



Economic Commission for Africa

Session III

Financing Debt Relief and Genuine Development:

Time to Get Serious?

An Issues Paper

17-18 November 2003

Prepared by the Economic and Social Policy Division of the
Economic Commission for Africa

Executive Summary

Any consideration of Africa's financing needs and prospects for debt relief needs to be put in the wider context of financing for development. To assess whether donors are serious about financing the MDGs, we need to look at aid amounts, and at their composition and quality. Debt relief is an important source of finance for African countries but on its own will be woefully insufficient to allow African countries to finance the Millennium Development Goals (MDGs) and achieve long-term debt sustainability.

Why finance debt relief? It has more political resonance; it is more efficient than new aid; it reduces the burden of managing aid and acts like budget support by increasing recipient ownership. This paper reviews several proposals for scaling up financing of Africa's development including debt relief.

Proposals for Financing Development consistent with MDGs

The international community needs to take the following 5 steps:

- Increasing grant flows (partly via the increase in ADF and IDA grants) to allow HIPC's to borrow less to fund the MDGs
- Ensuring a more equitable balance of country grant/aid allocations
- Increasing grant flows where the country has higher domestic debt burdens.
- Allowing countries to borrow more (on concessional terms) if grants cannot be mobilized to fund the MDGs, PV/export ratios can be kept below 200%, and debt service/revenue ratios can be kept below 10%.
- Providing adequate grant contingency financing to protect against (or compensatory financing to respond to) shocks, to avoid new borrowing.

Proposal with respect to utilizing IMF resources—

There are two possible sources of funding debt relief by the IMF. One option is to make use of IMF gold reinvestment or sales as has been done before. Selling half of its gold reserves could more than fund all the additional relief needed for topping up and remaining new HIPC's.

Selling two-thirds of it, combined with reprofiling relief by the Paris Club, would allow all HIPCs to have their debt service/revenue ratios reduced below 10% for the foreseeable future. The other option is to use SDR allocations to create additional global reserves for reallocation to debt relief.

Proposal with respect to increasing MDB charges—

Higher Multilateral Development Bank charges for middle-income members will provide additional funding for debt relief for low-income members. For example, this would not damage the World Bank's credibility or market creditworthiness. Higher charges would be a way to encourage countries to self-graduate and it would increase profits of multilateral banks and would thus enable them to funnel the additional profits to the HIPC program. This plan would be suitable for World Bank lenders, but not for the African Development Bank.

Proposal with respect to reviving and restructuring a Debt Reduction Facility—

The ways should be explored to expand the existing Multilateral Financial and Technical Assistance for Debt Buy-backs. Since 1989, the World Bank has been administering a Debt Reduction Facility for IDA-only countries. The Facility provides grant financing and logistical support to IDA countries to conduct commercial debt-buyback operations. The facility could be a tool to include commercial creditors in the HIPC initiative. However, it needs to be revived and restructured.

Introduction

Financing debt relief needs to be seen in the context of overall availability of development finance, because debt relief on its own will be woefully insufficient to allow African countries to finance the MDGs. Recent pledges have indicated aid increases, but there is a long road between pledges and disbursements. To assess whether donors are serious about financing the MDGs, we need to look at amounts, and at their composition and quality. The paper will also examine the rationale for further debt relief and the ways in which debt relief can be financed.

I. Amounts of Aid

US\$52 billion of aid (net of debt service) is disbursed to developing countries each year (DAC 2003). This compares with estimated amounts needed to reach MDGs of US\$100 billion (UK; World Bank 2002; Zedillo).¹ It remains a priority for African countries to improve their capacity to calculate these costs, and for all BWI Board country papers to present starkly to donors the financing amounts needed for countries to reach the MDGs and national development goals, drawing on UN analyses as appropriate, in order to mobilize the right amounts to reach the goals.

Since the Monterrey summit global prospects for aid have sharply improved:

- Monterrey-related aid pledges total US\$12 billion a year more by 2006. The 2002 G8 Summit agreed that 50% of these funds would be allocated to Africa.
- Since then, the US has announced another US\$15 billion (now apparently reduced to US\$10 billion by Congress) for the global fight against HIV/AIDS.
- The UK proposed an International Financing Facility (IFF), to mobilize US\$50 billion of aid per year by issuing bonds, based on donor commitments to provide future flows to IFF. This has been endorsed in principle by several G7 members.

¹ The World Bank (2003c) has suggested that US\$32 billion a year might be enough to attain the MDGs. However, the methodology for this calculation is based on subjective judgments about the ability of countries to absorb funds.

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- There have been significant new developments in global aid funds, such as the Education for All Fast Track Initiative, the Global Fund to Fight AIDS, Tuberculosis and Malaria and replenishment of the Global Environment Facility.
 - IDA and ADF have received significant replenishments, with improved effectiveness monitoring, and can provide grants up to 21% of their commitments.

African/HIPC Ministers have endorsed these moves, but have stressed that some pledges are a long way from being commitments. They have also underlined that some initiatives are potentially double-counting rather than providing additional funds.

II. Current and Future Composition

Of current amounts (World Bank 2003c), only US\$26 billion is spent on programmes and projects in countries. The rest is: US\$3 billion on bilateral aid administration; US\$13.6 billion on technical assistance, little of which actually enters the recipient economy; US\$2.3 billion on debt relief which is actually paid to other creditor agencies; and US\$3.2 billion on emergency assistance.²

Programme aid (including budget and sectoral support) remains less than 20% of total aid, even on average in the best performing countries, in spite of all sides being agreed that this is the best way to support country-designed policies.

Taking into account this composition, the IFF proposals, if spent on the MDGs in the developing countries, would quadruple aid available for such spending.

A large amount of current aid also goes to middle-income countries, including some which could easily reach the MDGs without much aid by reorienting their spending; or to projects which are not reducing poverty. Aid could contribute much more to funding MDGs if moved to the poorest countries and to MDG-oriented projects.

There is therefore huge scope for increasing the impact of aid on the MDGs by:

² These amounts omit multilateral spending on administration and TA, which are large.

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- reducing administrative costs in bilateral and multilateral agencies; replacing technical assistance with cheaper, untied and more effective/locally-owned capacity-building; untying and improving the efficiency of emergency assistance, switching from project to programme assistance, and devoting aid to low-income countries and to poverty-reduction in all countries.
 - all donors should set clear targets to reduce administrative costs, move to capacity-building, untie and thereby reduce spending on emergency assistance, increase budget support sharply, move aid predominantly to low-income countries and focus aid on poverty reduction in all countries.
 - they should also make multiyear rising commitments to countries where budget transparency and anti-poverty efforts are high.

III. Quality of Financing

There are many ways to judge the quality of financing and its potential to contribute to reducing global poverty.

3.1 Concessionalality

Until now the only enforceable criterion in IMF programmes to affect the quality of aid has been its concessionalality. The judgment and calculation of concessionalality (also known as grant element) of loans is a highly inconsistent and subjective process, even more complex than PV (see Johnson 2003). Depending on the discount rates used by different organizations, and the dates on which the grant element is measured, the concessionalality of a loan can vary by as much as 20%. In this respect, lenders and borrowers must agree a genuinely objective means of assessing the concessionalality of new loan.

The existing system also throws up major anomalies. For example, IMF PRGF loans have a grant element below 35%. If PRGF loans are to continue to be made by the IMF, then they must be more concessional (IDA terms), or cut to token amounts to avoid compromising debt sustainability. Rwanda recently took only a token amount of PRGF funding, preferring to borrow from IDA. Other countries may follow suit.

Many lenders also provide widely varying terms to different borrowers without any standardization. Recipient countries should establish a system for monitoring these terms and exchanging information to encourage donor best practice.

In addition, there are no clear guidelines for concessionality thresholds below which countries should not borrow. The IMF has in most PRGF programmes insisted on a minimum grant element of 35%: but in some countries, it has allowed exceptions; and in others, it has pushed for higher grant elements (e.g. 50% - coincidentally in line with minimum grant element thresholds for UNCTAD Least Developed Countries agreed two decades ago). Some countries have more objectively fixed different levels (Ghana 40%, Mozambique and Tanzania 60%), which have been based on grant elements to keep their debt sustainable. Many important donors for African countries - such as BADEA, IsDB, OPEC Fund - are close to a 35% grant element, so it is crucial to set objective guidelines for thresholds based on future debt sustainability and access to funding for the MDGs. African governments need to develop this capacity rapidly.

One major debate on which African governments have had relatively little input has been whether international organizations should be providing loan or grant financing. IDA and ADF have decided to disburse grants. While African governments approve the idea of receiving grants, they are opposed to the allocation of grants to specific sectors or types of aid (e.g. HIV/AIDS or emergency assistance), which could contradict national development priorities and distort their spending allocations. They would prefer to see a percentage of each country's financing disbursed in grant form depending on its poverty level and its debt sustainability prospects.

3.2 Value for Money

More than US\$12 billion of aid (including most TA and much emergency assistance) is tied (or partially tied) to exports from the supplying country, which reduces its value to the recipient country by 25-40%, because its costs are set uncompetitively. Therefore US\$3-5 billion a year of value to MDGs could be generated by untying aid.

No recent aid pledges go further in untying aid, apart from those of additional funds from countries (e.g. the UK) which have already committed to 100% untying, and those to multilateral facilities. Donors

should rapidly reach agreements to untie aid, especially technical assistance and emergency aid.

3.3. Commitment and Disbursement Procedures

Turning pledges into rapid disbursements will require fundamental reforms in donor and African procedures via wholehearted partnership (HIPC Ministerial Forum 2003; World Bank 2003a/c). Past disbursements have fallen well short of commitments (Bulir and Hamann 2001), creating the biggest shocks to development. African governments estimate that disbursements have fallen short of projections by 30%.

Many have recommended a huge list of measures to improve procedures, including:

- coordinating aid through PRSPs, and not insisting on additional conditions;
- providing multiyear pledges to assist budgetary planning and ensuring that disbursements are timed in harmony with budget and expenditure cycles
- simplifying and harmonizing procedures to expedite disbursements;
- decentralizing decision-making and funding to local embassies and resident offices (or to those of other donors who can represent their interests).
- taking greater account of African aid management practices and capacities;
- pooling funds to reduce the negative impact of excessive numbers of donors and fragmented assistance (see World Bank 2003a)
- building into all funds, especially of the IMF, MDBs and EU, contingency finance which can be disbursed to compensate against shocks (see V below).

3.4 African Absorptive Capacity

It is extremely common in the donor community to hear that country X (or sector Y within a country) cannot absorb more aid. This is usually based on a static view of country absorptive capacity based on current government and donor procedures. A recent World Bank paper on

supporting the MDGs (2003c) has stressed the need for long periods to improve absorptive capacity in many low-income African countries.

Yet there are a growing number of astonishing success stories in increasing absorptive capacity in Africa. In 1998 in Uganda, when President Museveni launched Universal Primary Education, donors doubted that Uganda could absorb more aid for education. Five years later Uganda is absorbing three times as much donor education funding. Various other HIPCs have in recent years successfully implemented programmes such as decentralization, MTEFs, financial accountability capacity building and procurement reform, which have dramatically increased their absorptive capacity. As a result, African countries are confident that large expenditure programmes are currently under-funded and could rapidly absorb additional money.

However, it is essential to convince donors and improve African practices, by establishing a programme to exchange research, information and training among African governments on best practices in aid absorption and coordination.

3.5 Donor Coordination and Monitoring

At an international level, donors have been accelerating their efforts to coordinate and harmonies, notably via the SPA and the Rome High-Level Forum on Harmonization. However, African governments have not led this coordination and harmonization. For example, few African experts were involved in SPA reviews of best practices in African countries, or in designing background papers for the Rome meeting.

Similarly, there are many examples of best practices with African governments leading donor coordination (Uganda's Stockholm Principles; Tanzania's Independent Monitoring Group; Ghana's New Financing Strategy), and HIPC African governments have begun systematically to evaluate donor practices themselves through the HIPC CBP. However, the World Bank (2003) and UNDP have highlighted the fact that donor coordination is too often run by donors rather than African governments. African governments need to establish their own initiatives to exchange best practices on donor coordination with one another, and to intensify high-level discussions on aid quality and policy with the OECD DAC members in order to establish a system of genuinely mutual and transparent evaluation.

Economic Commission for Africa together with OECD DAC is spearheading a peer review process to evaluate donor practices. Within this monitoring system there will be scope to establish quantified and time-bound indicators in PRSPs for donors. These indicators could also be included in PRGF and PRSC documents to show that the BWIs are taking an explicit view of the desirable quality of new financing.

IV. Why Finance Debt Relief?

Within these global trends, why make the financing of debt relief rather than new aid a priority? Birdsall and Williamson (2002) provide five reasons, that debt relief

- 1) has more political resonance in OECD countries than new aid;
- 2) therefore will bring more additional resources to developing countries;
- 3) if properly designed, with a longer list of eligible countries, will not redistribute funds away from the best performing to the most-indebted
- 4) is much more efficient than new aid, because it reduces the burden of managing aid and acts like budget support by increasing recipient ownership.
- 5) could also encourage private investment more than new aid, by reducing the debt overhang as well as funding government spending; and
- 6) can improve the quality of all aid by freeing donors from defensive lending to refinance debts and allow them to direct it for poverty reduction.

All of these justifications have strong empirical support. African countries are seeing additional resources, feeling greater ownership of debt relief, and mobilizing more private investment. These positive effects are enhancing their commitment to economic reform and poverty reduction, proving wrong the “moral hazard” idea that debt relief would reduce the incentive for policy change, and reducing their “dependence” on aid.

BWI analysis has also concluded that funding of HIPC relief has been additional (IMF/World Bank 2003c). Even though large amounts of aid are being diverted from bilateral aid budgets to fund relief by multilateral institutions (see Martin 2000c), some debt relief has been

funded by additional finance, especially IMF gold sales, and US accounting treatment of debt relief which does not require more funding. Debt relief's political resonance has also helped some governments (notably the UK, US and Ireland) to mobilize more aid; it has allowed some institutions (notably the EU) to disburse funds more rapidly and predictably; and it has encouraged some regional multilateral organizations to focus more closely on their poorer and smaller members.

These arguments should not be pushed too far. Debt relief is more efficient and faster disbursing than new aid. Yet if HIPC stalls, it will suspend fast-disbursing programme aid and debt relief. To avoid this, donors need to minimize diversion of programme aid to financing debt relief trust funds which provide relief over a long period, and instead maintain independent programme aid disbursements to support recipient country policies, maximizing recipient choice of how to fund poverty reduction.

HIPC countries have also received more funds as a result of being a HIPC (IMF/World Bank 2002c and 2003a/c). Debt relief and increases in anti-poverty spending have encouraged donors to provide more aid - and in more flexible forms such as multiyear coordinated budget support - resulting in higher flows to some HIPCs. However, according to HIPCs, this is not universal or sustainable for the following reasons:

- the growing alignment of donors behind Fund conditionality makes flows highly vulnerable to suspension of Fund assistance.
- additionality (and higher-quality money) is not related to MDG or anti-poverty performance - but depends on donors and historical relations. For example, Mozambique receives 75% grants and 35% programme aid, but Mali 35% grants and 15% programme aid, when both are regarded as high performers.
- countries which had made huge efforts to mobilize additional funds before HIPC (e.g. Rwanda) or which had large amounts of arrears which they are now having to repay (e.g. DRC) have lost money since HIPC arrived.

In addition, even if Monterrey promises produce large increases in aid, increased flows to HIPCs mean a diversion from non-HIPCs.

V. Granting Additional Debt Relief: The Unfinished Agenda

The financing for HIPC relief has mostly been mobilized. What is remaining is funding for “*additional*” debt relief. HIPC II envisaged only 90% debt cancellation. Any additional cancellation by individual creditor governments was intended to provide a “safety margin” for HIPCs, through an extra US\$5 billion of PV relief, reducing their PV/exports by an average 21%, so that they could be sure that their debt would remain sustainable, even in a context of shocks to exports or budget revenue. However, instead, the additional relief has been counted into HIPC relief in order to allow countries to appear to reach HIPC thresholds. Recently, developing country and like-minded donor representatives have been insisting that this additional relief be reinstated and provide the intended buffer zone.

Their argument is that if HIPC relief is not enough to reach HIPC thresholds, all creditors should share the additional burden equally. A BWI Board paper (IMF/World Bank 2003b) stressed the additional costs of such relief (US\$1.2 billion in PV terms) and the unequal distribution of the benefits among African countries for debt relief and poverty reduction spending. Nevertheless, it looks as though progress in this area is possible. Given that at least 7 of 14 countries analyzed by the BWIs would have their PV/export ratios reduced by 10% or more, it is vital that a decision to reinstate and fully fund additional relief be taken before the 2004 Spring meetings of the BWIs.

Two other elements of HIPC debt relief also need financing:

1) *Topping Up of Relief at Completion Point*

HIPC II has in theory been adapted to take account of economic shortfalls compared to projections, by allowing relief to be “topped up” at the completion point if ratios change substantially. Recent BWI analysis shows that the 2001-02 downturn in commodity prices rendered 14 countries unsustainable again and eligible for “topping up”.

Topping up might add US\$1.1 billion to HIPC relief but, for fear of cost to creditors, its implementation has been hedged around with restrictions:

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- it aims only to reach “sustainability” at the moment of the completion point, and not beyond. The one country which has qualified for topping up – Burkina Faso – will have unsustainable debt ratios for 16 years after completion point.
 - it must be due to an external shock which causes fundamental change in country economic circumstances. As a result, Benin and Mauritania did not get topping up though they had unsustainable ratios for several years after completion point.
 - some are now arguing that it should not compensate for fluctuations in CIRRs and exchange rates, which have dramatically increased PV recently. They describe them as “technical factors” which do not impact fundamentally on a country’s economic circumstances, and are trying to exclude “topping up” for Ethiopia and Niger. However, it is obvious that these are exogenous shocks beyond country control, and that having a higher PV (under HIPC which treats PV as the measure of debt overhang) impacts negatively and fundamentally on investment in the economy. In addition, all countries which had relief increased from HIPC I to HIPC II, Burkina Faso at completion point, and countries which reached decision points recently, have been given relief based on current CIRRs and exchange rates.

Topping up already means little, falling way short of providing long-term debt sustainability to HIPCs. If the latest proposal is accepted, it will reduce topping up benefits to HIPCs to only US\$600 million.

2) Possible Eligibility of Other Countries.

At least three other African HIPCs (Liberia, Somalia and Sudan) are potentially eligible, and could increase costs of the HIPC Initiative by around US\$10.6 billion in NPV terms (see IMF 2003a and b). These extra costs seem to be contributing to anxiety that HIPC costs are escalating out of control. However, they should be seen in perspective. Total HIPC costs are US\$50 billion – but this will be paid out over an average 15-25 years, at an average cost of about US\$2.5 billion a year. This is less than 5% of annual ODA flows. In terms of flows per capita, it represents around 0.3% of the amounts currently being requested to reconstruct Iraq. In addition, these countries are post-conflict (like Iraq) and will desperately need such funding for reconstruction purposes. As UN-SG Kofi Annan has said, “One ought not to take resources

earmarked elsewhere and shift them to Iraq". *It is essential that the international community finalise how they would fund these extra amounts by the Spring 2004 IMF-World Bank meetings, as the peace agreements in Sudan and Liberia appear to be progressing rapidly.*

VI. Ensuring Financing Consistent with the MDGs

Due to the funding needs for reaching the MDGs, Burkina Faso's debt will be unsustainable for 16 years. In addition, several countries (Ethiopia, Mali, Niger, Rwanda) have to cut poverty reducing spending to maintain debt sustainability.

The international community therefore needs to take 5 steps to reconcile financing needs with reaching the MDGs:

- Increasing grant flows (partly via the increase in ADF and IDA grants) to allow HIPCs to borrow less to fund the MDGs
- Ensuring a more equitable balance of country grant/aid allocations
- Increasing grant flows where the country has higher domestic debt burdens.
- Allowing countries to borrow more (on concessional terms) if grants cannot be mobilized to fund the MDGs, PV/export ratios can be kept below 200%, and debt service/revenue ratios can be kept below 10%.
- Providing adequate grant contingency financing to protect against (or compensatory financing to respond to) shocks, to avoid new borrowing.

The international community's response as countries reach their completion points in the next few months will be a litmus test of whether it is prepared to abandon the MDGs for theoretical concepts of debt sustainability and "freezing" costs to creditors.

VII. Prospects for Funding Debt Relief

Does all of the above mean that debt relief can be funded? The answer is clearly yes. There are several possibilities:

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- The Monterrey pledges and IFF proposals could all be used in whole or part to fund debt relief
 - The IMF is the only off-budget source of funding available in the development world, due to its capacity to revalue its gold reserves or to create global liquidity through issuing SDRs. It is vital to note that there is no legal reason why its funds from two sources could not be transferred to fund relief by other creditors:
 - (i) IMF gold reinvestment/sales could easily be used again to a greater extent to finance debt relief. The IMF still holds 89 million ounces of undervalued gold, worth US\$32.9 billion at current gold price (US\$370 per oz on 31 August, 2003). Selling even half of this would make a major contribution to debt relief needs. Off-market sales would be politically easier and would not threaten the gold price.

Previous debt relief has been financed through sales of IMF gold. In December 1999 the IMF Board authorized off-market transactions in gold of up to 14 million ounces to help finance IMF participation in the HIPC Initiative. This was done through off-market transactions to avoid influence on gold's world market price. December 1999 and April 2000, separate but closely linked transactions involving a total of 12.9 million ounces of gold were carried out between the IMF and two members (Brazil and Mexico) that had financial obligations falling due to the IMF. The amount of gold sold in this transaction made up 14% of IMF's total gold reserves. In the first step, the IMF sold gold to the member at the prevailing market price and the profits were placed in a special account invested for the benefit of the HIPC Initiative. In the second step, the IMF immediately accepted back, at the same market price, the same amount of gold from the member in settlement of that member's financial obligations. The net effect of these transactions was to leave the balance of the IMF's holdings of physical gold unchanged. In this off-market transaction, the sum of US \$ 3.9 billion was mobilized. This at least financed the IMF's share of HIPC relief.

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- (ii) The IMF also has another means of creating additionality - SDR allocations through which it could create additional global reserves. Voluntary transfer of allocations from OECD countries to developing countries could provide additional large-scale resources for contingency reserve financing as well as debt relief. According to another proposal, the new allocation of SDRs should be used to fund an emergency financing facility to deal with financial crises. A second proposal is that SDRs should be made available to poorer countries so that they can build up sufficient reserves without having to borrow at market rates. Creating an emergency financing facility to deal with financial crises might be a possibility to accompany debt relief.
- As Birdsall and Williamson point out, higher multilateral development bank charges for middle-income members could also provide additional funding for debt relief for low-income members. For example, this would not affect the World Bank's creditworthiness. Higher fees would be (a) a way to encourage countries to self-graduate and (b) would increase profits of multilateral banks and would thus enable them to funnel the additional profits to the HIPC program, taken into mind that the World Bank already provides US \$ 200 million a year. Taking into account that \$ 92 million of IBRD's outstanding loan portfolio of \$ 118 billion is lent to middle-income countries, this might yield the World Bank about \$ 460 million per year if the interest rate were raised only by 0.5%. Even if the higher interest-rate were charged only to upper-middle-income countries, the annual revenue would still be \$ 235 million. This plan would be suitable for World Bank lenders, but not for the African Development Bank as there is no such high-income country to charge higher interest rates.
 - Fairly convincing arguments have been made (Chantrey Vellacott) that the IMF and IDA could absorb more debt relief from their reserves, capital and provisions without any damage to their credibility or IBRD market creditworthiness. It is also important to note that there is also no legal reason why the proceeds of additional multilateral funds could not be used to fund debt relief by other creditors.

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- Related to the above is the expansion of the Existing Multilateral Financial and Technical Assistance for Debt Buy-backs. Since 1989, the World Bank has been administering a Debt Reduction Facility for IDA-only countries. The Facility provides grant financing and logistical support to IDA countries to conduct commercial debt-buyback operations. Most of its activities pre-date the HIPC Initiatives.

Much of the financing provided to the facility has been virtually depleted. In addition, the facility is structured to buy back the principal and not the interest component of a debtor's outstanding obligation to commercial creditors. Therefore, the facility may not provide adequate incentives for certain commercial creditors whose claims include large interest components to agree to participate in the buyback operations as currently structured. However, the facility could be a tool to include commercial creditors in the HIPC initiative. This would be a reason to revive and restructure the facility. Given the above problems, it is suggested that any future debt relief program should integrate into it the above multilateral buy-back scheme. Bilateral donors should be mobilized to contribute substantially to the facility to substantially increase the resources beyond the previous peak amount. More financial contributions to the facility would permit the facility to finance buyback of whatever balance that might be left unwritten-off, in any new debt relief arrangement and not only of commercial but also non-Paris bilateral official debts. In the ideal case, the scope of the facility should be extended to other countries that might be covered in any future debt relief.

VIII. Issues to be discussed

- How can additional financing for MDGs be raised?
- How can the quality of development financing can be improved?
- How much additional debt relief is financially feasible? Is additional debt relief possible without jeopardizing multilateral bank's future lending capacity?

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- Are IMF Gold sales a desirable measure to finance further debt relief? Should off-market or on-market transactions be preferred?
 - Which role can SDRs play in the debt relief program?
 - Will higher charges for middle-income countries by multilateral banks be feasible? What is the alternative option for the African Development Bank that does not have middle-income lenders to charge higher fees?
 - How can the existing programs for multilateral financial and technical assistance for debt-buybacks be expanded?

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