

## Sub-Saharan African Country Debt Cancellation Eligibility

As of June 22, 2006

<b>HIPC<sup>1</sup></b> <i>Post-Completion Point included in MDRI<sup>2</sup></i>	<b>HIPC</b> <i>Decision Point</i>	<b>HIPC<sup>5</sup></b> <i>Had IMF program since 1995</i>	<b>HIPC<sup>5</sup></b> <i>Haven't had IMF program since 1995</i>	<b>Non-HIPC</b> <i>African Nations Excluded from HIPC and MDRI</i>
<ol style="list-style-type: none"> <li>1. Benin</li> <li>2. Burkina Faso</li> <li>3. Cameroon<sup>3</sup></li> <li>4. Ethiopia</li> <li>5. Ghana</li> <li>6. Madagascar</li> <li>7. Mali</li> <li>8. Mauritania</li> <li>9. Mozambique</li> <li>10. Niger</li> <li>11. Rwanda</li> <li>12. Senegal</li> <li>13. Tanzania</li> <li>14. Uganda</li> <li>15. Zambia</li> </ol>	<ol style="list-style-type: none"> <li>1. Burundi</li> <li>2. Chad</li> <li>3. Democratic Republic of Congo</li> <li>4. Gambia</li> <li>5. Guinea</li> <li>6. Guinea Bissau</li> <li>7. Malawi</li> <li>8. Republic of Congo</li> <li>9. Sao Tome and Principe</li> <li>10. Sierra Leone</li> </ol>	<ol style="list-style-type: none"> <li>1. Central African Republic</li> <li>2. Cote D'Ivoire</li> <li>3. Togo</li> </ol>	<ol style="list-style-type: none"> <li>1. Comoros</li> <li>2. Eritrea<sup>6</sup></li> <li>3. Liberia</li> <li>4. Somalia</li> <li>5. Sudan</li> </ol>	<ol style="list-style-type: none"> <li>1. Angola<sup>7</sup></li> <li>2. Botswana<sup>8</sup></li> <li>3. Cape Verde</li> <li>4. Djibouti</li> <li>5. Equatorial Guinea</li> <li>6. Gabon</li> <li>7. Kenya</li> <li>8. Lesotho</li> <li>9. Mauritius</li> <li>10. Namibia</li> <li>11. Nigeria<sup>7</sup></li> <li>12. Reunion<sup>8</sup></li> <li>13. Rwanda</li> <li>14. Seychelles</li> <li>15. South Africa</li> <li>16. Swaziland</li> <li>17. Zimbabwe</li> </ol>

1. The Heavily Indebted Poor Countries (HIPC) initiative is the joint International Monetary Fund (IMF)-World Bank debt relief scheme created in 1996 to provide limited debt relief for the poorest countries. Once countries meet the indebtedness criteria they enter HIPC and are then required to implement a series of conditions to reach "Decision Point" level and then finish the program at "Completion Point" when all conditions are implemented.
2. The Multilateral Debt Relief Initiative (MDRI) was agreed to by the Group of 8 (G8) wealthy countries in June 2005. The MDRI provides 100 percent debt cancellation of debt owed to the IMF, International Development Association (IDA) of the World Bank, and African Development Fund (AfDF) for countries that have reached, or will eventually reach, the completion point under HIPC.
3. Cameroon reached completion point and joined the MDRI list after the G8 deal was announced in June 2005.
4. In April 2006, Mauritania was temporarily dropped from the MDRI list after the G8 deal was announced due to poor governance standards.
5. In April 2006, the following African countries officially met income and indebtedness criteria for HIPC: Central African Republic, Comoros, Cote D'Ivoire, Eritrea, Liberia, Somalia, Sudan, and Togo. The countries will have to implement HIPC reforms to qualify for the MDRI.
6. Eritrea was named a new HIPC at April 2006 meetings.
7. Receiving Paris Club (originated in 1956 as a forum in which creditor governments meet to negotiate the rescheduling of the debts owed to them) debt cancellation. Angola began to negotiate with the Club in April 2006 to reschedule its debt (estimated at \$9.5 billion). The Club is demanding that Angola put an IMF lending program in place. Nigeria struck a deal with the Paris Club in October 2005. In real terms, the Paris Club will cancel \$18 billion of Nigeria's debt, or about 60% per cent of the about \$30 billion owed to the Club. But the Club will be paid an amount of \$12.4 billion. Of this, \$6.3 billion will be paid to regularize arrears owed and another \$6.1 billion to complete the exit strategy.
8. Botswana and Reunion are in Sub-Saharan Africa but do not have external debt levels of concern and therefore do not need debt cancellation.