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DEBT RESTRUCTURING IN OIC COUNTRIES

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Many countries over the years defaulted on their debts. Until the late sixties such defaults were not recognised as a potential international problem. However, during the 1970s, a substantial group of countries in Latin America and Africa, amongst them some substantial debtors, came close to defaulting. Recognising the systemic risks that such large-scale defaults pose, the international community devised systems, fora and frameworks through which negotiated settlements between a debtor country and its creditors may be forged. The network of rules and methods through which such settlements are reached is known as debt restructuring. A large group of OIC countries face serious problems with their debts. Accordingly, many of these are currently engaged in debt restructuring arrangements.

1. INTRODUCTION

1.1. Purpose and structure of the paper

The paper examines the record and the practice of debt restructuring in OIC countries. The objectives of the exercise are:

1. To examine the extent of indebtedness of OIC countries, observe, and explore the debt problems they face.

2. To investigate the methods used by OIC indebted countries and their creditors to resolve debt and debt related problems.

3. To draw policy conclusions for the benefits of the OIC countries.

The paper is structured as follows: the second sub-section of this introductory section deals with the conceptual and the institutional issues of debt restructuring; section 2 includes an analysis of the debt performance of the OIC countries; section 3 tackles the main topic of the

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paper regarding the practice of debt restructuring in the OIC countries; section 4 includes a summary and some policy conclusions.

1.2. Conceptual and historical issues

Debt restructuring is defined as 'any action by a creditor that officially alters the terms established for repayment in a manner that provides a reduction in the near-term debt service obligations (debt relief). This includes buy-backs, debt and debt service reduction exchanges, *forgiveness*, *rescheduling*, re-phasing and *refinancing*' (Klein, 1994, p.208).

During their process of development, countries face many limiting constraints. Key amongst these is lack of domestic finance. Foreign finance permits a country to overcome its domestic constraints and to spend beyond the limits of its national income and saving capacities. Foreign borrowing is often used to augment domestic investment and productive capacities, and also to support vital consumption requirements. The potentiality of a country to draw foreign savings could well be the required catalyst for it to accelerate growth, increase production, income and consumption, and ultimately alleviate poverty. However, for the positive results of foreign finance to materialise and be sustained, the borrowed funds must be prudently used and managed.

In recent years, debt management has probably been the most researched and well-documented area among the other debt issues. Debt management received such prime attention mainly after the troublesome experience with debts, which led to the infamous debt crisis of the 1980s. Thus, external debt can also create extremely difficult macroeconomic problems, particularly when the principles of proper debt practice are not heeded. The objective of debt management policy, therefore, is to realise the benefits of external finance without getting entrapped into its negative and destabilising problems. Excessive and unsustainable indebtedness is usually a cause of general macroeconomic internal and external imbalances, namely inflation, budget and balance of payments problems.

Over the years, many countries in Africa, Latin America and recently Asia have had difficulties in servicing their debts. These were due partly to inept debt practice but also to external factors beyond their

control. Many of these countries have experienced the adverse effects of external debts. In Africa, debt problems are the product of both factors. Africa's chronic debt problems are predominantly with multilateral and public debts, while those of Latin America and Asia are generally more of a commercial and bilateral nature. When faced with repayment difficulties, indebted countries often have to enter into some form of negotiation with their respective creditors to restructure outstanding obligations. Therefore, debt restructuring refers to negotiated agreements between a debtor country and one or more of its creditors to modify terms and conditions of an original debt contract. The immediate aim of these negotiated arrangements is to help debtors deal with cancerous unmanageable arrears and avoid defaults, in an orderly manner. However they are not without costs. They normally have financial costs in the form of extra service charges. In addition, obtaining debt moratoria through debt restructuring usually has indirect costs that are much more painful than just the extra financial costs. Most of the countries that resort to debt rescheduling as a means of easing their outstanding debt obligations face an uphill battle to renew their access to international financial commercial markets. The stigma of default has lingered for decades with some countries even after they have cleared all their obligations.

The re-negotiation process of a scheduled obligation can be carried bilaterally or through multilateral clubs. Countries' sources and types of finance are often varied. Accordingly, it is mostly not possible or practical for indebted countries to conduct bilateral renegotiations with each and every one of their creditors. Another source of difficulty is the poor debt record of many countries, which renders bilateral settlements impossible. To avoid these and other difficulties, and to safeguard their interests, creditors initiated some multilateral clubs and mechanisms within which debt re-negotiation can take place. Another equally important reason for the creation of multilateral debt fora is to guard against systemic risks. This latter goal is emphasised by the support of the IMF to the arrangements. Debt restructuring, therefore, includes both rescheduling and relief operations. However, different types of debt have different fora and procedures to restructure.

The existing codes governing the restructuring of debts have evolved over time, with past cases serving as precedents for new ones. Turkey's call, in the late fifties, for a consolidation of arrears on short and

medium term commercial credits was the first multilateral debt restructuring case in recent history. The OECD, which co-ordinated international aid for Turkey, organised a conference in May 1959 for the purpose of restructuring those arrears. In 1961, Brazil and Argentina were unable to service medium term suppliers' credits that were either guaranteed or insured by export credit agencies in creditor countries. They approached creditor country governments to restructure these debts on bilateral basis. The creditor governments agreed amongst themselves only to negotiate collectively. The procedure developed in the negotiation with Brazil and Argentina formed the basis of the Paris Club[1]. During the sixties and seventies other platforms–aid consortia–were used to renegotiate debt moratoria but were since ceased. Nowadays debts to official creditors are restructured exclusively through the Paris Club. Commercial or bank debts are renegotiated through commercial banks consortia or bank advisory committees such as the London Club. Debts from multilateral institutions are not subject to debt relief, which as argued would affect their preferred creditor status.

To qualify for debt restructuring under the Paris Club or a consortium of banks, a debtor country should meet two requirements: first, to initiate a vigorous macroeconomic adjustment programme (SAP) to correct its balance of payments and to fix the causes that obliged the relief call. For that purpose, the country should first obtain IMF upper credit tranche facilities. Second, the other creditors of the applying country, not involved in the multilateral negotiation, should agree to match the terms the Paris Club and the banks consortia are prepared to offer. Initially, multilateral debt restructuring aimed to provide only debt relief for transient debt servicing difficulties. The chronic debt problems, of most of the countries that applied for debt service relief during the 1980s, proved this approach inadequate. The debt overhang problems of these countries were much more serious, so much so that debt reduction was also needed in addition to extending the maturities of outstanding[2] loans. A country facing imminent default on its official debts will approach the Paris Club secretariat after securing the necessary IMF support. Direct talks take place between the applying

[1] An ad-hoc creditor-country organisation for responding to debt relief requests with respect to guaranteed export credits and inter-government loans.

[2] Outstanding loans include current maturities, new arrears, and arrears on previously rescheduled loans.

country and representatives of its creditors. In a usually short meeting, the size of relief and a new time scale–or a consolidation period–are agreed. The relief agreed at the Paris Club takes effect with the signing of bilateral implementing arrangements with each creditor agency[3].

The length of the consolidation period is usually a year, which coincides with the IMF Structural Adjustment Facility (SAF) programme. Countries receiving IMF Extended Fund Facility (EFF), or Enhanced Structural Adjustment Facility (ESAF), and low-income countries in general may extend their consolidation periods up to three years. Only then, their debt relief is also disbursed in tranches over the period to ensure that required adjustments are being implemented. For certain countries, debt overhang may not disappear during the consolidation period. In such cases, creditors might offer extra debt relief (good-will clause) provided they maintain an IMF-supported SAP. Debt relief agreements usually set a 'cut-off date' determining their coverage. Any loans contracted by the debtor after that date would not be eligible for restructuring under the same arrangements. Establishing a cut-off date serves as a point of demarcation, or a new beginning, for a debtor country to obtain a satisfactory credit rating.

The terms of the debt relief offered vary between countries depending on each country's circumstances. Generally, these terms are set according to the country's income and indebtedness status as defined by the World Bank[4]. Countries at risk of defaults as a result of temporary problems such as liquidity shortages, or other adverse market conditions, are able to obtain a moratorium of up to 10-years maturity, and 5-years in grace[5]. Countries with more serious and chronic debt liability problems receive more concessional terms. Since 1988 heavily indebted countries with large official debt liabilities may be entitled to

[3] Both scheduled amortization and interest payments are normally restructured, although occasionally only the principal will be rescheduled. The interests on rescheduled debts (known as moratorium interests) often are not arranged at the Paris Club but are negotiated bilaterally.
[4] See World Bank, Global Development Finance, Analysis and Summary Tables, 1999.
[5] Applies to both ODA and non-ODA debt.

special relief under Toronto terms[6]. Eligibility to the Toronto terms is decided on a case-by-case basis.

This paper covers the debt restructuring of both sustainability and liquidity problems. The former is an overall chronic solvency problem that signifies the county's inability to meet its entire debt stock obligations. The latter is a temporary liquidity shortage covering only the country's outstanding obligations. That is, when temporary problems bring debtors close to defaulting and peril their ability to meet standing dues. In the latter case the country's economic fundamentals often remain sound, while in the former case they usually do not. In general, most of the low-income OIC countries, particularly those in Africa, suffer the former problem. Those in the middle-income group, mainly those in Southeast Asia, mostly suffer the latter. The recent Asian crisis, which has beset a number of OIC member countries, stands an example of such a case. Before the crisis, most of these countries have enjoyed good economic performances in terms of output, income, trade and investment variables. The paper attempts to address the recent debt restructuring experiences of both low and middle-income OIC countries.

2. OIC COUNTRIES INDEBTEDNESS [7]

2.1. Method and classification [8]

To assess a country's indebtedness, a number of relative measures have been developed and used in the debt literature. Most prominent amongst these is the use of debt ratios, which relate the size of debt to some of

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[6] In October 1988, the Paris Club adopted the 'Toronto Terms' of debt relief for severely indebted low-income countries that are classed as IDA-only by the World Bank. The Toronto terms include three options:

A. One third of the consolidated debt is cancelled and the remainder repaid with 14 years maturity, including 8 years grace. Moratorium interest rates are market-related.
B. Repayment terms are 25 years, with 14 years grace (as with ODA debt). Moratorium interest rates are market related.
C. Repayment terms are 14 years including 8 years grace. Moratorium interest rates are reduced: either 3.5 percentage points below market rates or 50 per cent of market, whichever gives the smaller reduction (Klein, 1994, p.144).

[7] Table 1 in the appendix of this paper provides an abridged picture of the OIC countries' debt situation. For a detailed record and analysis of the same, see Hamour 2000.

[8] This paper adopts the World Bank's Global Development Finance debt definitions and methodology of measuring indebtedness of countries.

the fundamental variables in the economy. Some of these ratios are also used in cross-country comparisons. The paper adopts some of these concepts to measure the debt burden, and to assess the sustainability and the liquidity problems of the OIC countries.

Two ratios are widely used to gauge countries' debt burdens, to assess debt ***sustainability*** (solvency), and to measure the extent of debt-overhang. One of these indicators is the ratio of debt stock (EDT) to GNP and the other is debt stock to exports of goods and services. Both current and/or future values of debt stock have been used in calculating these ratios. Given the perpetual and long-time nature of the debt problem, using present value (PV) is much more common nowadays. The PV concept also takes into consideration the level of concessionality of the debt stock. It is these two indicators which the paper uses to assess the debt situation of the OIC countries. In addition, the paper utilises two more ratios, namely total debt service to exports ratio, and to a limited extent, the interest export ratio. Debt sustainability generally is a medium-to-long-term question while shortages of liquidity are of a short-term nature. Accordingly, every debt sustainability problem is also a liquidity problem but the reverse is not true.

In PV terms, a country is regarded as severely indebted (SI) if its debt stock to gross national product (EDT/GNP) ratio is above 80 per cent and/or its debt stock to export of goods and services (EDT/XGS) is above 220 per cent. Moderately indebted (MI) countries have an EDT/XGS ratio below 220 but above 132 per cent and/or an EDT/GNP ratio below 80 but above 48 per cent. Low indebted (LI) countries have ratios below the lower limits of both ratios. These rates are the basic criteria behind the classification in Table 1. Accordingly, if a country's debt ratios are perpetually within the high ranges of these ratios, this may be an indication of a debt sustainability problem. The short-term and sometimes abrupt nature of a liquidity problem may make it much more difficult to pick in advance. Generally, however, a high debt-service to exports ratio TDS/XGS is a more relevant indicator to the question of liquidity. Arrears and frequency of rescheduling are key indicators to the level of indebtedness of a country. In this sense, debt restructuring may shed some light on the intensity of a country's debt burden.

Table 1
OIC countries: by income and indebtedness 1995-97

LOW INCOME COUNTRIES			MIDDLE INCOME COUNTRIES		
Severely indebted	**Moderately indebted**	**Low indebted**	**Severely indebted**	**Moderately indebted**	**Low indebted**
Burkina Faso	Bangladesh	Albania	Gabon	Algeria	Djibouti
Cameroon	Benin	Azerbaijan	Guyana	Malaysia	Egypt
Guinea	Chad	Kyrgyzstan	Indonesia	Morocco	Iran
Guinea-Bissau	Comoros	Tajikistan	Jordan	Tunisia	Kazakhstan
Mali	Gambia	Turkmenistan	Syria	Turkey	Lebanon
Mauritania	Pakistan				Maldives
Mozambique	Senegal				Oman
Niger	Togo				Uzbekistan
Nigeria	Yemen				
Sierra Leone					
Somalia					
Sudan					
Uganda					
13	9	5	5	5	8
48.2	33.3	18.5	27.8	27.8	44.4

Source: World Bank Global Development Finance 1998, p.67 and 1999, p.101.
The last two rows show the number and percentage of countries in each group, respectively.

Countries in the high-income bracket, of which eleven are OIC members, seldom face problems with debt and thus are not the subject of this study. Forty-five (80.4 per cent) of the fifty-six OIC member states belong to the low and middle-income groups, 27 and 18 respectively. The OIC countries' intensity of indebtedness does not appear to coincide with their income categories. In 1997, over half (51.8 per cent) of the low-income OIC countries were not severely indebted. In reality, five countries of this group (18.5 per cent) were low indebted and 9 others (33.3 per cent) were moderately indebted. On the other hand, 10 (55.6 per cent) of the OIC middle income countries were equally split between severe and moderate indebtedness. The rest of the group members, 8 countries (44.4 per cent), were low indebted. Overall, 40 per cent of all the OIC-LDCs are severely indebted, 31.1 per cent are moderately indebted and 28.9 per cent are low indebted countries. In general, therefore, it is not unreasonable to assert that some 75 per cent of the OIC countries face a debt-related problem. We now turn to the question of determining the types and the intensity of indebtedness faced by the OIC countries (Table 1).

2.2. Extent of the OIC countries' debt problem

This section gives an assessment of the debt intensity of OIC countries using debt ratios. The PV/GNP and PV/XGS ratios indicate that at least twenty-eight low and middle-income OIC countries have some problems with their debt. This figure represents 50 percent of all OIC countries. Most of the problems these countries face have implications on the sustainability of their debt. The majority of the countries with sustainability problems are located in sub-Saharan Africa. While this is mainly a sub-Saharan African problem, it is also present in other regions. Guyana, Syria, Jordan and Indonesia are examples from the other regions which suffer similar serious problems. To a lesser extent Bangladesh, Pakistan, Yemen of the low-income group, and Algeria, Malaysia, Morocco, Tunisia and Turkey of the middle-income group also suffer some problems with their debt (Tables 2 and 3).

Of the sub-Saharan African countries, Guinea-Bissau, Mozambique, and Sudan exhibit extraordinarily high debt ratios (Table 3). Some very high debt ratios are also present in the cases of Sierra Leone, Mauritania, Cameroon, Guinea, Niger, Uganda, Burkina Faso, Mali and Gambia. Such extremely high levels of indebtedness are often unsustainable. It is widely acknowledged that countries with such an extreme indebtedness level would require substantial international support to bring their debt burden to sustainable levels (Boote and Thugge, 1997). Many of the OIC countries have benefited from international support under various debt relief schemes. The latest of these schemes is the Heavily Indebted Poor Countries (HIPCs) Initiative. Most of the heavily indebted OIC countries are eligible under the HIPCs scheme. Many of these have already applied and are at various stages of the process, while others have yet to apply or to be offered the opportunity to apply (see section 3).

Some of the OIC countries that managed to escape long-term debt problems have suffered severe liquidity shortages. The East Asian member countries, which are the prime victims of the Asian debt crisis, form the main body of this group. The other two ratios–TDS/XGS and INT/XGS–do not seem to convey much more information regarding these countries' liquidity and indebted position.

It is observed that the debt situation of the OIC countries in general, and in Africa and Southeast Asia in particular, is rather precarious.

Table 2
OIC countries' debt burden: Ranked against present value of debt (PV) to GNP ratio*

Country	PV/GNP*	Country	EDT/GNP
Somalia	—	Somalia	—
Guinea-Bissau	258	Guinea-Bissau	374
Mozambique	203	Mozambique	257
Mauritania	171	Mauritania	237
Guyana	159	Guyana	220
Sudan	153	Sudan	218
Sierra Leone	118	Sierra Leone	136
Syria	112	Syria	131
Jordan	97	Jordan	123
Mali	94	Mali	116
Cameroon	86	Cameroon	114
Gambia	84	Gambia	111
Togo	69	Togo	98
Guinea	68	Guinea	97
Comoros	64	Comoros	95
Gabon	63	Gabon	95
Nigeria	62	Nigeria	88
Yemen	61	Yemen	88
Niger	59	Niger	84
Benin	59	Benin	78
Senegal	54	Senegal	76
Algeria	52	Algeria	73
Chad	51	Chad	67
Indonesia	50	Indonesia	66
Tunisia	49	Tunisia	63
Uganda	45	Uganda	61
Djibouti	45	Djibouti	58
Morocco	37	Morocco	58
Maldives	36	Maldives	57
Burkina Faso	36	Burkina Faso	54
Malaysia	36	Malaysia	52
Turkey	35	Turkey	50
Turkmenistan	34	Turkmenistan	48
Pakistan	34	Pakistan	47
Tajikistan	34	Tajikistan	45
Egypt	32	Egypt	44
Lebanon	31	Lebanon	38
Bangladesh	30	Bangladesh	37
Kyrgyzstan	24	Kyrgyzstan	34
Oman	21	Oman	34
Albania	21	Albania	27
Kazakhstan	20	Kazakhstan	21
Azerbaijan	11	Azerbaijan	13
Uzbekistan	11	Uzbekistan	12
Iran	10	Iran	11

Source: World Bank, Global Development Finance 1999, pp.105-107.
EDT: Nominal value of the stock of debt. PV: Present value of the stock of debt.
— Not available.

Failing to meet outstanding obligations would certainly mean loss of access to new resources and funds. To avoid such an eventuality countries go a long way towards tightening their policies to meet debt and other external requirements. However, the focus on the external sector often destabilises the internal economy and causes internal imbalances and distortions. To manage such a difficult situation, many OIC countries have been engaging their debtors in an effort to restructure their outstanding indebtedness. Debt restructuring is a broad area which includes, inter alia, debt forgiveness, debt relief and debt rescheduling. In the following chapter we survey and discuss the debt restructuring experience of the OIC countries.

Table 3
OIC countries ordered by severity of indebtedness and rated against PV to XGS ratio*

	PV/ XGS*		EDT/ XGS		TDS/ XGS		INT/ XGS
Somalia	—	Somalia	—	Somalia	—	Somalia	—
Guinea-Bis.	1769	Guinea-Bis.	2562	Pakistan	35	Algeria	14
Sudan	1423	Sudan	1530	Indonesia	33	Indonesia	11
Mozambique	708	Mozambique	1185	Algeria	30	Pakistan	11
Sierra Leone	619	Sierra Leone	982	Iran	30	Cameroon	10
Mauritania	358	Mali	512	Guinea-Bis.	27	Guinea-Bis.	10
Cameroon	345	Mauritania	498	Morocco	27	Mozambique	10
Guinea	331	Uganda	485	Uganda	25	Mauritania	9
Niger	309	Niger	478	Mauritania	23	Morocco	9
Syria	298	Guinea	472	Cameroon	22	Gabon	8
Uganda	269	Burkina Faso	427	Guinea	22	Guyana	8
Burkina Faso	237	Cameroon	404	Mozambique	22	Sierra Leone	8
Mali	220	Chad	354	Turkey	21	Turkey	8
Indonesia	215	Benin	344	Turkmenistan	21	Guinea	7
Comoros	208	Syria	331	Guyana	19	Burkina Faso	6
Algeria	201	Comoros	324	Niger	18	Jordan	6
Pakistan	199	Pakistan	253	Burkina Faso	17	Lebanon	6
Chad	190	Bangladesh	251	Sierra Leone	17	Senegal	6
Nigeria	164	Indonesia	228	Senegal	16	Tunisia	6
Turkey	164	Senegal	222	Tunisia	16	Turkmenistan	6
Benin	149	Algeria	212	Lebanon	15	Uganda	6
Morocco	148	Gambia	202	Gabon	14	Benin	5
Senegal	147	Guyana	197	Mali	14	Egypt	5

Bangladesh	144	Togo	192	Gambia	13	Iran	5
Guyana	143	Turkey	182	Uzbekistan	13	Niger	5

Table 3 (continued)
OIC countries ordered by severity of indebtedness and rated against PV to XGS ratio*

	PV/ XGS*		EDT/ XGS		TDS/ XGS		INT/ XGS
Jordan	143	Nigeria	173	Bangladesh	12	Uzbekistan	5
Turkmenistan	135	Morocco	166	Benin	12	Chad	4
Gabon	132	Kyrgyzstan	163	Chad	12	Kyrgyzstan	4
Togo	125	Jordan	157	Jordan	12	Mali	4
Tunisia	120	Egypt	147	Egypt	10	Nigeria	4
Kyrgyzstan	117	Turkmenistan	145	Azerbaijan	9	Albania	3
Gambia	106	Gabon	134	Nigeria	9	Bangladesh	3
Egypt	105	Tunisia	129	Syria	9	Gambia	3
Lebanon	102	Djibouti	127	Kyrgyzstan	8	Kazakhstan	3
Tajikistan	85	Tajikistan	111	Malaysia	8	Malaysia	3
Djibouti	79	Yemen	109	Maldives	8	Syria	3
Yemen	79	Lebanon	106	Togo	8	Azerbaijan	2
Albania	72	Albania	93	Kazakhstan	7	Oman	2
Uzbekistan	65	Uzbekistan	69	Oman	6	Togo	2
Kazakhstan	61	Kazakhstan	63	Albania	5	Comoros	1
Iran	54	Iran	57	Sudan	5	Djibouti	1
Malaysia	48	Azerbaijan	56	Tajikistan	5	Maldives	1
Oman	46	Malaysia	51	Comoros	4	Sudan	1
Azerbaijan	42	Oman	49	Djibouti	3	Tajikistan	1
Maldives	25	Maldives	42	Yemen	3	Yemen	1

Source: World Bank, Global Development Finance 1999, pp.105-107.
XGS: Exports of Goods and Services; TDS: Total Debt Service Payments; INT: Total Interest Service Payments.

3. DEBT RESTRUCTURING IN OIC COUNTRIES

The management of each financial crisis has significant implications on its consequences. The recent international financial history is littered with both amicable as well as slack cases of crisis management and resolution. Generally, the former type entails a co-operative attitude on the part of both debtors and creditors, while the latter indicates mostly the lack of it. The worst cases invariably involve some form of hostility between the two. Such cases often engender bad debts and losses to creditors and diminish debtors' access to new funds. Widespread debt problems may pose a systemic risk. In the worst scenario, precipitation

of defaults may threaten the very existence of the international financial system. Thus, a mutual regard and understanding of the interests of the other may be beneficial to both debtors and creditors. On the basis of the above discussion and building on section 1, the restructuring of a certain country's debt obligations depends mainly on the following factors:

First, debt composition or structure of indebtedness: the mix of a country's debts (public, publicly guaranteed or private) is the main determinant of the institutional set-up and the procedures through which the restructuring would be carried out.

Second, the structure of creditors: whether the indebted country's creditors are predominantly official or commercial, large or small, few or numerous.

Third, severity of a country's indebtedness and state of development: contemporary international financial practice takes into consideration the extent of an indebted country's predicament, and its ability to service restructured contracts.

International finance experience has shown that all countries, rich and poor, developed and developing, less or least developed, can have debt problems. Whenever a country has difficulty raising enough resources to finance its current and investment requirements, the emergence of financial crises becomes only a matter of time. Experience has also shown that some countries can resist and are able to delay the onset of such crises more than are others. Some countries are able to cope with the consequences of crises better than others. Yet, once a financial crisis is set off, invariably some form of financial restructuring has to take place before afflicted countries can regain their financial balance. Since 1970, either debt restructuring or an increase in arrears accompanied about 62.5 per cent of the more than sixty balance of payments crises (Sabater, 1995). Comprising most of sub-Saharan Africa and a large portion of Southeast Asia, the OIC world has been among the world's main theatres of financial and debt restructuring activity. In the coming sections, we give a detailed account of the restructuring activity in the OIC world.

3.2. Commercial debt restructuring in the OIC countries[9]

[9] The analysis in this section is based on Table 4 and Appendix Table 2.

Between January 1980 and December 1998 (the study period), 18 OIC countries entered into 43 multilateral debt relief agreements with commercial banks involving a total of $133.7 billion. The number of agreements per country for the OIC group averaged 2.38 times during the study period. Terms of agreements varied between different countries and also between the different rounds of restructuring for the same country. The restructuring of these countries' commercial debts included mainly six operations:

First, rescheduling refers to the consolidation of debt into new long-term obligations. It may include arrears as well as future maturities, interests and short-term debts. 'Rescheduling is the *main* scheme of debt restructuring in which some or all of the debt service falling due during a defined period (*the consolidation period*), possibly including amounts in arrears at the start of the period, will be consolidated and repaid on new terms. Effectively, the amounts involved form the outstanding amount of a new loan with terms defined at the time of the rescheduling. The rescheduled amounts may include both principal and capitalised interests. Rescheduling debt is one way of providing a debtor with a period of reduced debt service, as a means to allowing economic recovery' (Klein, 1994, p.221). Ninety five per cent of the OIC countries' commercial debts have been restructured through rescheduling ($126.3 billion in total). However, 63.5 per cent ($80.2 billion) of this total belongs to a single country, Indonesia. In fact four other countries, namely Nigeria, Iran, Morocco and Algeria share a combined total of $40.4 billion of that total (32.0 per cent). Thus, adding these to Indonesia, we realise that of the 18 OIC countries that are involved in commercial debt rescheduling, only five countries share between them over 95 per cent of the OIC's total rescheduled commercial debt.

Second, debt buyback, which is the purchase by the debtor of its own debt, usually at a discount: by buying back their debts, debtors reduce their indebtedness while creditors receive some of the debt[10]. Buyback operations often are financed by the debt reduction facility of

[10] As a standard practice, commercial banks put their credits in the second-hand market. Through third parties, debtor governments may buy back their own debts on the second-hand markets, as direct purchase would contradict commercial bank practice.

the International Development Association (IDA) of the World Bank and with funds from other donors. At least 10 of the poorest least developed OIC countries have benefited from this operation. A total of 4.6 billion dollars, which represents 3.4 per cent of the OIC countries' total debt, has been bought back during 1980-98. The full potential of this facility has not been exploited as some OIC countries have not managed to use this method to their advantage. This is either due to a dearth of adequate support or simply to a lack of know-how.

Third, to convert due maturities, mainly of short-term debt and overdue debt services, to long-term debts, often with new concessional terms. Over the study period, 1.5 per cent ($2.13 billion) of the OIC countries total commercial debt has been restructured in this manner. Portions of only Nigeria's ($2 billion) and Albania's ($130 million) debts have been subject to this method of restructuring.

Fourth, short-term credit maintenance (STCM): this is an understanding by creditor banks to maintain the size of existing trade or other short-term credit facilities. STCM is often arranged in conjunction with debt rescheduling. Over the study period, only half a per cent of total OIC countries' debt ($0.6 billion) was subject to STCM.

Fifth, deferment (short-term rollover of current maturities): refers to an agreed delay of specific due debt service obligations, pending the negotiation of a debt restructuring agreement. Only $60 million (0.05 per cent) of OIC countries' total debt have been deferred.

Sixth, new long-term money: includes loans arranged for budgetary or balance-of-payments support in conjunction with debt rescheduling, usually in proportion to each bank's exposure; sometimes referred to as concerted lending. This form of restructuring represents a negligible proportion (0.014 per cent) of the OIC countries' total commercial debt restructuring.

Of all the OIC countries, only a few middle-income countries have significantly large commercial debts. Thus, only a handful of OIC countries are involved in sizeable commercial debt restructuring, which is done mainly as rescheduling. Low-income OIC countries have a very small share of the OIC total commercial debts, and thus a minor role in commercial debt restructuring activity. However, these relatively small

shares are quite significant compared to those countries' own finances. However small it may be in relation to the OIC's debt totals, new long-term money plays an important role in concerted rescue packages in crisis situations.

Table 4
Types, structure and shares of commercial debt restructuring operations of OIC countries
(January 1980–December 1998)

	In billion US dollars	In per cent
1/ Rescheduling	126.267	94.45
2/ Buyback operations	4.599	3.44
3/ Converted to long term debt	2.130	1.59
4/ Short-term credit maintenance	0.610	0.46
5/ Deferment	0.060	0.05
6/ New long-term money	0.019	0.014
Total	**133.685**	**100**

Source: Calculated on the basis of Appendix Table 2.

3.3. Rescue packages and the OIC countries

During the 1990s, the international financial system became more inter-linked and interdependent than ever before. As a result, the system balances became more complicated, but also much more fragile. In such a setting, large-scale defaults of many debtors, or of a single but large enough debtor, pose a serious threat to the overall stability of the system. External debt of the private sector played a major part in the 1997-98 financial crisis. In fact, this is one of the critical features distinguishing it from most previous developing country crises. "The private sector accounted for 60 per cent of total debt in Indonesia, 69 per cent in Thailand, and 90 per cent in Korea" (GDF, 1999b, pp.83-4).

Two OIC members, Malaysia and Indonesia, are among the countries seriously affected by the Asian crisis. Before the crisis, both countries were relatively 'successful' middle income countries, forming part of the so-called Asian miracle. Both countries were attracting high rates of foreign direct investment (FDI) and other forms of foreign investment finance. Also in both countries the shares of private foreign

finance were considerably higher than the overall developing countries' average, and naturally than the OIC average (GDF 1999a, pp.4-8).

3.4. Official debt restructuring in OIC countries[11]

Over the study period, twenty-nine OIC countries concluded 119 multilateral official debt-restructuring agreements with official creditors. This makes 52 per cent of all OIC countries and 40 per cent of all countries with similar deals. The total amount of funds restructured in 117 of these agreements[12] exceeded $92.5 billion. Overall, the average number of agreements per country is 4.1.

In restructuring official debts, two distinct patterns emerge between low and middle-income OIC countries. Low-income countries concluded a larger number of agreements (5.2 rounds per country on average) than middle-income countries (3.1 rounds per country on average). In contrast, middle-income countries' average dollar value per agreement is about $1.74 billion, while that of low-income countries is only $148 million per round. This difference, in itself, is a reflection of each income groups' pattern of indebtedness and capacity to support debts. Nevertheless, the relief element and the repayment arrangements of each agreement--namely length of consolidation, maturity and grace periods etc.--are case-specific. Ninety-nine of the 117 relief arrangements include either arrears or previously rescheduled debt, and in many instances, both. Such high frequency of rescheduling and consolidation of arrears and previously rescheduled debts is another sign of debt sustainability problems.

The rescheduling of sovereign debts–public debts and officially guaranteed export credit–take place within the Paris club. During the period 1996-98, 13 OIC countries concluded 14 multilateral rescheduling agreements with the Paris club. These agreements covered a total sum of $5.5 billion under the Naples terms and/or the Lyon terms. The former offers 67 per cent relief of eligible countries' outstanding debts while the latter upgrades that to 80 per cent (Appendix Table 2).

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[11] The information and analysis of this section are based on Appendix Table 3.
[12] The values of the two remaining agreements are not known.

Under the rescue package for the countries hit by the 1998 financial crisis, Indonesia concluded an agreement in September 1998 to restructure $4.3 billion owed to Paris club creditors. This was the only agreement concluded since January 1, 1998, with a middle-income country. Pakistan signed a flow rescheduling on Houston terms (offers only 50 per cent relief). Since 1995, six OIC countries received stock-of-debt operations on Naples terms, Uganda in 1995, Mali, Guyana, Burkina Faso and Benin in 1996, and Senegal in 1998. The operations covered a total of $1.675 billion. In addition to that, several flow reschedulings were also agreed.

3.5. Progress under the HIPCs initiative [13]

Eighteen of the 40 countries selected as heavily indebted poor countries (HIPCs) are OIC member countries. In 1999, 12 HIPCs were reviewed for eligibility, eight of which were OIC members. Debts of Benin and Senegal were judged to be sustainable with traditional relief measures and thus did not warrant assistance under the HIPCs initiative. Uganda reached the completion point and Burkina Faso, Guyana, Mozambique, and Mali the decision point. Guinea-Bissau's situation is to be revised after resolving the armed conflict and a new recovery programme is in place.

Uganda is the only OIC country that reached its completion point (April 1998) and its stock of debt operation of 1995 was topped up to Lyon terms. The agreement included debt swap clauses allowing creditors to sell or exchange their commercial claims on a voluntary basis, in the framework of debt for nature, debt for aid, debt for equity swaps, or other local currency debt swaps.

Burkina-Faso, Guyana, Mozambique and Mali have reached the decision point, and assistance was committed to them. Mozambique received a special action with creditors agreeing to top up the third tranche of the Naples flow rescheduling to Lyon terms. In addition, Paris club creditors indicated willingness to raise Burkina Faso and Guyana

[13] The initiative was proposed by Boote and Thugge in 1997 in the IMF working paper number WP/97/24. Developments and details on the initiative can be found under HIPC in the World Bank Group Website at www.worldbank.org. That is also where the OIC-HIPCs related information came from.

from Naples terms to Lyon terms. All flow reschedulings with HIPCs contained a goodwill clause in which creditors indicate willingness to provide stock-of-debt operation at the end of the consolidation period. This is provided under the condition that, at that point, the country must have fully implemented the rescheduling agreement and has the appropriate arrangement with the IMF.

The extension of the HIPCs initiative's entry period has allowed more eligible countries to join in the process. Similarly, the recent review of the initiative is anticipated to ease some of the stringent conditions, which were deemed to be excessive and unnecessary. After the review, eligible OIC countries may be able to draw funds under the initiative earlier than before. Also, with more stock of debt operations pledged, the scope of the relief may become even higher. Accordingly, the HIPCs initiative still offers OIC countries and other HIPCs the best plausible way out of the vicious circle of indebtedness. However, civil strife will continue to prevent many of the eligible OIC countries from taking advantage of the initiative.

4. SUMMARY AND CONCLUSIONS

Over the last three decades, perpetual debt problems have increased the awareness and the information base about debts. The need to keep debt levels sustainable and use-efficient has become common knowledge. Developing countries need to maintain the delicate balance between risks and costs to avoid problems with debts. Recent experience with debts has shown that the important decisions regarding debts were made in response to short-term myopic considerations and not by far-sighted strategies. The structure of debts, the choice of currency, and maturity decisions were all made in that manner. The OIC countries' experience was not distinct from that general trend.

Due to their large stock of debt liabilities, OIC developing countries are particularly exposed to the volatility of global markets. Over 70 per cent of these countries' outstanding debts are based on floating interest rates. Almost all rescheduled debts are indexed to LIBOR or a similar base rate. In addition, sizeable proportions of their private debts are short-term, which adds to this volatility.

As a result, 48.2 and 27.8 per cent of the low-income and the middle-income OIC countries respectively are severely indebted (SI). SI countries often suffer both sustainability as well as liquidity problems. Over 33 per cent of the former and 27.8 per cent of the latter groups are moderately indebted and suffer at least severe shortages of liquidity. Thus, on the whole, over 68 per cent of the OIC countries suffer serious problems with their debts. Therefore, a large number of OIC countries had to restructure their outstanding commercial and official debt obligations.

Over the study period, 18 OIC countries agreed 43 separate deals with their commercial creditors. In the process, a total of 133.7 billion dollars worth of outstanding commercial debts was restructured. Over 90 per cent of this sum belong to a handful of countries, with Indonesia alone taking over 60 per cent. Various types of restructuring and relief methods were adopted in these deals, including various moratoria and swap schemes. On official debts, 29 OIC countries concluded a total of 119 separate deals involving over 90 billion dollars. Over the study period, two distinct modes of restructuring emerged between low and middle-income OIC countries. The former group's contracts are very frequent but low in value, while those of the latter group are infrequent but are considerably higher values. The existence of such a difference hints to the fact that the low-income countries' problems are more to do with the issue of sustainability of the debt. The large sums involved in the middle income group deals are a reflection of their level of access to loanable funds.

Some OIC countries, particularly in the low-income bracket, have not taken full advantage of available traditional debt relief solutions. For instance, only a handful of countries of the group have ventured into second hand markets to repurchase their own debts. Even far less OIC countries appeared in debt swap schemes. The reasons behind this are numerous, but the most important among them are the following:

- Dearth of information and know-how;
- Lack of cooperation with donor agencies, creditors and debt restructuring institutions;

- Lack of political and economic stability and problems of security and civil strife.

These factors, *inter alia*, prevent a number of OIC countries from taking advantage of available technical and financial multilateral debt support schemes. Continuing presence of some of these factors will cause these and other countries to miss out on current initiatives, particularly the HIPCs initiative.

Accordingly, OIC countries, low and middle-income alike, should seek to resolve these and other structural problems as a prime priority. Equally important is the issue of credibility. OIC countries, particularly the ones with restructured obligations, should seek to establish a good track record. Perceptions matter a great deal in the financial market, and a credible record is a prerequisite to creating favourable impressions. Improving credit ratings should be among each and every country's main targets.

Creditors have various fora to represent them, and push-forward their agenda and safeguard their interests. Debtor countries lack the benefits of similar platforms. Accordingly, indebted countries need to create a platform to voice their joint concerns and guarantee their side of the deal. At present, some of the NGOs working in the developing world have championed the cause of the countries in debt. It is high time such support be coupled with the voice of the debt-afflicted countries' own representative body. However, such a body can prove difficult to organise on a regional or sub-regional basis.

In addition, indebted countries have to strike and sustain the delicate balance between costs and risks. Reducing costs will often lead to higher risks and vice versa. Countries also need to reduce vulnerability to foreign exposure by deepening domestic financial markets. Diversifying their type and sources of funds as well as their debt currencies will also help reduce this exposure.

OIC countries need to explore and take full advantage of all available multilateral as well as bilateral debt restructuring and relief schemes. However, to do so correctly, OIC countries need to enhance their information bases regarding the costs and benefits of each scheme.

All of these factors and practices are embodied in the nowadays familiar and popular notion of good debt management [14].

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[14] For a more detailed analysis of debt management strategy, see Klein, 1994.

Appendix

Table 1
OIC countries' total debt composition 1980, 1990-97

(US$ million)	**1980**	**1990**	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**
1. EDT	153269	396022	417804	459214	478367	508466	552339	561306	570896
%	25	28	27	28	27	26	26	25	25
2. LDOD	126692	333713	348746	352150	373114	427919	456908	451182	448242
%	28	29	28	27	26	27	27	26	25
3. P&PG	119241	317458	328164	325231	344065	384157	400376	384123	364658
%	31	29	28	27	27	28	28	27	26
4. Private	7452	16158	20581	26919	29048	43759	55417	66870	83315
%	11	27	26	27	23	23	25	24	23
4. IMF	4213	6500	6831	6410	5915	8045	9297	9787	12523
%	34	19	18	17	15	18	15	16	18
5. STD	22365	55909	62231	76855	87835	72522	87257	100529	110401
%	15	24	22	25	26	20	20	22	24
6. Interest arrears (LDOD)	586	8912	8157	8828	11223	13000	15472	15202	14294
%	24	17	15	19	24	30	35	39	44
a. Official creditors	512	6146	6075	7438	9534	11125	12714	13236	12588
%	25	32	36	41	47	48	50	52	53
b. Private creditors	74	2765	2082	1390	1689	1875	2758	1966	1706
%	17	8	6	5	7	9	15	14	20
7. Principal arrears (LDOD)	1155	18224	16914	18249	21246	25055	29677	31685	31186
%	46	31	27	24	26	27	27	31	37
8. Total disbursements	27300	37707	41366	48053	46021	49362	49881	63068	69690
%	24	29	30	30	25	26	21	23	21
a. LDOD	25212	37261	39946	47469	45583	46865	47848	61241	65071
%	23	31	31	31	26	26	23	23	21
b. IMF purchases	2088	446	1420	584	438	2498	2033	1827	4619
%	35	6	15	8	6	30	7	21	20
9. Principal repayments	9768	29973	29595	33371	33194	35931	38780	45804	43565
%	22	34	33	34	31	30	28	27	22
a. LDOD	8938	28663	28465	32357	32261	35160	37881	44781	42354
%	21	36	34	35	32	31	29	27	38
b. IMF purchases	830	1310	1130	1014	933	771	899	1024	1210
%	41	16	17	17	17	11	8	13	1
10. Net flows on debt (NFOD)	17535	17505	18862	28637	24220	7129	27764	31906	36876
%	16	31	27	29	21	6	17	24	24
a. NFO-STD	0	10023	7390	13941	11573	-6206	16194	14127	10573
%	0	65	33	37	30	-15	26	45	50
11. Interest payments (INT)	9287	18795	19105	21026	20036	20506	23360	24703	23646

Table 1 (continued)
OIC countries' total debt composition 1980, 1990-97

(US$ million)	**1980**	**1990**	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**
%	19	27	26	31	29	26	23	23	22
a. INT-LDOD	6704	15403	15547	17432	15655	16501	19062	9922	18180
%	20	29	28	32	30	27	25	12	21
b. IMF charges	159	451	308	249	181	186	246	275	279
%	34	18	12	10	8	10	9	12	13
c. INT-STD	2425	2941	3249	3344	4200	3819	4053	14507	5188
%	16	23	22	28	30	24	19	64	23
12. Net transfers on debt (NTOD)	8248	-1290	-243	7611	4184	-13376	4403	7203	13230
%	13	10	20	24	9	-42	8	25	29
13. Total debt service (DS) paid	19055	48768	48699	54397	53230	56437	62140	70508	67211
%	20	31	30	33	30	28	26	25	22
a. DS on LDOD	15641	44066	44013	49788	47914	51666	56943	64703	60524
%	21	33	32	34	31	30	27	26	22
b. DS on IMF	989	1761	1437	1265	1116	952	1144	1296	1489
%	40	17	16	15	15	11	8	13	14
c. DS on S-TD	2425	2941	3249	3344	4200	3819	4054	4508	5198
%	16	23	22	28	30	24	19	20	23
14. Net resource flows (NRF)	25447	28311	32926	37147	40326	40584	40180	52526	50490
%	31	29	27	24	18	18	16	17	15
15. Net transfers (NT)	10588	7280	14141	12233	17233	16039	12136	22589	22113
%	40	28	28	16	12	12	8	12	10

Source: Global Development Finance 1999, various tables.
Notes: Percentages are of the respective developing countries' totals.
EDT: Total debt stock.
LDOD: Long term debt.
STD: Short term debt.
P&PG: Public and publicly guaranteed debt.
Private: Private non guaranteed debt.
IMF: Use of IMF credit.

Table 2
Multilateral debt relief agreements of OIC member states with commercial banks
January 1980–December 1998

	Consolidation period		Amount restructured (millions of U.S. dollars)		Other assistance (millions of U.S. dollars)		Repayment terms (consolidation portion only)		
Country and date of agreement	**Start date**	**Length (months)**	**Deferment**	**Re-scheduling**	**New long-term money**	**Short-term credit maintenance**	**Maturity (years/months)**	**Grace (years/months)**	**Interest (margin)**
Algeria									
Feb-92	See notes			1500			5–8/0	3/0	1½ /1 3/8
Jun-95	Mar-94			3200			12/6–16	6/6	13/16
Albania									
Jul-95	Debt buyback (see notes)								
Gabon									
Dec-87	1-Sep-86	16		27			10/0	4/6	1 3/8
Dec-91	1-Jan-89	36		75			13/0	3/0	7/8
May-94	10-Jul-94	6		187			10/0	2/6	7/8
Gambia, The						½			
Feb-88	Balance as of 18-Dec-86				19	¾	8/0	3/6	1¼
Guinea									
Apr-88	Short-term debt only			28			3/0	0/6	1¾
Dec-98	Debt buyback (see notes)								
Guyana									
Aug-82	11-Mar-82	13	14						2½
Jun-83	1-Jul-83	7	12						2½
Jul-84	1-Aug-84	12	11						2½
Jul-85	1-Aug-85	18	15						2½
Jul-88			8						
Nov-92	Debt buyback (see notes)								

Table 2 (continued)
Multilateral debt relief agreements of OIC member states with commercial banks

	Consolidation period		Amount restructured (millions of U.S. dollars)		Other assistance (millions of U.S. dollars)		Repayment terms (consolidation portion only)		
Country and date of agreement	**Start date**	**Length (months)**	**Deferment**	**Re-scheduling**	**New long-term money**	**Short-term credit maintenance**	**Maturity (years/months)**	**Grace (years/months)**	**Interest (margin)**
Indonesia									
Jun-98	Debt rescheduling (see notes)								
Iran									
Mar-93	Balance as of Mar-93			2800			1/1	1/0	$^{13}/_{16}$
Dec-94	Balance as of Dec-94			10900			6/0	2/0	$^{13}/_{16}$
Mauritania									
Aug-96	Debt buyback (see notes)								
Morocco									
Feb-86	9-Sep-83	16		531		610	7/0	3/0	1¼
Sep-87	1-Jan-85	48		2415			11/0	4/0	$1^{3}/_{16}$
Sep-90	Balance as of 31-Dec-89			3200			18/4	8/10	$^{13}/_{16}$
Mozambique									
May-87	Entire stock of debt			253			15/0	8/0	1¼
Dec-91	Debt buyback (see notes)								
Niger									
Mar-84	1-Oct-83	29		29			7/6	3/6	2
Apr-86	1-Oct-85	39		36			8/6	4/0	2
Mar-91	Debt buyback (see notes)			107					
Nigeria									
Nov-87	1-Apr-86	21		4714			9/0	3/0	1¼

Table 2 (continued)
Multilateral debt relief agreements of OIC member states with commercial banks

	Consolidation period		Amount restructured (millions of U.S. dollars)		Other assistance (millions of U.S. dollars)		Repayment terms (consolidation portion only)		
Country and date of agreement	**Start date**	**Length (months)**	**Deferment**	**Re-scheduling**	**New long-term money**	**Short-term credit maintenance**	**Maturity (years/months)**	**Grace (years/months)**	**Interest (margin)**
Mar-89	Short-term debt only			5671			20/0	3/0	7/8
Jan-92	DDSR agreement (see notes)			5436					
Senegal									
Feb-84	1-May-81	38		96			6/0	3/0	2
May-85	1-Jul-84	24		20			7/0	3/0	2
Jan-89				37			9/0	0/0	7/8
Dec-96	Debt buyback (see notes)								
Sudan									
Nov-81	1-Jan-80	28		593			7/0	3/0	1¾
Mar-82	Interest arrears only			3			0/9	0/5	1¾
Apr-83	See notes			702			6/0	2/0	1¾
Oct-85	See notes			1037			8/0	3/0	1¼
Togo									
Mar-80	See notes			69			3/6	1/0	
Oct-83	See notes			84			7/3	0/0	2
May-88	See notes			48			8/0	4/0	1 3/8
Dec-97	Debt buyback (see notes)								
Turkey									
Mar-82	See notes			2269			10/0	5/0	1¾

Table 2 (continued)
Multilateral debt relief agreements of OIC member states with commercial banks

	Consolidation period		Amount restructured (millions of U.S. dollars)		Other assistance (millions of U.S. dollars)		Repayment terms (consolidation portion only)		
Country and date of agreement	**Start date**	**Length (months)**	**Deferment**	**Re-scheduling**	**New long-term money**	**Short-term credit maintenance**	**Maturity (years/months)**	**Grace (years/months)**	**Interest (margin)**
Uganda									
Feb-93	Debt buyback (see notes)								

Notes:
Deferment = Short-term rollover of current maturities.
MYRA = Multiyear rescheduling agreement.
New money = Loans arranged for budgetary or balance-of-payments support in conjunction with debt rescheduling, usually in proportion to each bank's exposure; sometimes referred to as concerted lending.
Rescheduling = Consolidation of debt into new long-term obligations; may include arrears as well as future maturities; interest and short- term debt included only if indicated in country notes. For DDSR agreements, figures include face value of buybacks and all of debt exchanges.
Short-term credit maintenance = Understanding by banks to maintain the size of existing trade or other short-term credit facilities, arranged in conjunction with debt rescheduling.
Interest (margin) = percentage points above LIBOR.
DDSR = Officially supported debt and debt service reduction agreement (Brady initiative).

Country Notes

Algeria
Feb. 1992: 1991-93 Financing Facility designed to refinance maturities falling due from October 1991 through March 1993. Tranche A covers debts with a maturity of two years or more and is repayable in eight years, including three years' grace bearing interest at LIBOR + 1½ percent. Tranche B covers debts with a maturity of more than 360 days and less than two years, and is repayable in five years, including three years' grace.

Albania
June 1995: Restructuring of $501 million due to commercial banks. $371 million bought back for $96.5 million funded by grants from IDA DRF and donor countries; and $130 million converted into long-term bonds.

Gabon
May 1994: Rescheduled principal due through 1994 on debt contracted before September 20, 1986 (debt covered by 1991 agreement, which had not been implemented). *Terms:* 10-years maturity including 2½ years grace. *Interest:* LIBOR + $^{7}/_{8}$ percent. Arrears of interest and arrears of post cut-off maturities as of July 1, 1994 are to be repaid between 1994 and 1996.

Guinea
Dec. 1998: Buyback of $130 million under the IDA DRF at 13 cents per U.S. dollar, financed by IDA DRF and other donor countries.

Guyana
Aug-1982: One-year deferment.
June-1983: Extension of 1982 deferment.
July-1984: Extension of previous deferment.
July-1985: Extension of previous deferment.
Nov-1995: Buyback of $69 million under the IDA DRF at 14 cents per U.S. dollar.

Indonesia
June 1998: Agreement on a framework for restructuring $80.2 billion of Indonesian private debt. The interbank loans are extended into new government-guaranteed loans with maturities of one to four years, at interest rates of 2.75, 3.25, and 3.5 per cent over LIBOR. The corporate debts are to be rescheduled over eight years, including a three-year grace period for repayment of principal. Over eight-year rescheduling period, the real interest rate was set to be 5.5 per cent, but it would decline to 5 per cent for debtors who agree to repay in five years. Agreed to pay off trade financing arrears to maintain trade financing from foreign creditor banks.

Mauritania
August 1996: Debt buyback of $53.0 million, at a 90 per cent discount. Funding for the operation provided by the IDA DRF.

Morocco
Feb. 1986: Agreement in principle initiated August 1983.
June 1990: Phase one of this agreement restructures debt; phase two is a DDSR arrangement that was to take effect if Morocco signed an EFF agreement with the IMF by December 31, 1991.

Mozambique

May 1987: Outstanding balance consolidated, including interest arrears.
Dec. 1991: Buyback of $124 million of outstanding commercial bank debt at 90 per cent discount, funded by grants from the IDA DRF and from France, the Netherlands, Switzerland, and Sweden.

Niger
May 1991: Buyback of all commercial bank debt at 82 per cent discount ($107 million). Resources provided by grants from the DRF for IDA-only countries ($10 million), Switzerland ($3 million), and France ($10 million).

Nigeria
Nov. 1987: Includes short-term debt.
Mar. 1989: Includes line of credit arrears.
Jan. 1992: DDSR agreement providing for a cash-back at 60 per cent discount on $3.3 billion, and debt exchanges on $2 billion for collateralised 30-year bullet maturity par bonds with reduced interest rates: 5.5 per cent for the first 3 years, 6.25 per cent thereafter. Creditor selection: 62 per cent for the buyback; 38 per cent for the debt reduction bond. A third option, new money combined with conversion bonds, was not selected by participating creditor banks.

Senegal
December 1996: Debt buyback at 8 cents per U.S. dollar of $80.0 million owed to commercial banks. Funding for the operation provided by the IDA DRF.

Sierra Leone
January 1984: Covers arrears as of December 31, 1983.
August 1995: Buyback, at 13 cents on average per U.S. dollar, of $235 million due to commercial banks funded by grants from IDA DRF and other donor countries.

Sudan
November 1981: Includes arrears of principal and some short-term debt.
March 1982: Covers arrears of interest and modifies 1981 agreement.
April 1983: Modification of 1981 agreement.
October 1985: Covers arrears of interest.

Togo
Mar. 1980: Balance of debts to French banks, including arrears of principal. Interest rates vary by currency.
Oct. 1983: Covers all commercial bank debt, including previously rescheduled.
May 1988: Restructuring of 1983 agreement.
Dec. 1997: Debt buyback at 12.5 cents per dollar of $46.1 million owed to commercial banks. The IDA DRF provided funding for this operation.

Turkey
Mar 1982: Improved the terms of the August 1979 agreement.

Uganda
Feb. 1993: Buyback of $153 million commercial bank debt, funded by grants from the IDA DRF and other donor countries.

Source: World Bank 1999b, Table (A2.3, pp.117-127)

Table 3
OIC countries' multilateral debt relief agreements with official creditors (January 1980–December 1998)

Country and Date of Agreement		Consolidated period for current maturities		Consolidation includes		Share of debt consolidated (per cent)	Amount consolidated (millions of U.S. dollars)	Repayment terms [a]	
	Contract cut-off date	Start date	Length (months)	Arrears	Previously rescheduled debt			Maturity (years/months)	Grace (years/month)
Albania*									
1-Dec-93	30-Sept-93	Arrears as of 30 Sept. 93		y		100	35	9/3	2/9
Algeria									
1-Jun-94	30 Sept.93	1-Jun-94	12			100	5250	14/6	3/0
21-Jul-95	30 Sept.93	1-Jul-95	36			100	7035	13/0	1/6
Benin									
22-Jun-89	31-Mar-89	1-Jun-89	13	y		100	199	Menu	Menu
18-Dec-91	31-Mar-89	1-Jan-92	19	y		100	116	Menu	Menu
27-Jun-93	31-Mar-89	1-Aug-93	29		y	100	37	Menu	Menu
24-Oct-96	31-Mar-89	24-Oct-96	Stock		y	100	20		Menu
Burkina Faso									
15-Mar-91	1-Jan-91	1-Mar-91	15	y		100	53	Menu	Menu
7-May-93	1-Jan-91	1-Apr-93	33	y		100	36	Menu	Menu
20-Jun-96	1-Jan-91	20-Jun-96	Stock		y	100	64	Menu	Menu
Cameroon									
24-May-89	31-Dec-88	1-Apr-89	12	y		100	621	9/6	6/0
23-Jan-92	31-Dec-88	1-Jan-92	9	y		100	935	19/5, 14/8	9/11, 8/2
24-Mar-94	31-Dec-88	1-Apr-94	18	y	y	100	1343	Menu	Menu
16-Nov-95	31-Dec-88	1-Oct-95	12		y	100	1129	Menu	Menu
24-Oct-97	31-Dec-88	1-Oct-97	36	y		100	1270		Menu

Table 3 (continued)
OIC countries' multilateral debt relief agreements with official creditors (January 1980–December 1998)

Country and Date of Agreement		Consolidated period for current maturities		Consolidation includes		Share of debt consolidated (per cent)	Amount consolidated (millions of U.S. dollars)	Repayment terms [a]	
	Contract cut-off date	Start date	Length (months)	Arrears	Previously rescheduled debt			Maturity (years/months)	Grace (years/month)
Chad									
24-Oct-89	30-Jun-89	1-Oct-89	15	y		100	33	Menu	Menu
28-Feb-95	30-Jun-89	1-Apr-95	12	y		100	24	Menu	Menu
14-Jun-96	30-Jun-89	1-Jan-96	32	y	y	100	N/A.	Menu	Menu
Egypt									
22-May-87	31-Oct-86	1-Jan-87	18	y		100	5563	9/3	4/9
25-May-91	31-Oct-86	Balances: 30 June 91		y		100	20700	Menu	Menu
Gabon									
21-Jan-87	1-Jul-86	21-Sep-86	15			100	474	9/5	3/11
21-Mar-88	1-Jul-86	1-Jan-88	12			100	315	9/6	5/0
19-Sep-89	1-Jul-86	1-Sep-89	16	y		100	520	10/0	4/0
24 Oct 91[d]	1-Jul-86	1-Oct-91	15	y	y	100	498	8/0	2/0
15-Apr-94	1-Jul-86	1-Apr-94	12	y	y	100	1250	14/6	2/0
12-Dec-95	1-Jul-86	1-Dec-95	36	y	y	100	1176	13/6	1/0
Gambia, The									
19-Sep-86	1-Jul-86	1-Oct-86	12	y		100	19	9/6	5/0
Guinea									
18-Apr-86	1-Jan-86	1-Jan-86	14	y		95	232	9/4	4/11
12-Apr-89	1-Jan-86	1-Jan-89	12	y	y	100	161	Menu	Menu

Table 3 (continued)
OIC countries' multilateral debt relief agreements with official creditors (January 1980–December 1998)

Country and Date of Agreement		Consolidated period for current maturities		Consolidation includes		Share of debt consolidated (per cent)	Amount consolidated (millions of U.S. dollars)	Repayment terms [a]	
	Contract cut-off date	Start date	Length (months)	Arrears	Previously rescheduled debt			Maturity (years/months)	Grace (years/month)
18-Nov-92	1-Jan-86	Arrears as of 31 Dec. 92		y	y	100	169	Menu	Menu
25-Jan-95	1-Jan-86	1-Jan-95	12	y	y	100	163	Menu	Menu
26-Feb-97	1-Jan-86	1-Jan-97	36	y	y	100	123	Menu	Menu
Guinea-Bissau									
27-Oct-87	31-Dec-86	1-Jul-87	18	y		100	24	19/3	9/9
26-Oct-89	31-Dec-86	1-Oct-89	15	y	y	100	40	Menu	Menu
23-Feb-95	31-Dec-86	1-Jan-95	36	y	y	100	150	Menu	Menu
Guyana									
23-May-89	31-Dec-88	1-Jan-89	14	y		100	179	19/5	9/11
12-Sep-90	31-Dec-88	1-Sep-90	35	y	y	100	140	Menu	Menu
6-May-93	31-Dec-88	1-Aug-93	17	y	y	100	55	Menu	Menu
23-May-96	31-Dec-88	23-May-96	Stock	y	y	100	793	Menu	Menu
Indonesia*									
28-Sep-98	1-Jul-97	1-Aug-98	20			100	4176	11/0	3/0
Jordan									
19-Jul-89	1-Jan-89	1-Jul-89	18	y		100	500	9/3	4/9
28-Feb-92	1-Jan-89	1-Jan-92	18	y		100	763	19/5, 14/3	9/11, 7/9
28 Jun 94[c]	1-Jan-89	1-Jul-94	35	y	y	100	1147	18/7, 16/7	9/1, 2/1
23 May 97[c]	1-Jan-89	1-Jun-97	21	y	y	100	400	19/2, 14/6	9/8, 2/8

Table 3 (continued)
OIC countries' multilateral debt relief agreements with official creditors (January 1980–December 1998)

Country and Date of Agreement		Consolidated period for current maturities		Consolidation includes		Share of debt consolidated (per cent)	Amount consolidated (millions of U.S. dollars)	Repayment terms [a]	
	Contract cut-off date	Start date	Length (months)	Arrears	Previously rescheduled debt			Maturity (years/months)	Grace (years/month)
Mali									
27-Oct-88	1-Jan-88	1-Jul-88	16	y		100	48	Menu	Menu
22-Nov-89	1-Jan-88	1-Nov-89	26		y	100	33	Menu	Menu
29-Oct-92	1-Jan-88	1-Oct-92	35	y	y	100	107	Menu	Menu
20-May-96	1-Jan-88	20-May-96	Stock	y	y	100	33	Menu	Menu
Mauritania									
27-Apr-85	31-Dec-84	1-Jan-85	15	y		90	40	8/3	3/9
16-May-86	31-Dec-84	1-Apr-86	12			95	36	8/6	4/0
15-Jun-87	31-Dec-84	1-Apr-87	14			95	39	14/5	5/0
19-Jun-93	31-Dec-84	1-Jun-89	12	y	y	100	66	Menu	Menu
25-Jan-93	31-Dec-84	1-Jan-93	24	y	y	100	211	Menu	Menu
28-Jun-95	31-Dec-84	1-Jan-95	36		y	100	72	Menu	Menu
Morocco									
25-Oct-83	1-May-83	1 Sept. 83	16	y		85	1228	7/3	3/9
17-Sep-85	1-May-83	1 Sept. 85	18	y		90	1083	8/3	3/9
6-Mar-87	1-May-83	1-Mar-87	16		y	100	1074	9/3	4/9
26-Oct-88	1-May-83	1-Jul-88	18		y	100	1100	9/3	4/9
11 Sept 90c	1-May-83	1-Jan-90	15		y	100	1809	19/5, 14/5	9/11, 7/11
27 Feb 92c	1-May-83	1-Feb-92	11	y	y	100	1320	19/5, 14/7	9/11, 8/1

Table 3 (continued)
OIC countries' multilateral debt relief agreements with official creditors (January 1980–December 1998)

Country and Date of Agreement		Consolidated period for current maturities		Consolidation includes		Share of debt consolidated (per cent)	Amount consolidated (millions of U.S. dollars)	Repayment terms [a]	
	Contract cut-off date	Start date	Length (months)	Arrears	Previously rescheduled debt			Maturity (years/months)	Grace (years/month)
Mozambique									
25-Oct-84	1-Feb-84	1-Jul-84	12	y		95	317	10/6	5/0
16-Jun-87	1-Feb-84	1-Jun-87	19	y		100	429	19/3	9/9
14-Jun-90	1-Feb-84	1-Jul-90	30	y	y	100	739	Menu	Menu
23-Mar-93	1-Feb-84	1-Jan-94	24		y	100	343	Menu	Menu
21-Nov-96	1-Feb-84	1-Nov-96	36	y	y	100	664	Menu	Menu
Niger									
14-Nov-83	1-Jul-83	1-Oct-83	12			90	37	8/6	4/6
30-Nov-84	1-Jul-83	1-Oct-84	14			90	44	9/5	4/11
21-Nov-85	1-Jul-83	1-Dec-85	12			90	48	9/6	5/0
20-Nov-86	1-Jul-83	3-Dec-86	12			100	34	9/6	5/0
21-Apr-88	1-Jul-83	5-Dec-87	13			100	34	19/6	10/0
16-Dec-88	1-Jul-83	1-Jan-89	12			100	57	Menu	Menu
18-Sep-90	1-Jul-83	1-Sep-90	28	y	y	100	151	Menu	Menu
4-Mar-94	1-Jul-83	1-Jan-94	15	y	y	100	194	Menu	Menu
19-Mar-96	1-Jul-83	1-Dec-96	31	y	y	100	128	Menu	Menu
Nigeria									
16-Dec-86	1-Oct-85	1-Oct-86	15	y		100	5898	6/6	2/0
3-Mar-89	1-Oct-85	1-Jan-89	16	y		100	4747	9/4	4/10

Table 3 (continued)
OIC countries' multilateral debt relief agreements with official creditors (January 1980–December 1998)

Country and Date of Agreement		Consolidated period for current maturities		Consolidation includes		Share of debt consolidated (per cent)	Amount consolidated (millions of U.S. dollars)	Repayment terms [a]	
	Contract cut-off date	Start date	Length (months)	Arrears	Previously rescheduled debt			Maturity (years/months)	Grace (years/month)
18 Jan 91c	1-Oct-85	1-Jan-91	15	y		100	3023	19/5, 14/5	9/11, 7/11
Pakistan									
14 Jan 81*	1-Jul-80	15-Jan-81	18			90	Variable	Variable	
Senegal									
13-Oct-81	1-Jul-81	1-Jul-81	12			85	77	8/6	4/0
29-Nov-82	1-Jul-81	1-Jul-82	12			85	84	8/9	4/3
21-Dec-83	1-Jan-83	1-Jul-83	12			90	64	8/6	4/0
18-Jan-85	1-Jan-83	1-Jan-85	18	y		95	140	8/3	3/9
21-Nov-86	1-Jan-83	1-Jul-86	16			100	92	9/4	4/10
17-Nov-87	1-Jan-83	1-Nov-87	12			100	74	15/6	6/0
24-Jan-89	1-Jan-83	1-Nov-88	14		y	100	184	Menu	Menu
12-Feb-90	1-Jan-83	1-Jan-90	12	y	y	100	111	Menu	Menu
21-Jun-91	1-Jan-83	1-Jul-91	12	y	y	100	126	Menu	Menu
3-Mar-94	1-Jan-83	1-Jan-94	15	y	y	100	250	Menu	Menu
20-Apr-95	1-Jan-83	1-Apr-95	29		y	100	169	Menu	Menu
17-Jun-98	1-Jan-83	17-Jun-98	Stock	y	y	100	428	Menu	Menu
Sierra Leone									
8-Nov-80	1-Jul-79	1-Jul-79	30	y		90	39	9/6	4/0
8-Feb-84	1-Jul-83	1-Jan-84	12	y	y	90	88	10/0	5/0

Table 3 (continued)
OIC countries' multilateral debt relief agreements with official creditors (January 1980–December 1998)

Country and Date of Agreement		Consolidated period for current maturities		Consolidation includes		Share of debt consolidated (per cent)	Amount consolidated (millions of U.S. dollars)	Repayment terms [a]	
	Contract cut-off date	Start date	Length (months)	Arrears	Previously rescheduled debt			Maturity (years/months)	Grace (years/month)
19-Nov-86	1-Jul-83	1-Jul-86	16	y	y	100	65	9/4	4/10
20-Nov-92	1-Jul-83	1-Nov-92	16	y	y	100	276	Menu	Menu
20-Jul-94	1-Jul-83	1-Aug-94	17	y	y	100	47	Menu	Menu
25-Apr-96	1-Jul-83	1-Jan-96	24	y	y	100	39	Menu	Menu
Somalia									
6-Mar-82	1-Oct-84	1-Jan-85	12	y		95	126	9/6	5/0
22-Jul-87	1-Oct-84	1-Jan-87	24	y	y	100	95	19/0	9/6
Sudan									
18-Mar-82	1-Jul-81	1-Jul-81	18	y	y	90	211	9/6	4/6
4-Feb-83	1-Jan-83	1-Jan-83	12		y	100	546	15/0	5/6
2-May-84	1-Jan-84	1-Jan-84	12		y	100	231	15/6	6/0
Togo									
20-Feb-81	1-Jul-80	1-Jan-81	24			85	120	8/6	4/0
12-Apr-83	1-Jan-83	1-Jan-83	12	y	y	90	125	9/6	5/0
6-Jun-84	1-Jan-83	1-Jan-84	16		y	95	67	9/4	4/10
24-Jun-85	1-Jan-83	1-May-85	12			95	25	10/6	5/10
22-Mar-88	1-Jan-83	1-Jan-88	15	y	y	100	118	15/5	7/11
20-Jun-89	1-Jan-83	16-Apr-89	14		y	100	82	Menu	Menu
9-Jul-90	1-Jan-83	1-Jul-90	24		y	100	101	Menu	Menu

Table 3 (continued)
OIC countries' multilateral debt relief agreements with official creditors (January 1980–December 1998)

Country and Date of Agreement		Consolidated period for current maturities		Consolidation includes		Share of debt consolidated (per cent)	Amount consolidated (millions of U.S. dollars)	Repayment terms [a]	
	Contract cut-off date	Start date	Length (months)	Arrears	Previously rescheduled debt			Maturity (years/months)	Grace (years/month)
19-Jun-92d	1-Jan-83	1-Jul-92	24		y	100	50	Menu	Menu
23-Feb-95	1-Jan-83	1-Feb-95	33	y	y	100	246	Menu	Menu
Turkey									
23-Jul-80*	30-Jun-80	1-Jul-80	36	y	y	90	2600	9/0	4/6
Uganda									
18-Nov-81	1-Jul-81	1-Jul-81	12	y		90	63	9/0	4/6
1-Dec-82	1-Jul-81	1-Jul-82	12			90	16	9/0	4/6
19-Jun-87	1-Jul-81	1-Jul-87	12	y	y	100	102	14/6	6/0
26-Jan-89	1-Jul-81	1-Jan-89	18	y	y	100	86	Menu	Menu
17-Jun-92	1-Jul-81	1-Jul-92	17	y	y	100	172	Menu	Menu
20-Feb-95	1-Jul-81	1-Feb-95	Stock	y	y	100	110	Menu	Menu
24-Apr-98	1-Jul-81	1-Apr-98	Stock		y	100	148	Menu	Menu
Yemen									
24-Sep-96	1-Jan-93	1-Sep-96	10	y		100	113	Menu	Menu
20-Nov-97	1-Jan-93	1-Nov-97	36	y		100	1444	Menu	Menu

Source: World Bank, GDF 1999, pp.132-9. Table A3.2.

Notes: The figures in this table are committed values (amounts of agreed debt relief). They correspond to the disbursement figures (minus debt forgiveness, when applicable) for debt restructuring shown in the country tables of volume 2. All agreements shown in this table were negotiated through the Paris Club, except those indicated with an asterisk.

a. Maturity is measured here from the end of the consolidation period to the date of the final amortisation payment; the grace period is the time between the end of the consolidation period and the date of the first amortisation payment. The secretariat of the Paris Club measures grace and maturity from the midpoint of the consolidation period. "Menu" terms refer to the options agreed to at the 1988 Toronto economic summit meeting.

b. Agreement signed in March 1995 covered a 36-month period, but a new agreement was signed in December 1995 covering the stock of debt, starting 12 months after the beginning of the consolidation period of the previous agreement.
c. Agreement with Paris Club–designated lower-middle-income country with heavy official debt. These agreements also allow for debt conversions, subject to the limit of each creditor country (for non-ODA debt) of $ 10 million or 10 per cent of the debt outstanding as of the beginning of the consolidation period, whichever is higher. Where two sets of figures for repayment terms (maturity and grace) are given, the first set represents official development assistance (ODA) debt and the second non-ODA debt.
d. Agreement was cancelled.
e. Agreement was implemented in 1991 because of the assessments conditionally on an IMF programme, which took place in 1991.
f. Agreement follows the deferral signed in January 1992 by the former Soviet republics.
* The rescheduling was concluded outside of formal Paris Club auspices.

Table 4
Official debt restructuring Paris club agreements on Naples and Lyon terms, 1996-98

Country	Signature date	Cut-off date	Amount rescheduled (millions of U.S. dollars)	Eligible concessionality levels (percentage of present value)	Consolidation period start date	Length (month)	Earliest month for consideration of stock of rescheduling
Benin	25-Oct-96	31-Mar-96	209	67	Debt stock rescheduling	N/A.	N/A.
Burkina Faso	20-Jun-96	1-Jan-91	64	67	Debt stock rescheduling	N/A.	N/A.
Cameroon	24-Oct-97	31-Dec-88	1270	50	1-Oct-97	35	Aug-98
Chad	14-Jun-96	30-Jun-89	12	67	1-Jan-96	32a	Mar-01
Guinea	26-Feb-97	1-Jan-86	123	50	1-Jan-97	36	Dec-99
Guyana	23-May-96	31-Dec-88	793	67	Debt stock rescheduling	N/A.	N/A.
Mali	20-May-96	1-Jan-88	33	67	Debt stock rescheduling	N/A.	N/A.
Mozambique	21-Nov-96	1-Feb-84	664	67	1-Nov-96	32	Nov-99
Niger	19-Dec-96	1-Jul-83	128	67	1-Dec-96	31	Jun-99
Senegal	17-Jun-98	1-Jan-83	428	67	Debt stock rescheduling	N/A.	N/A.
Sierra Leone	28-Mar-96	1-Jul-83	39	67	1-Jan-95	24	Jan-98
Uganda	24-Apr-98	1-Jul-81	148	80	Debt stock rescheduling	N/A.	N/A.
Yemen	24-Sep-96	1-Jan-93	113	67	1-Sep-96	10b	
	20-Nov-97	1-Jan-93	1444	67	1-Nov-97	36	Oct-00

Source: World Bank, GDF 1999, p. 130.

Notes: a. In accordance with normal Paris Club practice to base rescheduling on agreed terms of reference when a small number of creditors is involved, the rescheduling for Chad was based on full-fledged agreed minutes. Chad obtained Naples terms, but no date for stock-of-debt operation was specified in the terms of reference. b. The goodwill clauses in the Yemen agreement provided for continuation of debt rescheduling if certain conditions were met. N/A. Not applicable.

Table 5
Commercial debt restructuring, completed operations financed by the IDA debt reduction facility, December 1998

(millions of U.S.$)

Country	**Date completed**	**Principal extinguished**	**Price** (cents per dollar) [a]	**Percentage of eligible principal extinguished**	**Total resources**	**IBRD resources**
Niger	Mar-91	107	18	99	19.4	8.4
Mozambique	Dec-91	123.8	10	64	13.4	5.9
Guyana	Nov-92	69.2	14	100	10.2	10
Uganda	Feb-93	153	12	89	22.6	10.2
Albania	Jul-95	371.3	26	99	97.4	26
Sierra Leone	Sep-95	234.7	13	73	31.5	21
Mauritania	Aug-96	53	10	98	5.9	3.3
Senegal	Dec-96	71	20.0c	96	15.4	6.6
Togo	Dec-97	46.1	12.5	90	6.4	5.4
Guinea	Jul-98	130	13	75	13.5	9.1
Total		3745.7	—	83.3d	583.6	196.7

Source: World Bank, GDF 1999.

a. Of original face value of principal. **b**. Includes technical assistance grants. **c**. 16 cents for cash buyback and 20 cents for long-term bonds. **d**. Weighted average. **e**. Only the buyback portion of the DDSR operation was funded by the facility. **f**. Except for a $1.0 million advance for consultant services funded by the facility, the operation was financed by an IDA credit and by the government.