

**U.S. DEBT REDUCTION ACTIVITIES
FY 1990 THROUGH FY 1999**

**Public Report to Congress
February 2000**

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**REPORT TO CONGRESS ON
U.S. DEBT REDUCTION AND NEW LENDING
FY 1990-FY 1999**

Summary

This report has two parts. The first part explains debt reduction activity taken by the U.S. government in FY 1998 and FY 1999. The second part of the report gives a detailed explanation of the debt reduction activities of the U.S. government in the 1990s.

The Administration's debt reduction programs are an integral part of U.S. international economic policy. In the context of individual countries' comprehensive economic reform programs, U.S. debt relief can help a debtor country stabilize its finances and put it on a sustainable path of economic growth. Debt reduction also unlocks resources for poverty alleviation, basic human needs, child survival and environmental protection. Debt relief also can benefit the U.S. economy through expanded bilateral trade and investment opportunities and by increasing the expected value of the remaining debt.

Below is a summary of those programs.

Multilateral (in the Paris Club):

Toronto Terms (1988): A 33% reduction in debt flows of eligible non-concessional debt to Paris Club creditors. The U.S. participated through a rescheduling option.

London (or enhanced Toronto) Terms (1991): A 50% reduction in eligible non-concessional debt to Paris Club creditors. The U.S. participated through a rescheduling option.

Naples Terms (1994): Up to 67% reduction in debt stock and debt flows of eligible non-concessional debt to Paris Club creditors.

Heavily Indebted Poor Country (HIPC) Terms (1996): Up to 80% debt stock and flow reduction on eligible non-concessional debt, or more if needed, plus proportional debt reduction from international financial institutions (IFIs), on "top up" from Naples to HIPC terms.

Enhanced HIPC Terms (to be implemented in 2000): Up to 90% debt stock and debt flow reduction on eligible non-concessional debt, or more if needed; 100% of concessional debt, plus proportional debt reduction from IFIs, from Naples to HIPC terms. The United States will forgive 100% of all debt owed by eligible countries. Canada and the United Kingdom have also agreed to forgive 100% of all debts owed by eligible HIPCs

Unilateral:

Reduction in USAID and USDA concessional debt: Up to 100% reduction on concessional USAID debt and concessional USDA (PL-480) debt to support economic reform for developing countries in Africa, Asia and Latin America. Reduction of concessional debt under these programs was provided from 1989 through 1991.

Enterprise for the Americas Initiative (EAI): Debt swaps, reduction, and debt buy backs of concessional debt owed by eligible countries in Latin America and the Caribbean for conservation and child survival programs. Legislative authority for this program was enacted in 1990.

Debt Reduction for Tropical Forest Conservation: Debt swaps, buy backs and reduction for eligible countries to support conservation of endangered tropical forests. Legislative authority for this program was enacted in 1998.

Debt Swaps under the SEED Act (1989): The Support for East European Democracy Act (SEED) of 1989 authorized the implementation of a program (the SEED Program) to provide cost-effective assistance, including debt swaps, to countries of Eastern Europe that have taken substantive steps toward democracy and market economies.

Special debt legislation:

The U.S. has reduced the debt of Poland (1991), Egypt (1991), and Jordan (1994, 1995, and 1997) to assist economic reform in those countries and to further national security interests. In the cases of Poland and Egypt, U.S. debt reduction leveraged debt reduction by other creditors. In the case of Jordan, the debt reduction was unilateral.

F Y 1999 DEBT REDUCTION ACTIVITIES

FY 1999 Agreements

Naples Terms: The U.S. participated in two Paris Club Naples Terms reduction agreements that will forgive a total of \$157.7 million in face value of debt owed to the U.S. Honduras received 67% reduction on eligible debt service payments due to Paris Club creditors through March 2002. Zambia received a 67% reduction on eligible debt service payments from the Paris Club in December 1996 for payments due through December 1997, but quickly fell off its IMF program and its Paris Club agreement was never fully implemented. In 1999, Zambia re-implemented its IMF program and became eligible to receive debt reduction from the Paris Club. Zambia will receive reduction on Paris Club debt service payments through March 2002.

HIPC: The U.S. participated in three Paris Club HIPC agreements that will forgive a total of \$19.6 million of debt owed to the U.S. Guyana and Bolivia reached their completion points and entered into agreements that will provide increased debt forgiveness from 67% up to 80% of their stocks of eligible debt. Mozambique reached its completion point and signed an agreement that will increase the stock debt forgiveness from 80% to 90%.

Bosnia: The Paris Club also provided Naples Terms debt reduction for Bosnia on eligible non-concessional debt service payments to Paris Club creditors. The \$4.3 million cost of U.S. debt reduction under this agreement was funded by separate appropriations under the Support for Eastern European Democracy (SEED) Act.

U.S. Budgetary Cost

There have been significant changes in cost and treatment of countries since initial FY 1999 budget projections. Ethiopia, Mauritania and Nicaragua were anticipated to receive HIPC terms debt reduction. In addition, it was expected that Honduras would receive a 50% reduction, as opposed to the 67% reduction in eligible Paris Club debt service payments it ultimately received. Congress was notified of this change in accord with established procedures. Finally, Zambia's 1996 Naples Terms agreement was fully implemented as Zambia returned to its IMF economic reform program.

Ethiopia became ineligible for debt relief under HIPC due to continuing military conflicts which caused it to fall off its economic reform program. Congress put a hold on debt reduction for Ethiopia as well. The HIPC decision points for Mauritania and Nicaragua have been delayed to FY 2000.

U.S. Debt Reduction Commitments for FY 1999
(\$ millions)

Budget Summary (Commitment Basis)

<i>FY 1999 Budgetary Authority</i>	<i>74.0¹</i>
<i>+ FY 1998 Carry-in (Unobligated)</i>	<i>14.5</i>
<i>= Total FY 1999 Budgetary Authority</i>	<i>88.5</i>
<i>- FY 1999 Bilateral Debt Reduction Activities</i>	<i>46.7²</i>
<i>= FY 1999 Carry-over (Unobligated and unearmarked)</i>	<i>41.8</i>
<i>Memo:</i>	
<i>- FCRS (permitted)</i>	<i>4.4</i>
<i>= FY 1999 Carry-over (Unearmarked)</i>	<i>37.4</i>

¹Includes \$16 million Hurricane Mitch Supplemental for debt reduction for Honduras, and \$25 million contribution to Central America Emergency Trust Fund

² Includes \$25 million contribution to Central America Emergency Trust Fund.

Paris Club FY 1999 Commitments

Country	Debt Reduction	Agency	Amount of Debt Forgiven	Expected Cost
Bolivia	39% (67-80%)	Eximbank	6.4	4.5
		Defense	1.7	1.1
		AID	4.3	3.0
		Total	12.3	8.6
Guyana	39% (67-80%)	Eximbank	1.8	0.3
		AID	0.1	0.1
		Total	1.9	0.4
Honduras	67%	Eximbank	0.8	0.5
		Defense	4.4	2.3
		AID	14.7	6.7
		CCC	4.0	1.9
		Total	23.4	11.4
Mozambique	50% (80-90%)	Eximbank	5.4	1.3
Zambia	67%	Eximbank	134.3	0.0
Total			177.3	21.7

FY 1998 DEBT REDUCTION ACTIVITIES

FY 1998 Agreements:

Naples Terms: The U.S. participated in five Paris Club Naples Terms agreements that will ultimately forgive a total of \$108 million of debt owed to the U.S. Nicaragua reached agreement that will reduce 67% of the amounts due on eligible debt through February 2001. Rwanda reached agreement that will reduce 67% of the amounts due on eligible debt through May 2001. Cameroon received a 50% reduction on debt service payments of its eligible Paris Club debt through August 2000. The Central African Republic reached an agreement to increase forgiveness of its debt flows from 50%, the amount previously forgiven by the Paris Club, to 67% through June 2001. Senegal received a 67% reduction on its outstanding stock on its Paris Club debt. Funds for the cost of the stock reduction were obligated when Senegal received a flow agreement in FY 1995.

HIPC: The U.S. participated in three Paris Club agreements that will forgive a total of \$228 million of debt owed to the U.S. Cote d'Ivoire reached agreements that will provide 80% forgiveness of its eligible debt through March 2001 and Uganda reached its completion point and received a stock of debt reduction. Mozambique signed an agreement that will increase Paris Club debt service forgiveness from 67% to 80% through August 2000.

U.S. Budgetary Cost

Compared to what had been anticipated in the FY 1998 budget notification, there were significant changes in the cost and treatment of some countries. In addition, the list of countries treated changed. For FY 1998, we had anticipated that three countries -- Bolivia, Honduras, and Mauritania -- would reach agreement with the Paris Club on Naples or HIPC terms debt reduction. Due to delays in implementing economic reforms or changes in the Paris Club's schedule, these countries did not receive debt reduction during FY 1998. The Paris Club provided HIPC debt reduction for Bolivia in October 1998 and Naples Terms debt reduction for Honduras in April of 1999. The Treasury notified the appropriate Congressional committees of the more than anticipated increase in debt reduction for Honduras to 67% from 50% in accord with agreed procedures (see below). Mauritania is expected to receive HIPC terms debt reduction during FY 2000.

In addition, two countries received Paris Club debt reduction agreements that were not anticipated at the time of the FY 1998 budget notification. The Central African Republic received a "topping-up" of its earlier Naples Terms agreements that increased debt reduction on flows from 50% to 67%. Rwanda received a 67% Naples Terms agreement, due to faster than expected implementation of economic reforms. The budget cost of U.S. debt reduction for these countries is \$0.2 million. The Treasury notified the appropriate Congressional committees in accord with agreed procedures.

U.S. Debt Reduction Commitments for FY 1998 (\$ millions)

Budget Summary (Commitment Basis)

<i>FY 1998 Budgetary Authority</i>	<i>27.0</i>
<i>+ FY 1997 Carry-in (Unobligated)</i>	<i>9.1</i>
<i>= Total FY 1998 Budgetary Authority</i>	<i>36.1</i>
<i>- FY 1998 Activities</i>	<i>21.6</i>
<i>= FY 1998 Carry-over (Unobligated)³</i>	<i>14.5</i>

³Includes \$1.5 million allocated for improvements in the Foreign Credit Reporting System pursuant to re-allocation authority in the FY 1998 Appropriations legislation.

Paris Club FY 1998 Commitments

Country	Debt Reduction	Agency	Amount of Debt Forgiven	Expected Cost
Cameroon	50%	Eximbank	45.0	0.4
		Defense	0.2	0
		Total	45.2	0.4
Central Africa Republic	34% (50-67%)	Eximbank	1.8	0.2
Cote d'Ivoire	80%	Eximbank	141.5	12.6
		AID	78.9	7.9
		Total	220.4	20.5
Mozambique	39% (67-80%)	Eximbank	6.9	0
Nicaragua	67%	Eximbank	39.9	0
		Defense	0.6	0
		AID	19.4	0
		Total	59.9	0
Rwanda	67%	Eximbank	0.8	0
Uganda	80%	Eximbank	0.7	0.5
Total			335.7	21.6

U.S. Debt Reduction Programs in the 1990s

Introduction

This section provides a short history of U.S. debt reduction programs from 1990 through 1999. The U.S. Government provided substantial debt reduction on debts owed by 39 countries during FY 1990-FY 1999. The total debt reduction during this period was about \$14.7 billion; over 80% percent of the relief occurred in FY 1990-FY 1991. The primary goals of debt reduction were:

- To lighten the debt burdens of the world's poorest, most heavily indebted countries that were committed to economic reform and that were unlikely to be able to repay their loans;
- To help reduce poverty and free funds to address critical social needs;
- To promote economic reform and environmental progress (under the Enterprise for the Americas Initiative and the Tropical Forest Conservation Act); and
- To reward countries for their participation in endeavors of the highest national interest, including the stabilization and transformation of Central and Eastern Europe and global efforts to stop aggression and facilitate peace in the Middle East.

Each debt reduction program undertaken during the period was authorized by specific legislation. Prior to the Credit Reform Act of 1992, no budget authority was needed for debt reduction. Debt reduction was treated as grants of authority to the President, not appropriations. Following the FY 1992 implementation of the Credit Reform Act, the Administration has sought specific appropriations for the estimated value of the loan assets it planned to forgive under each of these programs.

Multilateral Debt Reduction

One of the key objectives of U. S. international debt policy has been to assist countries which are undertaking essential economic reforms but are not able to service their outstanding debt in a timely manner. For most countries, this entails coordinated international action by creditor governments through the Paris Club to reschedule payments coming due over several years. This relief gives debtor governments time to stabilize their finances and enhances the prospect of future repayment for the U.S. government. Debt rescheduling does not involve any reduction in the value of outstanding debt and, when done in response to imminent default and to maximize U.S. repayment prospects, does not require budgetary appropriations.

For some countries, however, repeated reschedulings and high debt ratios signal a deeper problem of debtor insolvency. For these countries, debt reschedulings alone are not sufficient; the combination of economic reforms and debt service relief are not enough to enable the outstanding debt to be serviced in the future. The international community increasingly has come to recognize the need for additional action, going beyond debt reschedulings to reducing outstanding debt for these countries.

Reduction of Poorest Countries' Debt to Official Creditors. The international community -- through the Paris Club of Official Creditors (mainly governments of industrialized nations) -- agreed to reduce poorest country non-concessional debts as they came due. This process began with a level of 33% debt reduction in 1988 (Toronto Terms). This was increased to 50% debt reduction in 1991 (Enhanced Toronto or London Terms). The Paris Club agreed to further increase the available relief by providing up to 67% debt reduction at the end of 1994 (Naples Terms). The United States, which had negotiated a rescheduling option for its participation under Toronto and Enhanced Toronto Terms, obtained additional legislative authority to enable us to provide debt reduction on Naples Terms. A new innovation under Naples Terms was that after three years of sustained economic performance, the debt stock of eligible non-concessional debt would be reduced by 67%.

For a number of countries, however, despite continuing economic reform programs, the international community recognized that 67% reduction of eligible Paris Club debt would be insufficient to reduce their external obligations to sustainable levels that would permit timely servicing of remaining debt. Thus, the need for additional action was agreed in the Fall of 1996 when the Paris Club decided to provide up to 80% debt reduction, in conjunction with action by multilateral creditors, for eligible countries under a new initiative, the Heavily Indebted Poor Countries (HIPC) Debt Initiative. This initiative, for the first time, provided debt relief on

obligations to the international financial institutions (the IMF, World Bank, appropriate regional development banks, and others). Relief was provided for HIPC countries that demonstrated three years of sustained economic reforms, yet did not attain sustainable debt levels even after the full application of Naples Terms and other existing debt reduction instruments. For these countries, coordinated international relief was provided with the objective of attaining sustainable debt levels.

Under the original HIPC Initiative, three-years of good economic performance period was required, during which time the Paris Club would grant Naples Terms debt service relief (67%). At the conclusion of this initial three-year period, the country would reach its “decision point,” where eligible countries received up to 80% debt service relief from the Paris Club on payments falling due until a “completion point”, scheduled to be 3 years following the decision point. At the completion point, if debt sustainability was not achieved, the Paris Club would reduce the countries stock of debt up to 80%, or more if needed, and the IFIs would provide proportionate debt relief in order to achieve debt sustainability.

Although a few countries benefited from the HIPC Initiative (7 in total, including four that reached a completion point), the initiative was strongly criticized as being too slow, too narrow, too shallow, having excessive economic conditionality, and having only a peripheral focus on poverty reduction. Taking these criticisms into consideration, the United States led the effort to redesign the HIPC Initiative to provide deeper, broader and faster debt relief to the world’s poorest, most heavily indebted nations. This “enhanced” HIPC Initiative has both economic growth and poverty reduction as its central objective by ensuring that the savings from debt relief go toward addressing critical social needs.

The Enhanced HIPC Initiative. The enhanced HIPC Initiative aims to link explicitly debt relief and poverty reduction. The enhanced HIPC Initiative provides:

Deeper relief: The enhanced HIPC Initiative reduces the present value (PV) of debt-to-exports ratio from 200%-250%, the threshold under the original HIPC Initiative, to 150%; or for very open economies, reduced the PV of debt-to-revenues ratio from 280% to 250%. The lower debt targets mean deeper relief for all eligible countries. Creditor countries forgive 100% of aid (concessional) loans and up to 90%, or more if needed, of eligible non-concessional debt; multilateral creditors provide substantial debt forgiveness in proportion to their country exposure as well. The U.S. has indicated that it will forgive 100% of non-concessional debt to eligible countries and will urge other countries to do the same. The enhanced HIPC Initiative may reduce the debt owed by HIPCs by as much as \$90 billion, over 70% of total HIPC debt.

Broader relief. As many as 33 of the world's poorest, most heavily indebted nations are expected to benefit (up from 20 under the original HIPC Initiative). Many of these countries are in Sub-Saharan Africa.

Faster relief. The enhanced HIPC Initiative eliminates the six-year framework that existed under the original HIPC Initiative to receive the actual stock reduction and created a “floating” completion point that allows for debt stock reduction based on country performance. In addition, debt service payments are reduced during the first stage of the program (after the decision point) by granting reductions in debt service payments (“flow relief”) after the decision point. As many as three-quarters of the HIPCs may reach the decision point and receive flow relief by the end of 2000.

How the U.S. Implements Multilateral Debt Relief

The U.S. provides debt reduction multilaterally through agreements with the Paris Club of Official Creditors. At the time a country receives its first Naples Terms or HIPC Terms “flow reduction” agreement (which reduces principal and interest payments, proportionally equivalent to the stock of debt to be reduced), the U.S. commits budgetary resources, if needed, for the ultimate “stock reduction” agreement. The U.S. negotiates a bilateral agreement with the debtor country to implement its Paris Club commitment, and notifies Congress thirty days before the bilateral agreement becomes legally binding (“entry into force”).

The Administration obligates budgetary authority on the date of the Paris Club agreement, known as the “Agreed Minute” based on a cost estimate using prevailing data. Cost estimates are based on a probability model that determines the “expected value” of the loan. The expected value is the amount of the loan that is likely to be repaid. It is equal to the present value of the loan multiplied by the probability of default. This is reflected in the country’s confidential Interagency Credit Risk Assessment System (ICRAS) rating. Credit ratings are determined primarily by the political and economic situation of the country. Countries with high credit ratings have a greater probability of making full payment of a loan than countries with lower credit ratings. In addition, if the reduction in the stock of debt is large enough, the credit rating of the country may increase as a large reduction of debt stock can stabilize a country’s finances and encourage economic growth. In these cases, the expected value of the remaining debt stock increases.

Unilateral Debt Reduction

Reduction in USAID and USDA Concessional Debt. Beginning in the late 1970s and 1980s, many creditors governments forgave concessional debt on a bilateral basis. Between 1989 and 1991, the U.S. provided up to 100% debt reduction of concessional USAID debt and concessional USDA debt (PL-480) for eligible countries in Africa, Asia and Latin America. Debt relief was provided to promote democratic, market-oriented and long-term economic development. As consistent with current U.S. policies, debt relief was granted in the context of an economic reform program.

Relatively least developed nations were eligible for debt relief under this program, as were all countries in Sub-Saharan Africa. For PL-480 debt relief, an additional restriction was that countries could not be provided with agricultural credit assistance for two years following the debt reduction, unless the President provided Congress with a written justification for the provision of new credit assistance.

Twenty-five countries participated in these programs between 1989 and 1991, nineteen in Africa, one in Asia and five in Latin America. Over \$2.7 billion of developing country debt was canceled.

The Enterprise for the Americas Initiative. The Enterprise for the Americas Initiative (EAI) was designed to support trade, investment and economic growth in Latin America and the Caribbean through market-oriented economic reforms, community based conservation and child survival programs. Investment reform was a key pillar of the initiative, and a prerequisite for the reduction of U. S. debt. Under this initiative, the United States unilaterally reduced concessional debts owed by eligible Latin American and Caribbean countries.

Since other creditor governments were not involved, the EAI focussed on easing debt burdens at the margin, while providing an incentive for both investment reform and a stream of local currency contributions to support environmental and child survival programs. Debt reduction legislation in support of the EAI was enacted in 1990 for USDA concessional, or PL 480, debt and in 1992 for USAID and Export-Import Bank debt. Between 1991 and 1993, seven countries benefited from \$875 million in debt reduction under the EAI. EAI has generated a grass roots approach to decisions on project finance, by nurturing local non-governmental organizations (NGOs) and fostering NGO collaboration with the host governments. Several other creditor governments have adopted similar debt reduction programs linked to the creation of local currency funds.

The initial EAI program required budgetary expenditures to effect the proposed debt reduction. In early 1996, Congress approved a “no cost” debt buyback/swap program for USAID debt which will continue to support both debt reduction and local funding for the environment and child survival for lower income countries in Latin America and the Caribbean.

Debt Buy Backs and Debt Swaps. Under the EAI, eligible countries can buy back U.S. concessional debt or swap dollar-denominated concessional US debt for debt denominated in local currency. In debt buybacks, the debtor country contributes 40% of the purchase price in local currency to support environmental and child support programs. In a debt swap, private parties and/or non-governmental organizations purchase the debt of eligible countries to support swaps for investment, environmental or development programs.

Thus far, only Peru has bought back debt owed to the United States. In 1998, Peru repurchased about \$177 million in USAID concessional debt for \$57.1 million. As a part of this transaction, Peru entered into an Environmental Framework Agreement with the U. S. Government and contributed an amount in local currency equivalent to 40 percent of the buyback price into a fund to support the environment and child survival.

Debt Reduction for Tropical Forest Conservation. In accord with the Tropical Forest Conservation Act (TFCA) of 1998, the Administration provides debt relief for countries to support conservation of endangered tropical forests and to promote economic reform. Under this law, modeled after the EAI, U.S. concessional debt owed by recipient countries will be forgiven through debt buybacks, swaps, or debt reduction. Interest payments on the remaining debt will be channeled into local currency accounts supporting tropical forest conservation programs. The President signed this bill into law on July 28, 1998, and he signed an Executive Order to implement the TFCA on July 23, 1999. Bangladesh, Belize, Costa Rica, El Salvador, Peru and the Philippines have expressed interest in this program.

Debt Swaps under the SEED Act. The Support for East European Democracy Act (SEED) of 1989 authorized the implementation of a program (the SEED Program) to provide cost-effective assistance to those countries of Eastern Europe that have taken substantive steps toward transitioning towards democracy and market economies. One of the various activities authorized under this Act is US participation in multilateral activities aimed at reducing and/or rescheduling an East European country's debts, provided that doing so could assist the process of political and economic reform. The Act also authorizes the President to take all appropriate actions to explore and encourage innovative approaches to reduce the debts to official and commercial (private) creditors owed by East European governments that have taken substantive steps towards democracy and market-oriented economic reforms. This includes the discounted sale, to private purchasers, of USG debt obligations of an East European country. These debt sales must facilitate debt-for-equity or debt-for-development swaps.

Under the SEED Act, potentially eligible countries are: Albania, Bulgaria, the Czech and Slovak Federal Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and states that were part of the former Socialist Federal Republic of Yugoslavia. To date, however, no swaps have occurred under the authority of this legislation.

Special Debt Reduction Programs

In three exceptional instances, the U.S. Government has reduced the debt of severely-indebted lower-middle income countries to further both economic reform and U.S. national security interests. In each case, the debt reduction was provided pursuant to special legislation. In FY 1991, legislation was enacted for Poland, due to its strategic importance in the stabilization and transformation of Eastern European states to market oriented democracies, and in recognition of the contributions of the Polish armed forces to the Allied victory in World War II. The U.S. Government reduced Polish debt by 70%, including a 10% debt reduction linked to the contribution of local funds for environmental projects in Poland.

In FY 1991, Congress also passed legislation for Egypt, due to its important role in the consolidation of a Gulf War coalition to expel Iraq from Kuwait. The U. S. Government fully forgave Egypt's military debt.

The Paris Club followed the U.S. example in both these cases. The Paris Club endorsed a 50% debt reduction for both Poland and Egypt on a staged basis in the spring of 1991, and agreed to count the U.S. military debt forgiveness for Egypt as equivalent action by the United States. Private creditors also reached agreement to reduce Polish debt by 50%.

In support of Jordan's efforts to support Middle East peace, including in particular its peace agreement with Israel, Congress enacted legislation authorizing forgiveness of Jordan's debt to the U.S. Government in 1994. Action to effect Jordanian debt forgiveness has been staged over several years. Jordan's debt to other official or private creditors has not been reduced.

TABLE 1
Total U.S. Bilateral Debt Reduction FY 1990 - 1999
(\$ millions)

Country	572 Debt	411 Debt	EAI Concessional	Special Legislation	Naples	HIPC	Total
<i>Europe & Middle East</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>10,161.2</u>	<u>24.0</u>	<u>0.0</u>	<u>10,185.2</u>
Bosnia	-	-	-	-	24.0	-	24.0
Egypt	-	-	-	6,998.1	-	-	6,998.1
Jordan	-	-	-	698.4	-	-	698.4
Poland	-	-	-	2,464.7	-	-	2,464.7
		-					
<i>Latin America & Caribbean</i>	<u>1,009.3</u>	<u>272.9</u>	<u>1,051.3</u>	<u>3.3</u>	<u>236.7</u>	<u>14.2</u>	<u>2,587.7</u>
Argentina	-	-	3.8	-	-	-	3.8
Bolivia	339.6	-	30.7	-	66.7	12.3	449.3
Chile	-	-	30.6	-	-	-	30.6
Colombia	-	-	31.0	-	-	-	31.0
El Salvador	-	-	463.9	-	-	-	463.9
Guyana	76.3	40.3	-	-	9.9	1.9	128.4
Haiti	-	98.9	-	-	8.3	-	107.2
Honduras	333.9	108.9	-	-	91.9	-	534.7
Jamaica	-	-	310.8	-	-	-	310.8
Nicaragua	259.5	24.8	-	3.3	59.9	-	347.5
Uruguay	-	-	3.7	-	-	-	3.7
Peru	-	-	176.8	-	-	-	176.8
<i>Africa</i>	<u>720.1</u>	<u>416.2</u>	<u>0.0</u>	<u>0.0</u>	<u>276.0</u>	<u>233.4</u>	<u>1,645.7</u>
Benin	29.8	-	-	-	-	-	29.8
Burkina Faso	2.4	-	-	-	-	-	2.4
Cameroon	61.4	-	-	-	45.2	-	106.6
CAR	-	-	-	-	6.9	-	6.9
Congo (DR)	54.1	-	-	-	-	-	54.1
Congo, Rep.	-	-	-	-	10.7	-	10.7
Cote d'Ivoire	17.9	-	-	-	-	220.4	238.3
Ghana	83.7	95.8	-	-	-	-	179.5
Guinea	4.5	-	-	-	4.3	-	8.8
Kenya	85.9	102.0	-	-	-	-	187.9
Madagascar	5.6	53.4	-	-	0.0	-	59.0
Malawi	29.5	2.2	-	-	-	-	31.7
Mali	5.1	-	-	-	-	-	5.1
Mozambique	-	52.9	-	-	36.3	12.3	101.5
Niger	6.9	-	-	-	8.5	-	15.4
Nigeria	64.8	-	-	-	-	-	64.8
Rwanda	-	-	-	-	0.8	-	0.8
Senegal	-	34.5	-	-	10.1	-	44.6
Tanzania	79.7	59.1	-	-	18.9	-	157.7
Togo	7.4	-	-	-	-	-	7.4
Uganda	8.6	16.3	-	-	-	0.7	25.6
Zambia	172.8	-	-	-	134.3	-	307.1
<i>Asia</i>	<u>291.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>291.6</u>
Bangladesh	291.6	-	-	-	-	-	291.6
World Total	2,021.0	689.1	1,051.3	10,164.5	536.7	247.6	14,710.2

TABLE 2
U.S. Bilateral Debt Reduction FY 1990 - 1999:
Dates of Action of Unilateral and Special Debt Reduction
(\$ millions)

Country	Date of Action	572 Debt	411 Debt	EAI Concessional	Special Legislation	Total
Europe & Middle East						
		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>10,161.2</u>	<u>10,161.2</u>
Egypt	1991	-	-	-	6,998.1	6,998.1
Jordan	1995 & 1997	-	-	-	698.4	698.4
Poland	1991	-	-	-	2,464.7	2,464.7
Latin America & Caribbean						
		<u>1,009.3</u>	<u>272.9</u>	<u>1,051.3</u>	<u>3.3</u>	<u>2,336.8</u>
Argentina	1993	-	-	3.8	-	3.8
Bolivia	1991	339.6	-	30.7	-	370.3
Chile	1991	-	-	30.6	-	30.6
Colombia	1992	-	-	31.0	-	31.0
El Salvador	1992	-	-	463.9	-	463.9
Guyana	1991	76.3	40.3	-	-	116.6
Haiti	1991	-	98.9	-	-	98.9
Honduras	1991	333.9	108.9	-	-	442.8
Jamaica	1991	-	-	310.8	-	310.8
Nicaragua	1991 & 1995	259.5	24.8	-	3.3	287.6
Uruguay	1992	-	-	3.7	-	3.7
Peru	1998	-	-	176.8	-	176.8
Africa						
		<u>720.1</u>	<u>416.2</u>	<u>0.0</u>	<u>0.0</u>	<u>1,136.3</u>
Benin	1989 & 1991	29.8	-	-	-	29.8
Burkina Faso	1991	2.4	-	-	-	2.4
Cameroon	1990	61.4	-	-	-	61.4
Congo, Dem. Rep. Of	1989	54.1	-	-	-	54.1
Cote d'Ivoire	1990 & 1991	17.9	-	-	-	17.9
Ghana	1989	83.7	95.8	-	-	179.5
Guinea	1989	4.5	-	-	-	4.5
Kenya	1990 & 1991	85.9	102.0	-	-	187.9
Madagascar	1990 & 1991	5.6	53.4	-	-	59.0
Malawi	1989 & 1991	29.5	2.2	-	-	31.7
Mali	1989	5.1	-	-	-	5.1
Mozambique	1991	-	52.9	-	-	52.9
Niger	1990 & 1991	6.9	-	-	-	6.9
Nigeria	1989	64.8	-	-	-	64.8
Senegal	1991	-	34.5	-	-	34.5
Tanzania	1990 & 1991	79.7	59.1	-	-	138.8
Togo	1991	7.4	-	-	-	7.4
Uganda	1990 & 1991	8.6	16.3	-	-	24.9
Zambia	1991	172.8	-	-	-	172.8
Asia						
		<u>291.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>291.6</u>
Bangladesh	1991	291.6	-	-	-	291.6
World Total		2,021.0	689.1	1,051.3	10,164.5	13,925.9

TABLE 3
U.S. Bilateral Debt Reduction through Paris Club¹
Dates of Action of Bilateral Debt Reduction

Country	Date of Action	Agency	Paris Club Terms ³	Budgetary Cost	Naples/HIPC Reduction Level ²
<i>Europe</i>					
Bosnia	1999	USAID	67% ⁴	4.3	24
<i>Latin America</i>					
Bolivia	1996	DSAA Exim AID HIG	N (67%)	<u>40.1</u> 11.3	<u>250.9</u> 66.7
Bolivia	1999	AID HIG-G DSAA Exim AID HIG	H	8.6	12.3
Guyana	1996	AID HIG-G Exim	N (67%)	0.6	9.9
Guyana	1999	AID HIG	H	0.4	1.9
Haiti	1995	Exim	N (67%)	0.4	8.3
Honduras	1996	DSAA Exim DSAA	N (50%)	7.4	68.5
Honduras	1999	DSAA-G AID HIG AID HIG-G Exim HIG-G HIG Loans DSAA DSAA-G CCC	N (67%)/ Special Hurricane Mitch Relief	11.4	23.4
Nicaragua	1998	Exim HIG HIG-G DSAA	N (67%)	0.0	59.9
<i>Africa</i>					
Cameroon	1998	Exim DSAA	N (50%)	<u>24.5</u> 0.4	<u>509.4</u> 45.2
Central African Republic	1995	Exim	N (50%)	0.0	5.1
Central African Republic	1998	Exim	N (67%)	0.2	1.8
Congo, Rep. of	1996	Exim	N (67%)	0.5	10.7
Cote d'Ivoire	1998	Exim HIG HIG-G	H	20.5	220.4
Guinea	1995	Exim	N (50%)	0.0	4.3
Madagascar ⁵	1997	Exim	67%	0.0	0.0
Mozambique	1997	Exim	N (67%)	0.0	36.3
Mozambique	1998	Exim	H	0.0	6.9
Mozambique	1999	Exim	H (90%)	1.3	5.4
Niger	1994	Exim DSAA	N (50%)	0.0	6.1
Niger	1996	Exim DSAA	N (67%)	0.0	2.4
Rwanda	1998	Exim	N (67%)	0.0	0.8
Senegal	1994	AID DSAA Exim	N (50%)	0.6	7.2
Senegal	1995	AID DSAA Exim	N (67%)	0.3	2.9
Tanzania	1997	Exim	N (67%)	0.0	18.9
Uganda	1998	Exim	H	0.5	0.7
Zambia ⁶	1997	Exim	N (67%)	0.0	0.0
Zambia	1999	Exim	N (67%)	0.0	134.3
World Total				68.9	784.3

¹ The total debt reduction in Table 1 (\$14.71 billion) is the sum of Table 2 (\$13.93 billion) and Table 3 (\$784 million)

² Naples (\$536.7 million) and HIPC (\$247.6 million) debt reduction from Table 1 are combined here.

³ (N) Naples Terms = 1994, 50% or 67% (H) HIPC Terms = 1997, 80%, or more

⁴ Cost covered by SEED Act administered by USAID

⁵ Reduced interest rates on Madagascar's debt equivalent to a 67% PV debt stock reduction.

⁶ Zambia was to receive Naples Terms debt reduction, but did not comply with its IMF ESAF program
Debt stock reduction was never granted