.37	2.68	2.64	2.56	2.64	2.61
Sudan	5.18	14.76	17.60	16.97	16.33	16.84	16.13
Togo	1.05	1.28	1.46	1.47	1.33	1.45	1.50
Uganda	0.69	2.58	3.57	3.68	3.91	4.02	4.08
<b>OIC-SSA</b>	<b>35.0</b>	<b>104.76</b>	<b>120.32</b>	<b>118.02</b>	<b>110.75</b>	<b>114.95</b>	<b>109.24</b>
Albania		0.35	0.68	0.72	0.76	0.88	0.97
Algeria	19.37	27.88	32.78	33.42	30.89	30.67	28.02
Azerbaijan	0.00	0.00	0.32	0.44	0.51	0.71	1.04
Bangladesh	4.23	12.77	16.33	16.01	15.13	16.38	17.53
Egypt	19.13	32.95	33.27	31.30	29.85	31.97	30.40
Guyana	0.84	1.97	2.13	1.65	1.64	1.69	1.53
Indonesia	20.94	69.87	124.40	128.94	136.17	150.88	150.10
Iran	4.50	9.02	21.88	16.70	11.82	14.00	10.36
Jordan	1.97	8.18	8.11	8.08	8.15	8.45	8.95
Kazakhstan			3.75	2.92	4.08	6.09	5.76
Kyrgyzstan			0.61	1.14	1.34	1.54	1.70
Lebanon	0.51	1.78	2.97	4.00	5.03	6.73	8.44
Malaysia	6.61	15.33	34.34	39.67	47.23	44.77	45.94
Maldives	0.03	0.08	0.15	0.17	0.17	0.19	0.22
Morocco	9.53	24.46	22.67	21.85	20.16	20.49	19.06
Oman	0.60	2.74	3.18	3.42	3.60	3.63	3.60
Pakistan	9.93	20.66	30.23	29.83	30.07	32.32	34.27
Syria	3.55	17.05	21.32	21.42	20.87	22.44	22.37
Tajikistan			0.63	0.70	0.90	1.07	0.89
Tunisia	3.53	7.69	10.82	11.38	11.23	10.85	11.87
Turkey	19.13	49.42	73.79	79.64	84.77	97.21	101.80
Turkmenistan			0.40	0.75	1.77	2.27	2.02
Uzbekistan			1.79	2.37	2.75	3.25	4.57
Yemen	1.68	6.35	6.22	6.36	3.86	4.16	4.61
<b>Other OIC</b>	<b>126.06</b>	<b>308.54</b>	<b>452.76</b>	<b>462.86</b>	<b>472.74</b>	<b>512.61</b>	<b>516.01</b>
<b>All OIC</b>	<b>161.02</b>	<b>413.31</b>	<b>573.08</b>	<b>580.88</b>	<b>583.49</b>	<b>627.56</b>	<b>625.25</b>
<b>DC</b>	<b>586.7</b>	<b>1459.9</b>	<b>2157.5</b>	<b>2247.6</b>	<b>2337.8</b>	<b>2567.2</b>	<b>2563.5</b>

Source: World Bank, Global Development Finance 2001.

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TABLE A.2: RATIO OF DEBT TO GNP (EDT/GNP)

	1980	1990	1995	1996	1997	1998	1999
Benin	30.2	71.5	82.1	73.7	77.1	72.4	70.6
Burkina Faso	19.5	30.2	54.1	51.2	54.8	54.7	59.1
Cameroon	46.1	62.5	127.0	113.2	110.1	120.6	108.3
Chad	27.4	30.3	64.0	62.5	68.8	65.4	75.5
Comoros	35.4	74.2	94.5	96.2	106.4	103.2	104.5
Cote d' Ivoire	77.1	187.3	209.9	199.5	159.8	142.2	126.3
Djibouti			57.9	61.4	54.7	56.5	53.1
Gabon	39.3	74.6	102.8	88.2	90.0	108.8	104.4
Gambia	57.7	126.7	113.3	117.5	106.0	112.3	119.0
Guinea		92.9	89.0	83.8	93.3	97.1	97.6
Guinea Bisseau	133.3	296.6	380.7	371.9	362.3	506.6	456.4
Mali	41.1	102.6	122.3	117.0	129.7	123.9	124.2
Mauritania	125.0	194.8	231.4	228.1	235.1	269.7	272.8
Mozambique		196.5	337.8	277.6	229.3	225.1	186.6
Niger	34.9	71.2	86.7	78.4	86.6	81.2	81.4
Nigeria	14.6	130.7	131.7	95.0	83.7	103.9	93.4
Senegal	51.0	67.9	88.9	80.2	85.1	83.8	78.3
Sierra Leone	41.3	149.0	140.0	128.3	137.4	191.7	191.7
Sudan	69.3	116.8	280.3	271.3	181.9	177.1	182.9
Togo	95.7	79.8	115.7	102.1	89.8	104.1	108.7
Uganda	55.6	61.1	62.7	61.2	62.3	59.3	63.7
<b>OIC-SSA</b>	<b>29.1</b>	<b>110.8</b>	<b>144.1</b>	<b>124.3</b>	<b>108.8</b>	<b>116.3</b>	<b>109.3</b>
Albania		16.6	26.9	26.0	32.3	28.1	26.1
Algeria	47.1	46.6	83.9	75.1	67.7	67.6	61.3
Azerbaijan			11.1	13.9	13.2	17.8	30.0
Bangladesh	24	41.9	41.8	38.2	34.6	35.9	37.1
Egypt	89.2	78.3	55.2	45.9	39.0	38.1	33.7
Guyana	148.7	715.8	389.4	253.9	242.2	254.8	245.7
Indonesia	28	64	63.4	58.3	65.0	161.5	113.3
Iran	4.8	7.5	25.2	16.0	10.2	12.5	9.4
Jordan	49.2	214.9	122.5	117.9	113.1	106.0	113.0
Kazakhstan			19.0	14.0	18.7	28.1	37.6
Kyrgyzstan			18.7	63.5	78.3	98.3	144.6
Lebanon		51.4	26.4	30.4	33.5	41.6	51.2
Malaysia	27.5	36.4	40.6	41.3	49.8	65.3	62.5
Maldives		62.6	69.0	66.1	59.7	62.5	67.3
Morocco	50.3	98.5	71.6	61.9	62.5	59.2	56.0
Oman	15.4	45.7	30.2				
Pakistan	38.8	49.4	48.6	46.6	47.4	51.0	58.3
Syria	27.2	148	126.7	127.7	133.5	146.4	148.9
Tajikistan			37.4	48.2	59.0	60.8	48.3
Tunisia	41.7	64.7	63.2	61.3	62.4	57.2	59.2
Turkey	27.4	32.5	42.9	43.2	43.6	47.2	54.3
Turkmenistan			8.9	20.7	59.9	84.9	63.0
Yemen		143.2	167.8	129.9	64.6	70.0	74.4
<b>Other OIC</b>	<b>25.7</b>	<b>48.2</b>	<b>52.1</b>	<b>47.5</b>	<b>48.5</b>	<b>74.1</b>	<b>63.9</b>
All OIC	<b>30.1</b>	<b>52.7</b>	<b>60.8</b>	<b>54.8</b>	<b>54.2</b>	<b>78.1</b>	<b>68.2</b>
<b>DC</b>	<b>18.2</b>	<b>30.9</b>	<b>38.4</b>	<b>36.1</b>	<b>36.1</b>	<b>42.8</b>	<b>40.5</b>

Source: World Bank, Global Development Finance 2001.

TABLE A.3: TOTAL DEBT SERVICES (TDS) IN OIC COUNTRIES (US\$ million)

	1980	1990	1995	1996	1997	1998	1999
Benin	20	38	50	46	55	61	70
Burkina Faso	22	34	49	49	52	53	63
Cameroon	280	522	431	510	513	533	549
Chad	6	12	57	96	65	12	67
Comoros	0.4	1.1	1	1.4	3.6	6.2	7.7
Cote d' Ivoire	1407	1262	1046	1375	1360	1384	1449
Djibouti	3.9	14.9	11.6	12	7.3	5.4	4.8
Gabon	432	176	456	384	433	307	538
Gambia	4.1	37.7	26.6	28	26.7	26.5	21.2
Guinea	109	169	178	114	155	159	132
Guinea Bisseau	4.6	8.4	15.3	11.2	9.7	7.9	9.5
Mali	16	68	87	116	85	82	106
Mauritania	48	146	117	116	114	110	106
Mozambique		79	162	141	104	104	125
Niger	141	99	56	56	61	62	51
Nigeria	1151	3336	1833	2509	1416	1320	924
Senegal	259	325	281	289	247	321	237
Sierra Leone	19	66	79	59	16	20	22
Somalia	13	11	1	3	0	0	1
Sudan	264	50	69	48	58	61	57
Togo	52	86	29	58	56	40	40
Uganda	57	145	136	149	159	165	184
<b>OIC-SSA</b>	<b>4309</b>	<b>6686.1</b>	<b>5171.5</b>	<b>6170.6</b>	<b>4996.3</b>	<b>4840</b>	<b>4764.2</b>
Albania		3.1	10.4	28.7	39.3	36.1	36.7
Algeria	4084	8803	4204	4173	4420	5136	5332
Azerbaijan			196.9	119.9	109.1	157.6	318
Bangladesh	277	776	821	702	708	681	788
Egypt	1235	3052	2361	2299	1953	1811	1733
Guyana	94	295	109	104	132	136	105
Indonesia	3084	9946	16416	21539	19736	18302	17848
Iran	959	655	5824	6533	6275	3078	4602
Jordan	210	625	614	1018	907	896	649
Kazakhstan			235	322	483	989	1364
Kyrgyzstan			59.9	74.2	77.8	115.7	117.2
Lebanon	53	99	224	301	734	528	1010
Malaysia	934	4333	6041	8427	7109	6275	4695
Maldives	0.5	8.8	10.8	11.7	28.6	15.9	17.7
Morocco	1446	1794	3764	3352	3178	2795	3096
Oman	249	739	486	751	474	629	720
Pakistan	869	1902	3216	3286	4083	2300	2828
Syria	382	1269	293	255	564	339	370
Tajikistan			0.0	1.1	37.0	83.0	48.0
Tunisia	545	1431	1480	1466	1413	1430	1532
Turkey	1607	7422	11448	10909	11701	14900	13787
Turkmenistan			104	193	263	311	465
Uzbekistan			243	291	508	370	567
Yemen	73	169	102	87	98	125	157
<b>Other OIC</b>	<b>16102</b>	<b>43322</b>	<b>58263</b>	<b>66244</b>	<b>65031</b>	<b>61439</b>	<b>62186</b>
<b>All OIC</b>	<b>20411</b>	<b>50008</b>	<b>63435</b>	<b>72414</b>	<b>70027</b>	<b>66279</b>	<b>66950</b>
<b>DC</b>	<b>88697</b>	<b>164070</b>	<b>240557</b>	<b>277645</b>	<b>311703</b>	<b>314725</b>	<b>389332</b>

Source: World Bank, Global Development Finance 2001.

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TABLE A.4: RATIO OF DEBT SERVICE TO EXPORTS (TDS/XGS)

	1980	1990	1995	1996	1997	1998	1999
Benin	6.4	8.2	6.8	5.9	8.7	9.0	10.9
Burkina Faso	5.9	6.8	11.2	11.6	13.6	10.8	15.7
Cameroon	14.6	22.5	20.7	24.0	21.5	23	24.3
Chad	8.4	4.4	4.1	8.6	10.2	9.2	10.3
Comoros	2.6	2.3	1.6	2.4	8.4	14.3	16.1
Cote d' Ivoire	38.7	35.4	23.1	26.5	27.2	26.1	26.2
Djibouti			5.5	5.8	3.4		
Gabon	17.8	6.4	15.6	11.0	13.1	12.5	19.3
Gambia	5.9	21.5	14.8	12.5	11.8	10.2	8.7
Guinea		20	25.0	14.7	20.7	19.5	16.1
Guinea Bisseau		31	51.7	36.6	16.5	24.8	16.4
Mali	5.1	12.3	13.3	18.2	11.4	11.0	14.3
Mauritania	17.3	29.9	22.9	22.5	24.5	27.7	28.4
Mozambique		26.2	34.5	26.0	18.2	18.0	20.0
Niger	21.7	17.4	16.7	16.3	19.5	17.9	16.8
Nigeria	4.1	22.6	13.8	14.0	7.8	11.2	6.0
Senegal	28.7	20	16.7	18.9	17.2	21.6	16.1
Sierra Leone	23.8	10.1	61.5	45.3	19.5	27.5	29.9
Sudan	25.1	7.5	10.0	7.1	9.0	9.8	6.5
Togo	9	11.9	6.0	9.5	10.1	7.5	7.7
Uganda	17.3	58.9	20.0	20.0	18.5	24.3	23.7
<b>OIC-SSA</b>	<b>7.9</b>	<b>18.5</b>	<b>16.8</b>	<b>16.6</b>	<b>14.2</b>	<b>15.8</b>	<b>14.2</b>
Albania		0.9	1.4	3.0	7.1	4.3	3.7
Algeria	27.4	63.4	34.8	27.9	27.7	42.5	37.8
Azerbaijan			1.3	1.2	6.6	2.3	6.5
Bangladesh	23.6	28.4	15.0	11.9	10.6	9.1	9.8
Egypt	13.4	22.3	13.3	12.7	9.8	9.4	9.0
Guyana	22.8		17.0	14.4	17.6	19.5	
Indonesia		33.3	29.9	36.6	30.0	31.7	30.3
Iran	6.8	3.2	30.2	27.5	31.3	21.2	22.6
Jordan	11.2	20.3	12.7	19.1	16.6	16.6	11.8
Kazakhstan			4.1	4.6	6.2	14.5	19.4
Kyrgyzstan			13.2	13.1	11.4	19.0	21.8
Lebanon		3.3	5.0	6.4	14.4	9.6	
Malaysia	6.3	12.6	7.0	8.9	7.4	7.4	4.8
Maldives	0.8	4.8	3.4	3.1	6.9	3.7	3.9
Morocco	33.4	21.5	33.4	28.0	27.5	23.0	24.3
Oman	6.4	12.3	7.5	9.9	5.9	10.7	9.7
Pakistan	18.3	23	27.3	27.7	36.0	19.8	28.3
Syria	11.4	23.2	4.7	3.9	9.3	6.5	6.4
Tajikistan			0.0	0.1	5.0	12.8	6.5
Tunisia	14.8	24.5	16.9	16.4	15.8	15.4	15.9
Turkey	28	29.4	27.7	21.6	20.1	23.9	26.2
Turkmenistan			4.7	10.1	21.9	31.8	31.1
Uzbekistan				7.5	12.7	11.2	17.9
Yemen		5.6	3.2	2.4	2.6	4.2	4.0
<b>other OIC</b>	<b>16.4</b>	<b>21.6</b>	<b>22.7</b>	<b>22.6</b>	<b>21.6</b>	<b>21.2</b>	<b>21.5</b>
<b>All OIC</b>	<b>15.9</b>	<b>23.1</b>	<b>20.6</b>	<b>22</b>	<b>20.9</b>	<b>20.7</b>	<b>20.8</b>
<b>DC</b>	<b>12.8</b>	<b>18.1</b>	<b>15.7</b>	<b>16.4</b>	<b>17.1</b>	<b>18.2</b>	<b>21.4</b>

Source: World Bank, Global Development Finance 2001.

TABLE A.5: SHORT-TERM DEBT (US\$ million)

	1980	1990	1995	1996	1997	1998	1999
Benin	73	55	47	47	136	86	122
Burkina Faso	35	84	56	53	66	59	103
Cameroon	278	960	1036	1260	1314	1398	1278
Chad	12	30	20	18	26	23	28
Comoros	1	12.4	10.1	9.5	13.9	12.3	19.3
Cote d' Ivoire	1059	3597	3910	5805	2661	1576	1256
Djibouti	6	50.1	12.9	12.4	15.3	15.1	14.4
Gabon	228	693	287	219	482	478	602
Gambia	23.3	15.7	14.8	22.4	13.1	15.3	22.2
Guinea	80	172	161	177	411	293	334
Guinea Bisseau	5.1	56.5	94.6	73	70.7	76.3	82.1
Mali	24	62	72	79	275	188	192
Mauritania	65	238	169	180	304	265	283
Mozambique		345	279	182	320	365	388
Niger	159	154	72	44	92	63	80
Nigeria	3553	1504	5651	5676	5529	6575	6685
Senegal	219	421	260	183	213	273	308
Sierra Leone	53	439	107	105	89	108	117
Somalia	47	285	551	564	558	591	593
Sudan	599	4155	6368	6214	6035	6349	6070
Togo	120	113	85	88	44	52	154
Uganda	63	140	93	107	115	135	141
<b>OIC SSA</b>	<b>6702.4</b>	<b>13582</b>	<b>19356</b>	<b>21118</b>	<b>18783</b>	<b>18996</b>	<b>18872</b>
Albania		312.9	62.3	31.6	47.8	34.9	29
Algeria	2325	791	261	328	162	186	195
Azerbaijan			14	15.5	4	1.5	29
Bangladesh	212	156	203	163	175	150	255
Egypt	4027	4452	2371	2347	2991	4260	4294
Guyana	118	75	151	92	108	137	144
Indonesia	2775	11135	25966	32230	32865	20113	20029
Iran	0	7224	6449	4755	3354	4503	3618
Jordan	485	1040	790	603	748	594	875
Kazakhstan			381	221	349	424	474
Kyrgyzstan			13	8.7	33	28.5	59.8
Lebanon	294	1421	1366	1653	1795	1961	2202
Malaysia	1355	1906	7274	11068	14939	8656	7550
Maldives	1	14	3	4.7	7	10.2	24.8
Morocco	778	407	198	322	231	116	183
Oman	163	335	541	766	1032	1398	1835
Pakistan	737	3185	3235	2816	2481	2160	1830
Syria	631	2151	4562	4722	4611	6107	6227
Tajikistan			43.2	21	73.7	147.2	90.9
Tunisia	136	634	1310	1576	1539	1040	1538
Turkey	2502	9500	15701	17345	17994	21217	23472
Turkmenistan			17	287	529	521	322
Uzbekistan			212	92	419	147	626
Yemen	183	1192	689	619	188	215	473
<b>Other OIC</b>	<b>16722</b>	<b>45931</b>	<b>71813</b>	<b>82087</b>	<b>86676</b>	<b>74127</b>	<b>76376</b>
<b>All OIC</b>	<b>23424</b>	<b>59513</b>	<b>91169</b>	<b>103205</b>	<b>105459</b>	<b>93123</b>	<b>95248</b>
<b>DC</b>	<b>138898</b>	<b>245096</b>	<b>428112</b>	<b>464767</b>	<b>468977</b>	<b>410234</b>	<b>406841</b>

Source: World Bank, Global Development Finance 2001.



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TABLE A.6: LONG-TERM DEBT (US\$ billion)

	1980	1990	1995	1996	1997	1998	1999
Benin	0.33	1.22	1.48	1.45	1.40	1.47	1.47
Burkina Faso	0.28	0.75	1.14	1.16	1.14	1.23	1.30
Cameroon	2.25	5.60	8.36	8.31	7.96	8.38	7.97
Chad	0.26	0.46	0.83	0.91	0.94	1.01	1.05
Comoros	0.04	0.17	0.19	0.19	0.19	0.19	0.18
Cote d' Ivoire	6.34	13.22	14.56	13.22	12.50	12.63	11.30
Djibouti	0.03	0.16	0.27	0.30	0.27	0.29	0.28
Gabon	1.27	3.15	3.98	3.97	3.67	3.83	3.29
Gambia	0.10	0.31	0.39	0.41	0.40	0.43	0.43
Guinea	1.02	2.25	2.99	2.98	3.01	3.13	3.06
Guinea Bisseau	0.13	0.63	0.80	0.86	0.84	0.88	0.83
Mali	0.66	2.34	2.74	2.76	2.69	2.83	2.79
Mauritania	0.71	1.79	2.08	2.13	2.04	2.21	2.14
Mozambique	0.00	4.23	6.98	7.20	7.13	7.74	6.37
Niger	0.69	1.49	1.46	1.44	1.42	1.52	1.47
Nigeria	5.37	31.94	28.44	25.73	22.93	23.74	22.67
Senegal	1.11	3.00	3.23	3.16	3.16	3.28	3.13
Sierra Leone	0.36	0.60	0.91	0.90	0.89	0.96	0.94
Somalia	0.60	1.93	1.96	1.92	1.85	1.89	1.86
Sudan	4.15	9.56	10.28	9.87	9.49	9.72	9.35
Togo	0.90	1.08	1.27	1.29	1.20	1.30	1.26
Uganda	0.54	2.16	3.06	3.15	3.40	3.48	3.56
<b>OIC-SSA</b>	<b>27.13</b>	<b>88.03</b>	<b>97.39</b>	<b>93.30</b>	<b>88.51</b>	<b>92.14</b>	<b>86.68</b>
Albania		0.04	0.55	0.63	0.65	0.78	0.87
Algeria	17.04	26.42	31.04	31.06	28.71	28.65	25.91
Azerbaijan			0.21	0.25	0.24	0.39	0.60
Bangladesh	3.59	11.99	15.50	15.33	14.58	15.80	16.96
Egypt	14.69	28.37	30.79	28.94	26.86	27.71	26.11
Guyana	0.63	1.78	1.81	1.39	1.37	1.40	1.24
Indonesia	18.16	58.24	98.43	96.71	100.34	121.68	119.82
Iran	4.50	1.80	15.43	11.95	8.47	9.50	6.74
Jordan	1.49	7.04	7.07	7.14	6.98	7.39	7.57
Kazakhstan			2.94	2.15	3.22	5.01	4.83
Kyrgyzstan			0.47	0.99	1.14	1.33	1.45
Lebanon	0.22	0.36	1.60	2.34	3.24	4.77	6.24
Malaysia	5.26	13.42	27.07	28.61	32.29	36.11	38.39
Maldives	0.02	0.06	2.74	2.76	2.69	2.83	2.80
Morocco	8.02	23.30	22.42	21.53	19.93	29.38	18.88
Oman	0.44	2.40	2.64	2.65	2.57	2.23	1.77
Pakistan	8.52	16.64	25.38	25.61	26.31	28.80	30.74
Syria	2.92	14.90	16.76	16.70	16.25	16.33	16.14
Tajikistan			0.59	0.66	0.80	0.82	0.70
Tunisia	3.39	6.88	9.22	9.57	9.52	9.68	10.26
Turkey	15.58	39.92	57.41	61.63	66.18	75.61	77.43
Turkmenistan			0.39	0.46	1.24	1.75	1.69
Uzbekistan			1.42	2.04	2.10	2.87	3.75
Yemen	1.45	5.16	5.53	5.62	3.42	3.61	3.73
<b>Other OIC</b>	<b>105.92</b>	<b>258.73</b>	<b>377.39</b>	<b>37.60</b>	<b>379.09</b>	<b>434.40</b>	<b>424.61</b>
<b>All OIC</b>	<b>133.06</b>	<b>346.75</b>	<b>474.78</b>	<b>470.00</b>	<b>467.60</b>	<b>526.55</b>	<b>511.29</b>
<b>DC</b>	<b>435.53</b>	<b>1180.1</b>	<b>1668.3</b>	<b>1722.7</b>	<b>1798</b>	<b>2063.2</b>	<b>2077.9</b>

Source: World Bank, Global Development Finance 2001.

TABLE A.7: EHIPC INITIATIVE: COMMITTED DEBT RELIEF: STATUS AS OF AUGUST, 2001  
(Million US dollars)\*

	Reduction in NPV Terms			Nominal Debt Service Relief			Date of Approval
	Original HIPC	EHIPC Initiative	Total	Original HIPC	EHIPC Initiative	Total	
<b>Countries that have reached their completion points (2)</b>							
<b>Total</b>	<b>795</b>	<b>1510</b>	<b>2305</b>	<b>1410</b>	<b>2600</b>	<b>4010</b>	
Bolivia	448	854	1302	760	1300	2060	Jun-01
<b>Uganda</b>	347	656	1003	650	1300	1950	Apr-00
<b>Countries that have reached their decision points (21)</b>							
<b>Total</b>	<b>2322</b>	<b>15861</b>	<b>18183</b>	<b>4760</b>	<b>25110</b>	<b>29870</b>	
<b>Benin</b>	..	265	165	-	460	460	Jul-00
<b>Burkina Faso</b>	229	169	398	400	300	700	Jun-00
<b>Cameroon</b>	..	1260	1260	..	2000	2000	Oct-00
<b>Chad</b>	..	170	170	..	260	260	May-01
<b>Gambia</b>	..	67	67	..	90	90	Dec-00
<b>Guinea</b>	..	545	545	..	800	800	Dec-00
<b>Guinea-Bissau</b>	..	416	416	..	790	790	Dec-00
<b>Guyana</b>	256	329	585	440	590	1030	Nov-00
Honduras	..	556	556	-	900	900	Jul-00
Madagascar	..	814	814	..	1500	1500	Dec-00
Malawi	..	643	643	..	1000	1000	Dec-00
<b>Mali</b>	121	401	522	220	650	870	Sep-00
<b>Mauritania</b>	..	622	622	-	1100	1100	Jan-00
<b>Mozambique</b>	1716	254	1970	3700	600	4300	Apr-00
Nicaragua	..	3267	3267	-	4500	4500	Dec-00
<b>Niger</b>	..	521	521	..	900	900	Dec-00
Rwanda	..	452	452	..	800	800	Dec-00
Sao Tom & Pri.	..	97	97	..	200	200	Dec-00
<b>Senegal</b>	..	488	488	-	850	850	Jun-00
Tanzania	..	2026	2026	-	3000	3000	Apr-00
Zambia	..	2499	2499	-	3820	3820	Dec-00
<b>Countries still to be considered (15)</b>							
<b>Côte d'Ivoire</b>	345	..	345	800	..	800	Mar-98
Burundi	..	..	..	..	..	..	
Cent. Afr. Rep.	..	..	..	..	..	..	
<b>Comoros</b>	..	..	..	..	..	..	
Congo Dem. Re.	..	..	..	..	..	..	
Congo Rep. of	..	..	..	..	..	..	
Ethiopia	..	1028	1028	..	1650	1650	Mar-01
Ghana	..	2096	2096	..	3200	3200	Jun-01
Lao PDR	..	..	..	..	..	..	
Liberia	..	..	..	..	..	..	
Myanmar	..	..	..	..	..	..	
<b>Sierra Leone</b>	..	551	551	..	867	867	Jul-01
<b>Somalia</b>	..	..	..	..	..	..	
<b>Sudan</b>	..	..	..	..	..	..	
<b>Togo</b>	..	..	..	..	..	..	
<b>Total**</b>	<b>3462</b>	<b>17371</b>	<b>20833</b>	<b>6970</b>	<b>27710</b>	<b>34680</b>	

Source: HIPC Initiative country documents; World Bank and IMF estimates.

Notes: Countries in bold are OIC member countries.

(\*) In net present value (NPV) terms of the decision point year.

(\*\*) Countries that have reached their decision points under the EHIPC framework through June 2001, and Côte d'Ivoire, which had reached the decision point under the original framework earlier.