PAMUN XVII RESEARCH REPORT—QUESTION OF THE CANCELATION OF DEBTS IN AN EFFORT TO PROMOTE GROWTH AND DEVELOPMENT

Introduction of Topic

According to the OECD, **Debt Relief** is "any form of debt reorganization which relieves the overall burden of debt." The point of public debt, is that a country takes out a loan that will allow them to invest, but that they will eventually pay back. In some cases, countries have reached such an extreme amount of debt that they cannot feasibly pay it back. Their inability to pay back their debt is reflected then by their credit rating. A credit rating is a rating system that companies like Moody's or Standard and Poor's use to designate how trustworthy a country is in terms of how likely they are to repay their debt. The more debt they default on (are unable to pay on time), the lower their credit rating, the less likely companies, countries, or even individuals are to invest in them. This creates a feedback loop wherein a country needs resources to pay back debt; this is debt that they entered into in order to be able to pay back other debt. Over time, as less people are willing to give these countries a loan and the amount of debt they have becomes unsustainable, a country can go bankrupt, as Iceland did. In many cases the debt they entered into that started the cycle wasn't legitimate in the first place. Developing countries in Africa, such as Uganda, had rampant corruption that left some rich politicians standing in the ruins of a debt-ridden country barely able to sustain a national education system. This prompted NGO's like the Uganda Debt Network to become involved to attempt to stymie corruption my tracking debt relief resources on a grass-roots level, which is helping the community one funded school at a time, but there are still many developing nations that are in a bad way.

The main idea behind debt relief is that countries are being hindered from growing and developing their economies by the debt they've incurred. According to proponents of debt relief, significant, or total, remission of debts would allow countries the leeway they need to invest in areas that would be economically productive in order to jumpstart economic growth and development.

The second relevant aspect of this issue relates to the commonly known **H**eavily **I**ndebted **P**oor **C**ountries (**HIPC**) **Initiative** and **M**ultilateral **D**ebt **R**elief **I**nitiative (**MDRI**). This relates mostly to African countries and addresses the developing countries who have been struggling with a lot of debt and poverty simultaneously. After significant debt relief to many countries it comes time to address whether or not to apply this relief to more countries, or how to ensure that the debt-to-GDP ratio doesn't bounce back to unseemly levels.

There are two areas of particular relevance to this issue. The first refers to what is colloquially known by economists as **PIIGS**. **PIIGS** is a somewhat derogatory acronym that stands for **P**ortugal, **I**taly, **I**reland, **G**reece, and **S**pain. Implicit in the acronym is the insinuation that they are countries that have not been doing very well economically since the recent housing market crash of 2008. Something that characterizes them, along with high unemployment, is high **Debt-to-GDP ratios** which has caused some to wonder whether debt relief would be the solution to these nations' difficult economic situations.

Definition of Key Terms

Debt Overhang

This term refers to a situation where the amount of debt a nation has incurred is greater than the amount of debt they will be able to repay. The underlying principal behind Debt Relief is that relieving sovereign nations of their debt overhang will allow them to flourish and better develop their economies whether they are developed or developing nations.

Debt-to-GDP Ratios

The debt-to-GDP ratio is the proportion, in percentage form, of accumulated government debt with respect to that country's **G**ross **D**omestic **P**roduct (**GDP**). It is an indicator of a country's ability to be productive without incurring massive debts. A low debt-to-GDP ratio is indicative of a country that is able to have a sufficiently productive market to pay outstanding debts without delving into further debt at any point. Developed countries generally aim to have a debt-to-GDP of 60% at most while developing countries are generally advised to draw the line at 40% to remain in the clear . Those benchmarks, however, should be looked upon with caution and seen as tentative suggestions.

Debtor

Some entity that owes money. This can be a person, company, or country. They can similarly owe money to people, financial institutions, or other countries.

Creditor

A **Bilateral Creditor** is a single entity who has invested/lent money to a single debtor. For example a country lending to another country would be a bilateral creditor. A **Multilateral Creditor** is an entity comprised of more than one lender lending to a debtor. Multilateral institutions like the **I**nternational **M**onetary **F**und(**IMF**) or the **World Bank** are the relevant multilateral creditors for this topic. All creditors—and all credit—is either bilateral or multilateral.

Illiquidity

Illiquidity is when a person, or a country, doesn't have the ability to get the money to pay an upcoming debt payment on time. They have the assets that mean they technically have that amount but selling those assets quickly enough to get the value necessary wouldn't be possible. On a smaller scale, an example would be if someone has $5.000 of credit card debt due the next day and also a car worth

$10.000 in their garage. Technically they have the value of what they need to pay however it is unlikely that they'll be able to sell their car, for the needed amount in any case, in time to pay their bill. It designates a situation wherein an entity has the wealth necessary to pay whatever amount of debt it due at that time, however it is not liquid: it is not in easily accessible cash which they can use to pay. This implies that although the entity cannot pay at that time, they'd be able to given some more time or a restructuring of the debt.

Insolvency

Similarly to the previous term, an entity finds itself unable to pay its debts on time, however, this is more sinister in that in this case the entity doesn't have sufficient assets, in any form, to pay whatever is due. This is more concerning as it implies that this entity will simply not be able to pay back the debt at any point and the creditor should accept that some, if not all, of the debt will be lost.

PIIGS

The loosely geographically linked grouping of countries comprised of **P**ortugal, **I**taly, **I**reland, **G**reece, and **S**pain. Characterized by an inability to employ effective fiscal policy to maintain stability after the 2008 crisis, these nations have significantly high unemployment and, more importantly regarding this issue, high debt-to-GDP ratios (See Appendices **I** and **II**). Hence, this term can be quite derogatory depending on context.

Background Information

Developing Countries

Between the 1960s and the 1980s many African countries experienced promising growth in their economies. This was due to the commodities boom. Commodities are the basic materials taken from the earth such as oil or coffee. When the price of major commodities such as oil started to rise in radical ways, countries in Africa or Latin America started to experience a boom in their economies. Other countries started to invest in commercial banks a lot at this time. The banks then turned around, saw the positive situation in many of these developing countries and lent them a lot of money with very little thought about whether it would be paid back in the long-term and what it would be used for. America then started to tighten its policies in an attempt to combat inflation. This sparked a recession as well as increasing the interest rates on the dollar. This recession meant demand for commodities dropped. When the commodities market crashed suddenly governments who hadn't even had to consider illiquidity were having to face situations of insolvency. Mexico was the first country to announce it wouldn't be able to make debt payments sparking international awareness that many developing markets were in impossible positions due to lack of foresight on the preceding government's parts, corruption, and other factors. This left a slew of developing nations with severe debts and no way to pay them.

These indebted nations began to struggle to maintain, or construct, social and economic infrastructure. This meant countries were investing such a significant amount of money relative to GDP in debt service that they were not able to invest in sectors such as medicine, education, or poverty-reducing measures. One such country is Guyana, who, due to debt relief, was able to invest in public hospitals allowing a large portion of the population to access healthcare for free when they could not previously afford private healthcare. Guyana, of course, was not the only country to access debt relief, many others were able to find relief through programs such as the HPIC or MDRI provided by bilateral and multilateral creditors such as the World Bank, the IMF or countries such as Russia who have contributed several thousands of United States dollars to debt relief. This debt relief can take the form of allowing nations to buy back the debt at discounted prices or it can take the form of creditor nations investing more money into the nation allowing it to manage its finances so it can better pay back future debts. Other options include the rescheduling of the debt, allowing nations to have more time to pay back debt or even the total forgiveness of debt. The IMF predicted that nations that benefited from HPIC and/or MDRI would save 1.5% of GDP, which, when compared to the 5% they were spending on poverty reduction, would mean a significant increase in investment in poverty reduction and other social and economic programs. Freeing up more of their GDP also allows them to become more active economically.

Developed Countries

American Housing Bubble

In 2008 America faced a crisis. Americans had been taking out mortgage loans in order to pay for ever-appreciating housing prices. As the prices of homes became more and more outrageous, Americans had to take out more and more outrageous and financially unsound mortgages known as Subprime Mortgages. There was a vicious cycle of borrowing, which drove the price of housing up, which caused people to have to borrow more. The only thing keeping people from defaulting, or not being able to pay, their loans was the fact that prices kept rising. Rising prices meant that they could take out new loans that would help them pay back the old ones; this process is known as refinancing. Unfortunately, prices stopped rising, leaving many Americans with debts they were no longer able to refinance, causing the housing market to crash and dragging the economy into a recession. Although this crisis has its origins in America, it was not the only place affected.

Impact on Europe

In the early 2000s before the crisis, European banks, but particularly those in the periphery of the Eurozone: the PIIGS countries, became involved with credit in an analogous way to the way America was. American investors and companies, having realized how profitable certain mortgage related financial securities were in America, decided it would be equally profitable once exported to Europe as it would mean a larger market for financial institutions to lend to. Those countries then engaged fully and countries such as Greece borrowed a lot as well as many private banks and institutions within those countries. When the crisis came both governments and private enterprises in Europe lost a lot of money in an event known as the Sovereign Debt Crisis. Once again similarly to the USA, the governments decided to bail out private banks rather than letting them fail leaving the PIIGS countries in the very uncomfortable economic position they're in now. The PIIGS countries were plunged into an economic recession that, now, nearly ten years later, they're still feeling the effects of. GDPs dropped in these countries (See Appendix VI). Unemployment went up massively and was over 20% as recently as 2014. Austerity measures were implemented and many people were not able to access government benefits and help such as retired populations who saw their income decrease significantly. IMF and EU bailouts and debt relief efforts helped Spain slowly stabilise and come to lower unemployment levels, but Greece, for example, is still suffering from significant debt and the question of giving it more aid or debt relief is a very disputed one.

Major Organizations Involved

International Monetary Fund (IMF)

As one of the biggest multilateral financial institutions in the world, the IMF plays a big role in monitoring and playing an active part in the external debt of many countries. It, along with other multilateral institutions, contributes approximately 44% of the funding for the HIPC Initiative. The total cost is around $75 billion dollars so that is not an insignificant percentage. The HIPC Initiative was a joint effort by both the IMF and the World Bank to provide significant or total debt relief to countries who needed it in an effort to reduce poverty and allow for economic development. It will be further expanded in another section, but the IMF is a significant player and pioneer in the field of international debt relief.

World Bank

Comparably to the IMF, the World Bank is a major multilateral creditor and financial institution. It also engages with debt relief beyond the HIPC and MDR Initiatives. It also established the **D**ebt **R**eduction **F**acility (**DRF**) that encourages commercial and non-concessional lenders to participate in debt relief by allowing the nations to buy their debt back from them at a discounted. Among other things it also makes it more difficult for non-concessional lenders to exploit the debt relief provided by the MDRI.

Relevant International Debt Relief Efforts

The HIPC Initiative, launched in 1996, followed by, and in conjunction with the MDRI, launched in 2006, was a joint initiative launched by the World Bank and the IMF. The aim of the HPIC initiative was to relieve developing nations suffering from severe debt by implementing or reforming policies that show commitment to sustaining low debt-to-GDP ratios as well as through debt reductions; debt reductions were provided through the World Bank and IMF, but this initiative also encouraged private and bilateral creditors to offer debt reduction as well. The MDRI was an appendage to the HPIC in that it was made with the objective of providing debt relief, but the MDRI endeavored to provide full debt relief to encourage developing nations with heavy debt to attain the UN's Millennium Development Goals (MDGs).

The Debt Reduction Facility (DRF), established in 1989 by the World Bank, was an initiative that provided commercial creditors with incentives to also provide debt relief. This debt relief would take the form of allowing the developing nations to purchase back their debt back at a discount. This initiative also was meant to discourage commercial creditors to take advantage of the HPIC and MDRI initiative and instead participate as well in lessening the debt burden of developing nations.

Jubilee 2000 was founded in the early 1990s. It has since split into multiple groups, notably, the Jubilee Debt Campaign started in 2001. The original Jubilee 2000 was a campaign launched that had the goal of, not only relieving, but totally canceling the debt of nations in need by the end of the millennium; it was able to cancel over $100 billion of debt by the end of the campaign. The new Jubilee Debt Campaign has inherited the aim of canceling the debt of poor nations; in 2015 they launched a campaign asking for the cancellation of Greece's debt.

The Catastrophe Containment and Relief (CCR) Trust, launched in 2015 by the IMF, was created to assist poor nations who have experienced catastrophes such as natural disasters or epidemics. This is done by relieving some of their debt, freeing up resources that can be invested in public health and safety. This is an enhanced and expanded version of the Post-Catastrophe Debt Relief (PCDR) that allows more countries access to debt relief.

Main Issues

The first issue regards the developing countries who are currently suffering from significant debt proportional to their income. It must be considered how to tackle the issue of countries such as the three HIPC who continue to remain at Pre-Decision-Point: Eritrea, Somalia, and Sudan. Eritrea has failed to initiate talks with the IMF that would result in it receiving HIPC aide. Somalia is currently ineligible for HIPC due to longstanding debts to both the World Bank and IMF of several hundred million US dollars per institution and one of the conditions to reach decision point is to have a good track record debt-wise with both institutions, however both institutions have been attempting to aide Somalia with policy reform regardless and have collaborated with other partners to try to help with the debts due to the IMF and World Bank. Sudan is in the situation in that it also has longstanding debts of several hundred million US dollars to each institution as well that must be paid before it can qualify for HIPC/MDRI relief. In the same vein, it is important to consider the countries whose debt is owed to commercial creditors, that is private companies, not multilateral institutions like the World Bank or the IMF. There is relatively little regulation on private lending so they might be riskier loans for developing countries and private creditors might not be willing to provide debt relief.

The next issue that remains is addressing the sustainability of the post-debt-relief nations. Thirteen out of the thirty countries that passed completion point of the HIPC saw an increase in external debt of ten GDP points. That means that those countries successfully underwent debt relief, and then in that brief period borrowed at a substantial enough rate that public debt was re-accumulated, which does not bode well for their future abilities to manage debt responsibly. Chad, for example, only reached completion point of the HIPC in 2015 is already displaying signs of being at 'high' risk of risk according to the IMF's Debt Sustainability Analysis. It is not alone in being at risk: out of the 30 countries that successfully reached completion point, only five are at 'low' risk, the rest are at moderate or high (See Appendix V). Furthermore there is a lot of corruption in many impoverished nations in Africa so addressing that will be of paramount importance as well regarding sustainability. In other words, how can we ensure that countries whose debt has been, or will be, partially, or totally relieved can keep it at a 'healthy level' as well as how to address countries who have already begun returning to bad habits.

The next issue to be tackled is the one in Europe. The PIIGS are currently in perilous economic positions so the question remains of whether they should qualify for debt relief or not. Greece in particular is in a particularly tough spot, as there are estimates that as much as 80 or 90% of the bailout packages they've received have gone into servicing other debts and not into public spending. There are views across the spectrum as to whether countries such as Greece should get relief.

Previous Attempts to solve the Issue

In the past debt relief has been a hot topic in the international community but the most significant effort has been undertaken by the IMF and World Bank in an effort to provide relief from multilateral credit. The effort is known as the HIPC, which was later supplemented by the MDRI. The HIPC and MDRI initiative works as follows. There is two step system that is comprised of the decision point followed by the completion point. To complete the first step and qualify for the initiatives, countries must meet certain conditions that certify that they are legitimate such as showing that they 'face an unsustainable debt burden that cannot be addressed through traditional debt relief mechanisms' and having put together a 'Poverty Reduction Strategy Paper (PRSP)'. Once those conditions have been met, the IMF and World Bank come together for a final decision at which point the international community decides to help provide them with sufficient debt relief to bring them to a 'healthy' level. At this point nations already begin to access debt relief. The second step involves essentially gaining the international community's trust by following through on their promises made in the previous step. If this step is achieved the country is able to access the full amount of debt relief decided upon after the first step. The MDRI adds on to this by allowing countries to qualify for full relief on certain debts.

Thirty countries successfully completed this process before the termination of the HIPC and MDRI initiative. These countries are mainly in Africa and countries reached completion points as early as 2001—Zambia and Mozambique—or as late as 2015—Chad. The results have been positive at face value as they have generally allowed the participating nations to see a decrease in their debt-to-GDP ratios and an increase in Poverty-Reducing Expenditure (See appendix IV). However, some of them have reached a place where they're at high risk of debt distress several years after having participated in the initiative meaning that sustainability is something that needs to be addressed for sure.

Within the European Union, bailouts were granted to many PIIGS countries, but countries such as Greece were not able to use many of those resources on social spending and development as so much of it went to servicing debt. There has been no initiative to implement debt relief from outside the European Union on an international scale.

Possible Solutions

Regarding the situation in developing nations there are numerous things that could be addressed. For example, given that debt relief programs are voluntary more often than not, it would be important to encourage bilateral, smaller multilateral, and commercial creditors to participate and engage more fully in debt relief as they make up approximately 27% of the HIPC costs and have not yet given the full relief expected of them. Of course, there are those who would oppose debt relief because they see it as fraud and would instead encourage developing countries to reform their economic and political policies to more free-market oriented with greater civil liberties and political freedom. It could be necessary, therefore, to add legitimacy to debt relief. Also introducing ways of keeping developing countries in the clear debt-wise after having gotten them there in the first place is important. Since many of the post-completion point countries are in a risky situation again because they borrowed a lot before many commodities prices decreased suddenly again in 2014, it shows that they must be encouraged to be more prudent, as history seems to be repeating itself. Reforms or policies should be introduced that encourage caution even when commodities are doing well. Policies should also be introduced to discourage corruption, or find it and stop it in the event that it already exists as that is how many countries ended up in such serious debt in the first place: corrupt politicians taking money the government had borrowed for themselves and leaving the country with no way to service the debt. In other words, sustainability should be approached somewhat regarding developing countries and debt. Moreover, private lending could be more regulated as it would decrease the amount of dangerous debt developing countries could enter into.

Regarding the situation in Europe there are people who disagree on whether it would be correct to give them debt relief. Some argue that debt relief in most PIIGS countries would be unadvisable because it would simply shift the pressure and the losses to the banks of the country which wouldn't improve the situation and that, in fact, what is needed is economic reform. Others argue that unless some debt relief is implemented, the economy of countries will only spiral downwards and that the debt overhang is seriously damaging the economies of some of the European Countries. Other still argue that some debt relief should be granted only in the event of a country making strides in the direction of solid reforms, being the half-way point so to speak. Some even argue that debt in countries such as Greece should have their debt canceled as they seem to be directing so many resources towards servicing debt that they are having to neglect their citizens in terms of public and social infrastructure. The approach to solving this issue will be up to the views each country holds.

Bibliography

Casais, Eduardo. "External Debt to GDP - PIIGS." Areppim. Areppim, 30 Aug. 2014. Web. 22 June 2017.

Chowdhury, Anis, and Iyanatul Islam. "Is There an Optimal Debt-to-GDP Ratio?" VOX, CEPR's Policy Portal. CEPR, n.d. Web. 22 June 2017.

"Debt Relief - Overview." World Bank. The World Bank, 11 Apr. 2016. Web. 22 June 2017.

Directorate, OECD Statistics. “Debt Relief.” *OECD Glossary of Statistical Terms - Debt Relief Definition*, Organisation for Economic Co-Operation and Development, 25 Sept. 2001,

El-Erian, Mohamed. "Europe can move to boldly remove debt overhangs, or dither, undermining growth further." Does Europe Need Debt Relief. Ed. William White. The International Economy, 2015. 13-14. Web.

Hanke, Stephen. Interview. The Debt Police - Uganda. Oct. 2000. Television.

Hildebrand, Philipp. "A conference on debt relief would be dangerous." Does Europe Need Debt Relief. Ed. William White. The International Economy, 2015. 11-12. Web.

Holman, Michael. “Jubilee 2000.” *Advocacy International*, Advocacy International.

International Monetary Fund. “Debt Relief Under the Heavily Indebted Poor Countries (HIPC) Initiative.” Fact sheet. Washington, D.C. 17 Apr. 2017. Web.

John-Lall, Rapheal. “Russia Contributes to Caribbean Debt Relief.” *Guardian.co.tt*, Guardian, 14 Mar. 2016.

Le Gouguec, Anaïs. "Will Africa Need a New "Heavily Indebted Poor Countries" Initiative?"Trésor-Economics 164 (2016): n. pag. Web. 22 June 2017.

Shafer, Jeffrey. "Maybe debt reduction can be a reward for accomplishing economic reform." Does Europe Need Debt Relief. Ed. William White. The International Economy, 2015. 14-15. Web.

The Staffs of the International Development Association (IDA) and the International Monetary Fund (IMF). "Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) -

Statistical Update." Ed. John Panzer and Seán Nolan. Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) - Statistical Update (2015): n. pag. 15 Mar. 2016. Web. 22 June 2017.

Appendices

I. *Source:* Casais, Eduardo. "External Debt to GDP - PIIGS." Areppim. Areppim, 30 Aug. 2014. Web. 22 June 2017.

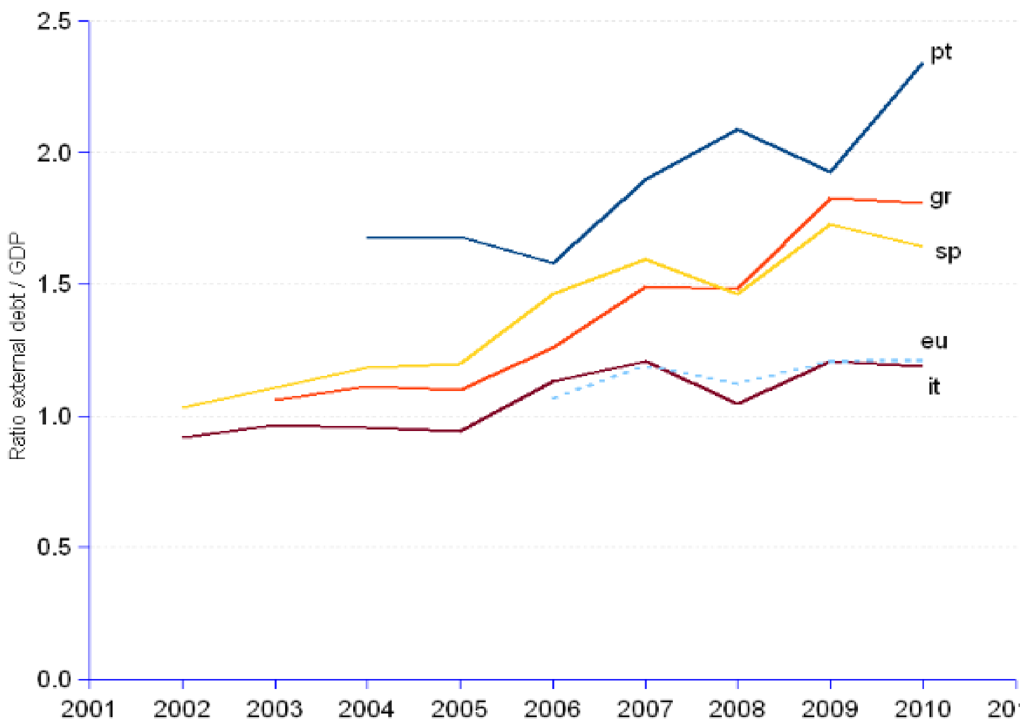
Ratio Gross External Debt over GDP (gross domestic product)
PIIGS (Portugal, Ireland, Italy, Greece, Spain)

Year[1]	Portugal			Ireland			Italy			Greece			Spain			Euro area		
	Gross external debt [2]	GDP [2]	External debt/GDP	Gross external debt [2]	GDP [2]	External debt/GDP	Gross external debt [2]	GDP [2]	External debt/GDP	Gross external debt [2]	GDP [2]	External debt/GDP	Gross external debt [2]	GDP [2]	External debt/GDP	Gross external debt [2]	GDP [2]	External debt/GDP
2002		143		552	133	4.1	1,213	1,323	0.9		159		769	745	1.0		7,491	
2003	287	172		780	168	4.6	1,543	1,602	1.0	217	205	1.1	1,041	939	1.1		9,054	
2004	321	191	1.7	1,087	192	5.7	1,703	1,786	1.0	262	236	1.1	1,277	1,079	1.2		10,088	
2005	302	191	1.7	1,336	202	6.6	1,676	1,778	0.9	263	240	1.1	1,350	1,130	1.2		10,132	
2006	369	195	1.6	1,708	215	7.9	2,042	1,805	1.1	319	254	1.3	1,748	1,196	1.5	11,081	10,406	1.1
2007	455	218	1.9	2,133	244	8.7	2,398	1,991	1.2	427	287	1.5	2,166	1,357	1.6	13,837	11,625	1.2
2008	446	232	2.1	2,169	243	8.9	2,205	2,114	1.0	465	314	1.5	2,142	1,467	1.5	13,984	12,461	1.1
2009	501	214	1.9	2,176	202	10.8	2,327	1,926	1.2	536	294	1.8	2,309	1,336	1.7	13,657	11,316	1.2
2010	478	207	2.3	2,082	191	10.9	2,201	1,854	1.2	491	272	1.8	2,087	1,272	1.6	13,303	10,976	1.2
2011	461			2,031			2,244			492			2,153			14,003		
Avge annual growth rate	6.1%	2.4%	5.8%	15.6%	4.6%	11.5%	7.1%	4.3%	3.7%	10.7%	7.0%	8.4%	12.1%	6.9%	5.6%	4.8%	4.9%	3.3%
GDP change rate 2008-2010		-6%			-11%			-6%			-7%			-7%		-2%		

[1] All years show 4th Quarter values, except 2011 that is 3rd Quarter.

[2] Billion real US$, 2005=100.

II. *Source:* Casais, Eduardo. "External Debt to GDP - PIIGS." Areppim. Areppim, 30 Aug. 2014. Web. 22 June 2017.

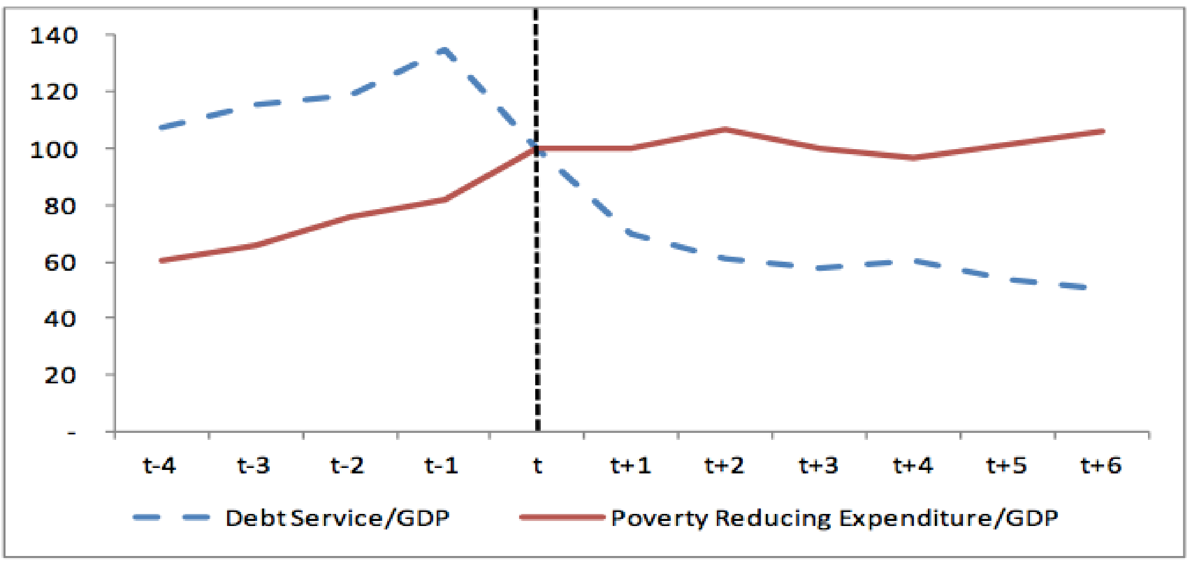


III. UN Resolutions about External Debt: http://www.un.org/esa/ffd/documents/ga_debt.htm

IV. *Source:* The Staffs of the International Development Association (IDA) and the International Monetary Fund (IMF). "Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) - Statistical Update." Ed. John Panzer and Seán Nolan. Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) - Statistical Update (2015): n. pag. 15 Mar. 2016. Web. 22 June 2017.

Figure 1. Poverty-Reducing Expenditure and Debt Service in 36 Post-Decision-Point HIPCs, (in % of GDP)[1]

(indexed to 100 at completion point)



Sources: HIPC documents; World Bank and Fund staff estimates.
[1]Due to data constraints 't' indicates completion point rather than decision point. As a result, the effect of debt relief may be underestimated since some debt relief may have occurred prior to completion point. For detailed country data and projections, refer to Appendix III Table 2 and 3.

V. Le Gouguec, Anaïs. "Will Africa Need a New "Heavily Indebted Poor Countries" Initiative?"Trésor-Economics 164 (2016): n. pag. Web. 22 June 2017.

Tableau 1 : situation of the countries under review

	HIPC decision point date	HIPC completion point date	Risk of debt distress[a]	External public debt-to-GDPB[b] ratio at the end of 2015	Total public debt-to- GDP ratio at the end of 2015[c]
Benin	2000	2003	Low	20%	37%
Burkina-Faso	2000	2002	Moderate	22%	34%
Burundi	2005	2009	High[d]	14%	30%
Cameroon	2000	2006	High	20%	33%
Comoros	2010	2012	Moderate	18%	18%
Congo	2006	2010	Moderate	45%	65%
Ivory Coast	2009	2012	Moderate	29%	46%
Ethiopia	2001	2004	Moderate	25%	50%
Gambia	2000	2007	Moderate	52%	102%
Ghana	2002	2004	High	36%	75%
Guinea	2000	2012	Moderate	32%	46%
Guinea Bissau	2000	2010	Moderate	31%	51%
Liberia	2008	2010	Moderate	26%	24%
Madagascar	2000	2004	Moderate	27%	41%
Malawi	2000	2006	Moderate	35%	76%
Mali	2000	2003	Moderate	34%	37%
Mauritania	2000	2002	High	62%	66%
Mozambique	2000	2001	Moderate	51%	73%
Niger	2000	2004	Moderate	40%	43%
Uganda	2000	2000	Low	21%	31%
Central African Republic	2007	2009	High	32%	43%
Democratic Republic of the Congo	2003	2010	Moderate	14%[e]	18%
Rwanda	2000	2005	Low	24%	34%
Sao Tome and Principe	2000	2007	High	73%	80%
Senegal	2000	2004	Low	37%	54%
Sierra Leone	2002	2006	Moderate	34%	45%
Tanzania	2000	2001	Low	28%	41%
Chad	2001	2015	High	47%[f]	60%
Togo	2008	2010	Moderate	24%	63%
Zambia	2000	2005	Moderate	19%	40%

a. Latest Debt Sustainability Analysis available at the end of 2015.
b. Projection. Source: WEO April 2015.
c. Latest Debt Sustainability Analysis available at the end of 2015. The scope generally includes non-sovereign public debt. Discrepancies with the previous column, other than those stemming from differences in scope, may be related to the dates on which the projections were produced.
d. The case of Burundi illustrates the necessity of analysing more than just the debt-to-GDP ratio. The country's management capacities are weak, and the small volume and lack of diversification of its exports are a source of vulnerability in terms of debt sustainability. Therefore, the risk of debt distress is rated as high, despite the low external public debt-to-GDP ratio.
e. Figure published in the latest Debt Sustainability Analysis..
f. Since the completion point was reached after the WEO 2015 was published, the figure is taken from the latest DSA published after the completion point was reached.

VI.

Table 3: Real GDP Growth Rates

Pays	2008	2009	2010
Greece	2.9%	-2%	-4.5%
Ireland	-3%	-7%	-0.4%
Portugal	0%	-2.9%	1.4%
Spain	0.9%	-3.7%	-0.1%
Italy	-1.2%	-5.1%	1.5%
France	-0.1%	-2.7%	1.5%
Germany	1.1%	-5.1%	3.7%
Eurozone	0.4%	-4.2%	1.9%

Source: Eurostat, 2011-12-20