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HIPC Assistance from Trinidad and Tobago A Creditor's Perspective

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I. INTRODUCTION

To chart the history of debt relief mechanisms available to middle and low income indebted countries one needs to go back at least three decades to a time in economic history when prevailing conditions enabled developing countries to accumulate sizeable debt balances. During the early years of the 1970s oil exporting countries experienced the first boom in oil prices which resulted in windfall gains. However growth in the developed world was sluggish at this time and industrial countries could not absorb the excess liquidity that flooded the financial system. Developing countries proved a captive market for these surplus funds since the recession and slow economic recovery of industrialised nations negatively impacted their exports and weakened the already precarious balance of payments of the non-oil developing countries.

Furthermore middle-income developing countries experienced cutbacks in bilateral assistance from industrialised countries. As a result, private commercial banks turned their attentions to middle income developing countries whose demand for finance capital could not be satisfied domestically. Loans were easily available and affordable, in most cases contracted at low or even negative real rates of interest. These conditions encouraged many developing nations to seize the opportunity to advance their economies. The outcome was a shift in the size, creditor composition and maturity structure of the middle income external debt profile as more commercial debt than bilateral debt was contracted resulting in a shortening of maturities and grace periods. Low income countries still posed a substantial risk and were denied access to external private capital flows. Instead they received an increase in official flow financing, that is, directly from other governments or from external countries' export credit agencies.

At the start of the 1980s, immediately succeeding the second oil price shock of 1979, the supply of finance generated by the oil windfalls was rapidly depleting. Industrialised countries entered into a period of recession, and financial markets adjusted by increasing interest rates which substantially raised the cost of borrowing. This severely affected

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developing countries which had accumulated large external debt balances by this time and faced mounting current account imbalances as commodity prices plummeted.

Debt, previously contracted on concessional terms, was required to be repaid at considerably higher rates of interest. This gave rise to repayment problems and the debt crisis of the 1980s triggered by Mexico's inability to meet its external debt service obligations. The international community perceived this to be a reflection of unsustainable debt positions endemic to developing countries and responded by halting all further capital flows to them. Industrialised nations, international organisations and the international financial community recognised the damage that heavily indebted low and middle income countries could have on banks and the international financial system. They responded through an international debt relief effort that was required to bring about any chance of loan recovery.

Commercial bank lenders to whom most of the middle income countries' external debt was owed, formed themselves into a committee known as the London Club to provide debt rescheduling to their debtors and to ensure that no debtor received better or worse treatment than the next. Many debtors required successive rescheduling contracts and commercial bank creditors realised that they would have to write off a portion of the debt outstanding. This was implemented under the Brady Plan of 1989 for fifteen (15) middle income countries. Accordingly, outstanding amounts were forgiven and the remaining principal and some portion of the interest was guaranteed with U.S. Treasury bonds.

For low income developing countries, the majority of external debt was owed to bilateral and multilateral creditors. Initially believing the debt problem to be one of liquidity and hence temporary, official creditors responded by providing rescheduling agreements generally on non-concessional terms which deferred debt service payments. This was provided under the Paris Club, a committee of bilateral creditors, to ensure equality of treatment and proportional burden sharing for all creditors. Simultaneously, multilateral agencies and some sovereigns (the Soviet Union) continued to provide new sources of funding to heavily indebted low income countries (LICs).

The build up of the debt stock however remained unsustainable and successive debt initiatives for low income countries followed. At the meeting of industrialised countries at the G7 summit in Toronto in 1988 options were developed known as the "Toronto terms" for debt reschedulings for LICs. These terms encompassed options to lower the rate of interest on rescheduled debt, to reduce payments falling due by one third and reschedule the remainder at market rates of interest, and the option to reschedule the debt with longer grace periods with no reduction in the rate of interest.

Further amendments were needed to bring debt levels of LICs to sustainable levels. In 1990, in Trinidad, proposals were made to Paris Club creditors to reduce the net present value of the debt by 67 per cent ("Trinidad terms"). However concessions could not be reached on these terms. Instead it was agreed at the G7 summit in 1991 that the degree of concessionality would be increased to 50 per cent ("London terms"). Eventually in 1994, bilateral creditors agreed to cancel two-thirds of the stock of official debt (stock of debt operations) in what became known as the "Naples terms".

These initiatives proved to be insufficient to bring the external debt positions of a number of low income countries to sustainable countries. Consequently, an all encompassing international debt relief programme known as the HIPC Initiative was launched by the World Bank and the International Monetary Fund (IMF) in 1996. For the first time such a debt relief programme would require the full participation of multilateral creditors (including the World Bank and the IMF), regional development banks, bilateral creditors and multilateral creditors. Historically, multilateral institutions enjoyed preferred creditor status which exempted them from engaging in previous debt rescheduling programmes.

Plight of Small Middle-Income Countries

One of the basic tenets of the HIPC Initiative is the principle of fully proportional and equitable burden sharing on which it was founded. These are the operational principles and practices of the Paris Club which had proven useful in reconciling the mutual interests of debtors and creditors alike. The burden sharing principle which is intrinsically linked to the principle of comparability of treatment ensures that all creditors provide debt relief commensurate with their financing exposure to the debtor country. In return, debtor countries are obliged to guarantee that creditor countries who had not given a commitment to the Initiative would not enjoy terms more favourable than those of participating creditors. Consequently the HIPC Initiative makes no distinction between creditors, and relief on an equitable and proportional basis is required from countries that are themselves low middle income countries and face moderate or heavy debt burdens.

These well established principles need to be interpreted in a more flexible manner than is the current practice in the Paris Club and should take into account the different circumstances of creditors. In particular consideration needs to be given to those small creditor countries such as Trinidad and Tobago which are middle income, are themselves moderately indebted and face the challenges of a developing economy. While Trinidad and Tobago has emerged onto a sustainable non-inflationary growth path, the economy is highly open with a narrow resource base, is inadequately diversified to shield against external influences and continues to be vulnerable to the vagaries of oil price movements. Both from

a debtor and a creditor perspective, small moderately indebted countries have extremely limited capabilities in dealing with the international financial community. As a debtor these countries in most cases can only access relatively small amounts of funding and are not eligible for extensive long term development financing from multilateral agencies. As a creditor, the power of influence on decisions for providing debt assistance is too small to be significant.

This paper begins with a brief explanation of the Heavily Indebted Poor Countries (HIPC) Initiative, a debt initiative which immediately succeeded the traditional mechanisms of debt relief. In this section there is special emphasis on Guyana's eligibility to debt relief under the HIPC framework. In the next two sections, the paper traces the evolution of Guyana's indebtedness to Trinidad and Tobago both as its bilateral creditor and multilateral creditor under the CARICOM Multilateral Clearing Facility. The paper concludes with an assessment of the impact debt relief provisions under traditional mechanisms and the HIPC Initiative have had on creditors in general and Trinidad and Tobago in particular.

II. THE HIPC INITIATIVE

The Heavily Indebted Poor Countries (HIPC) Initiative is a programme of actions proposed by the World Bank and the International Monetary Fund (IMF) to bring about a resolution to the debt problems faced by forty (40) of the poorest countries in the world. This initiative received the endorsement of governments around the world in September 1996, and represented a commitment of countries and creditors alike to collaboratively strive to ensure that the heavy burden of eligible countries for debt relief would be reduced to sustainable levels.

The HIPC Initiative involves a two-stage process, with each part lasting up to a period of three years. In the first stage, as a necessary criterion to qualify under the Initiative, the country must adopt programmes of reform and adjustment under the supervision of the World Bank and the IMF. At the end of this stage the country must be able to show a three-year track record of satisfactory policy performance of economic and social reforms.

At this point, **the decision point**, the debtor country together with the World Bank and the IMF conduct a Debt Sustainability Analysis to determine whether it is eligible for debt relief under the HIPC Initiative. This entails determining whether the country's debt is still at an unsustainable level even after accessing debt relief mechanisms prior to reaching this point or whether further debt relief is required. This appraisal process involves a comparison of

the ratio of a country's debt in net present value (NPV)¹ terms to the value of its exports with a target ratio that was set for the country.

(i) Debt Sustainability Targets

Under the HIPC Initiative the target ratio is generally set between 200-250 per cent and between 20-25 per cent for the debt service-to-exports ratio. However since a large export base could send an erroneous signal of the debt servicing capability of a country, country specific targets would be determined on a case by case basis. These would be set after particular consideration was given to the factors to which the country was particularly vulnerable, such as the nature of its export earnings and the level of government revenues required for debt service. Hence the criteria was broadened to include countries which have a NPV of debt-to-exports ratio below 200 per cent but which have an exports-to-GDP ratio of at least 40 per cent and a minimum fiscal revenue-to-GDP ratio of 20 per cent.

If at the decision point, the Boards of the World Bank and the IMF conclude that the debt levels are unsustainable, the country would then enter the second phase of the HIPC Initiative. During this second stage, which lasts up to three years, the prospective HIPC continues with its reform programme and receives additional debt relief from bilateral and commercial creditors through flow reschedulings on enhanced terms (up to a total of an 80 per cent reduction). Multilateral creditors would also provide relief as part of their total commitment under the HIPC Initiative. The international community in general, would be required to (1) continue to provide exceptional support while the country continued with its reform efforts, and would (2) make a commitment to provide the additional debt relief promised at the decision point at the end of this phase known as **the completion point**.

The international community recognised that the Initiative would not achieve its objective of debt sustainability for highly indebted LICs. Only seven countries had qualified for assistance in the first three years of the programme. As a result the Development and Interim Committees of the World Bank and the IMF gave their consent to modify the framework of the Initiative in September 1999. This **Enhanced HIPC** framework is intended to accelerate the debt relief delivery process. It is expected that the prospects of eligible countries for achieving prolonged debt sustainability would be improved, thereby freeing resources to enable an increase in the capacity for a reduction of poverty levels.

¹ If a significant part of a country's external debt is contracted on more favourable terms than could be obtained commercially, then the face value of the external debt stock is not a good measure of its debt burden. The net present value (NPV) is a measure which takes into account the extent of concessionality of the external debt. It is defined as the sum of all future principal and interest payments on existing disbursed and outstanding debt, discounted by the market rate of interest.

Box 1
The HIPC Initiative

Main Characteristics

- Launched by the IMF and the World Bank in September 1996.
- Designed to reduce the external debt burden of heavily indebted poor countries to sustainable levels.
- Combines debt reduction with policy reforms and new inflows of aid.
- Requires the full participation of multilateral, bilateral and commercial creditors.
- Enhanced in September 1999 to provide faster, deeper and broader debt relief and to strengthen the link between debt relief and poverty reduction.

Guiding Principles

- Creditors agree to share the cost of HIPC assistance on the basis of broad and equitable burden sharing and to provide relief on a basis that is proportional to the share of the debt after the full application of traditional forms of debt relief. This is known as the principle of proportional and equitable burden sharing.

Qualifying Criteria

- Country faces an unsustainable debt burden even after traditional debt relief.
- Country's per capita income is low enough to qualify for concessional lending from the IMF and the World Bank, that is it must have IDA-only debtor status.
- Country must demonstrate a sound record of adjustment and reform under the supervision of the World Bank and the IMF.

Debt Sustainability Targets

	Original Target Ratios (%)	Enhanced Target Ratios for Highly Open Economies (%)	Target Ratios for Guyana (%)	Guyana at End-1996 (%)
Targets				
NPV Debt to Exports	200-250	150	107	185
NPV Debt to Gov't Revenue "fiscal window"	280	250	280	486
Qualifying Thresholds				
Exports to GDP	40	30	-	103
Gov't Revenue to GDP	20	15	-	33
NPV Debt Service to Exports	20-25	-	-	-
NPV Debt Service to Gov't Revenue	-	-	-	43

Stages of the Initiative

First Stage

- Country adopts IMF and World Bank backed programmes of reform and adjustment as outlined in country-specific *Poverty Reduction Strategy Papers*.
- Country receives traditional forms of debt relief (Naples terms).
- At the end of three years, known as the **Decision Point**, a debt sustainability analysis is performed to determine whether the country qualifies for assistance under the HIPC initiative.
- The Boards of the IMF and World Bank formally decide on the country's eligibility.

Second Stage

- Once the country is eligible, creditors commit to deliver exceptional assistance, if needed, for the country to achieve debt sustainability over the next three years or until it reaches the **Completion Point or 'Floating' Completion Point**.
- Country establishes a second track record by implementing the policies outlined at the decision point.
- Creditors provide interim assistance.
- At the completion point, countries deliver the assistance as promised to bring the actual NPV debt-to-exports ratio and NPV debt-service-to-exports ratio to the agreed sustainability target.

This Enhanced Initiative would accomplish its objective through the following adjustments.

- i. A reduction in the targets and thresholds by which countries are assessed to determine the required levels of debt relief. The debt sustainability target of 200-250 per cent NPV of debt-to-exports was lowered to 150 per cent, and for very open economies through what is known as the "fiscal window" the NPV of debt-to-revenues was reduced from 280 per cent to 250 per cent.
- ii. Removal of the three-year period that a country was given to move from the decision point to the completion point and replaced by a "floating" completion point. The completion point would be achieved once the country implemented predetermined reform measures.
- iii. Introduction of interim debt relief between the decision and completion points.
- iv. Introduction of a new qualifying criterion, i.e. countries must prepare a policy action plan to reduce poverty levels through formalised Poverty Reduction Strategy Papers (PRSP)². This provides the foundation for concessional lending from the IMF under a new facility, the Poverty Reduction and Growth Facility (PRGF) which replaced the Enhanced Structural Adjustment Facility (ESAP) in September 1999.

Under the Enhanced Initiative, the debt sustainability of countries (including Guyana) which had already been considered under the original HIPC Debt Initiative is to be reassessed. Furthermore the determination of assistance was shifted from the completion point to the decision point.

(ii) Creditor's Burden Sharing

Under the HIPC Initiative the burden of debt relief is shared through a "proportional approach". In this way all creditors share the costs of this relief through a process of broad and equitable burden sharing and each creditor provides relief in proportion to their share of the debt remaining in NPV terms. Through this approach, multilateral creditors agreed to provide debt relief through measures which would allow them to maintain their preferred creditor status. Such provisions involve either debt buy backs, paying a country's debt as it becomes due, rescheduling debt or refinancing on grant terms. To accomplish this the

² A Poverty Reduction Strategy Paper (PRSP) is a national poverty reduction strategy which is linked to debt relief under the HIPC initiative. It describes a country's macroeconomic, structural and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs. PRSPs are developed by governments through the broad participation of civil society, key donors and development partners, including the World Bank and the IMF.

World Bank set up a **HIPC Trust Fund** which comprised contributions from participating multilateral creditors and bilateral donors and which multilateral creditors could access. This ensured that all multilateral creditors would meet their share of the cost and provided the avenue through which they could deliver debt relief when otherwise they would be constrained by their institutions' specific policies which prohibit debt restructuring or forgiveness.

(iii) Guyana's Eligibility under the HIPC Initiative

Guyana, being a severely indebted low-income country was among the first countries in the Western Hemisphere (Bolivia is the other country) to be considered under the HIPC Initiative. Even after the significant gains made in the recent past by way of macro economic adjustment and structural reforms, Guyana still remained one of the poorest countries in the Western Hemisphere. Government programmes to develop the economic infrastructure of the country and the social services sector were constrained by the deleterious impact of Guyana's debt service obligations on its national budget.

Guyana satisfied the eligibility criteria at its decision point of November 1997. According to the Initiative, the debt position as at end-1996 would be used to determine the level of assistance to Guyana. The ratio of the NPV of external public and publicly guaranteed debt-to-exports stood at 185 per cent at the end of 1996. Furthermore, Guyana's exports-to-GDP ratio averaged 103 per cent per annum over the period 1994-1996 and its government revenue-to-GDP ratio was 33 per cent.

Despite the favourable exports-to-GDP ratio which was five times larger than the average for the HIPCs, the fiscal burden of the external debt remained high with a NPV of debt-to-government revenues of 486 per cent and debt service-to-government revenues of 43 per cent in 1996. It was expected that Guyana would attain debt sustainability when the NPV of debt-to-exports ratio was reduced to 107 per cent, consistent with a projected NPV of debt-to-revenue ratio of 280 per cent at the completion point. Based on Guyana's favourable track record it was envisaged that the completion point would be reached in December 1998.

At the end of 1996, Guyana's external debt amounted to US\$1,595 million in nominal terms and US\$1,187 million in net present value (NPV) terms. Guyana's bilateral creditors accounted for US\$592 million in nominal terms or US\$523 million in NPV terms. Trinidad and Tobago was Guyana's largest bilateral creditor accounting for US\$176.9 million of Guyana's debt outstanding or US\$127.3 million in NPV terms. The remaining external debt was owed to multilateral institutions and amounted to US\$1,003 million in nominal terms or US\$664 million on a net present value basis at the end of 1996.

In May of 1999 the Fund and IDA staff of the World Bank were satisfied that Guyana had met the conditions for reaching the completion point. Guyana's NPV of debt-to-exports ratio was within the target of 97 to 117 per cent agreed at the decision point therefore requiring no adjustment of the amount of assistance for Guyana. However, the ratio of Guyana's NPV of debt-to-revenues remained high, approximately 350 per cent compared with the 280 per cent projected at the decision point.

To bring about compliance, further relief would be required under the **Enhanced HIPC Initiative** framework. As a retroactive case³ under the Enhanced framework a debt sustainability analysis was prepared for Guyana on the basis of loan-by-loan data for debt outstanding at end-1998⁴. Guyana's external debt position at end-1998 and the cost to creditors under the Original and Enhanced Initiatives are presented in Table 2. In November 2000 the Executive Boards of the IMF and the World Bank agreed to support a comprehensive debt reduction package for Guyana under the Enhanced HIPC Initiative framework. As a consequence Guyana was expected to complete a full PRSP and reach its completion point under the Enhanced Initiative by end-2001 by which time creditors would have provided additional assistance to Guyana. However Guyana was unable to achieve its targets by this date and instead it is estimated that it may achieve its completion point triggers by the end of 2003.

III. GUYANA'S BILATERAL DEBT TO TRINIDAD AND TOBAGO

Guyana's indebtedness to Trinidad and Tobago arose under bilateral loan agreements between the period 1974-1985 contracted with the Government of Trinidad and Tobago and the Central Bank of Trinidad and Tobago and under a multilateral arrangement with the CARICOM Multilateral Clearing Facility.

(i) Origin

Guyana's bilateral debt to Trinidad and Tobago was contracted during the period 1974-1985 (see **Appendix 1**). It comprised three main facilities - the CARICOM Oil Facility contracted with the Government of Trinidad and Tobago (GOTT), and the Balance of Payments Support Facility and Bilateral Settlements loan, which are debts to the Central

³ Under the Enhanced Initiative, a country is termed "retroactive" if it had previously qualified under the Original HIPC.

⁴ Rather than using data at the historical decision points, the DSA for all retroactive cases under the Enhanced Initiative are based on data at end-1998. This was the latest available data at the time of the endorsement of the Enhanced framework.

Bank of Trinidad and Tobago. In addition to these facilities, GOTT also extended credit to Guyana from General Revenue.

During the period 1974 to 1975 the central Bank of Trinidad and Tobago provided US\$20 million under the *Balance of Payments Support Facility (BOP Facility)* to assist Guyana with problems it was experiencing on its external accounts. Between 1981 and 1982 the Government of Trinidad and Tobago provided US\$73 million to Guyana under the *CARICOM Oil Facility* which was set up to assist CARICOM member states that imported petroleum products from Trinidad and Tobago and were faced with higher costs following the increase in world oil prices in 1979.

(ii) Debt Servicing To 1988

Guyana had been unable to meet its debt obligations to Trinidad and Tobago under these facilities. As a result Guyana's total bilateral debt outstanding to Trinidad and Tobago had grown to US\$401.8 million at the end of 1988. This included arrears of principal and interest and represented an increase of US\$103.4 million over the original loan amounts.

Upon termination of Trinidad and Tobago's bilateral account with Guyana in September 1985 Guyana had built up an accumulated debt of US\$205 million. However by the end of 1988 this debt (*the Bilateral Settlements Loan*) had grown to US\$222.7 million due to the settlement of a few transactions via this account. Finally the Government of Trinidad and Tobago extended a loan to Guyana of US\$0.2 million drawn from General Revenue (*the General Revenue Loan*).

Table 1
Guyana's Outstanding Debt to Trinidad and Tobago as at December 31 1988
US\$ Million

Facilities	Original Loan Amount	New Loan Amount Including Arrears as at Dec 31, 1988¹	Change in Indebtedness
Balance of Payments Support	20.0	40.4	20.4
CARICOM Oil Facility	73.3	90.0	16.7
Bilateral Settlements Account	205.0	271.3	66.3
General Revenue	0.2	0.2	n.a.
Total	298.4	401.8	103.4

¹ These figures do not include arrears on the loan from General Revenue.

Table 2

Guyana: Nominal and Net Present Value of External Debt Outstanding at End-1998 and Debt Relief in NPV terms Under the Original and Enhanced HIPC Initiative
US\$ Millions

	External Debt Outstanding at End-1998		Debt Relief Under Original HIPC	Debt Outstanding After Original HIPC	Debt Relief Under Enhanced HIPC	Debt Outstanding After Enhanced HIPC
	Nominal Terms	NPV Terms ¹	NPV Terms	NPV Terms	NPV Terms	NPV Terms
TOTAL	1,415.0	1,085.4	256.8	828.6	328.7	499.9
Multilateral Institutions	968.6	669.0	165.2	503.8	199.9	303.9
IADB	322.3	213.8	51.8	162.0	64.3	97.7
IDA/IBRD	250.9	129.7	27.1	102.6	40.7	61.9
IDA	235.0	113.3	27.1	86.2	na	na
IBRD	15.9	16.4	0.0	16.4	na	na
IMF	154.2	134.1	34.5	99.6	39.5	60.1
CMCF	108.5	102.0	29.2	72.8	28.9	43.9
EU/EIB	55.6	34.5	8.0	26.5	10.5	16.0
CDB	51.2	32.0	7.5	24.5	9.7	14.8
OPEC	22.4	19.6	6.2	13.4	5.3	8.1
IFAD	3.5	3.3	0.9	2.4	1.0	1.4
Official Bilateral Creditors	395.4	371.4	90.5	280.9	128.8 ²	152.1
Paris Club	318.6	317.4	83.1	234.3	na	na
Trinidad and Tobago	176.9	182.3	54.1	128.2	50.8	77.4
United Kingdom	72.6	80.1	22.2	57.9	na	na
United States	38.8	27.7	1.0	26.7	na	na
Germany	16.8	12.4	2.0	10.4	na	na
Netherlands	6.2	7.0	2.0	5.0	na	na
Canada	1.9	2.0	0.5	1.5	na	na
France	1.7	1.8	0.5	1.3	na	na
Denmark	1.5	1.6	0.4	1.2	na	na
Russian Federation	1.1	1.2	0.4	0.8	na	na
Japan	1.1	1.3	0.0	1.3	na	na
Non-Paris Club Official Bilateral	76.8	54.0	7.4	46.6	na	na
China	29.6	8.3	0.3	8.0	na	na
Kuwait	12.0	1.5	0.0	1.5	na	na
Lybia	11.0	12.1	2.9	9.2	na	na
Venezuela	10.0	9.9	0.8	9.1	na	na
Brazil	3.9	3.8	0.0	3.8	na	na
CDC	3.1	3.1	0.0	3.1	na	na
Argentina	2.2	2.2	0.5	1.7	na	na
India	2.0	0.7	0.1	0.6	na	na
United Arab Emirates	2.0	1.8	0.4	1.4	na	na
North Korea	1.0	10.6	2.4	8.2	na	na
Commercial Institutions	51.0	45.0	1.1	43.9	na	na

¹ After hypothetical full use of traditional debt-relief mechanisms.

² Represents the debt relief to be provided by bilateral and commercial creditors under the Enhanced HIPC Initiative.

(iii) Provision of Traditional Mechanisms of Debt Relief⁵

Rescheduling Agreement (1989)

In 1988, Trinidad and Tobago initiated steps to recover the outstanding bilateral debt owed by Guyana. Consequently, Trinidad and Tobago negotiated an agreement with Guyana on January 12 1989 to reschedule the consolidated debt **excluding interest arrears** as at December 31 1988 incurred under the three facilities aforementioned. The loan from General Revenue was not among those considered for rescheduling.

The Rescheduling Agreement of 1989 was made up of two separate repayment schedules, the first being the combined Bilateral Settlements Loan and BOP Facility amounting to US\$357.2 million and the other the Oil Facility of US\$95 million. **Columns 2 to 6 of Appendix Table 1** show the resulting repayment flows of the rescheduled debt agreement. The debt relief concessions under this agreement by way of interest rate reductions, non-inclusion of interest arrears and the two-year interest moratorium amounted to approximately US\$53 million (**see Appendix 2**).

On May 23 1989 Guyana concluded its first agreement with the Paris Club. This was followed closely by a second Paris Club agreement on September 12 1990. On account of the comparability of treatment clause of these Paris Club agreements, Guyana did not meet its obligations under the 1989 rescheduling contract with Trinidad and Tobago. Between 31st January 1992 and 31st July 1993, a total of US\$33.4 million in interest was due to be repaid to the CBTT under the Bilateral and Balance of Payments loans. Only an amount of US\$4.5 million was settled; the last payment of US\$2 million was received on February 25, 1993. Furthermore, the rescheduled CARICOM Oil Facility made provision for the GOTT to meet its expenses for various official visits to Guyana by netting off the costs against this debt. On account of this, the outstanding debt under the oil facility was reduced by small amounts.

Rescheduling of Interest due between 1/8/90 and 31/7/93

Guyana entered into its third agreement with the Paris Club on May 6 1993. This agreement required a 50 per cent write-down of payments due in the consolidated period August 1 1993 to December 31 1994. However Trinidad and Tobago did not participate in this agreement. At July 31 1993, interest arrears under the Bilateral and Balance of Payments loans and under the oil facility amounted to US\$28.9 million and US\$5.7 million, respectively. To address this, the Government of the Republic of Trinidad and Tobago and

⁵ Traditional debt relief mechanisms are all measures of debt relief other than those provided under the HIPC Initiative. They include relief provided by Paris Club members (concessional flow reschedulings, stock of debt operations and bilateral forgiveness), non Paris Club creditors (bilateral forgiveness and reschedulings) and debt relief and buy back operations provided by commercial creditors.

the Cooperative Republic of Guyana agreed by Minute dated August 16, 1993 to reschedule the debt payments due to Trinidad and Tobago over the period August 1, 1990 to July 31, 1993 under the broad parameters of the 1990 Paris Club Agreement. These arrangements were subsequently incorporated into a draft bilateral agreement covering the period August 1993 to December 1994 (see **Appendix 2**).

The Agreement made provision for Guyana to meet its 1994 obligations by non-cash payments under certain specified conditions, with the proviso that an amount no less than US\$5 million of the debt owed should be paid in cash by December 31, 1994. The resulting repayment flows are shown in **Columns 7 to 12 of Appendix Table 1**. The Minister of Finance of Guyana was expected to execute the bilateral agreement to these terms by the end of February 1994. Despite assurances, no payments were received and the draft bilateral agreement expired on December 31 1994 unsigned.

Paris Club Agreed Minute (May 23 1996) Naples Terms

Trinidad and Tobago participated in the Meeting of the Paris Club held in Paris France on May 23 1996. This was to arrive at a consensus on the treatment of the indebtedness of Guyana to a number of its creditors including Trinidad and Tobago, Guyana's largest creditor. At this meeting the Paris Club country creditors agreed to apply the new menu of concessions called the Naples terms to the overall stock of debt of Guyana. These terms provided for the net present value of the debt to be reduced by 67 per cent and the remainder to be rescheduled at market rates of interest over twenty-three (23) years, under a graduated amortisation schedule with a six (6) year moratorium on principal repayments. The status of Guyana's outstanding liabilities to Trinidad and Tobago as at May 23 1996 is represented in Table 3 below. The General Revenue loan excluding interest arrears was also included in the consolidated debt for rescheduling.

Table 3
Guyana's Outstanding Debt as at May 23 1996
US\$ Million

Facility	Principal Outstanding	Interest arrears less payments	Total Debt
1 Bilateral and Balance of Payments Facility	357.2	70.6	427.8
2 Oil Facility	95.3	12.9	108.2
3 General Revenue	0.2	-	0.2
Total	452.7	83.4	536.2

In accordance with the guidelines laid down in the Paris Club Minute of May 23 1996, Trinidad and Tobago concluded a bilateral agreement with Guyana first in Port of Spain on

March 25 1997 and then in Georgetown on March 27 1997. By this agreement 67 per cent or US\$359.2 million of Trinidad and Tobago's bilateral claims on Guyana (US\$536.2 million) was written-off. The agreement provided for an interest rate of 6.6% and given the delay in concluding the agreement three (3) interest payments were made in 1997, the first one of US\$5.6 million on March 27 1997 and the other two of US\$5.8 million and US\$5.9 million on the due dates of May 23 1997 and November 23 1997 respectively. The corresponding amortisation agreement is represented in **Appendix Table 2**. By and large these payments were generally met by Guyana except for the payment of May 23 1999 which was made on June 2 1999.

(iv) Provision of Debt Relief under the HIPC Initiative

Paris Club Agreed Minute (June 25 1999) Lyons terms

At the same time that Trinidad and Tobago entered into the agreement to write-off 67 per cent of the debt, creditor members of the Paris Club were already giving consideration to a request to provide additional debt relief to Guyana in accordance with the HIPC Initiative. This entailed a modification of the guidelines of the HIPC framework to take account of very open economies and made it possible for Guyana, upon reaching its decision point, to qualify for additional debt relief under the Initiative. Therefore at a meeting of the Paris Club on June 24-25 1999 participating creditor countries agreed to increase the debt reduction factor from 67 per cent to approximately 80 per cent (Lyons terms) topping up of the net present value (NPV) of the debt stock.

Trinidad and Tobago advanced the view that the country accepted in principle to provide its debt reduction concessions under the Lyons terms. Subsequently, Trinidad and Tobago agreed to deliver assistance of 77.3 per cent topping-up of the stock of debt equivalent to an additional reduction of US\$57.75 million in NPV terms. This would be effected through a reduction in the interest rate from 6.6 per cent to 3.24 per cent, but with the debt stock and repayment schedule remaining the one from the March 1997 bilateral agreement. Accordingly, since three (3) years of the bilateral agreement had elapsed, it was providing its debt relief over a period of twenty (20) years with a three (3) year moratorium. Guyana was allowed to defer debt payments due on November 23 1999 until January 7 2000. This late payment would attract no late interest fees. Thus Guyana would be allowed to make three (3) payments in the year 2000 with no more in 1999. Subsequently, in the year 2001 Guyana would make two (2) payments on the due dates of May 23 and November 23.

An agreement was executed on October 14 1999 between Trinidad and Tobago and Guyana pursuant to the Paris Club Agreed Minute of June 25 1999. The repayment flows of the loan to maturity are illustrated in **Appendix Table 2**. Interest payments were reduced to US\$ 5.7 million in the initial years as against US\$11.7 million in the March 1997

agreement (Naples Terms). Over the life of the loan, total interest payments would amount to US\$88.6 million compared with US\$215.2 million under the previous debt rescheduling contract. The debt stock of US\$176.9 million and the repayment schedule would remain unchanged.

Proposed Cologne Terms (90% Topping-Up Of Debt Relief)

At the G7 Summit Meeting in Cologne Germany, an enhancement to the HIPC initiative was considered to reduce the stock of debt under eligible loans and credits up to a maximum of 90 per cent. The first step in determining the additional debt relief required from Trinidad and Tobago is to estimate the net present value (NPV) of the original debt service before Naples terms and Lyons terms were applied. This is calculated to be \$560.7 million. For Trinidad and Tobago to deliver a debt reduction factor of 90% the NPV of the original debt service should be reduced by \$504.6 million (90%) leaving a remaining debt service of \$56.1 million (10%). The IMF has estimated that the increase in the debt reduction factor to 90 per cent increases the assistance from Trinidad and Tobago under the Enhanced Initiative by US\$50.8 million.

Topping up to 90% implies a negative interest rate if the principal stock of debt is to remain unchanged. **Therefore, a 90% topping up in debt relief to Guyana will require a reduction in the principal stock of debt.** The smallest reduction that can be made to principal is 25% to enable Cologne terms with positive interest rates. Alternatively, if the rate of interest is to remain unchanged at 3.24% then the principal stock of debt will have to fall by 60%.

Table 4 below traces the evolution of debt relief to Guyana from Trinidad and Tobago under the HIPC Initiative.

Table 4
Trinidad and Tobago's Bilateral Loans to Guyana
Changes in the Debt Service Schedule 1997-2003
US\$ Million

	Stage 1		Stage 2		Stage 3 Proposed	
	After Naples Terms (67%) 6.6%		After Lyons Terms (77.3%) 3.24%		After Proposed Cologne Terms (90%) 3.24%	
	Nominal terms	NPV Terms	Nominal terms	NPV Terms	Nominal terms	NPV Terms
Debt service	\$357.36	\$185.03	\$265.51	\$127.25	\$116.99	\$56.07
- principal	\$176.94	\$ 71.54	\$176.94	\$71.54	\$77.96	\$31.52
- interest	\$180.42	\$113.49	\$88.57	\$55.71	\$39.03	\$24.55

IV. GUYANA'S MULTILATERAL DEBT TO TRINIDAD AND TOBAGO

(i) Origin of CMCF Debt

On March 4 1977 member Central Banks of the Caribbean Community (the monetary authorities in Barbados, Belize, the Eastern Caribbean, Guyana, Jamaica and Trinidad and Tobago) entered into an agreement with effect from June 16 1977 to facilitate the settlement on a multilateral basis of payments of eligible transactions. This was originally a scheme for settling short-term trade payments among these countries. This agreement established the CARICOM Multilateral Clearing Facility (CMCF), a creditor facility, whose board appointed Trinidad and Tobago as the agent to manage and attend to the operations of the facility.

On March 31 1983 however, the facility was suspended by the mutual agreement of its participants and replaced by a system of bilateral settlements. Upon suspension of the multilateral arrangement Guyana had accumulated liabilities to the CMCF. In 1989 the board of the CMCF agreed to consolidate and reschedule the debt of Guyana to the creditor facility and creditor participants which amounted to US\$151.3 million. With effect from September 30 1989, the consolidated debt was rescheduled at a rate of interest of 5 per cent over a twenty (20) year period with a 10 year moratorium on principal repayments.

Subsequent to this rescheduling in 1989, Guyana entered into agreements in 1993 with two of the CMCF's creditor participants namely the Central Bank of Barbados and the Eastern Caribbean Central Bank, to recover parts of the debt owed to them. These agreements enabled Guyana to meet its debt payments to these creditors by netting off sums owed to Guyana from its surplus on bilateral trade. As a result, Guyana's multilateral debt under the CMCF was reduced to US\$108.5 million as at November 4 1998 from US\$151.3 million as at September 30 1989 (see Table 5). Guyana's debt obligation to the monetary authorities in Trinidad and Tobago and Belize and the CMCF common share remained unchanged at US\$32.85 million, US\$0.7 million and US\$28.6 million, respectively.

Of Guyana's debt to multilateral creditors (US\$1,003 million, US\$664 million in NPV terms) at the end of 1996, Guyana was indebted to CARICOM member countries through the CARICOM Multilateral Clearing Facility (CMCF) to the nominal value of US\$131 million or US\$113 million in NPV terms.

Table 5
CMCF - Netting off of Amounts Owed
US Million

Creditor	Debt Stock				Remarks
	Sep 30 1989	Dec 31 1996	Dec 31 1997	Nov 4 1998	
CBTT	32.85	32.85	32.85	32.85	unchanged
CBB	77.37	59.16	48.96	43.96	netting off
ECCB	11.86	8.53	6.51	2.42	netting off
Belize	0.65	0.65	0.65	0.65	unchanged
CMCF	28.59	28.59	28.59	28.59	unchanged
Total	151.33	129.78	117.57	108.48	

(ii) CMCF Debt Rescheduling under the HIPC Initiative

Since the CMCF is a multilateral financial institution and has preferred creditor status, Guyana has been up to date on its payments to the Facility. The CMCF had never been included within the scope of any of the previous agreements for debt relief between Trinidad and Tobago and Guyana, whether negotiated bilaterally or within the framework of the Paris Club.

In November 1997, the Board of Directors of the CMCF agreed to participate in the HIPC Initiative package designed for Guyana. While end-1996 data is used for determining debt relief under the Initiative, the bilateral clearing mechanisms of some CMCF creditors resulted in certain individual country's positions changing from the end-1996 position. As a result it was agreed that November 5 1998 would be the date by which debt relief would be determined. The debt relief required from the CMCF was determined to be US\$29.1 million or 25.9 per cent of the CMCF's NPV debt outstanding as of the decision point. To deliver this assistance, participants of the multilateral institution resolved to write down the common share of the CMCF. At the end of 1998, the CMCF in common held US\$28.6 million, accounting for 26.4 per cent of the outstanding claims on Guyana. Since a write down of this amount would deliver HIPC debt relief of US\$26.678 million in NPV terms, the HIPC Trust Fund would cover the financing gap of US\$2.447 million. In this way, CMCF participants were not required to write down a proportionate share of the debt which would have impaired the balance sheets of the creditor central banks.

An agreement to reschedule the consolidated debt under the CARICOM Multilateral Clearing Facility was executed on May 14 1999. This was an agreement among Guyana, the Bank of Guyana, the CMCF and the Central Bank of Trinidad and Tobago as Agent. On October 1 1999 a HIPC Trust Fund Grant Agreement was executed among the CMCF and International Development Association. Under this agreement the HIPC Debt Initiative

Trust Fund provided US\$2.447 million to the CMCF to fund the cost of the shortfall in debt relief from the CMCF.

Under the Enhanced HIPC framework, based on the new targets and the change in the point of determination to the decision point, it is inevitable that the reassessment process will result in increased financing required of the CMCF. To facilitate a decision as to the participation and financing needs of the CMCF in this Enhanced Initiative, the staff of the World Bank prepared estimates of the costs of the Enhanced Initiative for the CMCF. The costs are based on end-1998 data for Guyana, the latest available at the time of endorsement of the enhanced framework, rather than on data existing at the historical decision point (end-1996). In light of this, the total required debt relief from the CMCF at 1999 NPV terms is estimated to be US\$58.2 million. Since the CMCF, through a write-down of the common share and use of the HIPC Trust Fund, has already delivered US\$29.3 million (1999 NPV terms) this leaves a **financing gap of US\$28.9 million**. It is inevitable that any further debt relief to Guyana under the CMCF will have to be accommodated by a reduction of the debts owed to the individual creditor participants.

In May 2001, the Board of the CMCF endorsed a modality of debt relief which would provide debt relief of US\$25.9 million in NPV terms, leaving a financing gap of US\$3 million to be provided by the HIPC Trust Fund. This modality of relief comprised a debt stock reduction of US\$23.1 million in nominal terms, a reduction in the interest rate from 5 per cent to 2.5 per cent and a maturity period of 8.5 years.

The debt stock write-off of US\$23.1 million was to be divided among the CMCF creditors as follows: the Central Bank of Barbados US\$12.7 million (55.025 per cent), the Central Bank of Trinidad and Tobago US\$9.5 million (41.127 per cent), the Eastern Caribbean Central Bank US\$0.7 million (3.033 per cent) and the Central Bank of Belize US\$0.2 million (0.815 per cent).

V. IMPACT OF THE HIPC INITIATIVE ON CREDITORS IN GENERAL AND TRINIDAD AND TOBAGO IN PARTICULAR

The successful implementation of the HIPC Initiative and the reduction of the debt to sustainable levels require the broad and equitable participation of all creditors. Assistance under the HIPC Initiative, including original and enhanced HIPC assistance, is expected to result in relief of debt service payments of over \$30 billion for potentially 38 HIPC countries. Two other countries which were originally identified for debt relief, namely Vietnam and Yemen, are not expected to qualify for assistance under the Initiative. Together with

traditional mechanisms of debt relief, including Naples terms, the total cost of debt relief provided to these HIPC's will amount to approximately US\$50 billion.

(i) Cost Composition of the HIPC Initiative

In the September 2002 costing exercise for 34⁶ of the 38 countries which was prepared by the staffs of the World Bank and the IMF, the total cost of the debt relief was estimated to be US\$37.2 billion in 2001 NPV terms. In the more recent costing exercise of March 2003 the total cost increased to US\$39.2 billion valued at 2002 NPV terms⁷. These costs are in the main, equally divided between bilateral and multilateral creditors. On the basis of the proportional burden sharing principle, assistance from bilateral creditors to be provided under the HIPC Initiative is estimated to be US\$18.7 billion in 2002 NPV terms, about 47.7 per cent of the total. This is divided between Paris Club creditors (US\$15.3 billion) and non-Paris Club official creditors (US\$3.4 billion). The debt relief costs for the multilateral creditors are estimated at about US\$18.8 billion or 47.8 per cent of the total cost. This includes US\$8.7 billion for the World Bank Group (IDA and IBRD), US\$3.2 billion for the AfDB Group (the African Development Bank and the African Development Fund), US\$2.9 billion for the IMF, US\$1.3 billion for the Inter-American Development Bank and US\$2.8 billion for other multilateral creditors. The debt relief costs to commercial creditors is estimated to be US\$1.8 billion.

The HIPC Initiative has not received the full endorsement of all creditors. In particular the agreement of all non-Paris Club official bilateral and commercial creditors to participate remains an outstanding issue especially since they face considerable financial constraints and are not legally bound to comply with the decision of the IMF and World Bank regarding the HIPC Initiative.

Of the 49 non-Paris Club official bilateral creditors, only 12 have so far agreed to deliver full debt relief which amounts to US\$402 million or 12 per cent of the total required from non-Paris Club creditors. A partial commitment has been received from 14 other non-Paris Club countries representing relief of US\$1.9 billion or 55 per cent of the total non-Paris Club assistance. Very limited data on commercial creditors is available for any statement to be made as to their participation in the HIPC Initiative.

⁶ The September 2002 costing exercise excludes Vietnam and Yemen which are potentially sustainable countries and Liberia, Lao P.D.R., Somalia and Sudan which are excluded because of relatively poor data and a lack of certainty with respect to the treatment of large arrears. In the costing exercise of March 2003 Angola and Kenya were also excluded since they were deemed as potentially sustainable cases.

⁷ HIPC assistance is costed in NPV terms at the time of the decision point, however for each year after the decision point the cost increases by a discount factor, the average interest rate applicable for relief to be committed. The discount factor for 2000 and 2001 was estimated to be 6.00 per cent and was adjusted to 5.45 per cent thereafter which increased the cost of debt relief at end-2002.

(ii) Impact on Multilateral Creditors

Multilateral institutions have been faced with substantial financing challenges to cover their costs under the HIPC Initiative. While multilateral institutions have been unanimous in their support of the objectives of the Initiative, difficulties have arisen in terms of providing the required support and simultaneously protecting the financial integrity of the institutions. The participation of the IMF, the World Bank and Multilateral Development Banks (MDBs) account for one half of the total debt relief costs in the HIPC initiative. Impairment of their balance sheet positions could threaten their ability to provide financing to middle income countries at relatively low rates of interest. To mitigate this risk, some MDBs will require donor support since they lack adequate capital resources. Without access to external sources of funding, the provision of debt relief by multilateral institutions could erode their creditworthiness, raise the cost at which they borrow in the market and hinder the flow of resources to all developing countries, not just HIPCs. The enhancement of the HIPC Initiative framework gave rise to further complications in expanding the scope of contributions from the multilaterals. Some MDBs faced legal or technical hurdles while others encountered constraints that involved achieving shareholder consensus for financing the enhanced Initiative. Apart from the use of internal resources, significant additional support from donors would be required to assist multilateral creditors in providing their share of the debt relief.

The HIPC Debt Initiative Trust Fund (the "Trust Fund"), administered by IDA, is the mechanism through which donor funds are channelled to assist multilaterals in meeting their share of the debt relief under the Initiative. The Trust Fund's purpose is to respond to individual MDB needs, however, its ability to do so is dependent on the size and pattern of donor funding. The Trust Fund operates to match MDBs' funding commitments with inflows of donor funds. The Trust Fund has helped MDBs' to supplement their own resources in providing debt relief, however, it still remains that the main responsibility to provide debt relief lies with the individual multilateral institutions.

For the **IMF**, the HIPC Initiative has led to a revaluation of the gold reserves and some manipulation of the balance sheet. To partially finance its participation in the Initiative the IMF decided to sell 14 million ounces of gold (IMF Gold Reserves) which are member's subscriptions originally contributed in gold, and to then invest the proceeds and use the interest to provide debt relief. This has raised concerns about its impact on the price of gold internationally. Being a main export for many developing countries, the lowering of the price of gold could endanger the adjustment efforts of about 30 of the HIPC countries that produce gold.

The **World Bank** in general has used three different methods to deliver its share of assistance. The majority of assistance from the World Bank will be provided on IDA credit to HIPC's. Under the original HIPC, the World Bank used its share of the Trust Fund to meet its commitment to four countries that had reached their completion points. Through the HIPC Trust Fund, the World Bank executed two methods of debt relief on IDA debt, i.e. cancellation and pay as you go modalities and debt service forgiveness techniques. Through IDA credit cancellation, a portion of the debt stock is cancelled whilst debt service forgiveness, cancels a portion of debt service on IDA credits as it becomes due. The third form of assistance is through IDA grant funding, whereby the stock of debt is reduced but a reduction in debt service occurs only after a 10 year grace period and for 30 years according to the amortization. This provides lesser debt relief upfront when compared with the forgiveness of IDA debt service.

The total cost of HIPC assistance for the IaDB has been estimated at US\$1.3 billion. Of this total, US\$400 million will be provided from the internal funds of the IaDB, leaving a financing gap of US\$900 million. Debt relief from the IaDB is based on a framework under which 50 per cent or more of the debt service on loans to eligible HIPC's provided through the Fund for Special Operations (FSO)⁸ would be relieved over the 2000-2008 period. This will be financed internally from shareholder funds and through fast-tracking the FSO-8 encashments. However this may affect the availability of FSO lending over the 2009-2012 period because of the provision of debt forgiveness. The continuity of appropriate levels of resources to eligible countries from 2009 onward could only be ensured if the FSO and the Intermediate Financing Facility⁹ were replenished. To close the financing gap, resources will be provided by the United States (US\$200 million), Canada (US\$25 million), non regional countries (US\$200 million) and borrowing member countries of the IaDB (US\$150 million).

(iii) Impact on Trinidad and Tobago

Debt Relief Provided under Stringent Economic Conditions

Undoubtedly, Trinidad and Tobago has borne the heaviest burden of any single bilateral creditor in relation to the size of the economy. Trinidad and Tobago's position as a creditor is unique both in terms of the generous concessions given to Guyana even before other

⁸ The financial resources of the IaDB consist of the ordinary capital (US\$101 billion), funds raised in capital markets through bond issues, the Fund for Special Operations, and trust funds. The Fund for Special Operations, which totals \$10 billion, includes paid-in contributions from all the Bank's member countries. The funds are used to finance loans on concessional terms to economically less developed countries including Bolivia, Guyana, Haiti, Honduras and Nicaragua.

⁹ The IaDB uses a mechanism called the Intermediate Financing Facility to reduce interest rates on certain loans from the ordinary capital to a group of low-income countries, namely the Dominican Republic, Ecuador, El Salvador, Guatemala, Jamaica, Paraguay and Suriname.

major creditors and also in light of the economic difficulties under which it provided debt relief to Guyana.

As early as 1988 Trinidad and Tobago as one of Guyana's largest creditors was mindful of the serious economic and financial difficulties which that country experienced and initiated steps to reorganise the terms and conditions of the debt. Consequently, Trinidad and Tobago negotiated a debt relief agreement with Guyana that provided rescheduling terms for accumulated debt of US\$452.5 million. Under this agreement, debt relief concessions amounted to immediate relief of US\$53 million. The terms of this agreement were better than those Guyana obtained from its Paris Club creditors in 1989 under the Toronto terms.

It is worth noting that Trinidad and Tobago granted this debt relief during a period of severe economic hardship while the country was faced with gross imbalances and problems on its external account and had entered into an adjustment programme supported by an IMF Standby Arrangement. Despite these efforts, Guyana did not meet its obligations under the rescheduling agreement.

A general clause of the Paris Club agreements which Guyana entered into in 1989 and 1990, required that comparable treatment be meted out to all external creditors thus preventing Guyana from extending more favourable terms to creditor countries who did not participate in the agreement (Trinidad and Tobago) than those to Paris Club participating creditor countries. Only a minor interest payment of US\$4.5 million was received out of a total of US\$33.4 million due to be repaid up to July 1993. By this time Guyana had entered into its third agreement with the Paris Club, but Trinidad and Tobago decided not to participate since it felt that recognition needed to be given to the debt relief which had already been provided under the 1989 rescheduling agreement. Furthermore, the Paris Club did not take into account the fact that Trinidad and Tobago, unlike other creditors, was not receiving interest payments.

After many unsuccessful attempts to elicit payment, Trinidad and Tobago entered into a bilateral agreement with Guyana in 1994 but this was never implemented. Trinidad and Tobago realised that it would be futile to renegotiate a new bilateral agreement with Guyana. It would have to seek recourse to the Paris Club at the next meeting scheduled to take place in early 1996 to restructure Guyana's debt. Participation in this meeting would ensure that debt inflows from Guyana would be guaranteed through the sanctions of the Paris Club. Any defaulting of debt payments by Guyana would be considered a default on the Paris Club and on multilateral financial institutions since the Government of Guyana was under an IMF supported Enhanced Structural Adjustment Facility.

Trinidad and Tobago attended the meeting of the Paris Club for Guyana on May 23 1996 and subscribed with other participating creditor countries to the consensus on the reduction and reorganisation of the debt of the Co-operative Republic of Guyana. Participating creditors were of the view that the application of Naples terms to the overall stock of debt would be the definitive treatment required to bring Guyana out of the rescheduling process in light of Guyana's sustained economic and financial endeavours under successive IMF-supported programmes. By this time Guyana's outstanding debt liabilities to Trinidad and Tobago amounted to US\$536.2 million. (The Central bank of Trinidad and Tobago accounted for 76.7 per cent of the consolidated debt and 23.3 per cent was owed to the Government of Trinidad and Tobago.) In accordance with the Paris Club consensus, **Trinidad and Tobago provided additional debt forgiveness of US\$359.2 million**, by reducing the debt stock outstanding to \$176.9 million at an interest rate of 6.6 per cent. **This debt stock write off was equivalent to 6.2 per cent of the GDP of Trinidad and Tobago in 1997.**

Under Lyons terms, Trinidad and Tobago agreed to deliver assistance of 77.3 per cent topping-up of the stock of debt equivalent to an additional reduction of US\$57.75 million in NPV terms by reducing the rate of interest but leaving the repayment schedule unchanged. This position departed from the interest rate debt reduction option available under the Lyons terms which stipulated a forty (40) year maturity period with a grace period of eight (8) years. The Paris Club enabled such preferential treatment on the basis of previous efforts made by Trinidad and Tobago to provide substantial debt relief to Guyana and on the condition that the country allow the deferral of debt payments due by Guyana on November 23 1999 until January 7 2000. No late interest charges were to be applied to the payments.

The Cost of IADB Debt Rescheduling to Trinidad and Tobago

Trinidad and Tobago's burden of debt relief is also increased through its membership in the Inter-American Development Bank (IADB). The IADB has estimated that the total cost of its full participation in the HIPC initiative, both the original and enhanced frameworks, in present value terms is US\$1.1 billion. This comprises US\$230 million under the original HIPC Initiative to Bolivia and Guyana and US\$890 million to be delivered under the enhanced initiative to Bolivia, Guyana, Honduras and Nicaragua, the four Latin American HIPCs.

Having member status in the IADB, Trinidad and Tobago must share in the burden of assistance to HIPCs from the multilateral lending agency. It has been determined that borrowing member countries of the IADB would contribute a total of US\$150 million of which Trinidad and Tobago's share amounts to US\$1.45 million. While Trinidad and

Tobago's subscriptions to the Fund for Special Operations (FSO) are inadequate to meet the HIPC commitment, there is an amount of approximately US\$2.7 million on which promissory notes can be drawn.

Financial Constraints Faced by Members of the CMCF

In implementing the chosen modality of debt relief to Guyana under the Enhanced HIPC Initiative, the CMCF has been faced with a problem that has proven to be intractable to date. This relates to financial constraints of the individual creditor members of the CMCF.

The proposed modality of assistance entails a debt stock write off of US\$23.1 million in NPV terms. The share distribution of Guyana's debt to the central banks of Barbados, Trinidad and Tobago, the Eastern Caribbean and Belize is approximately 55.1 per cent, 41.1 per cent, 3 per cent and 0.8 per cent, respectively. As a consequence the burden of the debt relief falls on two major creditor participants of the CMCF on account of the uneven distribution of the debt. 96 per cent of the debt stock write-off will be borne by the Central Bank of Barbados (US\$12.7 million) and the Central Bank of Trinidad and Tobago (US\$9.5 million).

This effectively translates into a write down of Guyana's CMCF debt on the balance sheets of the individual central banks which is problematic. The Central Bank of Barbados in particular has indicated that it would face severe difficulty in delivering its allotted debt stock write off under the CMCF arrangement since it is unduly burdensome and has serious consequences for the Bank's balance sheet. The Central Bank of Barbados has argued that this modality of relief would impair the balance sheet and income potential of the Bank and have proposed instead an option to **bilateralise** the CMCF debt. There are several consequences which follow from changing the creditor status of the CMCF from that of a multilateral to a bilateral creditor:

Under the HIPC Initiative bilateral creditors are required to provide relatively more debt relief than multilateral creditors and must do so under the Cologne terms. Under Cologne terms, bilateral creditors must provide HIPC eligible countries with debt cancellation up to a maximum of 90 per cent whereas debt cancellation required of Guyana's multilateral creditors is 65.6 per cent.

Prior to the introduction of the HIPC Initiative, bilateral creditors gave debt relief under Naples terms amounting to 67 per cent. With the implementation of the Initiative, Lyons terms required a topping up of debt relief to 80 per cent. In this regard therefore these multilateral terms compare favourably, from a creditor's perspective, to the terms under

which bilateral creditors were required to deliver debt assistance in the pre-HIPC as well as post-HIPC period.

Preliminary calculations show that if the debt were bilateralised, individual members of the CMCF would collectively have to forgive US\$46.7 million in NPV terms under Cologne terms at the completion point compared with US\$28.9 million under the multilateral arrangement.

As a consequence of the above, the shares of debt relief between multilateral and bilateral creditors would have to be redistributed. This would be to ensure that the net present value of the total debt relief from all creditors is maintained at the level originally agreed to allow Guyana to achieve its debt sustainability targets.

A third consequence is the lack of financing assistance to bilateral creditors by way of the HIPC Trust Fund. The Trust Fund administered by the International Development Association of the World Bank provides assistance solely to multilateral creditors and from which the CMCF secured US\$2.447 million in 1999. Instead there will be an additional burden for each CMCF creditor by the proportionate share of US\$3 million, which the Trust Fund has indicated would be available to the CMCF at Guyana's completion point.

Even if the CMCF could have delivered this debt relief through measures not entailing a debt stock write off the integrity of the balance sheets would still be affected in the context of **International Accounting Standards (IAS 39)**. This treats with the recognition and measurement of financial assets and requires that all financial transactions be reflected on the balance sheet statement at the mark-to-market value. Hence, regardless of the modality of relief chosen, the change in the 'fair value' of the asset would be reflected on the balance sheet.

The stalemate on CMCF debt relief to Guyana places Trinidad and Tobago in a precarious position since it has pledged its commitment under the HIPC both at the bilateral and multilateral bases. At the meeting of the Paris Club on October 22 1997, Trinidad and Tobago reiterated its commitment to the international consensus on the HIPC Initiative. Trinidad and Tobago also supported the decisions of the Boards of the International Monetary Fund and the World Bank to modify the guidelines on implementing the HIPC Initiative for very open economies where exclusive reliance on external indicators did not adequately address the fiscal burden of external debt.

VI. CONCLUSION

A major criticism levelled against the custodians of the HIPC Initiative is that there has been insufficient regard for the small sub regional MDBs as well as a few middle income country creditors with significant exposure in one or more HIPCs. This has been the case for the CMCF, a relatively small multilateral regional institution and for Trinidad and Tobago with substantial debt claims on Guyana both on the bilateral side and multilateral side, as a creditor in the CMCF. These creditors have faced particularly difficult issues in providing their share of HIPC debt relief. On account of size, the voting power of most developing countries is only marginal and as a result they are effectively excluded from the decision making process. Agreements have been made at the multilateral level (The IMF and The World Bank) without care to the plight of many countries who themselves may be moderately or heavily indebted, who are themselves HIPC countries and who may have developing or underdeveloped status. By this token some creditors bear a disproportionate share of the overall provision of concessional resources.

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APPENDICES

APPENDIX 1

Details of Origin of Guyana's Bilateral Debt to Trinidad and Tobago

Balance of Payments Support Facility (BOP Facility) 1974-1975

At the 1974 CARICOM Heads of Government Meeting, a decision was taken to assist CARICOM member countries faced with balance of payments problems. Between 1974 and 1975, US\$20 million was advanced to Guyana by the Central Bank of Trinidad and Tobago. This debt was to be repaid between 1976 and 1979 in four instalments of US\$5 million each. The interest rate was determined to be the average of 91-day treasury bill rates in Barbados, Guyana, Jamaica and Trinidad and Tobago.

CARICOM Oil Facility 1981-1982

In 1980, the Government of Trinidad and Tobago established a CARICOM Oil Facility for CARICOM member states who imported petroleum products from Trinidad and Tobago. It was developed to help them to meet the higher cost of the products following the increase in world oil prices in 1979. Under this facility the Government of the Republic of Guyana received US\$73.3 million between January 20 1981 and February 4 1982. This debt had a grace period of three (3) years and was to be repaid over a period of 15 years at a rate of interest of 3 per cent.

Bilateral Settlements Loan 1985

Subsequent to the suspension of the CARICOM Multilateral Clearing Facility (CMCF) in 1983, bilateral accounts were opened with individual central banks to record trade transactions between CARICOM countries. The US dollar equivalents of these transactions were recorded and net balances were to be settled at the end of each month. No interest was charged on outstanding balances.

Trinidad and Tobago's bilateral account with Guyana was closed on September 30 1985. As a result of the non-payment by Guyana on the settlement dates, the account upon termination had an accumulated balance of US\$205 million. The outstanding balance increased to US\$222.7 million by December 31 1988 due to the settlement of a few selected transactions via this account.

General Revenue Loan

The government of Trinidad and Tobago extended a loan to Guyana of US\$0.2 million drawn from General Revenue. This loan was due for repayment in 1981.

Appendix 2

Traditional Mechanisms of Debt Relief by Trinidad and Tobago to Guyana

1. Terms of 1989 Debt Rescheduling Agreement between Trinidad and Tobago and Guyana

- (a) repayment of principal over 20 years with a ten year moratorium on principal repayments;
- (b) a moratorium on interest for one (1) year, at the end of which such interest was to be consolidated with the outstanding debt as at the date of commencement of Guyana's Fund Programme (July 31, 1991);
- (c) an interest rate of 3% on the Oil Facility and 4.6% on the other balances (Bilateral and Balance of Payments loans); and
- (d) interest on the debt was to be paid semi-annually. The first payment was due January 31, 1992.

2. Terms of Agreement Rescheduling the Interest due between 1/8/90 and 31/7/93

- (a) arrears of interest to be paid over a twelve (12) year period including a six year moratorium on payments of the principal sum;
- (b) the payment of principal in twelve (12) equal and successive semi-annual payments, the first to be on January 31, 2000 and the last on July 31, 2005.
- (c) the interest rate to remain unchanged at 3% on the amount owed under the Oil Facility and 4.6% on the other loans.
- (d) under the original loan (i.e. the debt rescheduled in 1989), the amount falling due from August 1, 1993 to December 31, 1994 to be paid in accordance with the payment schedule of the original rescheduling agreement of 1989.

3. Terms of the Paris Club (Naples Terms) Agreement of March 1997

- a) the overall stock of Trinidad and Tobago's claims on Guyana was determined to be \$536.2 million;
- b) a write-down of 67 per cent provided on the overall stock of claims entailed a reduction of US\$359.2 million in Guyana's debt obligations;
- c) Guyana is required to liquidate the remaining debt of US\$176.9 million over twenty-three (23) years with a six year moratorium on principal repayments;
- d) the detailed arrangements for the reduction and reorganisation of the debt was to be accomplished by a Bilateral Agreement to be concluded before December 1996 by the Government of Trinidad and Tobago and Guyana;
- e) the rates of interest on the rescheduling and refinancing arrangements were to be determined bilaterally between the two governments on the basis of an appropriate market rate;
- f) late interest were to be charged in the event of any delay in payments;

- g) on a voluntary and bilateral basis, Trinidad and Tobago could sell or exchange amounts of debt up to 10 per cent of its value as at May 6 1993 (US\$17.9 million) in the framework of debt for nature, debt for aid, debt for equity swaps or other local currency debt swaps;
- h) upon request of another Participating Creditor Country, Trinidad and Tobago were to make available a copy of its Bilateral Agreement with Guyana;
- i) Trinidad and Tobago would inform the Chairman of the Paris Club of the date of signature of its Bilateral Agreement, of the interest rates, of the amount of debt involved , and of the implementation of any debt conversions;
- j) the Chairman of the Paris Club would be informed regularly and in writing by Guyana of the progress made in negotiations with Trinidad and Tobago;
- k) the Chairman of the Paris Club were to be informed immediately by Guyana of the content of any agreement reached with Trinidad and Tobago; and
- l) on an annual basis, Guyana were to inform the Chairman of the Paris Club in writing of the cash payments made to Trinidad and Tobago.

4. Terms of the Paris Club (Lyons Terms) Agreement of October 1999

- a) assistance of 77.3 per cent topping-up of the stock of debt equivalent to an additional reduction of US\$57.75 million in NPV terms;
- b) effected through a reduction in the interest rate from 6.6 per cent to 3.24 per cent;
- c) debt stock and principal repayment schedule remained the same as the March 1997 bilateral agreement;
- d) all bilateral agreements with Guyana were to be concluded with the least delay and in any case before July 1 2000; and
- e) the Paris Club agreed that subsequent to the consideration of the Cologne terms by the Boards of the IMF and the World Bank, it will review the matter of Guyana's stock of debt with a view to providing additional debt relief if needed to achieve the objective of debt sustainability.

APPENDIX TABLE 1
GUYANA'S DEBT TO TRINIDAD AND TOBAGO
RESCHEDULING AGREEMENT OF 1989 AND RESCHEDULED INTEREST AGREEMENT OF 1993
AMORTISATION SCHEDULE (US\$)

1	Rescheduling Agreement 1989					New Draft Rescheduling of Interest Agreement 1993					
	Bilateral & BOP Facility US\$357,229,566.88		Oil Facility US\$95,332,720.52		Sum of Col. 2 to 5	Bilateral & BOP Facility US\$28,865,241.55		Oil Facility US\$5,720,622.34		Sum of Col. 7 to 10	Sum of Col. 6 and 11
	2	3	4	5	6	7	8	9	10	11	12
	Principal	Interest	Principal	Interest	Total	Principal	Interest	Principal	Interest	Total	TOTAL
31/7/1991			0.00	0.00	0.00						
31/1/1992	0.00	8,341,310.39	0.00	1,434,213.38	9,775,523.77						
31/7/1992	0.00	8,341,310.39	0.00	1,426,282.98	9,767,593.37						
31/1/1993	0.00	8,341,310.39	0.00	1,441,865.41	9,783,175.80						
31/7/1993	0.00	8,341,310.39	0.00	1,418,260.57	9,759,570.96						
31/1/1994	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/7/1994	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/1/1995	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/7/1995	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/1/1996	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/7/1996	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/1/1997	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/7/1997	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/1/1998	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/7/1998	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/1/1999	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/7/1999	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	0.00	674,003.39	0.00	85,809.34	759,812.73	10,531,113.92
31/1/2000	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	2,405,436.80	674,003.39	476,718.53	85,809.34	3,641,968.05	13,413,269.24
31/7/2000	0.00	8,341,310.39	0.00	1,429,990.81	9,771,301.19	2,405,436.80	617,836.44	476,718.53	78,658.56	3,578,650.32	13,349,951.52
31/1/2001	17,861,478.34	8,341,310.39	4,766,636.03	1,429,990.81	32,399,415.57	2,405,436.80	561,669.49	476,718.53	71,507.78	3,515,332.60	35,914,748.16
31/7/2001	17,861,478.34	7,924,244.87	4,766,636.03	1,358,491.27	31,910,850.51	2,405,436.80	505,502.54	476,718.53	64,357.00	3,452,014.87	35,362,865.38
31/1/2002	17,861,478.34	7,507,179.35	4,766,636.03	1,286,991.73	31,422,285.45	2,405,436.80	449,335.59	476,718.53	57,206.22	3,388,697.14	34,810,982.59
31/7/2002	17,861,478.34	7,090,113.83	4,766,636.03	1,215,492.19	30,933,720.39	2,405,436.80	393,168.64	476,718.53	50,055.45	3,325,379.41	34,259,099.80
31/1/2003	17,861,478.34	6,673,048.31	4,766,636.03	1,143,992.65	30,445,155.33	2,405,436.80	337,001.70	476,718.53	42,904.67	3,262,061.69	33,707,217.02
31/7/2003	17,861,478.34	6,255,982.79	4,766,636.03	1,072,493.11	29,956,590.27	2,405,436.80	280,834.75	476,718.53	35,753.89	3,198,743.96	33,155,334.23
31/1/2004	17,861,478.34	5,838,917.27	4,766,636.03	1,000,993.57	29,468,025.21	2,405,436.80	224,667.80	476,718.53	28,603.11	3,135,426.23	32,603,451.44
31/7/2004	17,861,478.34	5,421,851.75	4,766,636.03	929,494.02	28,979,460.15	2,405,436.80	168,500.85	476,718.53	21,452.33	3,072,108.51	32,051,568.66
31/1/2005	17,861,478.34	5,004,786.23	4,766,636.03	857,994.48	28,490,895.09	2,405,436.80	112,333.90	476,718.53	14,301.56	3,008,790.78	31,499,685.87
31/7/2005	17,861,478.34	4,587,720.71	4,766,636.03	786,494.94	28,002,330.03	2,405,436.80	56,166.95	476,718.53	7,150.78	2,945,473.05	30,947,803.08
31/1/2006	17,861,478.34	4,170,655.19	4,766,636.03	714,995.40	27,513,764.97						27,513,764.97
31/7/2006	17,861,478.34	3,753,589.67	4,766,636.03	643,495.86	27,025,199.91						27,025,199.91
31/1/2007	17,861,478.34	3,336,524.15	4,766,636.03	571,996.32	26,536,634.85						26,536,634.85
31/7/2007	17,861,478.34	2,919,458.64	4,766,636.03	500,496.78	26,048,069.79						26,048,069.79
31/1/2008	17,861,478.34	2,502,393.12	4,766,636.03	428,997.24	25,559,504.73						25,559,504.73
31/7/2008	17,861,478.34	2,085,327.60	4,766,636.03	357,497.70	25,070,939.67						25,070,939.67
31/1/2009	17,861,478.34	1,668,262.08	4,766,636.03	285,998.16	24,582,374.61						24,582,374.61
31/7/2009	17,861,478.34	1,251,196.56	4,766,636.03	214,498.62	24,093,809.55						24,093,809.55
31/1/2010	17,861,478.34	834,131.04	4,766,636.03	142,999.08	23,605,244.49						23,605,244.49
31/7/2010	17,861,478.34	417,065.52	4,766,635.95	71,499.54	23,116,679.35						23,116,679.35
	357,229,566.88	237,727,346.02	95,332,720.52	40,755,397.12		28,865,241.55	12,469,062.72	5,720,622.34	1,587,472.70		

**APPENDIX TABLE 2
GUYANA'S DEBT TO TRINIDAD AND TOBAGO
RESCHEDULING AGREEMENTS OF 1997 AND 1999
AMORTISATION SCHEDULE (US\$)**

Rescheduling Agreement March 1997				Rescheduling Agreement 1999			
Bilateral Debt US\$176,943,576.91				Bilateral Debt US\$176,943,576.91			
Interest rate 6.6%				Interest rate 3.24%			
	Principal	Interest	Total		Principal	Interest	Total
7/4/97	0.00	5,631,168.74	5,631,168.74				
23/5/1997	0.00	5,791,145.12	5,791,145.12				
23/11/1997	0.00	5,887,130.95	5,887,130.95				
23/5/1998	0.00	5,791,145.12	5,791,145.12				
23/11/1998	0.00	5,887,130.95	5,887,130.95				
23/5/1999	0.00	5,791,145.12	5,791,145.12				
23/11/1999	0.00	5,887,130.95	5,887,130.95	7/1/2000	0.00	2,890,046.10	2,890,046.10
23/5/2000	0.00	5,823,140.40	5,823,140.40	23/5/2000	0.00	2,858,632.56	2,858,632.56
23/11/2000	0.00	5,887,130.95	5,887,130.95	23/11/2000	0.00	2,890,046.10	2,890,046.10
23/5/2001	0.00	5,791,145.12	5,791,145.12	23/5/2001	0.00	2,842,925.79	2,842,925.79
23/11/2001	0.00	5,887,130.95	5,887,130.95	23/11/2001	0.00	2,890,046.10	2,890,046.10
23/5/2002	0.00	5,791,145.12	5,791,145.12	23/5/2002	0.00	2,842,925.79	2,842,925.79
23/11/2002	213,879.33	5,887,130.95	6,101,010.28	23/11/2002	213,879.33	2,890,046.10	3,103,925.43
23/5/2003	357,167.95	5,784,145.12	6,141,313.07	23/5/2003	357,167.95	2,839,489.42	3,196,657.37
23/11/2003	500,456.57	5,868,131.51	6,368,588.08	23/11/2003	500,456.57	2,880,719.10	3,381,175.67
23/5/2004	678,513.75	5,787,877.65	6,466,391.40	23/5/2004	678,513.75	2,841,321.75	3,519,835.50
23/11/2004	857,624.52	5,828,905.71	6,686,530.23	23/11/2004	857,624.52	2,861,462.80	3,719,087.32
23/5/2005	1,035,681.70	5,705,800.21	6,741,481.91	23/5/2005	1,035,681.70	2,801,029.19	3,836,710.89
23/11/2005	1,250,614.63	5,765,913.08	7,016,527.71	23/11/2005	1,250,614.63	2,830,539.15	4,081,153.78
23/5/2006	1,464,493.96	5,630,972.55	7,095,466.51	23/5/2006	1,464,493.96	2,764,295.62	4,228,789.58
23/11/2006	1,679,426.89	5,675,578.07	7,355,004.96	23/11/2006	1,679,426.89	2,786,192.87	4,465,619.76
23/5/2007	1,929,128.38	5,528,075.90	7,457,204.28	23/5/2007	1,929,128.38	2,713,782.71	4,642,911.09
23/11/2007	2,179,883.46	5,555,516.99	7,735,400.45	23/11/2007	2,179,883.46	2,727,253.79	4,907,137.25
23/5/2008	2,429,584.95	5,423,391.86	7,852,976.81	23/5/2008	2,429,584.95	2,662,392.37	5,091,977.32
23/11/2008	2,715,108.59	5,402,154.29	8,117,262.88	23/11/2008	2,715,108.59	2,651,966.65	5,367,075.24
23/5/2009	3,037,507.98	5,225,213.53	8,262,721.51	23/5/2009	3,037,507.98	2,565,104.82	5,602,612.80
23/11/2009	3,323,031.62	5,210,757.64	8,533,789.26	23/11/2009	3,323,031.62	2,558,008.30	5,881,039.92
23/5/2010	3,680,199.57	5,017,040.91	8,697,240.48	23/5/2010	3,680,199.57	2,462,910.99	6,143,110.56
23/11/2010	4,037,367.53	4,977,751.51	9,015,119.04	23/11/2010	4,037,367.53	2,443,623.47	6,480,991.00
23/5/2011	4,394,535.48	4,764,454.45	9,158,989.93	23/5/2011	4,394,535.48	2,338,914.00	6,733,449.48
23/11/2011	4,787,525.58	4,697,211.70	9,484,737.28	23/11/2011	4,787,525.58	2,305,903.92	7,093,429.50
23/5/2012	5,216,337.85	4,488,599.55	9,704,937.40	23/5/2012	5,216,337.85	2,203,494.32	7,419,832.17
23/11/2012	5,680,972.26	4,364,370.83	10,045,343.09	23/11/2012	5,680,972.26	2,142,509.32	7,823,481.58
23/5/2013	6,145,606.68	4,107,281.39	10,252,888.07	23/5/2013	6,145,606.68	2,016,301.77	8,161,908.45
23/11/2013	6,610,241.09	3,970,885.97	10,581,127.06	23/11/2013	6,610,241.09	1,949,344.02	8,559,585.11
23/5/2014	7,146,519.82	3,689,798.22	10,836,318.04	23/5/2014	7,146,519.82	1,811,355.49	8,957,875.31
23/11/2014	7,681,744.95	3,513,181.57	11,194,926.52	23/11/2014	7,681,744.95	1,724,652.77	9,406,397.72
23/5/2015	8,289,667.98	3,204,487.39	11,494,155.37	23/5/2015	8,289,667.98	1,573,111.99	9,862,779.97
23/11/2015	8,896,537.42	2,981,792.97	11,878,330.39	23/11/2015	8,896,537.42	1,463,789.28	10,360,326.70
23/5/2016	9,540,282.61	2,656,600.79	12,196,883.40	23/5/2016	9,540,282.61	1,304,149.48	10,844,432.09
23/11/2016	10,218,796.36	2,368,377.24	12,587,173.60	23/11/2016	10,218,796.36	1,162,657.92	11,381,454.28
23/5/2017	10,933,132.26	1,995,313.79	12,928,446.05	23/5/2017	10,933,132.26	979,517.68	11,912,649.94
23/11/2017	11,240,931.38	1,664,626.50	12,905,557.88	23/11/2017	11,240,931.38	817,180.28	12,058,111.66
23/5/2018	12,062,733.75	1,269,584.02	13,332,317.77	23/5/2018	12,062,733.75	623,250.34	12,685,984.09
23/11/2018	12,884,536.11	889,284.83	13,773,820.94	23/11/2018	12,884,536.11	436,558.01	13,321,094.12
23/5/2019	13,843,803.95	453,090.64	14,296,894.59	23/5/2019	13,843,803.95	222,426.31	14,066,230.26
	176,943,576.91	215,198,988.82	392,142,565.73		176,943,576.91	88,569,878.47	265,513,455.38