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THE INTERNATIONAL MONETARY FUND AND
THE INTERNATIONAL DEVELOPMENT ASSOCIATION

BOLIVIA

Completion Point Document for the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative

Prepared by the Staffs of the International Monetary Fund and the World Bank[1]
In coordination with the Staff of the Inter-American Development Bank

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Contents Page

I. Introduction 4

II. Completion Point Conditions 5
A. Macroeconomic Stability and Structural Adjustment 6
B. Poverty Reduction 8

III. Assistance Under the HIPC Initiative 10
A. Update of Creditor Participation under the Original HIPC Framework 10
B. Creditor Participation Under the Enhanced HIPC Framework 11
C. Profile of Delivery of HIPC Assistance 13
D. Bilateral Assistance Beyond the HIPC Initiative 15

IV. Debt Sustainability Analysis 15
A. Medium- and Long-Term Macroeconomic Framework 15
B. Updated Debt Sustainability Analysis 16
C. Sensitivity Analysis 18
D. Long-Term Sustainability 19

[1] Approved by David de Ferranti and Cheryl Gray (World Bank), and Claudio M. Loser and Jesús Seade (IMF).

V. Conclusions 21

VI. Issues for Discussion 22

Text Boxes
1. Conditions for Floating Completion Point 5
2. Financing Assurances by Regional Multilateral Creditors 12
3. Modalities for Enhanced HIPC Assistance 14

Tables
1. Selected Economic and Financial Indicators 23
2. The Fiscal Impact of the HIPC Initiative 24
3. Poverty-Related Expenditure 25
4. Selected Social Policy Actions and Outcome Indicators, 1997–2000 26
5. Status of Creditor Participation Under the Original HIPC Framework 27
6. Status of Creditor Participation Under the Enhanced HIPC Framework 28
7. Estimated Assistance at Second Decision Point 29
8. Possible Delivery of IDB Assistance Under the Enhanced HIPC Initiative 30
9. Possible Delivery of IDA Assistance Under the HIPC Initiative 31
10. Possible Delivery of IMF Assistance Under the Enhanced HIPC Initiative 32
11. Possible Delivery of Multilateral Assistance Under the HIPC Initiative 33
12. Paris Club Creditors' Delivery of Debt Relief Under Bilateral Initiatives Beyond the HIPC Initiative 34
13. Discount Rate and Exchange Rate Assumptions 35
14. Medium- and Long-Term Macroeconomic Framework 36
15. Medium- and Long-Term Balance of Payments, 1999–2020 37-38
16. Net Present Value of External Debt, 2000–2020 39-40
17. External Debt Service Projections, 2001–2020 41-42
18. External Debt Service Indicators, 2000–2020 43
19. Comparison of Net Present Value Between Decision Point and Completion Point 44
20. Nominal and Net Present Value of External Debt Outstanding at End-2000 45
21. Sensitivity Analysis, 2000–2020 46
22. Vulnerability Analysis and Flows of Official External Resources 47

Figures
1. Structure of Enhanced HIPC Assistance, end-1998 NPV Terms 48
2. External Debt and Debt Service Indicators for Medium- and Long-Term Public Sector Debt, 1998–2020 49
3. NPV of External Public Debt, End-2001 50
4. Sensitivity Analysis, 2000–2020 51

Appendices
I. Tracking Poverty-Related Expenditures 52
II. Performance Under Social Indicators 55

III. Comparison of Debt Sustainability Analysis at Decision and Completion Points 57
Table A.III: Comparison of Debt Indicators at the Decision and Completion Points under the Enhanced HIPC Framework 60
Figure 5: Comparison of External Debt and Debt Service Indicators at Decision and Completion Points 61
IV. Debt Management 62
V. HIPC Initiative: Status of Country Cases Considered Under the Initiative, April 30, 2001 63

I. INTRODUCTION

1. This paper discusses Bolivia's progress under the Heavily Indebted Poor Countries (HIPC) Initiative, and proposes Board approval of the completion point under the enhanced framework. Owing mainly to its long track record of sound macroeconomic policies and substantial structural adjustment, in September 1998 Bolivia became the second country to reach the completion point under the original HIPC framework. Based on this record, the program supported by the second annual arrangement under the Poverty Reduction and Growth Facility (PRGF),[2] and the authorities' Interim Poverty Reduction Strategy Paper (I-PRSP),[3] the Boards of the International Development Association (IDA) and the Fund agreed in February 2000 that Bolivia had met the conditions for a decision point under the enhanced HIPC framework (IDA/R2000-7 and EBS/00/4). At that time, the Boards defined a set of floating conditions for Bolivia's reaching a completion point under the enhanced framework.

2. Debt relief under the original HIPC framework amounted to US$448 million in net present value (NPV) terms at end-1997, with multilateral creditors supplying 65 percent of the relief and bilateral and commercial creditors the remainder.[4] In the context of the meeting of the Paris Club in October 1998 that granted the Paris Club's share of HIPC relief to Bolivia, Japan granted additional debt relief of US$371 million in NPV terms through a reduction in interest rates on its Official Development Assistance (ODA) claims and a pledge to reimburse debt service obligations on its ODA claims.[5] Including additional Japanese relief, the ratio of Bolivia's end-1997 NPV of debt to exports was reduced from 252 percent to 198 percent. The original HIPC relief was largely frontloaded (mainly reflecting assistance provided by IDA and the Fund); it amounted to 25.4 percent and 22.7 percent of total debt service (1.0 percent and 0.9 percent of GDP) in 1999 and 2000, respectively.

3. Additional assistance under the enhanced HIPC framework was endorsed at the decision point for a total of US$854 million in 1998 NPV terms (IDA/R2000-7 and EBS/00/04). About two-thirds of the relief would be provided by multilateral creditors and the remainder by bilateral and commercial creditors. Since the assistance under the original framework covers a significant share of IDA debt service until June 2002, no additional

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[2] The current three-year PRGF arrangement also was approved in September 1998 (EBS/98/153).

[3] A Joint World-Bank IMF Staff Assessment of the Interim PRSP was discussed by Directors in January (IDA/SecM2000-16) and February 2000 (EBD/00/04).

[4] Bolivia reached the decision point under the original HIPC framework in September 1997 and the original completion point in September 1998 (IMF documents EBS/97/49 and EBS/98/159; and IDA documents IDA/R97-109 and IDA/R98-141).

[5] Under the pledge, Japan would cover with grants all interest payments on its ODA debt during the 16-year grace period and 80 percent of interest and principal payments thereafter.

IDA interim relief under the enhanced framework could be delivered. Given the frontloading of the Fund's original HIPC assistance and the prospect of Bolivia's reaching a completion point before the end of 2000, interim debt relief from the Fund was not thought to be needed. Thus, the flow of enhanced HIPC assistance from the Fund and IDA would begin upon Bolivia's reaching the floating completion point.

4. This document presents the assessment of the staffs of the Fund and IDA that Bolivia has fulfilled the conditions for reaching the completion point under the HIPC Initiative. Section II reviews Bolivia's recent economic performance, including with macroeconomic policies, the preparation of the full PRSP and progress in poverty alleviation. Section III describes the status of creditor participation under both the original and enhanced frameworks, and describes financial assurances received to date and the modalities for HIPC assistance and for possible additional debt relief from Paris Club creditors. Section IV updates the results of the debt sustainability analysis, based on the reconciled stock of debt as of end-2000. It examines the sensitivity of debt indicators relative to changes in macroeconomic variables and refinancing terms and assesses Bolivia's debt sustainability in the long term, relative to the country's past performance, the overall economic environment and the main risks embodied by the macroeconomic outlook. Section V concludes that by reaching the completion point under the enhanced framework, Bolivia can exit the debt rescheduling process.

II. Completion Point Conditions

5. In accordance with the decision of the Boards of IDA and the Fund, the conditions for Bolivia's reaching a completion point under the enhanced HIPC framework pertain to macroeconomic stability and structural adjustment; preparation through a participatory process of a full PRSP that includes a comprehensive set of indicators to monitor progress in poverty reduction as well as acceptable poverty reduction (during the interim period); and financing assurances from creditors (Box 1). This section discusses Bolivia's progress toward meeting the first two of these conditions, as well as issues regarding the tracking of the use of HIPC assistance. A discussion of financing assurances follows in Section III.

Box 1. Conditions for Floating Completion Point

- **Continued implementation of strong macroeconomic and structural policies**, monitored under the PRGF and IDA lending and technical assistance programs.
- **Establishment of a fully defined anti-poverty strategy in a PRSP** that: (i) incorporates the conclusions of a national dialogue conducted with civil society; (ii) includes a comprehensive set of indicators to monitor progress in poverty reduction through a participatory process; and (iii) is endorsed by Executive Directors as a context for the Bank's and Fund's assistance. In addition, Bolivia was expected to achieve broadly acceptable overall progress in poverty reduction.
- **Confirmation of participation** from Bolivia's other creditors.

A. Macroeconomic Stability and Structural Adjustment

6. Despite a weaker-than-projected economic recovery, performance under the PRGF-supported financial program has been generally satisfactory since the second decision point. Real GDP grew by 2.4 percent in 2000, compared with projected growth of 4 percent, as domestic demand remained sluggish throughout the year (Table 1). Inflation during 2000 was 3.4 percent, compared with 4–4½ percent envisaged in the program, and the fiscal deficit widened to 3.7 percent of GDP, from 3.4 percent in 1999. Banking activity continued to contract during 2000 (both broad money and bank credit to the private sector fell in U.S. dollar terms), and there was some weakening of bank performance indicators, although banks' net foreign asset position improved sharply (by US$365 million or 11 percent of total deposits). Export volume grew by 11 percent in 2000 (17 percent in U.S. dollar terms), led by exports of natural gas and soybean products, and the current account narrowed to just over 5 percent of GDP. Foreign direct investment remained strong at 8½ percent of GDP. Net international reserves fell by US$23 million, compared with a programmed loss of about US$115 million, as gross reserves remained ample at about 6½ months of imports of goods and services.

7. All quantitative financial benchmarks and performance criteria were met for the PRGF-supported program for 2000 (except the fiscal targets for December, as explained below),[6] with those on net international reserves and central bank net domestic assets being met by wide margins. In July 2000 Fund staff agreed with the authorities on a modest increase (0.3 percentage point of GDP) in the end-December limits on the overall deficit and domestic financing of the combined public sector, because of revenue shortfalls arising from weaker than expected economic growth and the fiscal costs of the government's economic stimulus package. These revised benchmarks, which were narrowly met, were not presented to the Fund Board because delays with structural reforms precluded completion of the program review. The limit of zero net external borrowing on nonconcessional terms was met (nonconcessional debt of US$30 million was retired on a net basis) during 2000, and there was no short-term external borrowing by the nonfinancial public sector. The quantitative financial benchmarks for end-March 2001 were also met for the program that would be supported by the third annual arrangement under the PRGF, except for the domestic financing of the fiscal deficit, which exceeded its limit owing to a shortfall of disbursements of external credits.

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[6] The second annual arrangement under the PRGF was approved by the Fund's Board at the time of the decision point in February 2000 (EBS/99/235). See forthcoming Fund staff report for 2001 Article IV consultation and request for third annual arrangement under the current PRGF, which the Fund Board will discuss together with Bolivia's completion point under the enhanced HIPC framework, for a review of the 2000 program.

8. Although there were some delays and setbacks with the execution of the structural program, some important advances were achieved, mainly in the area of tax administration and budget management. After several years of extensive structural adjustment, implementation of the structural program slipped somewhat during 2000, owing mainly to deep political divisions in the congress. Still, achievements included:

- **Customs reform.** Regulations were issued for implementing the 1999 customs law, which established an autonomous customs agency with a professional staff.

- **Reform of the internal revenue service.** Congress passed a law to reform the internal revenue service, which allows for the restructuring of this institution along similar lines to the customs reform.

- **Tax procedures code.** In April 2001, the senate approved the proposed tax procedures code, which is awaiting final approval by the lower house of congress.[7] The tax code will strengthen enforcement of taxes principally by requiring payment of contested tax obligations before legal challenges are submitted to the courts and by treating tax fraud as a criminal act.

- **Budget management.** Progress was achieved with the implementation of the first phase of a new financial management information system (SIGMA), beginning with the central government's ministries, and the creation of a single treasury account, which together enhance transparency and expenditure control.

9. The tax policy reform, however, which was a performance criterion under the program for 2000, has been delayed because of weakness in the economy and insufficient political support, with national elections coming up in June 2002.[8] Congressional consideration of the proposed law to strengthen the financial system (formerly a prior action for completing the first review of the program) has also been delayed, because of sensitivities regarding the introduction of limited deposit insurance when there may be perceptions of weaknesses in the banking system. Passage of a modified financial sector law, which maintains elements such as improved bank resolution procedures and a stronger role for the bank superintendency in the early identification of bank problems, and their correction, is a performance criterion in the 2001 program that would be supported by the PRGF. The Fund Board will discuss these delays and a proposed structural program for 2001 together with Bolivia's completion point under the enhanced HIPC framework, as noted above.

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[7] The draft law has been given priority over other legislation to be considered by the chamber of deputies.

[8] The authorities will prepare a tax reform bill for consideration by the next government.

10. Development outcomes in Bolivia have improved under the Comprehensive Development Framework (CDF) launched in May 1999.[9] For example, the IDA lending and technical assistance program have contributed to the substantial progress that has taken place in prenatal health and birth-delivery services and in the provision and quality of education. Closer coordination among donors and a greater participation of civil society have enhanced the effectiveness of Bank support. Challenges remain, particularly with respect to the private sector's role in pursuing the CDF goals and the fight against corruption.

B. Poverty Reduction

11. Over the past year, the authorities have made a strong effort to develop a comprehensive poverty reduction strategy through a participatory process. The Bolivian PRSP[10] published in March 2001, incorporates the main conclusions of the National Dialogue on poverty reduction that was held during June-August 2000 at the local, regional, and national levels. Agreement among participants was achieved on several topics, including (i) the determination of priority policy areas: productive infrastructure, support for production (access to microfinancing and other credit), education, health, and land tenure; (ii) the definition of rules for a transparent mechanism for the distribution of HIPC resources to the municipalities,[11] as a further step in Bolivia's fiscal decentralization; and (iii) provision for social oversight in which civil society would have a direct role in monitoring the utilization of HIPC resources. Despite some of the Dialogue's shortcomings, which are fully addressed in the joint staff assessment[12] of the Bolivian PRSP, IDA and Fund staffs agree that the government has made a good faith effort at developing a participatory strategy. The PRSP has also laid the groundwork for enhancing an ongoing oversight process by civil society for the monitoring of the strategy, which will be formalized by the national dialogue law that was recently submitted to congress. An initial draft of the PRSP underwent a period of public discussion, during which several groups that participated in the National Dialogue conducted workshops to discuss the draft, and some significant changes were made for the final document.

12. In their joint assessment, IDA and Fund staffs have recommended that the Boards of their respective institutions endorse the Bolivian PRSP as a broadly acceptable context for future assistance to Bolivia. This assessment is shared the staff of the Inter-American Development Bank (IDB), who have recommended the PRSP's endorsement by their

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[9] "Bolivia: Implementing the Comprehensive Development Framework," May 1999, Report No. 19326.

[10] Issued as IDA/SecM2001-0329, and EBD/01/48 and Supplement 1.

[11] The mechanism would distribute 70 percent of HIPC assistance directly to the municipalities based on the number of inhabitants in each locality below the poverty line and, in order to favor less densely populated areas, the remaining 30 percent would be distributed evenly across the country's nine regional departments, and then distributed to municipalities within each region based on poverty incidence.

[12] IDA/SecM2001-0329, and EBD/01/49.

Board, as well. In the staffs' opinion, the PRSP provides a good framework for Bolivia's fight against poverty, which is generally consistent with the document's poverty diagnostic. The PRSP establishes a number of poverty and social indicators that will be monitored on a regular basis to determine the strategy's effectiveness. Overall, the strategy aims to reduce the incidence of poverty by one-third and extreme poverty by one-half, by 2015—ambitious but achievable targets according to the joint staff assessment. The PRSP also presents a macroeconomic policy framework (see below) developed by the authorities in consultation with IDA and Fund staffs. The framework is internally consistent with growth projections for real GDP, investment, exports, and other key macroeconomic variables that are coherent with the poverty reduction objectives.

13. As stated in the joint staff assessment, there are weaknesses and risks to the implementation and monitoring of the strategy, however, and how they are dealt with will have a large bearing on the success of the strategy. Many of the risks may be overcome if, during the current and succeeding administrations, the authorities strengthen public administration, address other structural weaknesses, continue enhancing the quality of the national dialogue, and, in the process, increase the buy-in to the strategy both within and outside the government in the course of implementing and monitoring the strategy, and maintain the sound macroeconomic policies needed to underpin a more rapid sustained growth of the economy. The government's capacity to monitor pro-poor spending, which is presently limited, particularly at the municipal level, needs to be addressed for proper tracking of the use of HIPC resources.

14. The authorities have embarked upon a plan to strengthen public expenditure management, with a view to improving the monitoring of pro-poor spending at the municipal and departmental levels (Appendix I). The new financial management information system (SIGMA) recently implemented in the central government's ministries will enable a detailed functional classification of expenditures to be made. However, full implementation of SIGMA at all levels of government will take at least one to two years. The social oversight committees for monitoring the use of HIPC assistance, as discussed in the National Dialogue, should help to ensure that these resources are used effectively on priority projects, while the government's monitoring capacity improves. The authorities also have revised their fiscal accounts to reflect the new conventions for recording the fiscal impact of HIPC assistance (Table 2).

15. Since the decision point for the enhanced HIPC framework, there is evidence of progress in several aspects of Bolivia's poverty reduction efforts. Despite the economy's weak performance in 2000, the government's poverty-related spending increased as a share of GDP (Table 3). Although no spending targets were set for the use of assistance under the original HIPC framework,[13] poverty-related spending increased steadily as a share of GDP since the first completion point in 1998. In 2000, the targets for spending on priority projects under the IDB's social sector loan were met, as well as most of the loan's revised

[13] About one-half of the assistance provided under the original HIPC Initiative was directed to reducing domestic financing needs during 1998-2000.

targets for social indicators[14] as of June 2000 (Table 4 and Appendix II). In another example of progress, a May 2001 report on the second anniversary of the government's basic health insurance program states that infant mortality has fallen from 67 deaths per 1,000 live births to 59 over the program's two-year history, one of the lowest infant mortality rates in the HIPC group. As part of a plan to target resources more to the poor, all enhanced HIPC assistance will be directed to the poverty reduction effort, and the pro-poor formula for the distribution of HIPC resources to municipalities will be applied also to the allocation of transfers from the Unified Directorate of Funds (DUF), the government's main development credit agency.

III. Assistance Under the HIPC Initiative

A. Update of Creditor Participation Under the Original HIPC Framework

16. As of end-April 2001 most of the assistance under the original HIPC framework had been delivered or committed (Table 5), while small remaining commitments were pending formal ratification. Bolivia's creditors agreed to provide a total of US$448 million in original HIPC assistance, measured in end-1997 NPV terms, of which US$291 million was to come from multilateral creditors and US$157 million from bilateral lenders. The IDB, IDA, IMF, International Fund for Agricultural Development (IFAD), and Nordic Development Fund (NDF) have delivered their full share of assistance. The Andean Development Corporation (CAF), after delivery of about US$33 million in assistance, has begun to provide grants for technical assistance, as a counterpart to a residual assistance due of US$6.5 million in NPV terms. The OPEC Fund has offered concessional resources that Bolivia will use to pay the debt service due on existing debt, following ratification by the Bolivian congress. The Fund for the Financial Development of the Basin of the River Plate (FONPLATA) is expected to provide satisfactory information to donors in order to secure a contribution from the HIPC Trust Fund to cover the remaining HIPC relief of US$3.9 million in NPV terms. The Paris Club granted Bolivia a stock of debt reduction under Lyon terms on October 30, 1998, and all bilateral agreements had been finalized with the Bolivian authorities by May 2000. Brazil will provide comparable treatment after official endorsement of the rescheduling agreement negotiated with the Bolivian authorities.

[14] In preparation for the decision point for the original HIPC Initiative in 1997, the authorities agreed with Bank and IDB staffs on a social reform program that would be monitored through a matrix of social policy measures and a set of outcome-based indicators through 2000. Revised targets for the social indicators for 1999 and 2000 were agreed with the IDB in October 1999.

B. Creditor Participation Under the Enhanced HIPC Framework

17. Assurances of participation have been obtained, prior to Board discussion of the Bank and the Fund, from all principal multilateral creditors and Paris Club lenders, who together would provide 96 percent of the assistance under the enhanced HIPC framework (Table 6). Of the total enhanced HIPC assistance of US$854 million in end-1998 NPV terms, creditors' contributions are determined by the principle of proportional burden sharing.[15] Multilateral creditors would provide US$585 million (69 percent) of this total (Table 7 and Figure 1), with the IDB, the largest creditor, providing relief of US$307 million (36 percent of the total).[16]

18. During the IDB annual meetings in March 2001, the Board of Governors approved the "Report of the Working Group of the Committee of the Board of Governors on HIPC Debt Relief" and authorized the Board of Executive Directors to take all necessary steps to implement the HIPC debt relief for the eligible countries (Box 2). In the case of Bolivia, the IDB Executive Board is scheduled, in May 2001, to review the PRSP and to consider the approval of debt relief to the country under the enhanced framework. The IDA and IMF would provide relief amounting to US$140 million and US$55 million, respectively, while the remaining multilateral creditors would provide US$78 million of debt relief. Those other multilateral creditors (CAF, FONPLATA, IDB, IFAD, NDF, and the OPEC Fund) have confirmed that at the completion point they would meet their participation under the enhanced framework. In this context, IDB, CAF, and FONPLATA announced they will require financial support from donors in order to meet their commitments.

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[15] Debt relief of US$854 million in NPV terms of end-1998 would lower the end-1998 NPV of debt to exports ratio to 150 percent based on calculations at the decision point, which implied that creditors would offer relief equivalent to 29.5 percent of their claims on Bolivia in end-1998 NPV terms. The NPV figures of debt relief assistance would be effective as of February 2000, the time of the decision point.

[16] A Latin American HIPC financing framework, approved in March 2001, is expected to permit the IDB and the subregional multilateral creditors to deliver their full share of debt relief to the four Latin American countries that have reached HIPC decision points (Bolivia, Guyana, Honduras, and Nicaragua). In addition to US$307 million in enhanced HIPC assistance due by the IDB under the enhanced framework, over US$5 million in additional donor contributions are expected to cover debt relief on IDB-administered Trust Fund loans.

Box 2. Financing Assurances by Regional Multilateral Creditors

Summary of the IDB Governors' Working Group on HIPC Debt Relief

- The Inter-American Bank (IDB) Governors' Working Group on HIPC Debt Relief was established at the 2000 Annual Meeting of the Board of Governors held in New Orleans, Louisiana. The Working Group was charged with recommending such actions as are necessary to ensure full funding of the IDB participation in the enhanced HIPC Initiative. It was recognized that successful implementation of the enhanced framework will depend on the full participation of the IDB as well as other creditor institutions[1].

- The Working Group reached an agreement on the following actions, which are based on conditional contributions totaling US$575 million in NPV terms, of which the US, US$200 million; Canada, US$25 million; non-regional countries, US$200 million; borrowing member countries, US$150 million. Requests for resources for debt relief will be met on a first-come first-served basis.

- The IDB Board of Directors will be tasked with approving use of IDB resources for debt relief on a case-by- case basis. In approving use of such resources, the Board would also be expected to review the appropriate Poverty Reduction Strategy Paper (PRSP).

HIPC Assistance to Bolivia: Financing Assurances from Latin American Multilateral Creditors

	Internal Contribution	Expected HIPC Trust Fund Financing	TOTAL
		(in US$ million, end-1998 NPV terms)	
IDB	259	48	307
CAF	20	33	53
FONPLATA	4	12	16
TOTAL	**283**	**93**	**376**
Memorandum Item:		(in US$ million, end-1997 NPV terms)	
FONPLATA (Original HIPC Assistance)	4	4	8

Source: Bank/Fund staffs estimates and IDA (As Administrator of the HIPC Trust Fund).

1/ CABEI, CDB, CAF, CMCF, FONPLATA

19. The Paris Club's share of enhanced HIPC relief is US$252 million (30 percent of the total). The Paris Club has indicated its intention to give Bolivia a stock of debt reduction under Cologne terms at the completion point. The Bolivian authorities are contacting the non-Paris Club and commercial creditors to initiate discussions on the modalities for delivery of US$16 million in enhanced HIPC assistance (2 percent of the total). Moreover, bilateral creditors have announced additional forgiveness, beyond the HIPC Initiative.

C. Profile of Delivery of HIPC Assistance

20. Assistance under the original HIPC framework has been largely front loaded. The contributions of IDA and the Fund, which reduce debt service payments, will be fully delivered by 2002. IDB write-offs from the Fund for Special Operations (FSO) and partial payment of interest on selected loans from Ordinary Capital (OC) will provide original HIPC relief until 2030. Assistance from IFAD and NDF had been fully delivered by March 2001. A new concessional loan from the OPEC Fund is expected in 2001 for the refinancing of all scheduled debt service due between June 2001 and January 2005, and FONPLATA is expected to cancel part of its claims on Bolivia. CAF has delivered most of its assistance to Bolivia under the original framework and will contribute US$9 million (in nominal terms) in grants over the next few years as budget support.

21. Overall, the provision of debt relief by multilateral creditors under the enhanced HIPC framework will be less significantly front loaded than the assistance provided under the original framework. Possible projections for the delivery of HIPC assistance are presented in Tables 8–11 for the IDB, IDA, the Fund, and other multilateral creditors. At a meeting of multilateral development institutions (MDBs) held in March 2001, multilateral creditors discussed their modalities of assistance (see Table 6 and Table 11).[17] Based on these discussions and Paris Club commitments, the staffs have simulated modalities for the delivery of enhanced HIPC relief at completion point, based on creditor-specific policies (Box 3).

[17] See "HIPC Debt Initiative, The Chairman's Summary of the Multilateral Development Banks' Meeting—March 14–15, 2001," IDA/SecM2001-0225, March 28, 2001.

Box 3. Modalities for Enhanced HIPC Assistance

- **Paris Club** is assumed to provide a stock of debt reduction under Cologne terms as of June 2001, granting a reduction of 100 percent on all pre-cutoff date debt and about 7 percent reduction of post cut-off debt in NPV terms (ODA and non-ODA) achieved through a combination of a stock reduction and rescheduling of the post cutoff date debt. Comparable treatment is assumed for **non-Paris Club and commercial debt**.

- **IDB**: The assistance of US$307.1 million in end-1998 NPV terms will be delivered over 19 years as described in Table 8. In addition, donors' contributions totaling US$5.3 million in NPV terms are assumed to cover enhanced HIPC assistance for the partial cancellation in July 2001 of Trust Fund loans to Bolivia that are managed by IDB.

- **IDA**: US$139.6 million in enhanced HIPC assistance, approved by IDA Executive Directors on January 27, 2000, will be delivered over 14 years starting in July 2001, through a 50 percent reduction in debt service falling due on IDA credits outstanding as of end-2000 (Table 9).

- **IMF**: The enhanced assistance of US$55.3 million in NPV terms will be delivered over eight years as approved by IMF Executive Directors on February 7, 2000, according to modalities detailed in Table 10.

- **CAF**: The delivery of US$52.8 million in the NPV of relief is assumed to be made through an annual debt service reduction of US$5 million (for a total NPV value of US$20 million), combined with a partial cancellation of outstanding loans in July 2001 through donors' contributions.

- **FONPLATA**: The staff has assumed a cancellation of the outstanding debt in July 2001 corresponding to US$15.9 million in NPV terms.

- **IFAD**: The Debt Sustainability Analysis (DSA) assumes 100 percent in debt service relief from July 2001 until 2004. In addition, a partial refund to Bolivia is assumed at completion point to cover an assistance of SDR 1.4 million in 2001, and a total of US$6.7 million in NPV terms over the period.

- **OPEC Fund**: The specific modalities for enhanced assistance will be discussed with the Bolivian authorities. For technical purposes, the DSA rather conservatively assumes a 16 percent stock of debt reduction at completion point corresponding to US$1.8 million in NPV terms.

- **NDF**: The DSA assumes 100 percent debt service relief after completion point to cover a total assistance of US$0.7 million in NPV terms.

D. Bilateral Assistance Beyond the HIPC Initiative

22. Some Paris Club members have indicated that they would provide additional debt relief beyond HIPC assistance. Although modalities will vary across creditors (Table 12), the relief would result in a cancellation of pre-cutoff date debt of about US$359 million in NPV terms, equivalent to around 25 percent of exports of goods and services.

IV. Debt Sustainability Analysis

23. This debt sustainability analysis was prepared jointly by the Fund and IDA staffs and the Bolivian authorities, in consultation with IDB staff, on the basis of loan-by-loan data provided by the authorities and creditors for debt outstanding at end-2000. The nominal debt data were reconciled with creditor statements in February 2001, and the exchange rate and interest rates used for the calculation of the debt data are presented in Table 13.

A. Medium- and Long-Term Macroeconomic Framework

24. The macroeconomic framework, developed for the PRSP by the Bolivian authorities in consultation with Bank and Fund staffs, envisages sound macroeconomic policies and stable economic growth over the long term. Annual real GDP growth is projected to increase to 5 percent in 2003 and to 5½ percent starting in 2008, as a result of gradual increases in the level and efficiency of investment (Table 14). As noted in the joint staff assessment of the PRSP, the higher growth path than achieved in the 1990s (4 percent on average) will require various structural changes, including a stable legal and judicial environment that attracts private investment, and an expansion of the country's road system. The framework projects steady gains in gross national savings to just under 18 percent of GDP in 2008 and beyond, to finance the higher investment as external savings declines. Sound fiscal, monetary, and exchange rate policies are expected to keep annual inflation under 4 percent, leveling off at 3½ percent after 2006. The path of the combined public sector deficit, which would decrease gradually to just under 1½ percent of GDP in 2008 and beyond, was guided by the necessity of maintaining fiscal sustainability as concessional external credits are phased out.[18] In line with the PRSP, public sector investment is projected to rise to 8 percent of GDP by 2008, mainly supporting road building, rural infrastructure, education, and health projects. Public sector savings are projected to rise substantially between 2000 and 2008 (by about 4 percentage points of GDP), mainly through higher tax revenues, to finance increased investment as the fiscal deficit falls.

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[18] In the baseline scenario, Bolivia is assumed to become an IDA/IBRD blend country by end-2001, until graduating from IDA at end-June 2003. In recent months, Bank management has been considering an extension of the blend period until 2004, and possibly until end-June 2005. As for the IDB, it is assumed for technical purposes that it will be offering concessional credits until 2008, and a blend of concessional and nonconcessional credits through 2012. Bilateral creditors are assumed to harden the terms of their concessional lending commitments after Bolivia graduates from IDA.

25. The medium- and long-term balance of payments is projected to yield a sustainable current account deficit (4½–5 percent of GDP), while official reserve levels remain comfortable (Table 15). Annual export volume growth is projected to average about 10 percent through 2006, led by natural gas and mineral exports, before settling down to an average growth of 5½ percent over the long term. Exports of services, however, are expected to grow more slowly, at about 5 percent (in U.S. dollars). Import volume growth is projected to be in line with GDP growth, following a projected strong increase over the near term, partly reflecting large foreign direct investment projects (in particular, the San Cristóbal mining project) and a recovery in domestic demand. Official transfers, excluding HIPC assistance, are projected to wind down gradually over the medium and long term, falling to 1 percent of GDP by 2008 and ½ percent of GDP in 2020. Following the completion of the San Cristóbal project, foreign direct investment is expected to decline gradually from its current high levels, but would remain strong at about 6 percent of GDP in 2005 and beyond. Net external borrowing by the public sector is projected to decline to about 1½ percent of GDP by 2008, in line with the planned medium-term fiscal adjustment. Gross international reserves are projected to remain ample at about 5–6 months of imports of goods and services. The authorities aim to maintain a crawling peg exchange rate regime.

B. Updated Debt Sustainability Analysis

26. Debt and debt service indicators show that assistance provided under the enhanced HIPC framework would reduce Bolivia's stock of external public and publicly-guaranteed debt to sustainable levels as of the completion point. The commitment made at the decision point to provide US$854 million in end-1998 NPV terms, when restated in end-2000 NPV terms, amounts to US$785 million,[19] and it would reduce the end-2000 stock of debt to US$1,963 million, from US$2,747 million after traditional debt relief mechanisms, Japanese ODA relief, and assistance under the original HIPC framework (Table 16). Similarly, debt service due would be reduced substantially with enhanced HIPC assistance, initially by US$45 million in 2001, and would average US$90 million per year during 2001–2010, before declining to about US$50 million during the following decade (Table 17). In the context of the authorities' macroeconomic framework and program of debt management, the NPV of Bolivia's external debt would remain well below the enhanced HIPC sustainability target of 150 percent of exports[20] throughout the period 2000-2020 (Figure 2). With the enhanced HIPC assistance, the end-2000 stock of debt in NPV terms falls to 143 percent of exports, compared with 200 percent of exports before enhanced HIPC assistance (Table 18). The debt service ratio falls below or within the enhanced HIPC target range (15–20 percent) over the entire projection period.

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[19] This figure, corresponding to the commitment at the decision point of US$854 million in NPV terms (February 2000) is derived by discounting the flows of the simulated debt relief with end-2000 commercial interest reference rates (CIRR). End-2000 exchange rates are used to calculate debt in U.S. dollar terms (see Table 13).

[20] Measured with respect to average annual exports of goods and services over the preceding three years.

27. The updated DSA shows that the NPV of outstanding external public and publicly guaranteed debt at end-2000 was lower than projected at the second decision point (Table 19 and Appendix III), owing mainly to the higher CIRR discount rates at end-2000, the appreciation of the U.S. dollar since end-1998, the base period for the decision point DSA. Bolivia also borrowed less externally during 1999–2000 than was previously projected (by about US$80 million). Exports of goods and services grow slightly faster in the updated DSA than was the case in the DSA done for the decision point, which has a modest, but increasing downward effect on debt and debt-service ratios over the course of the projection period.

28. In recent years, Bolivia benefited from substantial debt relief from Paris Club creditors. After full application of traditional debt relief mechanisms, the NPV of Bolivia's debt will decline further by US$38 million. Full delivery of the outstanding assistance under the original HIPC framework reduces the NPV of outstanding debt as of end-2000 by US$595 million (i.e., accounting for a stock of debt reduction under Naples terms granted by Paris Club members in 1998, ODA relief from Japan granted in October 1998, and a reduction of the stock of debt by about US$320 million in NPV terms from original HIPC relief). After original HIPC relief, multilateral debt accounts for about 70 percent of the total, with loans from the IDB, World Bank (IBRD and IDA), CAF, and Fund representing shares of 35 percent, 17 percent, 10 percent, and 6 percent of the debt, respectively. Outstanding loans from Paris Club countries add up to 27 percent of the debt, with Japan and Germany accounting for 10 percent and 6 percent of the total, respectively (Table 20).

29. Taking into account additional and expected debt relief from the Paris Club assistance beyond the HIPC Initiative, the stock of debt would fall further in 2001 by about US$359 million, reaching 117 percent of exports. In total, through traditional debt relief mechanisms, original and enhanced HIPC relief, and additional assistance from Paris Club lenders, the net present value of Bolivia's external debt would be reduced by as much as 58 percent as of end-2000 (Figure 3).

30. Figure 2 shows the NPV of debt to exports ratio in 2000-2020 under different assumptions regarding debt relief. Before taking account of any assistance, Bolivia's external debt ratio was calculated at 246 percent of exports in 2000, and would have remained above 150 percent until 2009 and above 130 percent throughout the projection period. Under traditional debt relief mechanisms and Japanese ODA relief and original HIPC assistance, Bolivia would achieve a sustainable debt ratio below 150 percent by 2006, with the ratio remaining at about 126 percent over the outer years of the projection period. With enhanced HIPC assistance, the debt-to-exports ratio is reduced to a sustainable level below 150 percent at the completion point. The ratio follows a smooth decline to 118 percent by 2008, before increasing moderately thereafter to reach 128 percent by 2020. The increase in the ratio in the last few years reflects assumptions of a rapidly growing access to external commercial lending and other nonconcessional

financing sources in the years following full graduation from IDA and IDB concessional facilities. Additional bilateral relief[21] reduces the debt ratio to 104 percent in 2007.

31. Bolivia's graduation from concessional lending has a significant impact on the debt service to exports ratio[22], but the indicator remains within sustainable levels over the projection period. From a relatively high level of 24 percent in 2001, before any assistance, the debt service ratio falls to 20 percent and 17 percent after original and enhanced HIPC assistance, respectively. Liquidity continues to improve rapidly with the ratio fluctuating in the 10–11 percent range during 2005–2013, reflecting Bolivia's access to loans on soft terms over the medium term, before gradually returning to nearly 18 percent by 2020, as the marginal cost of external borrowing increases faster than exports. Additional relief from Paris Club members does not have a significant impact on the debt service ratio. While a debt service to exports ratio of 18 percent—which would be reached by the end of the projection period—is considered sustainable, and compares favorably to those currently achieved by most countries in Latin America, its steep increase in the outer years as Bolivia graduates from its access to concessional lending suggests that possible lower macroeconomic performances than assumed in the baseline scenario should motivate the Bolivian debt management authorities to restrict their borrowing on less concessional terms.

C. Sensitivity Analysis

32. Provided that the authorities pursue sound policies, the HIPC Initiative appears to provide Bolivia with debt relief sufficiently deep to offset possible macroeconomic risks in the current projections, even before taking into consideration additional relief from bilateral lenders. The robustness of the debt sustainability results has been tested with regard to the macroeconomic projections for exports, real GDP growth, and terms of external borrowing. A lower export scenario assumes a one-time shock in 2002-2003, during which exports grow one percentage point lower than in the baseline case, without any policy adjustment. The growth impact of the export shortfall is sterilized through additional external borrowing, and consumption and imports remain unaffected. The increase in external borrowing takes into account additional debt service requirements, assuming equal shares of moderately concessional bilateral loans and commercial loans from private banks resulting in an average grant element of around 20 percent.[23] As shown in Table 21, such a moderate deviation from the baseline export path as described in the first alternative scenario could, if not accompanied by adjustment measures, result by the end of the

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[21] Under the assumption that only Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States participate in this effort.

[22] Measured with respect to current-year exports of goods and services.

[23] Terms of bilateral loans are assumed to be a 2 percent interest rate with seven years' grace and a maturity of 27 years and, for commercial loans, an interest rate of 8.2 percent, one year's grace, and maturity of five years.

projection period in an increase of the NPV debt and the debt service of 25 percent and 5 percent, respectively, of exports. The same external shock accompanied by lower paths of imports, GDP, and fiscal revenues, rather than an increase in external borrowing, would affect the NPV debt and debt service ratios by 2 percentage points each. The above suggests that the sensitivity of the DSA to exogenous shocks depends on how an unexpected loss in foreign earnings can be absorbed by reducing external (and domestic) expenditures and the accompanying policy reactions.

33. In this case, annual growth of exports and imports over the projection period declines from the baseline by 1.4 percentage point and 1.2 percentage point, respectively. It is assumed that the path of the fiscal deficit, fiscal revenues, and foreign direct investment remains unchanged relative to GDP. As foreign direct investment declines in line with GDP, the external resources gap increases progressively over the projection period to reach about 0.6 percent of GDP by 2020. Additional external borrowing is contracted in the same terms than in the first downside scenario (i.e., with an average grant element of 20 percent), resulting in a net present value of debt equivalent to 10 percent of exports in 2020. The combined impact of this additional borrowing and the drop in exports raises the NPV debt to export ratio to around 175 percent in the outer years over the projection period.

34. The debt sustainability indicators appear to be very robust with regard to the refinancing conditions. A third downside scenario explores the sensitivity of the DSA results to a higher market interest rate (by one percentage point) over the projection period. As of end-2000, most of Bolivia's public and publicly-guaranteed external debt has been contracted under fixed interest rates, highly concessional and unlinked from market prices. The baseline scenario, however, assumes that following full graduation from IDA in FY 2004 and full graduation from the IDB in 2012, Bolivia will borrow more significantly from non-concessional sources, including in the outer years of the projection period, from commercial lenders. Therefore, the impact of a steady rise in market interest rates is more significantly seen after 2012 on Bolivia's debt service indicators. The overall impact on the present value of debt is a moderate increase by 2020 of about US$230 million or 4 percent of exports. The interest service ratio rises by over 2 percentage points less compared with the baseline indicator. The debt service ratio remains at a sustainable, albeit high, level of about 19 percent by the end of the projection period.

D. Long-Term Sustainability

35. While other developing countries have seen the impact of severe external shocks during the global slowdown in world capital inflows in 1997–1998, Bolivia has been able to maintain a satisfactory macroeconomic performance. Bolivia's experience increased foreign direct investment to an average over 10 percent of GDP, from zero to 2 percent during the first half of the decade. Economic crisis in East Asia and in neighboring countries (particularly Brazil and Argentina on which exports and worker remittances depend in a significant part), and adverse climatic conditions (floods from El Niño) that affected soybean production, have been matched by real GDP growth of 5 percent and 5.2 percent in 1997 and 1998. While the growth rate over the past decade reached about

4 percent per year on average, 5 percent growth over the medium term, and 5½ percent over the long term appear attainable under the current macroeconomic outlook (Table 22). This seems a moderate increase assuming that the HIPC Initiative is generating additional resources over time equivalent to about 17 percent of 2000 GDP and that growth-enhancing policies are promoted in the PRSP. In addition, major potential investments in the hydrocarbon sector, which are not included in the baseline projections, could boost GDP growth even further nevertheless. A setback in growth performances, however, cannot be excluded, particularly in view of Bolivia's current political context: the coca eradication program, while already completed at 90 percent, could further affect the population, bring new bursts of social unrest and paralyze the economy transitorily. This is why staffs have quantified the potential impact of lower growth on Bolivia's external debt ratios and have shown in the sensitivity analysis that policies aimed at contracting external and domestic expenditures in the presence of a macroeconomic shock would not be sufficient to fully offset a significant increase in Bolivia's indicators of debt sustainability.

36. Bolivia's rather narrow export base (about two-thirds of exports are accounted for by metals, soybean products, and natural gas) makes it vulnerable to international commodity prices which have weakened over the past decade. In addition, Bolivia's competitiveness has suffered from devaluations in neighboring trading partner countries. Despite the later adverse developments, export volumes have continued to grow by an annual average of 5.4 percent over the past decade and official external reserves cover over 5 months of imports. The current long-term projection for export volumes assumes a similar growth rate of 5.5 percent per annum in 2011–2020. Significantly higher projections of 7.4 percent volume growth per annum in 2001–2010 reflect the impact of ongoing investment in the mining and hydrocarbon sectors (San Cristóbal and gas pipeline to Brazil) where significant productive capacities will be released. The sensitivity analysis, however, clearly shows that Bolivia can absorb a limited export shock if accompanied by swift adjustment measures designed at reducing expenditures. But if imports, investments, and fiscal expenditures are maintained unchanged from the baseline scenario, even a moderate slowdown in export growth could lead over time to a significantly higher NPV debt to export ratio.

37. To mitigate the potential risks on Bolivia's long-term debt sustainability, policies will need to contribute to developing the country's fiscal and external repayment capacity. Legislation favoring foreign direct investment and modernization of the country to improve the business environment, export diversification through the opening of northern developed markets (as promoted during the Summit of the Americas in Quebec in April 2001), and regional arrangements to avoid competitive devaluations would have a positive impact. As Bolivia pursues its economic reforms, builds up the relevant institutions needed to distribute more equally the benefits of growth to those segments of society left aside in the past, and reduces corruption and inefficiencies in the public sector, economic growth will make the country more resilient to shocks.

38. Prudent fiscal and debt management policies, as well as prolonged access to concessional resources and official grants during the forthcoming economic consolidation, will establish a truly robust basis in Bolivia to exit from rescheduling. Slippage risks on the fiscal side could materialize if the government does not keep economic and social

claims under control, and if the decentralization of public finances in favor of the municipalities is not accompanied sufficiently rapidly by a strong build-up in the country's local institutional capacities. In this perspective, compliance with the PRSP fiscal targets will significantly reduce the need for external borrowing to finance low-return investments. The debt management authority should limit nonconcessional borrowing to levels reflecting past macroeconomic performances. In this context, the blend graduation from IDA, then IDB concessional facilities, will give more time for the Bolivian authorities to implement the growth enhancing reforms indicated in their PRSP. As Bolivia loses access over time to highly concessional resources, they will face new challenges of debt management, such as determination of the optimal currency and interest rate composition of their foreign debt and hedging decisions.

V. Conclusions

39. The staffs of the Fund and IDA are of the view that Bolivia's performance with respect to the conditions for reaching a completion point under the enhanced HIPC Initiative has been satisfactory. Virtually all quantitative targets have been met under the PRGF-supported financial program, and while there have been delays in the structural program, there have been significant achievements as well. Performance under the IDA lending program has been satisfactory, and indicators suggest that there has been some progress in poverty reduction over the past year. A joint staff assessment of the PRSP, which is being circulated separately, considers that the authorities have developed a credible poverty reduction strategy within the context of a consistent macroeconomic framework. The extension of this framework through 2015 provides appropriate emphasis to the objective of ensuring that the fiscal sustainability and external viability are maintained over the long term. The staffs consider that the PRSP, together with the proposed National Dialogue Law and planned improvements in public expenditure management, provide a credible basis for an adequate monitoring of HIPC assistance and other resources for poverty reduction. Also, the monitoring capacity aimed at ensuring that anti-poverty funds are utilized efficiently is expected to improve over time.

40. Satisfactory assurances regarding enhanced HIPC assistance have been provided by Bolivia's other creditors to warrant proceeding to a completion point with irrevocable commitments of assistance. With an endorsement by the IDB in late May of the PRSP and the enhanced HIPC framework for Bolivia, financial assurances on comparable treatment obtained by creditors would represent about 96 percent of the country's external debt. The staffs are working with the Bolivian authorities to facilitate the endorsement of the enhanced HIPC framework by the remaining creditors.

41. The staffs consider that, with the assistance provided under the original framework and expected to be provided under the enhanced framework, Bolivia can achieve a sustainable debt and debt service profile. After full delivery of enhanced HIPC assistance, the NPV of debt is likely to remain below 150 percent of exports. Possible additional relief from several Paris Club members would reduce the debt ratio below 120 percent, giving Bolivia some scope to absorb possible unfavorable macroeconomic outcomes. The

persistence of relatively high debt service ratios, however, at around 18 percent, underscores the need for the authorities to pursue and strengthen prudent debt management policies, particularly in view of Bolivia's prospective loss of access to concessional financing in the coming decade.

42. In the light of the above, the staffs of the IMF and IDA recommend that the Executive Directors determine that the conditions for reaching the completion point under the enhanced HIPC framework have been met, once they endorse the joint staff assessment of the PRSP.

VI. Issues for Discussion

Executive Directors may wish to focus on the following issues and questions:

43. **Completion point:** Do Directors agree that Bolivia has met the conditions for reaching the completion point under the enhanced HIPC framework, as established at the time of the decision point?

44. **Creditor participation**: Do Directors agree that sufficient assurances of other creditors' participation have been give by Bolivia's creditors?

Table 1. Bolivia: Selected Economic and Financial Indicators

	Average 1990-97	1998	Prel. 1999	2000 Prog.	2000 Prel.	Proj. 2001
	(Annual percentage change)					
Income and prices						
Real GDP	4.3	5.2	0.4	4.0	2.4	4.0
Real domestic demand	4.7	6.6	-1.8	4.4	1.6	2.5
GDP deflator	11.3	7.3	3.0	4.8	5.5	4.3
CPI inflation (period average)	11.9	7.7	2.2	4.2	4.6	3.7
CPI inflation (end-of-period)	11.1	4.4	3.1	4.0-4.5	3.4	4.0-4.5
	(In percent of GDP)					
Investment and savings						
Gross domestic investment	15.9	23.1	18.9	19.7	18.8	19.5
Public	8.4	7.0	7.1	6.9	7.0	7.1
Private, including stockbuilding	7.4	16.1	11.8	12.8	11.8	12.4
Gross national savings	10.3	15.3	13.0	13.6	13.3	14.4
Public	4.6	1.7	2.8	2.7	2.7	3.1
Private	5.7	13.6	10.2	11.0	10.6	11.2
Combined public sector 1/						
Nonpension balance	-2.9	-0.7	0.6	0.4	0.7	0.6
Pension-related balance	-0.7	-4.0	-4.1	-3.9	-4.4	-4.3
Overall balance	-3.6	-4.6	-3.4	-3.6	-3.7	-3.7
Foreign financing	3.4	2.7	1.9	2.2	1.9	2.5
Domestic financing	0.2	1.9	1.5	1.3	1.7	1.2
	(Annual percentage change, unless otherwise stated)					
Money and credit						
Broad money (at current exchange rates)	31.3	13.7	4.2	10.6	3.4	7.7
Credit to private sector (at current exchange rates)	30.4	23.8	4.1	9.3	-2.6	7.9
Interest rates (percent, end-of-period)						
Yield on treasury bills in local currency	19.7	12.2	12.2	...	13.2	...
Yield on treasury bills in U.S. dollars	9.1	8.6	8.6	...	8.8	...
External sector (US$ million) 1/						
Current account balance	-349	-667	-488	-522	-464	-441
(Percent of GDP)	-5.5	-7.8	-5.9	-6.1	-5.5	-5.1
Of which: trade balance	-365	-879	-704	-671	-600	-554
Capital account balance	354	792	515	522	425	329
Of which: foreign direct investment	198	955	1,014	785	731	778
Overall balance	5	125	26	0	-39	-112
Exceptional financing 2/	138	3	16	16	16	12
International trade						
Merchandise export volume	6.3	4.1	-1.8	7.2	11.4	4.2
Merchandise import volume	9.0	16.0	-8.8	6.4	-0.1	0.0
Terms of trade (deterioration -)	-0.9	-1.6	-0.2	0.9	0.6	0.1
Gross official reserves 3/						
(Months of imports of goods and services)	5.0	7.2	7.0	6.1	6.6	5.6
(In percent of broad money)	29.8	31.3	32.5	27.7	32.2	28.5
Public sector external debt (US$ billion) 4/ 5/	4.4	4.7	4.6	4.9	4.4	4.5
(Percent of GDP) 4/ 5/	71.2	54.7	54.9	55.7	51.8	52.2
Debt-service ratio 4/ 5/ 6/	38.0	28.6	19.0	23.6	18.3	17.2
End-of-period exchange rates						
Bolivianos/U.S. dollar	4.47	5.65	6.00	...	6.38	...
Nominal effective rate (percentage change) 7/	19.4	-0.5	1.5	...	-1.9	...
Real effective rate (percentage change) 7/	-1.8	3.8	1.4	...	-1.5	-3.0
Memorandum items						
Overall fiscal balance (in percent of GDP) 8/	-3.6	-4.7	-3.9	-3.7	-4.0	-3.8
External current account balance (in percent of GDP) 8/	-5.5	-7.9	-6.7	-6.8	-6.2	-6.0

Sources: Central Bank of Bolivia; ministry of finance; and Bank/Fund staff estimates and projections.

1/ Includes actual and anticipated assistance under the HIPC Initiative.
2/ Includes grants for debt-reduction operations in effect prior to July 2000.
3/ Does not include Bolivia's capital contribution to the Latin American Reserve Fund. Import coverage for the following year. Figure for 2001assumes decline of US$75 million during the year.
4/ Debt and debt service reflect assistance under the HIPC Initiative, of which the relief under the original framework became available after September 1998.
5/ Includes obligations to the Fund and debt with public guarantee.
6/ On public sector medium- and long-term external debt (including payments to the Fund) in percent of exports of goods and services.
7/ Weights based on average trade, excluding trade related to natural gas, in 1996-97.
8/ According to previous accounting conventions.

Table 2. Bolivia: The Fiscal Impact of the HIPC Initiative

(In percent of GDP, unless otherwise indicated)

	1999	Prel. 2000	Projections 2001	2002	2003	2004
1. HIPC assistance given 1/	1.0	0.9	1.2	1.8	1.5	1.4
A. Interest due before HIPC assistance 2/	1.2	1.3	1.3	1.2	1.2	1.2
B. Interest paid before HIPC assistance 2/	1.2	1.3	1.3	1.2	1.2	1.2
C. HIPC assistance on interest (as a result of stock-of-debt operation only)	0.1	0.1	0.0	0.1	0.1	0.1
D. Interest due after HIPC assistance 2/	1.1	1.2	1.3	1.1	1.1	1.1
E. Amortization due before HIPC assistance	1.4	1.5	1.6	1.7	1.8	1.7
F. Amortization paid before HIPC assistance	1.4	1.5	1.6	1.7	1.8	1.7
G. HIPC assistance on amortization (as a result of stock-of-debt operation only)	0.0	0.0	0.2	0.4	0.5	0.4
H. Amortization due after HIPC assistance	1.3	1.4	1.4	1.3	1.3	1.3
I. HIPC assistance provided as grants (to cover debt service due)	0.7	0.7	0.8	1.0	0.8	0.8
J. HIPC assistance provided as exceptional financing (to cover debt service due)	0.2	0.2	0.1	0.2	0.2	0.1
Total HIPC assistance (C+G+I+J)	1.0	0.9	1.2	1.8	1.5	1.4
Total HIPC assistance (in millions of U.S. dollars)	84.7	79.0	104.9	159.1	144.0	142.2
Net cash flow to the budget from HIPC assistance B+F-(D+H-I-J)	1.0	0.9	1.2	1.8	1.5	1.4
2. Poverty-related government expenditure 3/						
Before enhanced HIPC relief 4/	10.6	10.9	10.7	11.0	11.1	11.4
After enhanced HIPC relief	...	...	11.2	12.2	12.2	12.4
Memorandum items:						
Other donor inflows (disbursements plus grants excl. HIPC assistance)	4.2	4.8	5.4	5.1	5.2	4.9
Total net external flows (HIPC and other donor flows less debt service due)	2.6	2.9	3.5	3.9	3.8	3.4
Total assistance under the enhanced HIPC framework	0.0	0.0	0.4	1.2	1.1	1.0
Tax revenue	18.4	18.5	19.3	19.6	19.7	20.1
Domestic debt	3.1	3.3	3.2	3.1	3.0	2.8
Overall fiscal balance after HIPC assistance	-3.4	-3.7	-3.7	-3.5	-3.2	-3.0

Sources: Ministry of finance; Central Bank of Bolivia; and Bank/Fund staff estimates and projections.

1/ Total assistance under both the original and enhanced frameworks.

2/ External interest of the non-financial public sector (excluding liabilities of capitalized enterprises).

3/ Expenditures on health, education, basic sanitation, urban and rural development.

4/ Equal to the authorities' actual and projected poverty-related expenditure less enhanced HIPC assistance (all of which is expected to be used for poverty-related expenditure).

Table 3. Bolivia: Poverty-Related Expenditure

	1995	1996	1997	1998	1999	Prel. 2000	Projections 2001	2002	2003
				(In millions of bolivianos)					
Current expenditure	**1,820**	**2,212**	**2,537**	**2,933**	**3,027**	**3,282**	**3,576**	**4,153**	**4,571**
Health 1/	692	872	1,000	1,172	1,192	1,298	1,418	1,652	1,825
Education (excluding university level) 1/	1,128	1,340	1,537	1,752	1,828	1,975	2,149	2,491	2,735
Of which: primary education wages	...	906	974	1,050	1,187	...	...	...	...
Other social expenditure 2/	...	...	...	9	7	9	9	10	11
Capital expenditure	**1,119**	**1,474**	**1,628**	**1,892**	**2,125**	**2,458**	**2,767**	**3,256**	**3,572**
Health	126	160	174	192	241	380	428	503	553
Education	179	325	405	353	446	521	687	831	911
Basic sanitation	222	430	423	454	577	568	437	492	540
Urban development	367	310	307	350	283	309	425	464	508
Rural development	225	249	319	543	578	680	790	966	1,060
Of which: rural roads	58	100	123	183	266	269	275	361	399
Adustment for revised HIPC projections 3/	**...**	**...**	**...**	**...**	**...**	**...**	**57**	**196**	**186**
Total poverty-related expenditure	**2,939**	**3,686**	**4,165**	**4,825**	**5,152**	**5,740**	**6,400**	**7,605**	**8,329**
(In percent of total expenditure)	32.9	35.5	35.6	34.7	36.5	37.8	38.3	42.5	43.6
				(In percent of GDP)					
Current expenditure	**5.6**	**5.9**	**6.1**	**6.2**	**6.2**	**6.3**	**6.3**	**6.7**	**6.7**
Health 1/	2.1	2.3	2.4	2.5	2.5	2.5	2.5	2.7	2.7
Education (excluding university level) 1/	3.5	3.6	3.7	3.7	3.8	3.8	3.8	4.0	4.0
Of which: primary education wages	...	2.4	2.3	2.2	2.4	...	...	...	...
Other social expenditure 2/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital expenditure	**3.5**	**3.9**	**3.9**	**4.0**	**4.4**	**4.7**	**4.9**	**5.2**	**5.2**
Health	0.4	0.4	0.4	0.4	0.5	0.7	0.8	0.8	0.8
Education	0.6	0.9	1.0	0.8	0.9	1.0	1.2	1.3	1.3
Basic sanitation	0.7	1.1	1.0	1.0	1.2	1.1	0.8	0.8	0.8
Urban development	1.1	0.8	0.7	0.7	0.6	0.6	0.7	0.7	0.7
Rural development	0.7	0.7	0.8	1.2	1.2	1.3	1.4	1.6	1.6
Of which: rural roads	0.2	0.3	0.3	0.4	0.5	0.5	0.5	0.6	0.6
Adustment for revised HIPC projections 3/	**...**	**...**	**...**	**...**	**...**	**...**	**0.1**	**0.3**	**0.3**
Total poverty-related expenditure	**9.1**	**9.8**	**10.0**	**10.3**	**10.6**	**10.9**	**11.2**	**12.2**	**12.2**
Memorandum items:									
Baseline poverty-related expenditures 4/	9.1	9.8	10.0	10.3	10.6	10.9	10.7	11.0	11.1
HIPC assistance	...	...	...	0.3	1.0	0.9	1.2	1.8	1.5
Of which: under the enhanced framework	...	...	...	...	...	...	0.5	1.2	1.1
Total social expenditure 5/	8.5	9.6	9.9	9.6	10.4	10.6	10.5	11.1	11.2
Current	6.9	7.2	7.4	7.4	7.8	7.8	7.8	8.2	8.2
Capital	1.6	2.4	2.4	2.1	2.6	2.8	2.7	2.9	2.9
General government expenditure (millions of bolivianos)	8,925	10,383	11,686	13,905	14,117	15,174	16,697	17,907	19,094
Total social expenditure (millions of bolivianos) 5/	2,747	3,602	4,102	4,495	5,033	5,561	6,002	6,927	7,609

Sources: Ministry of finance; ministry of education; and Bank/Fund staff estimates and projections.

1/ Does not include spending on health and education by the ministry of defense.

2/ Social spending by *prefecturas*.

3/ Reflects revisions to projections of enhanced HIPC assistance since the publication of the PRSP. The upward revision is expected to result in a commensurate increase in poverty-related spending.

4/ Bank/Fund staff estimated series equal to the authorities' actual and projected poverty-related expenditure less enhanced HIPC assistance.

5/ Health and education expenditures, including universities, and basic sanitation expenditures.

Table 4. Bolivia: Selected Social Policy Actions and Outcome Indicators, 1996-2000

(In percent, unless otherwise indicated)

				1999		2000			Targets met	
						Annual	Jan.-June			2000
	1996	1997	1998	Target	Outturn	Target	Target	Outturn	1999	Jan.-June
Education										
Total expenditures on primary and secondary education 1/										
(in percent of GDP)	3.1	3.3	3.3	3.3	3.6	3.3	1.4	1.6	√	√
Rural coverage--males	66.0	68.0	81.0	72.0	82.7	74.0	80.0	83.0	√	√
Rural coverage--females	54.0	56.7	77.0	64.0	78.9	68.0	75.0	76.9	√	√
Number of children completing 5th grade										
In urban areas	86,000	87,000	92,000	94,000	101,200	98,000	111,400	115,100	√	√
In rural areas	60,000	63,000	68,000	70,000	70,400	75,000	81,100	85,100	√	√
Number of girls completing 5th grade										
In urban areas	41,000	43,000	46,000	47,000	50,600	47,000	53,800	57,100	√	√
In rural areas	29,000	30,000	31,000	34,000	32,600	36,000	37,500	39,500		√
Cumulative number of beneficiary schools in quality										
improvement programs (such as PASE, PIME, and PIE) 2/	...	...	...	96	96	250	125	154	√	√
Number of children (age 6 or under) enrolled in early										
childhood development programs	43,667	43,013	47,051	58,700	58,700	70,000	62,700	68,870	√	√
Health										
Share of births attended by health professionals 3/	30.0	43.8	49.0	46.0	47.0	49.0	21.0	24.0	√	√
Share of children (age 5 or under)										
Treated for										
Acute respiratory infections (IRA) 3/	25.0	69.0	69.0	69.0	75.0	69.0	32.0	42.0	√	√
Acute diarrhea (EDA) 3/	25.0	26.2	29.0	42.0	44.0	45.0	19.0	26.0	√	√
Receiving complete vaccinations 4/	78.0	86.5	80.0	82.0	92.0	85.0	37.0	39.0	√	√
In endemic areas										
Share of households protected from Chagas	8.0	13.4	16.0	17.0	19.0	22.0	7.0	7.3	√	√
Inhabitants, in areas with malaria, participating in the										
annual parasite index (IPA)	...	15.3	21.7	5.0	4.0	5.0	2.0	2.0		√
Rural development and poverty alleviation										
Number of new beneficiaries of basic water and sanitation										
projects in rural and peri-urban areas	132,000	186,052	216,662	132,000	214,577	132,000	132,000	73,404	√	
Investment in rural road improvement/rehabilitation										
(in millions of US dollars)	32.0	39.4	33.0	33.6	34.3	38.5	11.0	11.9	√	√
Number of hectares subject to cadastre and titling										
regulations during the period (in millions)	0.3	1.6	3.5	4.0	4.4	4.0	1.9	2.7	√	√

Sources: Bolivian authorities, *Economic Policy Analysis Unit* (UDAPE); and Bank/Fund staff estimates.

1/ Does not include spending in alternative education and training programs.

2/ In 1999 and 2000, the targets were modified to reflect the new units in which the implemented programs in education are measured.

3/ In the framework of the Mother and Childhood National Insurance Program (SNMN).

4/ Such as vaccinations for polio, DPT, measles, and BCG.

Table 5: Bolivia - Status of Creditor Participation Under the Original HIPC Initiative 1/

	Debt Relief in NPV Terms 2/ (US$ mil.)	Percentage of Total Assistance	Satisfactory Reply	Modalities To Deliver Debt Relief	Implemented
IDB	155	34.6	Yes	Write-offs from the Fund for Special Operations (FSO) as of September 30, 1998 and partial payment of interest on selected loans from Ordinary Capital using Intermediate Financing Facility. Significant frontloading will provide over 60 percent of NPV relief by 2003.	Yes
IDA	54	12.1	Yes	HIPC Trust Fund is covering 100 percent of debt service due on behalf of Bolivia, on 61 IDA credits, from the last quarter of 1998 until these resources, including interest earned, are exhausted, most likely by June 2002.	Yes
CAF	39	8.7	Yes	Strongly front-loaded debt service relief through contributions from existing off-balance sheet special funds (US$19.5mn) as well as from net income (US$13 mn). US$6.5 mn remain to be delivered through grants for budget support, of which $1 mn in nominal terms have already been disbursed.	Ongoing
IMF	29	6.5	Yes	PRGF HIPC Trust (provision of PRGF grant to cover debt service, until resources are exhausted, most likely by end-2002)	Yes
FONPLATA	8	1.8	Partially, pending donor's financing	Fonplata has extended the amortization period on selected outstanding loans by 8.5 years with a lower interest rate, delivering US$3.9mn in PV terms. Donors are being sought for the remainder (US$3.9 mn in end-2000 NPV terms) which could be provided under the HIPC Trust Fund.	Partially
IFAD	3	0.8	Yes	Coverage of 100 percent of debt service falling due until mid-2000.	Yes
OPEC	2	0.4	Yes	Disbursed a new US$4.1 mn balance of payments loan which has a higher grant element than existing loans. (proceeds to be used to pay debt service on existing debt). Agreement with OPEC Fund signed on August 30, 1999. Loan described in modalities not disbursed yet as approval from the Bolivian Parliament is pending (approval expected in June 2001).	No
NDF	0.3	0.1	Yes	Contribution to the HIPC Trust Fund which has paid 100 percent of debt service due until March 2001.	Yes
Total Multilateral	**291**	**65**			
Paris Club	148	33.0	Yes	Stock-of-debt operation under Lyon terms (80 percent NPV reduction) on October 30, 1998.	Yes
Brazil	2	0.4	Partially, pending ratification	Rescheduling agreement on terms comparable to Paris Club has been signed, pending ratification in Brazil's Congress.	No
China	3	0.7	Being contacted by Bolivia	...	No
Taiwan Province of China 3/	2	0.5	Being contacted by Bolivia	...	No
Commercial Creditors	2.4	0.5	Being contacted by Bolivia	...	No
Total Bilateral and Commercial	**157**	**35**			
TOTAL	**448**	**100**			
Total Satisfactory Replies		**97%**			

Source: "HIPC Debt Initiative, The Chairman's Summary of the Multilateral Development Banks' Meeting – March 14-15, 2001", IDA/SecM2001-0225, March 28, 2001; and Bank/Fund staff estimates.

1/ Debt figures shown are based on calculations in each country's final HIPC document and could be subject to reconciliation.
2/ Common reduction factor applied to exposure at the decision point is 13.53 percent.
3/ Terminology used by the IMF, which accords with the practice of the UN.

Table 6: Bolivia - Status of Creditor Participation Under the Enhanced HIPC Initiati\

	Debt Relief in NPV Terms (End-1998) (US$ mil.) 2/	Percentage of Total Assistance	Satisfactory Reply	Modalities To Deliver Debt Relief
IDB	307.1	36.0	Yes [pending Board decision in May 2001]	Assistance will cover reduction of debt service falling due on FSO loans through member contributions and conversion of local currency assets of the FSO through 2008. Beyond 2008, selective cancellation of principal repayments for loans outstanding before 2000. Total assistance will be delivered over 19 years.
IDA/IBRD	139.6	16.4	Yes	Assistance to be delivered over 14 years, starting in June 2001, through a 50 percent reduction in debt service falling due on IDA credits outstanding as of end-2000.
IMF	55.3	6.5	Yes	Assistance to be delivered over 8 years, starting in 2001 through partial payment of debt service falling due to IMF by the PRGF-HIPC Trust. Share of debt service due on current obligations covered by IMF assistance averages 26 percent from 2001-08.
CAF	52.8	6.2	Yes	Application of debt alleviation would take place in annual installments over a period of up to 5 years. CAF will allocate $US20 mn in NPV terms from its net income with the remainder to be covered by donor countries.
FONPLATA	15.9	1.9	Pending	Modalities to be defined. Board has proposed for Governor's approval to cover up to 25% of NPV debt relief (US$4 million) with the remainder (US$12 million) to be covered by donor resources.
IFAD	6.7	0.8	Yes	100 percent debt service relief until NPV target is achieved. Relief will be provided through 2004.
Trust Funds (IDB administered)	5.3	0.6	No	Assurances to be obtained from donors.
OPEC Fund	1.8	0.2	Pending	Confirmation by Governing Board to participate in the enhanced HIPC Initiative in June 2000. Modalities for Bolivia being explored, subject to Board approval.
NDF	0.7	0.1	Yes	100 percent debt-service relief at completion point covered by the HIPC Trust Fund which NDF uses as its main vehicle to provide the debt relief.
Total Multilateral	**585.2**	**68.6**		
Paris Club	252.7	29.6	Yes	...
China	5.1	0.6	Being contacted by Bolivia	...
Taiwan Province of China 3/	3.5	0.4	Being contacted by Bolivia	...
Brazil	3.0	0.4	Being contacted by Bolivia	...
Commercial Creditors	4.1	0.5	Being contacted by Bolivia	...
Total Bilateral and Commercial	**268.4**	**31.4**		
TOTAL	**853.6**	**100.0**		
Total Satisfactory Replies		**95.5%**		

Source: "HIPC Debt Initiative, The Chairman's Summary of the Multilateral Development Banks' Meeting – March 14-15, 2001", IDA/SecM2001-0225, March 28, 2001; and Bank/Fund staff estimates.

1/ Debt figures shown are based on calculations in each country's final HIPCdocument and could be subject to reconciliation.

2/ NPV debt after original HIPC assistance, calculated using the end-1998 exchange rate and discount rates.

3/ Terminology used by the IMF, which accords with the practice of the UN.

Table 7. Bolivia: Estimated Assistance at Enhanced Decision Point 1/

(In millions of U.S. dollars in NPV terms at end-1998, unless otherwise indicated)

	Total	Multilateral Institutions	Official Bilateral Creditors and Commercial Loans	Common Reduction Factor 1/ (In percent)	**Memorandum Item:** Required NPV Debt Reduction on Comaparable Treatment Based on Overall Exposure 2/ (In percent)
Debt relief under the enhanced HIPC framework	854	585	268	29.5	...
Memorandum items:					
NPV of debt at end-1998	2,895				
Multilateral institutions	1,985				
Official bilateral creditors and commercial loans	910				
Paris Club creditors	857				85.9
Of which: precutoff non-ODA debt	198				105.5
Non-Paris Club bilateral creditors	40				85.9
Of which: precutoff non-ODA debt 3/	0				...
Commercial loans	14				
Three-year average of exports (1996-98)	1,361				
NPV of debt-to-exports ratio (in percent)	212.7				

Sources: Bolivian authorities; and Bank/Fund staff estimates and projections.

1/ Assumes a proportional burden sharing approach after application of Cologne terms. The proportional burden sharing approach is described in "HIPC Initiative--Estimated Costs and Burden Sharing Approaches" (EBS/97/127, 7/7/97, and IDA/SEC M 97-306, 7/7/97).

2/ Includes action under traditional debt relief mechanisms.

3/ Exposure of non-Paris Club bilateral creditors' pre-cutoff non-ODA debt is US$0.2 million.

Table 8. Bolivia: Possible Delivery of IDB Assistance Under the Enhanced HIPC Initiative

(In millions of U.S. dollars, unless otherwise indicated)

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2015	2020	2025	2030	2001-10	2011-20	2021-30
																Averages		
Net obligations to IDB before the original HIPC 1/		131.1	135.8	130.6	124.4	113.1	112.3	101.4	97.7	92.5	87.8	47.5	32.9	23.6	17.6	112.7	49.6	24.6
Principal		81.5	90.4	89.7	88.0	81.1	82.3	74.8	74.3	71.7	69.7	38.2	26.9	20.0	15.9	80.4	40.0	21.1
Interest		49.7	45.5	40.9	36.3	32.0	30.0	26.6	23.4	20.9	18.0	9.3	6.0	3.5	1.6	32.3	9.6	3.4
IDB assistance under original HIPC		**20.6**	**18.6**	**16.5**	**14.5**	**12.5**	**10.9**	**9.6**	**8.6**	**7.6**	**6.7**	**4.4**	**4.0**	**2.9**	**0.4**	**12.6**	**4.5**	**2.8**
Net obligations to IDB after the original HIPC 1/		110.5	117.3	114.0	109.8	100.6	101.4	91.9	89.2	84.9	81.0	43.1	28.9	20.7	17.1	100.1	45.1	21.7
Principal		78.1	87.0	86.3	84.7	77.7	78.9	71.5	70.9	68.3	66.3	34.8	23.5	17.4	15.5	77.0	36.6	18.5
Interest		32.4	30.3	27.7	25.2	22.9	22.4	20.4	18.3	16.6	14.7	8.3	5.4	3.3	1.6	23.1	8.4	3.2
IDB assistance under the enhanced HIPC		**16.9**	**25.4**	**18.7**	**19.0**	**20.6**	**24.6**	**25.9**	**26.0**	**12.6**	**31.9**	**32.5**	**0.0**	**0.0**	**0.0**	**22.2**	**28.7**	**0.0**
Share of debt service to the IDB covered by assistance under the HIPC Initiative (in percent)		28.6	32.4	27.0	27.0	29.2	31.6	35.0	35.3	21.8	44.1	77.6	12.0	12.3	2.5	31.2	67.6	11.1
Net obligations to IDB after the enhanced HIPC 1/		93.6	91.8	95.3	90.8	80.0	76.8	66.0	63.2	72.3	49.1	10.6	28.9	20.7	17.1	77.9	16.3	21.7
Principal		67.8	70.7	74.1	72.1	63.7	61.7	52.9	52.1	55.7	34.4	2.3	23.5	17.4	15.5	60.5	7.9	18.5
Interest		25.8	21.1	21.2	18.8	16.3	15.1	13.0	11.1	16.6	14.7	8.3	5.4	3.3	1.6	17.4	8.4	3.2
Memorandum items: 2/																		
NPV of IDB debt before original HIPC	1089.2																	
Minus: NPV of IDB assistance under original HIPC	118.1																	
NPV of IDB debt after original HIPC	971.1																	
Minus: NPV of IDB assistance under enhanced HIPC	267.4																	
NPV of IDB debt after enhanced HIPC	703.7																	

Sources: Bank/Fund Staff estimates and projections.

1/ Debt service is projected on a prorata of the disbursed amount as of end-2000. Original currencies are converted in U.S. dollars at the end-2000 exchange rate.
Excludes Trust Funds administered by IDB.

2/ In end-2000 NPV terms. Excluding original HIPC assistance provided until end-2000.

Table 9. Bolivia: Possible Delivery of IDA Assistance Under the HIPC Initiative

(In millions of U.S. dollars, unless otherwise indicated)

		Est.			Projections													
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net obligations to IDA before the original HIPC 1/		...	...	...	**21.3**	**23.7**	**25.1**	**26.7**	**28.1**	**30.5**	**32.2**	**35.5**	**38.4**	**40.1**	**42.4**	**44.4**	**45.5**	**46.6**
Principal		...	...	...	13.0	15.3	16.7	18.4	19.9	22.4	24.3	27.8	31.0	32.9	35.4	37.7	39.0	40.5
Interest		...	...	...	8.2	8.4	8.4	8.3	8.2	8.1	7.9	7.7	7.5	7.2	7.0	6.7	6.4	6.1
IDA assistance under original HIPC 2/		4.6	15.8	17.9	20.8	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net obligations to IDA after the original HIPC 1/		...	...	...	**0.5**	**17.3**	**25.1**	**26.7**	**28.1**	**30.5**	**32.2**	**35.5**	**38.4**	**40.1**	**42.4**	**44.4**	**45.5**	**46.6**
Principal		...	...	...	0.0	10.5	16.7	18.4	19.9	22.4	24.3	27.8	31.0	32.9	35.4	37.7	39.0	40.5
Interest		...	...	...	0.5	6.8	8.4	8.3	8.2	8.1	7.9	7.7	7.5	7.2	7.0	6.7	6.4	6.1
IDA assistance under the enhanced HIPC 3/		...	...	...	0.1	8.7	12.6	13.4	14.1	15.4	16.2	17.9	19.4	20.2	21.4	22.4	22.9	17.1
Percentage of debt service to the IDA covered by		...	...	...														
assistance under the enhanced HIPC Initiative		...	...	...	29.5	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	36.6
Net obligations to IDA after the enhanced HIPC 1/		...	...	...	**0.3**	**8.6**	**12.4**	**13.2**	**13.9**	**15.1**	**16.0**	**17.6**	**19.1**	**19.9**	**21.1**	**22.0**	**22.6**	**29.5**
Principal		...	...	...	0.0	1.8	4.0	4.9	5.7	7.1	8.1	9.9	11.6	12.7	14.1	15.3	16.1	23.4
Interest		...	...	...	0.3	6.8	8.4	8.3	8.2	8.1	7.9	7.7	7.5	7.2	7.0	6.7	6.4	6.1
Memorandum items: 4/																		
Total external debt service after the original HIPC																		
Total external debt service after the enhanced HIPC																		
NPV of IDA debt before original HIPC	500.3																	
Minus: NPV of IDA assistance under original HIPC	54.0																	
NPV of IDA debt after original HIPC	446.3																	
Minus: NPV of IDA assistance under enhanced HIPC	139.6																	
NPV of IDA debt after enhanced HIPC	306.7																	

Sources: Bank staff estimates and projections.

1/ Debt service is projected on a prorata of the disbursed amount as of end-2000. SDR are converted in USD at the end-1998 exchange rate. These numbers, as a result, can differ slightly from Table 17, which is calculated with end-2000 exchange rates and includes debt service due on new loans.

2/ Assumes resources in the HIPC Trust Fund earmarked in 1998 for US$54 million in NPV terms, are exhausted by June 2002.

3/ The delivery of enhanced assistance would start in July 2001 and would be about one-half of IDA debt service falling due on disbursed and outstanding IDA credits as of end-2000.

4/ In end-1998 NPV terms.

Table 10. Bolivia: Possible Delivery of IMF Assistance under the HIPC Initiative 1/
(In millions of SDRs, unless otherwise indicated)

	Actual				Projections										
	Sep.-Dec.			Jan.-Jun.	Jul.-Dec.	Total									
	1998	1999	2000	2001	2001	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Profile of total assistance under the HIPC (original and enhanced; in percent)	6.5	12.3	10.9	1.1	9.2	10.3	10.0	8.6	17.8	15.2	7.9	0.7	--	--	--
Delivery schedule of IMF assistance: original HIPC Initiative (in percent)	19.0	36.0	32.0	3.2	3.8	7.0	6.0	--	--	--	--	--	--	--	--
Delivery schedule of IMF assistance: enhanced HIPC Initiative (in percent)	--	--	--	--	12.0	12.0	12.0	13.0	27.0	23.0	12.0	1.0	--	--	--
Debt service due on current IMF obligations 2/	**10.9**	**25.4**	**23.3**	**11.0**	**12.7**	**23.7**	**21.8**	**21.8**	**27.0**	**23.8**	**18.7**	**13.6**	**8.4**	**1.7**	--
Principal - as of Bolivia's second decision point	10.4	24.5	22.4	10.6	12.3	22.9	21.2	21.2	26.6	23.6	18.5	13.5	8.4	1.7	--
Interest	0.5	0.9	0.9	0.4	0.4	0.7	0.6	0.5	0.4	0.3	0.2	0.1	0.0	0.0	--
IMF assistance--deposits into member's account															
Interim assistance 2/															
Completion point assistance - original HIPC Initiative 3/	21.2														
Completion point assistance - enhanced HIPC Initiative 4/				41.1		41.1									
IMF assistance under original HIPC Initiative	**4.0**	**7.9**	**7.3**	**1.0**	**0.8**	**1.8**	**1.3**	--	--	--	--	--	--	--	--
IMF assistance without interest	4.0	7.6	6.8	0.7	0.8	1.5	1.3	--	--	--	--	--	--	--	--
Interest earnings	--	0.2	0.5	0.3	--	0.3	0.1	--	--	--	--	--	--	--	--
IMF assistance under enhanced HIPC Initiative 5/	--	--	--	--	**4.9**	**4.9**	**6.9**	**8.1**	**13.6**	**10.5**	**5.5**	**0.6**	--	--	--
IMF assistance without interest	--	--	--	--	4.9	4.9	4.9	5.3	11.1	9.5	4.9	0.4	--	--	--
Estimated interest earnings	--	--	--	--	--	--	2.0	2.7	2.5	1.1	0.6	0.2	--	--	--
Total IMF assistance under the HIPC Initiative	**4.0**	**7.9**	**7.3**	**1.0**	**5.7**	**6.7**	**8.3**	**8.1**	**13.6**	**10.5**	**5.5**	**0.6**	--	--	--
IMF assistance without interest	4.0	7.6	6.8	0.7	5.7	6.4	6.2	5.3	11.1	9.5	4.9	0.4	--	--	--
Estimated interest earnings	--	0.2	0.5	0.3	--	0.3	2.1	2.7	2.5	1.1	0.6	0.2	--	--	--
Debt service due on current IMF obligations after IMF assistance 5/	6.9	17.6	15.9	10.0	6.9	16.9	13.5	13.7	13.4	13.3	13.2	13.0	8.4	1.7	--
Share of debt service due on current IMF obligations covered by															
IMF assistance (in percent) 5/	37.0	31.0	31.6	9.0	45.3	28.4	38.0	37.0	50.4	44.2	29.4	4.3	--	--	--
Memorandum items:															
Proportion (in percent) of each repayment falling due during the period to be paid															
by IMF HIPC Initiative assistance from the principal deposited in member's account	38.7	31.2	30.3	6.5	46.6	28.0	29.3	25.2	41.8	40.2	26.7	3.1	--	--	--
Of which: under the original HIPC Initiative	38.7	31.2	30.3	6.5	6.5	6.5	6.0	--	--	--	--	--	--	--	--
Total debt service due (millions of U.S. dollars) 6/ 7/	136.8	275.2	277.4	...	...	367.3	385.7	384.1	377.6	364.7	383.7	391.3	408.5	421.0	444.9
Of which: debt service due on IMF obligations (millions of U.S. dollars)	14.2	33.1	30.3	14.3	16.5	30.8	28.4	28.4	35.2	31.1	24.3	17.7	11.0	2.2	--
Debt service due on current IMF obligations after IMF assistance 5/															
In millions of U.S. dollars 7/	8.9	22.9	20.7	13.1	9.0	22.1	17.6	17.9	17.4	17.3	17.2	16.9	11.0	2.2	--
In percent of exports	0.7	1.7	1.4	...	...	1.4	1.0	0.9	0.8	0.8	0.7	0.6	0.4	0.1	--
Share of total debt service covered by IMF assistance (in percent) 5/	3.8	3.7	3.4	...	...	2.4	2.8	2.7	4.7	3.8	1.9	0.2	--	--	--

Sources: Central Bank of Bolivia; and Bank/Fund staff estimates and projections.

1/ Total IMF assistance under the HIPC Initiative is SDR 62.4 million calculated on the basis of data available at the enhanced HIPC decision point, excluding interest earned on member's account and on committed but undisbursed amounts as described in footnotes 4 and 5.

2/ Forthcoming obligations estimated based on rates and principal schedules in effect as of February 7, 2000 (i.e., at the time of Board approval of Bolivia's enhanced HIPC decision point). Interest obligations include SDR Department assessments.

3/ Amount of assistance actually disbursed into member's account at original HIPC completion point in September 1998.

4/ Amount of assistance assumed to be disbursed into member's account at the enhanced HIPC completion point in June 2001.

5/ Includes estimated interest earnings on: (1) amounts held in member's account; and (2) up to the enhanced completion point, amounts committed but not yet disbursed. It is assumed that these amounts earn a rate of return of 5 percent in SDR terms; actual interest earnings may be higher or lower. Interest accrued on (1) during a calendar year will be used toward the first repayment obligation(s) falling due in the following calendar year except in the final year, when it will be used toward payment of the final obligation(s) falling due in that year. Interest accrued on (2) during the interim period will be used toward the repayment of obligations falling due during the three years after the completion point.

6/ After traditional debt relief mechanisms. The debt service shown in 1998 covers the period from September to Decemeber.

7/ Using the end-2000 SDR exchange rate of US$1.3029 per SDR.

Table 11. Bolivia: Possible Delivery of Multilateral Assistance Under the Enhanced HIPC Initiative 1/

(In millions of U.S. dollars, unless otherwise indicated)

	2001	2002	2003	2004	2005	2010	2015	2020	2025	2030	2001-10 Averages	2011-20 Averages	2021-30 Averages
Assistance under original HIPC from multilateral creditors 2/													
IDB	20.6	18.6	16.5	14.5	12.5	6.7	4.4	4.0	2.9	0.4	12.6	4.5	2.8
IDA	19.9	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.6	0.0	0.0
IMF	2.3	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0
CAF 3/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FONPLATA	4.6	4.1	2.5	0.4	-1.7	-3.5	-0.6	0.0	0.0	0.0	-0.6	-1.1	0.0
IFAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEC Fund	1.3	2.0	2.3	2.2	0.1	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0
NDF	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other 4/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**48.9**	**32.7**	**21.3**	**17.1**	**10.9**	**3.3**	**3.8**	**4.0**	**2.9**	**0.4**	**15.8**	**3.5**	**2.8**
Assistance under enhanced HIPC from multilateral creditors 5/													
IDB	16.9	25.4	18.7	19.0	20.6	31.9	32.5	0.0	0.0	0.0	22.2	28.7	0.0
IDA	0.2	8.2	12.0	12.8	13.5	19.1	0.0	0.0	0.0	0.0	13.1	7.9	0.0
IMF	6.4	9.0	10.5	17.7	13.7	0.0	0.0	0.0	0.0	0.0	6.5	0.0	0.0
CAF	5.5	15.3	14.6	14.0	11.4	0.0	0.0	0.0	0.0	0.0	6.5	0.0	0.0
FONPLATA	1.0	2.4	2.3	2.2	2.1	1.7	0.3	0.0	0.0	0.0	2.0	0.5	0.0
IFAD 6/	2.6	2.1	1.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0
OPEC Fund	0.1	0.0	0.0	0.0	0.3	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0
NDF	0.0	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Other 4/	0.6	1.2	1.1	1.0	0.6	0.2	0.2	0.1	-0.2	-0.4	0.6	0.2	-0.2
Total	**33.5**	**63.8**	**61.0**	**67.2**	**62.4**	**53.1**	**33.0**	**0.1**	**-0.2**	**-0.4**	**51.7**	**37.3**	**-0.2**
Share of debt service covered by the assistance under the HIPC Initiative (in percent)													
IDB	28.6	32.4	27.0	27.0	29.2	44.1	77.6	12.0	12.3	2.5	31.2	67.6	11.1
World Bank 7/	96.3	63.6	50.4	50.6	50.5	50.4	0.0	0.0	0.0	0.0	56.4	18.8	0.0
IMF	28.4	37.9	37.0	50.3	42.2	0.0	--	--	--	--	22.6	--	--
CAF	7.8	20.6	23.6	32.5	37.8	0.0	--	--	--	--	14.5	--	--
FONPLATA	49.9	62.7	56.7	42.1	11.3	--	--	--	--	--	44.5	--	--
IFAD 6/	100.0	100.0	100.0	11.9	0.0	0.0	0.0	0.0	0.0	0.0	31.2	0.0	0.0
OPEC Fund	68.8	100.0	100.0	100.0	18.7	16.0	--	--	--	--	46.8	16.0	--
NDF	100.0	100.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	56.5	0.0	0.0
Other 4/	37.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	--	--	71.2	75.0	--
Total	**30.4**	**34.8**	**31.8**	**35.2**	**34.7**	**42.3**	**39.2**	**5.1**	**3.9**	**0.2**	**32.8**	**41.3**	**3.7**

Sources: Bank/Fund staff estimates and projections.

1/ Debt service projected based on the stock of debt disbursed and outstanding as of end-2000, converted from original currencies using end-2000 exchange rates.

2/ Original HIPC assistance calculated based on original loan schedules, before the HIPC initiative.

3/ Excluding grants for technical assistance.

4/ Trust Fund loans administered by IDB.

5/ Simulated according to modalities described in Box 3.

6/ Excludes partial refund in 2001.

7/ Share of IDA assistance over total debt service due to IDA and IBRD.

Table 12. Paris Club Creditors' Delivery of Debt Relief Under Bilateral Initiatives Beyond the HIPC Initiative

	Countries Covered	ODA (In percent)		Non-ODA (In percent)		Provision of Relief	
		Pre-COD	Post-COD	Pre-COD	Post-COD	Decision Point (In percent)	Completion Point
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Australia	HIPCs	100	100	100	100 1/	1/	1/
Austria	HIPCs (case-by-case)	Case-by-case (100)	Case-by-case (100)	Case-by-case (100)	-	Case-by-case	Case-by-case
Belgium	HIPCs	Case-by-case (100)	Case-by-case (100)	Case-by-case	-	flow	Stock
Canada	HIPCs 2/	- 3/	- 3/	100	100	100 flow	Stock
Denmark	HIPCs	100	Case-by-case	-	-	-	Stock
France	HIPCs	100	100	100	-	100 flow 7/	Stock
Finland	HIPCs	95	98	-	-	-	-
Germany	HIPCs	100	100	100	-	100 flow	Stock
Ireland	-	-	-	-	-	-	-
Italy	HIPCs	100	100	100	100	100 flow	Stock
Japan	HIPCs	100	100	100	-	-	Stock
Netherlands	HIPCs	100	100	100	-	90–100 flow 5/	Stock 5/
Norway	HIPCs	- 3/	- 3/	100	100 8/	100 flow	Stock
Russia	Case-by-case	-	-	-	-	-	Stock
Spain	HIPCs	100	Case-by-case	Case-by-case	Case-by-case	-	Stock
Sweden	Case-by-case	- 3/	- 3/	Case-by-case (100)	-	-	Stock
Switzerland	HIPCs	- 3/	- 3/	Case-by-case	Case-by-case	Case-by-case, flow	Stock
United Kingdom	HIPCs	100	100	100	100 6/	100 flow 6/	Stock
United States	HIPCs	100	100	100	100 4/	100 flow	Stock

Source: Paris Club Secretariat.

1/ Australia: (a) post-COD non-ODA relief to apply to debts incurred before a date to be finalised; (b) timing details for both flow and stock relief are to be finalised.
2/ Canada: including Bangladesh. Canada has granted a moratorium of debt service as of January 2001 on all debt disbursed before end-March 1999 for 11 out of 17 HIPCs with debt service due to Canada. The debt will be written off at the completion point. The countries to be covered are: Benin, Bolivia, Cameroon, Ethiopia, Guyana, Honduras, Madagascar, Mali, Sengal, Tanzania, and Zambia.
3/ 100 percent of ODA claims have already been cancelled on HIPCs, with the exception of Myanmar's debt to Canada.
4/ United States: 100 percent post-COD non-ODA treated on debt assumed prior to 06/20/99 (the Cologne Summit).
5/ The Netherlands: (a) ODA: 100 percent ODA pre- and post-cutoff date debt will be cancelled at decision point; (b) non-ODA: in some particular cases (Bolivia, Burkina Faso, Mali, Ethiopia, Nicaragua, and Tanzania), the Netherlands will write off 100 percent of the consolidated amounts on the flow at decision point; all other HIPCs will receive interim relief up to 90 percent reduction of the consolidated amounts. At completion point, all HIPC countries will receive 100 percent cancellation of the remaining stock of the pre-COD debt.
6/ United Kingdom: "beyond 100%": full write-off of all debts of HIPCs as of their decision points, and reimbursement at the decision point of any debt service paid before the decision point.
7/ France: cancellation of 100 percent of debt service on pre-cutoff date commercial claims as they fall due starting at the decision point.
8/ On debt assumed before December 31, 1997.

Note: Columns (1) to (7) describe the additional debt relief provided following a specific methodology under bilateral initiatives and need to be read as a whole for each creditor. In column (1), "HIPCs" stands for eligible countries effectively qualifying for the HIPC process. A "100 percent" mention in the table means that the debt relief provided under the enhanced HIPC framework will be topped up to 100 percent through a bilateral initiative.

Table 13. Bolivia: Discount Rate and Exchange Rate Assumptions

	Discount Rates 1/2/ (In percent per annum)		Exchange Rates 3/ (Per U.S. dollar)	
	Decision Point	Completion Point	Decision Point	Completion Point
Austrian schilling	5.28	6.25	11.75	14.79
Belgian franc	5.59	6.25	34.57	43.35
Canadian dollar	6.25	7.00	1.53	1.50
Chinese yuan	5.25	6.09	8.28	8.28
Danish krone	5.64	6.73	6.39	8.02
E.C.U.	5.00	...	1.17	...
Euro	...	6.25	...	1.07
Finnish markka	5.35	6.25	5.10	6.39
French franc	5.36	6.25	5.62	7.05
German mark	5.16	6.25	1.67	2.10
Italian lira	5.58	6.25	1,653.10	2,080.89
Japanese yen	2.22	2.03	115.60	114.90
Netherland guilder	5.78	6.25	1.89	2.37
Norwegian krone	6.54	8.02	7.60	8.85
Boliviano	5.25	6.09	5.65	6.39
SDR	5.25	6.09	0.71	0.77
Spanish peseta	5.31	6.25	142.61	178.81
Swedish krona	5.66	6.20	8.06	9.54
Swiss franc	4.05	5.33	1.38	1.64
U.K. pound	6.81	6.73	0.60	0.67
U.S. dollar	6.23	7.19	1.00	1.00
Unit of account (IDB)	4.73	6.09	0.65	0.67
Venezuelan bolivar	5.25	6.09	564.50	699.75
Memorandum item:				
Paris Club cutoff date is December 31, 1985				

Sources: OECD; and IMF, *International Financial Statistics*

1/ The discount rates are the average Commercial Interest Reference Rates (CIRRs) for the respective currencies over the six-month period ending December 1998 for the decision point; December 2000 for the completion point.

2/ For all currencies for which the CIRRs are not available, the SDR discount rate is used.

3/ As of end-December 1998 for the decision point; end-December 2000 for the completion point.

Table 14. Bolivia: Medium- and Long-Term Macroeconomic Framework

		Prel.	Projections							Average	
	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998-2007	2008-2020
					(Annual percentage change)						
Output and prices											
Real GDP at market prices	0.4	2.4	4.0	4.5	5.0	5.0	5.0	5.2	5.4	4.1	5.5
CPI (end of period)	3.1	3.4	4.0	3.9	3.8	3.7	3.6	3.5	3.5	3.6	3.5
					(In percent of nominal GDP)						
National accounts											
Gross domestic investment	18.9	18.8	19.5	19.5	20.0	20.9	21.4	21.8	22.6	20.4	23.2
Gross national savings	13.0	13.7	14.4	14.6	15.1	16.1	16.6	17.1	17.8	15.4	18.5
Combined public sector accounts											
Revenue, excluding grants	23.8	23.1	23.4	23.4	23.5	23.8	24.2	24.7	25.1	23.9	25.1
Grants	1.8	2.2	2.4	2.3	1.9	1.7	1.5	1.4	1.4	1.8	1.0
Expenditure	29.1	29.0	29.4	29.2	28.7	28.4	28.3	28.3	28.3	28.7	27.3
Overall balance	-3.4	-3.7	-3.7	-3.5	-3.2	-3.0	-2.6	-2.2	-1.8	-3.0	-1.3
External financing (net)	1.9	1.9	2.5	2.5	2.7	2.7	2.5	2.2	1.8	2.3	1.6
Domestic financing (net)	1.5	1.7	1.2	1.0	0.5	0.3	0.2	0.1	0.0	0.7	-0.3
Balance of payments											
Exports of goods and services	15.7	17.2	18.0	19.3	20.5	21.0	21.4	21.9	21.6	19.6	20.4
Imports of goods and services	-24.2	-24.7	-25.4	-26.3	-26.9	-27.3	-27.5	-27.9	-27.8	-26.4	-26.6
Current account, excluding official transfers	-8.8	-7.9	-7.7	-7.5	-7.0	-6.7	-6.4	-6.2	-6.3	-7.2	-5.7
Current account, including official transfers	-5.9	-5.1	-5.0	-4.9	-4.9	-4.8	-4.8	-4.7	-4.7	-5.0	-4.7
Gross official reserves (in months of imports of goods and services)	7.3	6.6	5.6	5.1	5.0	4.9	5.0	5.1	5.1	5.5	5.3
					(Percentage change)						
Export volume growth	-1.7	11.4	4.2	12.6	12.1	7.3	7.3	8.5	4.9	7.4	5.5
Import volume growth	-8.8	-4.5	4.5	5.8	5.3	5.2	5.5	6.3	5.4	2.7	5.4
Terms of trade	-0.2	0.6	0.1	-2.2	-1.1	0.0	0.0	0.0	0.0	-0.3	0.0

Sources: Bolivian Central Bank; Bolivia's Poverty Reduction Strategy Paper (EBRP); and Bank/Fund staff estimates and projections.

Table 15. Bolivia: Medium-and Long-Term Balance of Payments, 1999-2020

(In millions of U.S. dollars, unless otherwise noted)

	Prel. 1999	Prel. 2000	Projections 2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Current account	**-488**	**-464**	**-441**	**-438**	**-466**	**-484**	**-523**	**-563**	**-615**	**-659**	**-690**	**-750**
Trade balance	-704	-600	-554	-540	-501	-503	-507	-505	-555	-606	-651	-702
Exports, f.o.b.	1,051	1,230	1,302	1,463	1,664	1,826	1,996	2,206	2,358	2,537	2,744	2,950
Of which: gas	36	122	212	291	346	384	427	491	506	524	557	592
Imports, c.i.f.	-1,755	-1,830	-1,857	-2,003	-2,165	-2,329	-2,504	-2,712	-2,913	-3,143	-3,395	-3,652
Of which: capitalization and pipeline	-405	-243	-134	-94	-64	-8	0	0	0	0	0	0
Services (net)	26	-24	6	10	14	21	29	35	42	52	61	71
Income (net)	-196	-225	-287	-304	-330	-359	-391	-436	-475	-504	-538	-574
Of which: interest due on external public sector debt 1/	-126	-129	-136	-121	-119	-121	-126	-135	-143	-152	-163	-174
Of which: investment income (net)	-52	-80	-131	-153	-176	-197	-219	-244	-268	-289	-313	-338
Transfers (net)	386	385	394	396	351	357	347	344	372	399	437	455
Of which: HIPC assistance from grants	62	55	72	91	75	79	73	61	54	53	60	61
Capital account	**515**	**425**	**329**	**438**	**583**	**618**	**673**	**699**	**759**	**814**	**873**	**914**
Direct investment (net)	1,014	731	778	748	648	648	640	677	735	797	869	888
Of which: from capitalization	506	297	168	118	80	10	0	0	0	0	0	0
Portfolio investment (net)	-61	55	-135	-135	-135	-150	-150	-150	-150	-150	-150	-150
Public sector loans	113	112	174	183	235	248	251	238	223	219	232	247
Disbursements	280	290	347	360	411	412	404	395	383	397	423	456
Amortization 1/	-167	-178	-174	-177	-175	-164	-153	-156	-161	-178	-191	-208
Other, including errors and omissions	-551	-473	-487	-357	-164	-127	-68	-66	-49	-52	-78	-71
Overall balance	**26**	**-39**	**-112**	**1**	**118**	**134**	**150**	**136**	**144**	**155**	**183**	**164**
Exceptional financing	**16**	**16**	**12**	**20**	**18**	**14**	**10**	**7**	**7**	**8**	**7**	**7**
Of which: HIPC assistance from refinancing	16	16	12	20	18	14	10	7	7	8	7	7
Net international reserves (increase -)	**-42**	**23**	**100**	**-20**	**-135**	**-149**	**-159**	**-143**	**-151**	**-162**	**-190**	**-171**
Memorandum items:												
Gross reserves (end-of-period)	1,211	1,164	1,059	1,053	1,135	1,219	1,345	1,458	1,575	1,701	1,865	2,013
(In months of imports of goods and services) 2/	7.0	6.6	5.6	5.2	5.2	5.3	5.4	5.5	5.5	5.5	5.7	5.7
Total assistance under the HIPC Initiative	85	79	105	159	144	142	130	118	109	106	112	113
Original framework	85	78	60	51	40	36	30	26	25	24	23	23
Of which: assistance from debt reduction	7	7	10	10	10	10	10	10	10	10	10	10
Enhanced framework	...	...	45	108	104	106	100	92	84	82	89	90
Of which: assistance from debt reduction	...	...	11	38	41	38	37	40	38	36	35	34
			(In percent)									
Export volume growth	-1.8	11.4	4.2	12.6	12.1	7.3	7.3	8.5	4.9	5.6	6.1	5.5
Import volume growth	-8.8	-0.1	0.0	5.8	5.3	5.2	5.5	6.3	5.4	5.9	6.0	5.6
Terms of trade change	-0.2	0.6	0.1	-2.2	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			(In percent of GDP)									
Current account deficit	-5.9	-5.5	-5.1	-4.9	-4.9	-4.8	-4.9	-4.9	-4.9	-4.7	-4.8	-4.7
Current account deficit excluding HIPC assistance 3/	-6.7	-6.2	-6.0	-6.0	-5.8	-5.7	-5.6	-5.4	-5.4	-5.3	-5.2	-5.2
Merchandise exports	12.6	14.5	15.0	16.2	17.5	18.1	18.5	19.1	18.9	18.8	18.9	18.8
Merchandise imports	21.1	21.6	21.4	22.2	22.7	23.1	23.2	23.5	23.4	23.3	23.3	23.2
Of which: capitalization and pipeline	4.9	2.9	1.6	1.0	0.7	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment (net)	12.2	8.6	9.0	8.3	6.8	6.4	5.9	5.9	5.9	5.9	6.0	5.6
Grants and loans 4/	5.5	5.6	5.9	5.7	5.6	5.2	4.7	4.3	4.0	3.9	3.8	3.8

Table 15. Bolivia: Medium-and Long-Term Balance of Payments, 1999-2020

(In millions of U.S. dollars, unless otherwise noted)

	Projections									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Current account	**-815**	**-879**	**-962**	**-1,033**	**-1,123**	**-1,187**	**-1,282**	**-1,384**	**-1,499**	**-1,602**
Trade balance	-743	-766	-811	-865	-923	-988	-1,050	-1,137	-1,239	-1,327
Exports, f.o.b.	3,172	3,410	3,670	3,947	4,234	4,561	4,902	5,271	5,653	6,069
Of which: gas	640	676	701	732	752	788	811	832	840	850
Imports, c.i.f.	-3,915	-4,176	-4,480	-4,811	-5,157	-5,549	-5,952	-6,408	-6,892	-7,395
Of which: capitalization and pipeline	0	0	0	0	0	0	0	0	0	0
Services (net)	80	85	91	97	103	114	125	142	156	172
Income (net)	-614	-663	-712	-766	-822	-883	-948	-1,019	-1,096	-1,175
Of which: interest due on external public sector debt 1/	-188	-206	-226	-249	-275	-303	-333	-367	-405	-445
Of which: investment income (net)	-363	-390	-419	-451	-482	-516	-552	-591	-632	-673
Transfers (net)	463	465	470	500	519	570	591	630	680	727
Of which: HIPC assistance from grants	61	61	60	53	36	36	35	35	27	6
Capital account	**949**	**1,043**	**1,112**	**1,187**	**1,299**	**1,368**	**1,483**	**1,595**	**1,708**	**1,841**
Direct investment (net)	927	971	988	1,025	1,049	1,129	1,227	1,332	1,457	1,567
Of which: from capitalization	0	0	0	0	0	0	0	0	0	0
Portfolio investment (net)	-150	-150	-150	-150	-150	-150	-150	-150	-185	-185
Public sector loans	266	287	295	300	322	352	386	425	482	516
Disbursements	492	538	580	628	699	785	884	1,002	1,143	1,275
Amortization 1/	-226	-251	-285	-328	-377	-433	-498	-577	-661	-759
Other, including errors and omissions	-94	-65	-20	12	78	37	21	-11	-46	-57
Overall balance	**134**	**164**	**150**	**154**	**176**	**181**	**202**	**211**	**209**	**239**
Exceptional financing	**8**	**11**	**13**	**15**	**14**	**13**	**14**	**14**	**14**	**15**
Of which: HIPC assistance from refinancing	8	11	13	15	14	13	14	14	14	15
Net international reserves (increase -)	**-142**	**-175**	**-164**	**-169**	**-191**	**-194**	**-215**	**-226**	**-223**	**-254**
Memorandum items:										
Gross reserves (end-of-period)	2,131	2,299	2,456	2,619	2,802	2,990	3,198	3,416	3,631	3,878
(In months of imports of goods and services) 2/	5.7	5.7	5.7	5.7	5.7	5.7	5.6	5.6	5.6	5.6
Total assistance under the HIPC Initiative	107	105	103	97	80	79	74	70	48	13
Original framework	23	25	27	29	29	29	31	32	25	17
Of which: assistance from debt reduction	10	11	11	11	11	12	12	12	5	-4
Enhanced framework	84	80	76	68	50	49	43	38	24	-4
Of which: assistance from debt reduction	27	23	19	18	18	17	13	9	2	-4
			(In percent)							
Export volume growth	5.5	5.5	5.6	5.5	5.3	5.7	5.5	5.5	5.3	5.3
Import volume growth	5.2	4.7	5.3	5.4	5.2	5.6	5.3	5.7	5.6	5.3
Terms of trade change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			(In percent of GDP)							
Current account deficit	-4.7	-4.7	-4.7	-4.7	-4.7	-4.6	-4.6	-4.6	-4.6	-4.6
Current account deficit excluding HIPC assistance 3/	-5.1	-5.1	-5.1	-5.0	-5.0	-4.8	-4.8	-4.8	-4.8	-4.7
Merchandise exports	18.7	18.6	18.5	18.4	18.2	18.2	18.0	18.0	17.8	17.7
Merchandise imports	23.1	22.7	22.6	22.4	22.2	22.1	21.9	21.8	21.7	21.5
Of which: capitalization and pipeline	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment (net)	5.5	5.3	5.0	4.8	4.5	4.5	4.5	4.5	4.6	4.6
Grants and loans 4/	3.8	3.7	3.7	3.7	3.7	3.8	3.9	4.0	4.2	4.3

Sources: Central Bank of Bolivia; and Bank/Fund staff estimates and projections.

1/ Reflects lower scheduled debt service, starting in 1998, owing to HIPC assistance in the form of stock-of-debt reduction.
2/ In months of imports of goods and services in the following year.
3/ Previously, assistance under the HIPC Initiative was treated as exceptional financing.
4/ Official transfers and loans to public sector, excluding HIPC debt relief.

Table 16. Bolivia: Net Present Value of External Debt, 2000-2020

(In millions of U.S. dollars, unless otherwise indicated)

	Actual	Est.	Projections											Averages	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2015	2020	2000-2010	2011-2020
I. After original HIPC assistance 1/															
1. NPV of total debt (2+6) 2/	2,747.2	2,842.0	2,893.3	2,957.3	3,059.7	3,199.9	3,335.4	3,484.2	3,643.4	3,824.8	4,026.4	5,562.1	7,817.6	3,274.0	5,867.8
2. NPV of outstanding debt (3+4)	2,747.2	2,615.7	2,464.7	2,308.5	2,161.8	2,031.2	1,904.3	1,790.8	1,685.9	1,589.0	1,496.6	1,159.9	859.1	2,072.3	1,130.3
3. Official bilateral and commercial	801.6	765.7	739.4	709.0	681.3	655.8	627.1	598.7	570.8	542.1	512.6	404.6	301.1	654.9	392.4
3a. Paris Club	745.6	720.9	702.8	681.1	658.8	636.4	610.2	583.7	557.2	529.7	501.3	397.2	298.8	629.8	385.7
3b. Other official bilateral	35.7	31.4	28.2	23.6	21.3	18.6	16.4	14.6	13.5	12.4	11.3	7.4	2.3	20.6	6.7
3c. Commercial	20.3	13.5	8.5	4.3	1.2	0.8	0.5	0.3	0.1	0.0	0.0	0.0	0.0	4.5	0.0
4. Multilateral	1,945.7	1,849.9	1,725.3	1,599.5	1,480.5	1,375.4	1,277.1	1,192.1	1,115.1	1,047.0	984.0	755.3	558.0	1,417.4	737.9
Inter-American Development Bank	963.5	916.0	858.8	801.2	744.2	692.3	636.0	585.7	535.0	485.4	436.5	280.9	190.3	695.9	278.4
World Bank	463.3	490.9	504.7	512.0	518.2	523.5	526.9	528.8	527.9	523.6	517.9	457.6	355.1	512.5	442.2
IMF	171.9	153.8	136.4	116.3	88.1	60.9	37.3	18.9	6.1	1.4	0.0	0.0	0.0	71.9	0.0
Others	347.0	289.2	225.4	170.0	130.0	98.7	77.0	58.6	46.1	36.6	29.5	16.8	12.6	137.1	17.3
5. Nominal stock of total debt	4,447.2	4,627.6	4,771.9	4,938.9	5,112.4	5,290.3	5,445.1	5,587.1	5,733.8	5,902.6	6,090.7	7,436.9	9,565.2	5,267.9	7,739.1
II. After enhanced HIPC assistance															
1. NPV of total debt (3+6) 2/	2,747.2	1,994.5	2,101.7	2,221.0	2,384.1	2,582.6	2,772.0	2,969.6	3,178.9	3,420.9	3,687.1	5,514.0	7,926.1	2,732.7	5,822.9
1b. NPV of total debt after full delivery 3/	1,962.7	1,994.5	2,101.7	2,221.0	2,384.1	2,582.6	2,772.0	2,969.6	3,178.9	3,420.9	3,687.1	5,514.0	7,926.1	2,661.4	5,822.9
2. NPV of outstanding debt (3+4)	2,747.2	1,768.1	1,673.1	1,572.2	1,486.2	1,413.9	1,340.8	1,276.2	1,221.5	1,185.1	1,157.3	1,111.8	967.6	1,531.1	1,085.3
3. Official bilateral and commercial	801.6	461.6	459.6	457.0	454.6	454.4	454.8	455.4	456.3	457.1	457.4	454.0	410.2	488.2	444.9
3a. Paris Club	745.6	433.5	434.9	436.3	437.9	439.7	441.5	443.4	445.0	446.4	447.5	446.5	406.1	629.8	385.7
3b. Other official bilateral	35.7	18.6	18.0	16.6	15.1	13.3	11.9	10.8	10.1	9.5	8.8	6.5	3.6	20.6	6.7
3c. Commercial	20.3	9.5	6.7	4.0	1.6	1.4	1.3	1.2	1.2	1.2	1.2	1.0	0.6	4.5	0.0
4. Multilateral	1,945.7	1,306.5	1,213.5	1,115.2	1,031.6	959.5	886.1	820.8	765.1	728.1	699.9	657.8	557.4	1,042.9	640.5
Inter-American Development Bank	963.5	632.5	585.3	528.2	471.9	422.4	372.6	330.6	289.3	256.5	226.9	184.9	190.3	461.8	193.0
World Bank	463.3	356.4	370.1	381.0	391.9	402.8	413.2	423.5	432.9	441.3	449.7	457.6	355.1	411.5	432.0
IMF	171.9	104.3	93.0	80.8	68.2	53.5	36.6	18.9	6.1	1.4	0.0	0.0	0.0	57.7	0.0
Others	347.0	213.3	165.1	125.2	99.6	80.8	63.6	47.8	36.8	28.9	23.3	15.4	11.9	111.9	15.5
5. Nominal stock of total debt	4,447.2	3,893.8	4,083.8	4,299.8	4,519.3	4,740.7	4,939.4	5,123.1	5,309.4	5,517.9	5,745.3	7,233.3	9,458.0	4,783.6	7,542.8

Table 16 (con't). Bolivia: Net Present Value of External Debt, 2000-2020

(In millions of U.S. dollars, unless otherwise indicated)

	Actual	Est.	Projections											Averages	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2015	2020	2000-2010	2011-2020
III. After bilateral debt relief beyond HIPC assistance 4/															
1. NPV of total debt (2+6) 2/	2,747.2	1,649.1	1,755.4	1,873.8	2,035.9	2,233.2	2,421.4	2,617.8	2,826.1	3,067.4	3,333.2	5,163.8	7,612.3	2,414.6	5,480.2
1b. NPV of total debt after full delivery 3/	1,603.7	1,649.1	1,755.4	1,873.8	2,035.9	2,233.2	2,421.4	2,617.8	2,826.1	3,067.4	3,333.2	5,163.8	7,612.3	2,310.6	5,480.2
2. NPV of outstanding debt (3+4)	2,747.2	1,422.8	1,326.8	1,225.0	1,138.0	1,064.6	990.2	924.4	868.7	831.6	803.4	761.7	653.8	1,213.0	742.6
3. Official bilateral and commercial	801.6	116.2	113.3	109.8	106.4	105.1	104.1	103.6	103.6	103.6	103.5	103.9	96.4	170.1	102.2
3a. Paris Club	745.6	88.1	88.6	89.1	89.7	90.3	90.9	91.6	92.3	92.9	93.5	96.4	92.3	150.2	95.1
3b. Other official bilateral	35.7	18.6	18.0	16.6	15.1	13.3	11.9	10.8	10.1	9.5	8.8	6.5	3.6	15.3	6.1
3c. Commercial	20.3	9.5	6.7	4.0	1.6	1.4	1.3	1.2	1.2	1.2	1.2	1.0	0.6	4.5	0.9
4. Multilateral	1,945.7	1,306.5	1,213.5	1,115.2	1,031.6	959.5	886.1	820.8	765.1	728.1	699.9	657.8	557.4	1,042.9	640.5
Inter-American Development Bank	963.5	632.5	585.3	528.2	471.9	422.4	372.6	330.6	289.3	256.5	226.9	184.9	190.3	461.8	193.0
World Bank	463.3	356.4	370.1	381.0	391.9	402.8	413.2	423.5	432.9	441.3	449.7	457.6	355.1	411.5	432.0
IMF	171.9	104.3	93.0	80.8	68.2	53.5	36.6	18.9	6.1	1.4	0.0	0.0	0.0	57.7	0.0
Others	347.0	213.3	165.1	125.2	99.6	80.8	63.6	47.8	36.8	28.9	23.3	15.4	11.9	111.9	15.5
5. Nominal stock of total debt	4,447.2	3,422.1	3,612.0	3,828.1	4,047.5	4,269.0	4,467.7	4,651.5	4,838.4	5,047.7	5,276.5	6,780.3	9,059.4	4,355.2	7,099.8
Memorandum items:															
6. NPV of new borrowing	...	226.4	428.6	648.8	897.9	1,168.7	1,431.1	1,693.4	1,957.4	2,235.7	2,529.8	4,402.1	6,958.5	1,321.8	4,737.5
Official bilateral	...	7.9	22.9	48.4	87.3	127.9	171.8	218.7	266.5	313.1	361.4	707.3	1,464.0	162.6	832.2
Commercial	...	1.0	2.8	5.1	8.6	13.7	19.4	24.2	27.3	31.6	40.8	220.6	727.4	17.4	307.9
Multilateral	...	217.5	402.9	595.3	802.1	1,027.0	1,239.9	1,450.5	1,663.6	1,891.0	2,127.6	3,474.2	4,767.2	1,141.7	3,597.4

Sources: Bolivian authorities; and Bank/Fund staff estimates and projections.

1/ After the 1998 Paris Club stock of debt operation on Lyon terms and assumed comparable treatment by other official bilateral creditors.

2/ Discounted on the basis of the average commercial interest reference rate for the respective currency, derived over the six-month period prior to the latest date for which actual data are available (December 2000). The conversion of currency-specific NPVs into U.S. dollars occurs for all years at the base date (December 31, 2000) exchange rate.

3/ NPV of total debt assuming the entire HIPC Initiative assistance is fully delivered as of end-2000.

4/ After debt relief beyond HIPC offered by some of the Paris Club creditors.

Table 17. Bolivia: External Debt Service Projections, 2001-2020
(In millions of US dollars, unless otherwise indicated)

	Projections												Averages	
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2015	2020	2001-2010	2011-2020
Total debt service after original HIPC assistance 1/	**305.8**	**332.8**	**342.2**	**339.5**	**334.5**	**357.4**	**366.2**	**384.1**	**398.1**	**422.1**	**647.8**	**1,173.3**	**358.3**	**732.9**
Multilateral	229.2	265.4	270.4	269.6	264.8	280.8	285.1	297.7	304.4	321.3	460.7	727.4	278.9	501.6
Of which:														
Inter-American Development Bank	111.6	120.6	120.3	119.8	113.4	116.5	109.2	112.6	115.7	121.9	166.9	258.2	116.2	182.0
World Bank	2.2	19.2	28.9	34.1	40.2	48.6	56.7	69.5	82.4	93.8	172.8	264.5	47.6	183.1
IDA	1.9	18.7	27.0	29.2	30.8	33.4	35.1	41.2	47.3	50.8	61.1	70.7	31.5	62.1
IBRD	0.2	0.5	1.9	4.9	9.3	15.1	21.6	28.3	35.1	43.0	111.7	193.8	16.0	121.0
IMF	28.8	27.1	28.8	35.6	33.0	38.1	36.3	29.6	20.7	16.9	0.0	0.0	29.5	0.5
Others	86.5	98.5	92.4	80.1	78.2	77.6	82.9	86.0	85.6	88.7	121.0	204.7	85.7	135.9
Official bilateral	68.4	61.0	65.7	64.2	65.2	69.9	72.0	74.8	80.0	84.9	107.0	164.8	70.6	116.6
Paris Club	61.3	54.7	57.4	57.0	55.8	58.5	57.3	55.9	55.5	54.7	41.3	29.2	56.8	40.3
Of which:														
Official Development Assistance	30.5	31.8	35.4	36.3	36.4	39.3	38.3	36.1	35.8	35.0	27.2	15.7	35.5	25.2
Other official bilateral	6.8	5.4	6.5	3.9	4.1	3.4	2.9	2.2	2.0	2.0	1.2	1.6	3.9	1.4
Of which:														
Official Development Assistance	1.9	1.9	3.2	3.2	3.4	2.6	2.1	1.3	1.0	1.0	0.0	0.0	2.2	0.2
Commercial	8.3	6.5	6.0	5.7	4.5	6.7	9.1	11.5	13.6	16.0	80.1	281.2	8.8	114.7
Total debt service after enhanced HIPC assistance	**260.5**	**224.8**	**238.2**	**233.5**	**234.8**	**265.5**	**282.6**	**302.1**	**308.6**	**332.4**	**597.4**	**1,177.6**	**268.3**	**682.0**
Multilateral	196.4	198.1	209.4	202.5	202.4	228.6	239.7	252.0	250.3	265.5	428.0	727.2	224.5	464.9
Of which:														
Inter-American Development Bank	95.4	91.7	101.6	100.8	92.8	91.9	83.3	86.0	82.4	87.2	134.6	258.2	91.3	153.9
World Bank	1.9	11.0	16.9	21.3	26.7	34.0	41.3	52.6	63.8	74.7	172.8	264.5	34.4	175.2
IDA	1.7	10.5	15.0	16.4	17.4	18.9	19.7	24.3	28.7	31.7	61.1	70.7	18.4	54.3
IBRD	0.2	0.5	1.9	4.9	9.3	15.1	21.6	28.3	35.1	43.0	111.7	193.8	16.0	121.0
IMF	22.4	18.1	18.3	17.9	19.2	31.0	35.5	29.6	20.7	16.9	0.0	0.0	23.0	0.5
Others	76.6	77.4	72.6	62.5	63.6	71.7	79.5	83.7	83.4	86.6	120.5	204.6	75.8	135.2
Official bilateral	57.6	22.6	24.4	25.9	28.0	30.3	33.9	38.7	44.8	50.8	89.1	169.0	35.7	102.3
Paris Club	50.2	20.0	20.0	20.0	20.0	20.0	20.1	20.5	20.9	21.3	23.9	33.9	23.3	26.4
Of which:														
Official Development Assistance	24.1	14.8	14.8	14.8	14.8	14.8	15.0	15.3	15.7	16.0	18.3	26.9	16.0	20.5
Other official bilateral	7.1	1.8	2.7	2.7	2.8	2.3	2.0	1.5	1.3	1.4	0.8	1.1	2.5	1.0
Of which:														
Official Development Assistance	1.9	1.2	2.1	2.1	2.2	1.7	1.4	0.8	0.7	0.7	0.0	0.0	1.5	0.1
Commercial	6.6	4.0	4.3	5.0	4.4	6.6	9.0	11.4	13.6	16.1	80.3	281.4	8.1	114.8

Table 17. Bolivia: External Debt Service Projections, 2001-2020
(In millions of US dollars, unless otherwise indicated)

	Projections												Averages	
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2015	2020	2001-2010	2011-2020
Total debt service after bilateral debt relief beyond HIPC 2/	**251.2**	**210.5**	**223.9**	**219.2**	**220.5**	**251.2**	**268.2**	**287.3**	**293.6**	**316.9**	**579.7**	**1,152.0**	**254.3**	**662.4**
Multilateral	196.4	198.1	209.4	202.5	202.4	228.6	239.7	252.0	250.3	265.5	428.0	727.2	224.5	464.9
Official bilateral	48.3	8.4	10.2	11.6	13.7	16.0	19.4	23.9	29.7	35.4	71.5	143.5	21.7	82.7
Paris Club	40.9	5.7	5.7	5.7	5.7	5.7	5.7	5.8	5.8	5.9	6.2	8.4	9.3	6.8
Of which:														
Official Development Assistance	15.2	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.6	2.0	2.9	2.8	2.2
Other official bilateral	7.1	1.8	2.7	2.7	2.8	2.3	2.0	1.5	1.3	1.4	0.8	1.1	2.5	1.0
Commercial	6.6	4.0	4.3	5.0	4.4	6.6	9.0	11.4	13.6	16.1	80.3	281.4	8.1	114.8
Memorandum items:														
Debt service on new debt	8.8	23.5	37.4	54.2	74.7	109.2	139.4	172.9	201.3	235.8	515.4	1,065.9	105.7	599.1
Multilateral	8.4	22.1	34.4	48.6	65.4	94.9	118.8	144.9	165.3	191.7	370.9	650.7	89.4	409.4
Inter-American Development Bank	1.2	3.4	6.2	9.9	12.8	15.1	17.3	23.4	30.8	40.9	123.7	229.3	16.1	137.0
World Bank	1.2	2.8	5.1	8.7	13.5	19.7	26.2	36.0	45.6	56.0	128.1	218.0	21.5	138.7
IMF	0.3	0.4	0.4	0.4	0.4	10.8	15.7	15.6	15.5	15.5	0.0	0.0	7.5	0.5
Others	5.8	15.6	22.6	29.5	38.7	49.3	59.5	69.8	73.3	79.4	119.1	203.3	44.4	133.3
Official bilateral	0.3	0.9	1.8	3.3	5.2	8.0	11.8	16.7	22.5	28.1	64.4	134.0	9.9	74.9
Commercial	0.1	0.5	1.2	2.3	4.1	6.3	8.9	11.3	13.5	16.0	80.1	281.2	6.4	114.7
Nominal HIPC relief	104.9	159.1	144.0	142.2	129.9	118.2	108.7	106.4	112.4	112.5	79.7	12.7	123.8	77.5
Under the original HIPC Initiative	59.6	51.0	40.0	36.2	30.2	26.3	25.0	24.4	23.0	22.8	29.2	17.0	33.8	26.6
Under the enhanced HIPC Initiative	45.3	108.1	104.0	106.0	99.7	92.0	83.7	82.0	89.4	89.7	50.5	-4.3	90.0	50.9

Sources: Bolivian authorities; and Bank/Fund staff estimates and projections.

1/ Includes debt relief from original HIPC Initiative (i.e., 1998 Paris Club Lyon stock of debt operation).
2/ After debt relief beyond HIPC offered by some of the Paris Club creditors.

Table 18. Bolivia: External Debt Indicators, 2000–2020 1/
(In percent, unless otherwise indicated)

	Actual	Projections												Averages	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2015	2020	2001-2010	2011-2020
After original HIPC assistance 6/															
NPV of debt to GDP ratio	32.5	32.8	32.1	31.1	30.3	29.7	28.9	27.9	27.1	26.3	25.6	23.9	22.8	29.2	23.9
NPV of debt to exports ratio 2/ 3/	200.1	197.1	182.7	169.2	158.2	150.6	143.9	138.9	134.8	132.1	129.6	126.5	125.8	153.7	126.5
NPV of debt to revenue ratio 4/	143.6	142.6	139.8	134.2	129.4	124.5	119.0	113.4	108.9	106.0	103.3	97.1	92.4	122.1	96.7
Debt service ratio	...	19.6	19.2	17.6	16.0	14.5	14.1	13.6	13.3	12.8	12.7	13.8	17.7	15.3	14.4
Debt service to revenue ratio 4/	...	15.3	16.1	15.5	14.4	13.0	12.8	11.9	11.5	11.0	10.8	11.3	13.9	13.2	11.7
After enhanced HIPC assistance															
NPV of debt to GDP ratio	32.5	23.0	23.3	23.3	23.6	24.0	24.0	23.8	23.6	23.5	23.5	23.7	23.1	23.6	23.6
NPV of debt to exports ratio 2/ 3/	200.1	138.3	132.7	127.0	123.2	121.6	119.6	118.4	117.7	118.1	118.7	125.4	127.5	123.5	125.0
NPV of debt to exports ratio (existing debt only)	200.1	122.6	105.6	89.9	76.8	66.6	57.9	50.9	45.2	40.9	37.2	25.3	15.6	69.4	24.5
NPV of debt to exports ratio after full delivery in 2000 2/ 3/ 7/	142.9	138.3	132.7	127.0	123.2	121.6	119.6	118.4	117.7	118.1	118.7	125.4	127.5	123.5	125.0
NPV of debt to revenue ratio 4/	143.6	100.1	101.5	100.8	100.8	100.4	98.9	96.6	95.0	94.8	94.6	96.3	93.7	98.4	95.5
Debt service ratio	...	16.7	13.0	12.2	11.0	10.2	10.5	10.5	10.5	9.9	10.0	12.7	17.7	11.4	13.2
Debt service to revenue ratio 4/	...	13.1	10.9	10.8	9.9	9.1	9.5	9.2	9.0	8.5	8.5	10.4	13.9	9.9	10.8
After bilateral debt relief beyond HIPC assistance 8/															
NPV of debt to GDP ratio	...	19.0	19.5	19.7	20.2	20.7	20.9	21.0	21.0	21.1	21.2	22.2	22.2	20.4	22.1
NPV of debt to exports ratio 2/ 3/	...	114.3	110.8	107.2	105.2	105.1	104.5	104.4	104.6	105.9	107.3	117.4	122.5	106.9	117.2
NPV of debt to exports ratio after full delivery in 2000 2/ 3/ 7/	116.8	114.3	110.8	107.2	105.2	105.1	104.5	104.4	104.6	105.9	107.3	117.4	122.5	106.9	117.2
NPV of debt to revenue ratio 4/	...	82.8	84.8	85.0	86.1	86.9	86.4	85.2	84.4	85.0	85.5	90.1	90.0	85.2	89.5
Debt service ratio	...	16.1	12.1	11.5	10.3	9.6	9.9	10.0	10.0	9.4	9.5	12.3	17.3	10.8	12.8
Debt service to revenue ratio 4/	...	12.6	10.2	10.2	9.3	8.6	9.0	8.7	8.6	8.1	8.1	10.1	13.6	9.3	10.4
Memorandum items:		(In millions of U.S. dollars)													
NPV of debt after enhanced HIPC assistance	...	2,842	2,893	2,957	3,060	3,200	3,335	3,484	3,643	3,825	4,026	5,562	7,818	3,327	5,868
Debt service after enhanced HIPC assistance	...	306	333	342	339	335	357	366	384	398	422	648	1,173	358	733
GDP	8,457	8,660	9,006	9,519	10,097	10,777	11,560	12,470	13,468	14,545	15,718	23,236	34,318	11,582	24,759
Exports of goods and services 2/	1,453	1,563	1,735	1,947	2,121	2,304	2,527	2,693	2,886	3,107	3,329	4,697	6,643	2,421	4,968
Exports of goods and services (3-year moving avg.) 2	1,373	1,442	1,584	1,748	1,934	2,124	2,318	2,508	2,702	2,895	3,108	4,397	6,215	2,236	4,643
Government revenue 4/	1,913	1,992	2,070	2,203	2,365	2,571	2,803	3,073	3,347	3,610	3,896	5,728	8,460	2,793	6,108

Sources: Bolivian authorities; and Bank/Fund staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed (PPG) debt and are defined after rescheduling, unless otherwise indicated.
2/ As defined in IMF, *Balance of Payments Manual*, 5th edition, 1993.
3/ Based on a three-year average of exports on the previous year (e.g., export average over 1999-01 for NPV of debt-to-exports ratio in 2001).
4/ Revenue is defined as central government revenue, excluding grants.
5/ Reflects the 1995 Paris Club stock-of-debt operation on Naples terms and assumes comparable treatment from other official bilateral and commercial creditors.
6/ Reflects the 1998 Paris Club stock-of-debt operation on Lyon terms and assumes comparable treatment form other official bilateral and commercial creditors.
7/ Assuming full delivery of HIPC assistance at end-2000.
8/ Some Paris Club creditors have agreed to extend additional debt relief beyond HIPC assistance.

Table 19. Bolivia: Comparison of Net Present Value Between Decision Point and Completion Point

	Decision Point DSA 1/			Decision Point DSA (projection) 1/	Completion Point DSA 2/		Decision Point DSA (projection) 1/	Completion Point DSA 2/	
		end-1998 5/			end-2000 5/			end-2001	
	After Traditional Debt Relief 3/	After Original HIPC relief	After Enhanced HIPC Relief	After Enhanced HIPC Relief	After Enhanced HIPC Relief	After Additional Bilateral Relief 4/	After Enhanced HIPC Relief	After Enhanced HIPC Relief	After Additional Bilateral Relief 4/
					(In millions of U.S. dollars)				
NPV of debt in 1998 terms	3,725	2,895	2,042	2,141	...	...	2,308	...	...
Existing debt as of end-1998	3,725	2,895	2,042	1,721			1,664		
Multilateral	2,281	1,985	1,399	1,503	...	...	1,644	...	...
Official bilateral and commercial	1,445	910	641	637	...	...	663	...	...
NPV of debt in 2000 terms 6/	4,204	3,267	2,304	2,415	1,963	1,604	2,603	1,995	1,649
Existing debt as of end-1998	4,204	3,267	2,304	1,942	...	...	1,878	...	...
Multilateral	2,574	2,240	1,579	1,696	1,408	1,408	1,855	1,524	1,524
Official bilateral and commercial	1,630	1,027	723	719	555	196	748	470	125
					(In percent)				
NPV of debt to exports ratio in percent 7/ (end-1998 terms)	273.7	212.7	150.0	159.5	...	...	164.5	...	...
NPV of debt to exports ratio in percent 7/ (end-2000 terms)	...	...	...	...	142.9	116.8	...	138.3	114.3
Memorandum items:									
Exports of goods and services (1996-1998)	1,361	1,361	1,361						
Exports of goods and services (1998-2000)				1,342	1,373	1,373			
Exports of goods and services (1999-2001)							1,403	1,442	1,442

Sources: Bolivian authorities; and Bank/Fund staff estimates.

1/ Based on stock of debt reconciled as of end-1998.
2/ Based on stock of debt reconciled as of end-2000.
3/ After the 1995 Paris Club stock of debt operation under Naples terms. The multilateral creditors total include the assistance already delivered under the original HIPC
4/ After debt relief beyond HIPC offered by some of the Paris Club creditors.
5/ After full delivery of assistance calculated hypothetically back at decision point.
6/ The 1998 NPV is converted to 2000 terms using the formula:
X = Y * (1 +CIRR)* (1 +CIRR); where the CIRR used is the six-month average (July-December 1998) for the U.S. dollar, and Y is the assistance in 1998 NPV terms.
7/ Based on a three-year simple average of exports on the previous year (e.g. export average over 1996-1998 for NPV of debt-to-exports ratio in 1998).

Table 20. Bolivia: Nominal and Net Present Value of External Debt Outstanding at End-2000 [1/]

	Legal Situation 2/				NPV of Debt After Original HIPC Relief 3/	
	Nominal Debt		NPV of Debt			
	Millions of U.S. Dollars	Percent of Total	Millions of U.S. Dollars	Percent of Total	Millions of U.S. Dollars	Percent of Total
Total	**4,447.2**	**100.0**	**2,758.5**	**100.0**	**2,747.2**	**100.0**
Multilateral institutions	3,074.8	69.1	1,956.9	70.9	1,945.7	70.8
IMF	219.9	4.9	171.9	6.2	171.9	6.3
Multilateral development banks	2,854.9	64.2	1,785.1	64.7	1,773.8	64.6
World Bank	1,095.0	24.6	463.3	16.8	463.3	16.9
Of which: IDA	1,094.7	24.6	463.1	16.8	463.1	16.9
Of which: IBRD	0.2	0.0	0.2	0.0	0.2	0.0
IDB	1,382.9	31.1	963.5	34.9	963.5	35.1
CAF	255.9	5.8	266.6	9.7	266.6	9.7
FIDA	36.7	0.8	20.5	0.7	20.5	0.7
FND	8.9	0.2	3.9	0.1	3.9	0.1
FONPLATA	49.9	1.1	46.4	1.7	41.7	1.5
OPEC Fund	15.7	0.4	13.3	0.5	6.7	0.2
Trust Funds (IDB administered)	10.0	0.2	7.6	0.3	7.6	0.3
Official bilateral creditors	1,352.1	30.4	781.3	28.3	781.3	28.4
Paris Club	1,310.8	29.5	745.6	27.0	745.6	27.1
Pre-cutoff date	657.7	14.8	251.9	9.1	251.9	9.2
ODA	404.9	9.1	79.4	2.9	79.4	2.9
Non-ODA	252.8	5.7	172.5	6.3	172.5	6.3
Post-cutoff date	653.1	14.7	493.7	17.9	493.7	18.0
ODA	537.5	12.1	393.2	14.3	393.2	14.3
Non-ODA	115.6	2.6	100.6	3.6	100.6	3.7
Austria	63.6	1.4	21.5	0.8	21.5	0.8
Belgium	57.8	1.3	15.8	0.6	15.8	0.6
Canada	6.0	0.1	5.8	0.2	5.8	0.2
Denmark	0.7	0.0	0.6	0.0	0.6	0.0
France	40.8	0.9	33.0	1.2	33.0	1.2
Germany	326.2	7.3	173.4	6.3	173.4	6.3
Italy	67.1	1.5	50.2	1.8	50.2	1.8
Japan	521.0	11.7	258.6	9.4	258.6	9.4
Netherlands	12.8	0.3	12.9	0.5	12.9	0.5
Spain	134.9	3.0	104.3	3.8	104.3	3.8
Sweden	1.9	0.0	1.5	0.1	1.5	0.1
United Kingdom	18.1	0.4	18.6	0.7	18.6	0.7
United States	60.1	1.4	49.4	1.8	49.4	1.8
Non-Paris Club	41.3	0.9	35.7	1.3	35.7	1.3
Brazil 4/	10.6	0.2	11.7	0.4	11.7	0.4
China	23.3	0.5	16.9	0.6	16.9	0.6
Taiwan Province of China 5/	7.5	0.2	7.1	0.3	7.1	0.3
Commercial loans	20.3	0.5	20.3	0.7	20.3	0.7
Memorandum item:						
Principal and interest in arrears	1.1	0.0	1.1	0.0	1.1	0.0

Sources: Bolivian authorities; and Bank/Fund staff estimates.

1/ Figures are based on reconciled data at end-2000.

2/ Reflects the external debt situation as of end-2000, and includes the 1995 Paris Club stock of debt operation under Naples terms, Japanese ODA relief and assistance under the original HIPC Initiative already committed as of end-2000 as indicated in Table 5.

3/ After full use of traditional debt relief mechanisms, Japanese ODA relief, and full delivery of assistance under the original HIPC Initiative.

4/ Rescheduling agreement pending ratification in Brazil's Congress is assumed in effect as of end-2000.

5/ Terminology used by the IMF, which accords with the practice of the UN.

Table 21. Bolivia: Sensitivity Analysis, 2000–2020 1/

	Prel. 2000	Projections 2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2015	2020	Average 2001-04	2005-10	2011-20
Baseline Scenario 2/							(In millions of U.S. dollars)									
NPV of debt after enhanced HIPC relief	2,747	1,995	2,102	2,221	2,384	2,583	2,772	2,970	3,179	3,421	3,687	5,514	7,926	2,175	3,102	5,823
NPV of debt after full delivery in 2000 4/	*1,963*	*1,995*	*2,102*	*2,221*	*2,384*	*2,583*	*2,772*	*2,970*	*3,179*	*3,421*	*3,687*	*5,514*	*7,926*	*2,175*	*3,102*	*5,823*
Debt service after enhanced HIPC relief	...	261	225	238	233	235	265	283	302	309	332	597	1,178	239	288	682
NPV of debt-to-export ratio 3/	200.1	138.3	132.7	127.0	123.2	121.6	119.6	118.4	117.7	118.1	118.7	125.4	127.5	130.3	119.0	125.0
NPV of debt to exports ratio after full delivery in 2000 4/	*142.9*	*138.3*	*132.7*	*127.0*	*123.2*	*121.6*	*119.6*	*118.4*	*117.7*	*118.1*	*118.7*	*125.4*	*127.5*	*130.3*	*119.0*	*125.0*
NPV of debt-to-revenue ratio 5/	143.6	100.1	101.5	100.8	100.8	100.4	98.9	96.6	95.0	94.8	94.6	96.3	93.7	100.8	96.7	95.5
NPV of debt-to-GDP ratio	32.5	23.0	23.3	23.3	23.6	24.0	24.0	23.8	23.6	23.5	23.5	23.7	23.1	23.3	23.7	23.6
Debt service-to-export ratio 6/	...	16.7	13.0	12.2	11.0	10.2	10.5	10.5	10.5	9.9	10.0	12.7	17.7	13.2	10.3	13.2
Grant element in total debt 7/	55.4	55.6	55.4	55.1	54.0	52.3	50.6	48.5	46.5	44.8	42.7	29.9	20.6	55.0	47.6	29.4
Alternative scenario-lower export growth without adjustment 7/																
NPV of debt after enhanced HIPC relief	2,747	1,995	2,115	2,264	2,460	2,696	2,927	3,170	3,429	3,727	4,053	6,279	9,308	2,208	3,334	6,676
NPV of debt after full delivery in 2000 4/	*1,963*	*1,995*	*2,115*	*2,264*	*2,460*	*2,696*	*2,927*	*3,170*	*3,429*	*3,727*	*4,053*	*6,279*	*9,308*	*2,208*	*3,334*	*6,676*
Debt service after enhanced HIPC relief	...	261	226	241	240	249	288	315	343	358	392	719	1,394	242	324	817
NPV of debt-to-export ratio 3/	200.1	138.3	134.0	130.7	129.1	129.2	128.6	128.7	129.2	131.0	132.8	145.4	152.5	133.0	129.9	145.3
NPV of debt to exports ratio after full delivery in 2000 4/	*142.9*	*138.3*	*134.0*	*130.7*	*129.1*	*129.2*	*128.6*	*128.7*	*129.2*	*131.0*	*132.8*	*145.4*	*152.5*	*133.0*	*129.9*	*145.3*
NPV of debt-to-revenue ratio 5/	143.6	100.1	102.2	102.7	104.0	104.9	104.4	103.2	102.5	103.2	104.0	109.6	110.0	102.3	103.7	109.0
NPV of debt-to-GDP ratio	32.5	23.0	23.5	23.8	24.4	25.0	25.3	25.4	25.5	25.6	25.8	27.0	27.1	23.7	25.4	26.9
Debt service-to-export ratio 6/	...	17.9	14.4	14.0	12.6	11.9	12.7	12.7	13.0	12.6	12.8	16.7	22.9	14.7	12.6	17.3
Grant element in total debt 7/	55.4	55.6	55.0	54.0	52.4	50.1	47.9	45.5	43.1	41.1	38.8	26.3	17.6	54.3	44.4	25.9
Alternative scenario-lower export growth with adjustment 8/																
NPV of debt after enhanced HIPC relief	2,747	1,995	2,102	2,221	2,384	2,583	2,772	2,970	3,179	3,421	3,687	5,514	7,926	2,175	3,102	5,823
NPV of debt after full delivery in 2000 4/	*1,963*	*1,995*	*2,102*	*2,221*	*2,384*	*2,583*	*2,772*	*2,970*	*3,179*	*3,421*	*3,687*	*5,514*	*7,926*	*2,175*	*3,102*	*5,823*
Debt service after enhanced HIPC relief	...	261	225	238	233	235	265	283	302	309	332	597	1,178	239	288	682
NPV of debt-to-export ratio 3/	200.1	138.3	133.2	128.3	125.1	123.8	121.8	120.6	119.8	120.3	120.8	127.7	129.8	131.2	121.2	127.2
NPV of debt to exports ratio after full delivery in 2000 4/	*142.9*	*138.3*	*133.2*	*128.3*	*125.1*	*123.8*	*121.8*	*120.6*	*119.8*	*120.3*	*120.8*	*127.7*	*129.8*	*131.2*	*121.2*	*127.2*
NPV of debt-to-revenue ratio 5/	143.6	101.1	103.5	103.8	104.8	101.0	99.4	97.2	95.5	95.3	95.1	96.8	94.1	103.3	97.2	95.9
NPV of debt-to-GDP ratio	32.5	23.3	23.8	24.0	24.5	24.1	24.1	23.9	23.7	23.6	23.6	23.9	23.2	23.9	23.8	23.7
Debt service-to-export ratio 6/	...	17.9	14.4	13.9	12.2	11.3	11.7	11.4	11.4	10.9	10.9	13.8	19.3	14.6	11.3	14.4
Grant element in total debt 7/	55.4	55.6	55.4	55.1	54.0	52.3	50.6	48.5	46.5	44.8	42.7	29.9	20.6	55.0	47.6	29.4
Alternative scenario-lower GDP growth 9/																
NPV of debt after enhanced HIPC relief	2,747	1,995	2,103	2,224	2,390	2,593	2,790	2,999	3,223	3,483	3,769	5,730	8,384	2,178	3,143	6,076
NPV of debt after full delivery in 2000 4/	*1,963*	*1,995*	*2,103*	*2,224*	*2,390*	*2,593*	*2,790*	*2,999*	*3,223*	*3,483*	*3,769*	*5,730*	*8,384*	*2,178*	*3,143*	*6,076*
Debt service after enhanced HIPC relief	...	261	225	238	234	236	268	286	308	317	345	632	1,249	240	293	722
NPV of debt-to-export ratio 3/	200.1	139.0	134.7	130.9	128.8	129.0	128.9	129.7	131.2	134.1	137.0	157.6	174.9	133.4	131.7	158.8
NPV of debt to exports ratio after full delivery in 2000 4/	*142.9*	*139.0*	*134.7*	*130.9*	*128.8*	*129.0*	*128.9*	*129.7*	*131.2*	*134.1*	*137.0*	*157.6*	*174.9*	*133.4*	*131.7*	*158.8*
NPV of debt-to-revenue ratio 5/	143.6	101.1	103.6	103.9	105.0	105.8	105.4	104.3	103.9	105.1	106.3	115.2	119.5	103.4	105.1	115.0
NPV of debt-to-GDP ratio	32.5	23.3	23.8	24.1	24.6	25.2	25.6	25.7	25.8	26.1	26.4	28.4	29.5	23.9	25.8	28.4
Debt service-to-export ratio 6/	...	16.9	13.3	12.8	11.7	11.0	11.5	11.7	11.9	11.5	11.8	16.5	24.7	13.7	11.6	17.4
Grant element in total debt 7/	55.4	55.6	55.3	55.0	53.9	52.1	50.2	48.1	45.9	44.0	41.7	28.8	19.5	54.9	47.0	28.3
Alternative scenario-higher interest rates 10/																
NPV of debt after enhanced HIPC relief	2,747	1,998	2,106	2,229	2,398	2,604	2,803	3,010	3,228	3,479	3,753	5,648	8,158	2,183	3,146	5,970
NPV of debt after full delivery in 2000 4/	*1,963*	*1,998*	*2,106*	*2,229*	*2,398*	*2,604*	*2,803*	*3,010*	*3,228*	*3,479*	*3,753*	*5,648*	*8,158*	*2,183*	*3,146*	*5,970*
Debt service after enhanced HIPC relief	...	261	226	240	236	239	271	290	311	319	345	625	1,233	241	296	714
NPV of debt-to-export ratio 3/	200.1	138.5	133.0	127.5	123.9	122.6	120.9	120.0	119.5	120.2	120.8	128.5	131.3	130.7	120.7	128.0
NPV of debt to exports ratio after full delivery in 2000 4/	*142.9*	*138.5*	*133.0*	*127.5*	*123.9*	*122.6*	*120.9*	*120.0*	*119.5*	*120.2*	*120.8*	*128.5*	*131.3*	*130.7*	*120.7*	*128.0*
NPV of debt-to-revenue ratio 5/	143.6	100.3	101.8	101.1	101.4	101.3	100.0	97.9	96.5	96.4	96.3	98.6	96.4	101.1	98.1	97.8
NPV of debt-to-GDP ratio	32.5	23.1	23.4	23.4	23.7	24.2	24.2	24.1	24.0	23.9	23.9	24.3	23.8	23.4	24.1	24.1
Debt service-to-export ratio 6/	...	16.7	13.0	12.3	11.1	10.4	10.7	10.8	10.8	10.3	10.4	13.3	18.6	13.3	10.6	13.8
Grant element in total debt 7/	31.9	48.7	48.4	48.2	46.9	45.1	43.3	41.2	39.2	37.0	34.7	21.9	13.7	48.1	40.1	21.7

Sources: Bolivian authorities; and Bank/Fund staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed (PPG) debt and are defined after full application of traditional debt relief mechanisms and delivery of original and HIPC Initiative.

2/ The Baseline scenario is based on the authorities' PRSP.

3/ Exports of goods and services as defined in IMF *Balance of Payments Manual*5th edition, 1993.
Based on a backward-looking average of exports for the previous year (e.g. export average over1998-2000 for NPV of debt-to-exports ratio in 2000).

4/ Entire assistance assumed to be delivered unconditionally at end-December 2000.

5/ Revenues are defined as central government revenues, excluding grants.

6/ Based on current-year exports.

7/ The grant element is calculted as the ratio of NPV debt over nominal stock, including new disbursements.

8/ Nominal export growth lower by 1 percentage point in 2001-2003, as a result of combined price and volume shocks. 50 percent of the export shortfall is compensated by additional external borrowing, half of which on commercial terms.

9/ Same as 8/ but with full adjustment (imports are contracted one-to-one with the export shortfall). This results in lower GDP growth (elasticity to imports of 1.5), and in lower exports as well (elasticity to GDP of 0.5). Fiscal revenues diminish as well while keeping a share of GDP unchanged from the baseline scenario.

10/ GDP grow 1 percentage point slower than in the baseline scenario from 2001 onward. Exports and Imports contract with GDP elasticities of, respectively, 1.4 and 1.1. FDI to GDP unchanged. Fiscal revenues and fiscal deficit unchanged as a share of GDP unchanged. Fiscal deficit unchanged in US$ terms. Gap fill borrowing as described under 8/

11/ LIBOR rises by 1 percentage point, increasing the marginal cost of borrowing for nonconcessional lending.

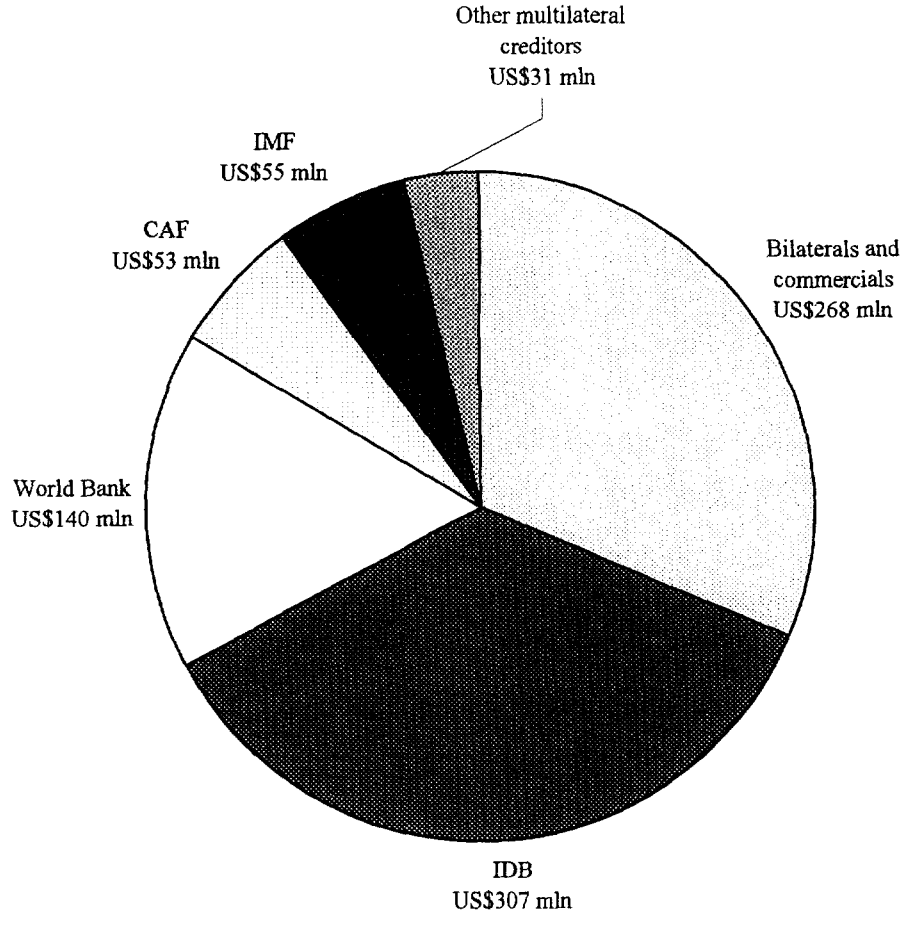
Table 22. Bolivia: Vulnerability Analysis and Flows of Official External Resources

	1990	1995	2000	2001	2002	2003	2004	2005	2010	2015	2020	Averages 1990-2000	Averages 2001-10	Averages 2011-20
							(Annual percentage change)							
Real GDP growth	4.6	4.7	2.4	4.0	4.5	5.0	5.0	5.0	5.5	5.5	5.5	3.9	5.1	5.5
Export Volume Growth	18.0	10.8	11.4	4.2	12.6	12.1	7.3	7.3	5.5	5.3	5.3	5.4	7.4	5.5
Terms of Trade Change	-4.2	-9.1	0.6	0.1	-2.2	-1.1	0.0	0.0	0.0	0.0	0.0	-0.3	-0.3	0.0
							(In percent of total exports)							
Main export product 1/	48.2	44.6	34.6	34.2	31.9	34.0	34.3	35.8	37.7	37.7	37.7	43.7	35.8	37.7
Three main export products 2/	80.5	67.5	63.2	70.2	70.4	72.3	72.4	74.0	74.2	71.9	68.1	70.5	73.4	71.5
							(In percent of GDP)							
Overall balance of the combined public sector	-4.4	-1.8	-3.7	-3.7	-3.5	-3.2	-3.0	-2.6	-1.3	-1.3	-1.3	-3.7	-2.4	-1.3
New external borrowing	6.9	5.7	3.6	4.0	4.0	4.3	4.2	4.0	3.8	3.8	3.5	5.2	3.9	3.7
Official transfers, excluding HIPC relief	3.1	3.0	2.2	1.9	1.6	1.3	1.1	0.9	0.9	0.7	0.6	3.0	1.1	0.7
Debt service paid 3/	9.0	7.8	3.4	3.6	3.4	3.3	3.1	3.0	3.2	3.7	3.9	5.8	3.2	3.7
Net resource flows 4/	1.0	0.9	2.4	2.2	2.3	2.3	2.2	1.9	1.5	0.8	0.2	2.4	1.9	0.7
Foreign direct investment	0.7	2.6	8.6	9.0	8.3	6.8	6.4	5.9	5.6	4.5	4.6	5.3	6.6	4.8
							(In millions of U.S. dollars)							
New external borrowing	335	379	290	347	360	411	412	404	456	699	1,275	340	399	803
Official transfers, excluding HIPC relief	153	202	185	167	150	126	113	100	140	165	195	200	128	168
Debt service paid 3/	440	522	291	295	295	295	286	286	393	640	1,171	372	318	725
Net resource flows 4/	49	59	184	219	215	241	239	218	203	224	300	167	209	245
Foreign direct investment	35	177	731	778	748	648	648	640	888	1,049	1,567	415	742	1,167
GDP	4,883	6,702	8,457	8,660	9,006	9,519	10,097	10,777	15,718	23,236	34,318	6,806	11,582	24,759

Sources: Bolivian authorites, PRSP; and Bank/Fund staff estimates.

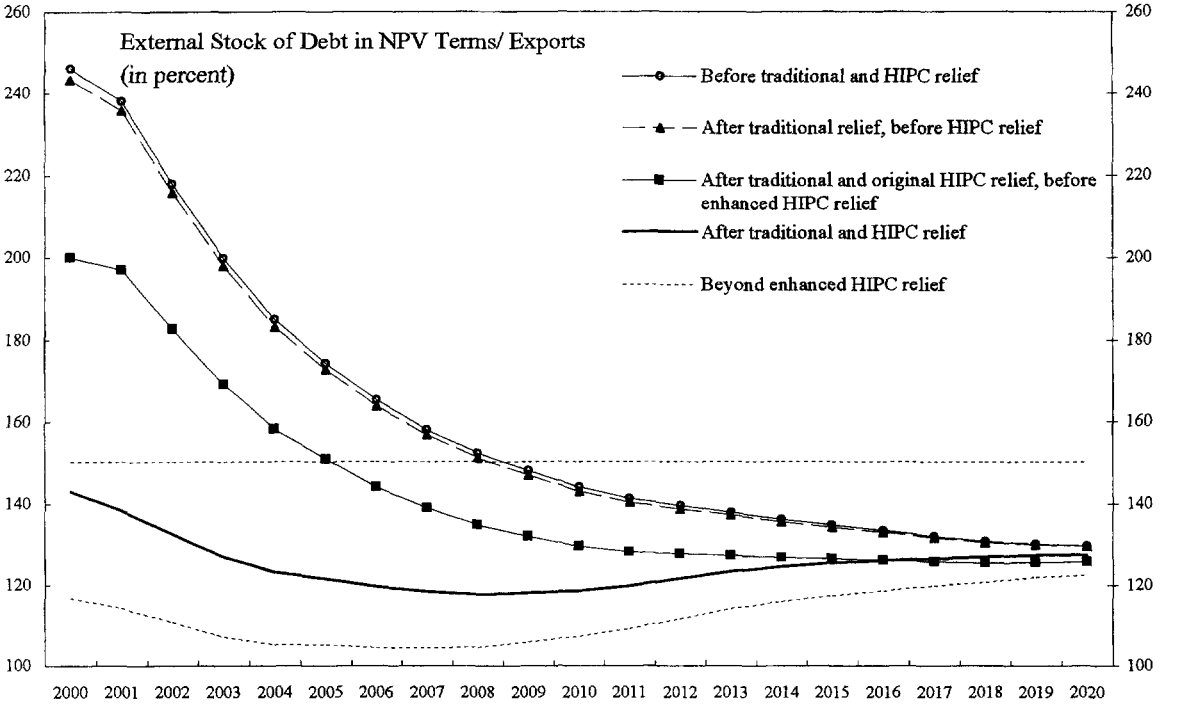
1/ Metals exports.
2/ Metals, soybean, and natural gas exports.
3/ After debt relief provided under the HIPC Initiative.
4/ Defined as new loans plus grants minus debt service paid.

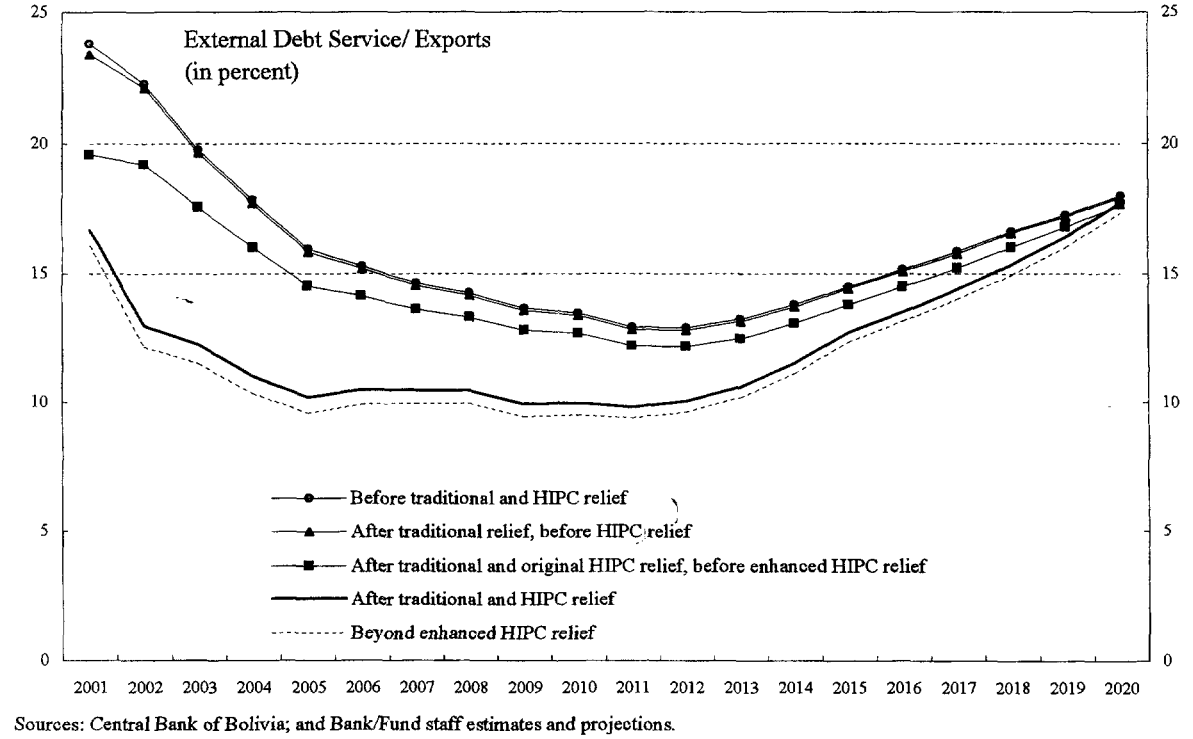
Figure 1. Bolivia: Structure of Enhanced HIPC Assistance, end-1998 NPV Terms
(In millions of U.S. dollars)



Source: Bank/Fund staff estimates.

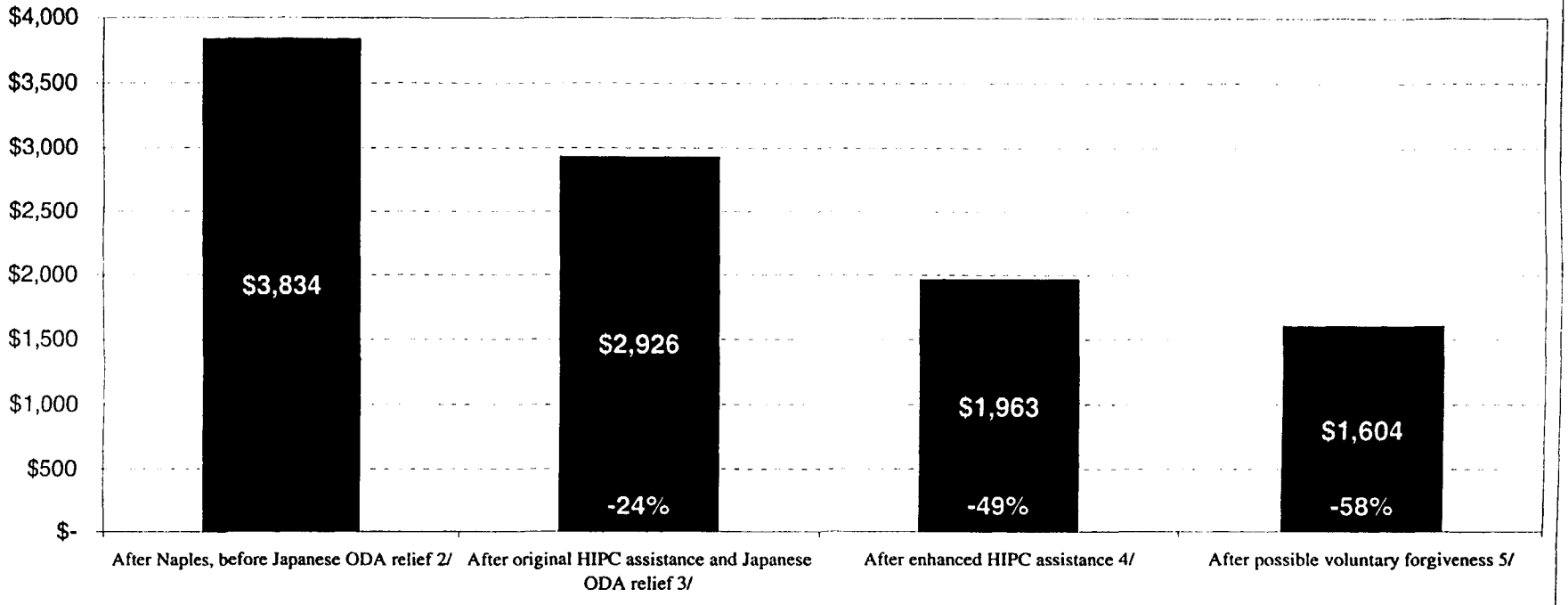
Figure 2. Bolivia: External Debt and Debt Service Indicators for Medium- and Long-Term Public Sector Debt, 1998-2020





Sources: Central Bank of Bolivia; and Bank/Fund staff estimates and projections.

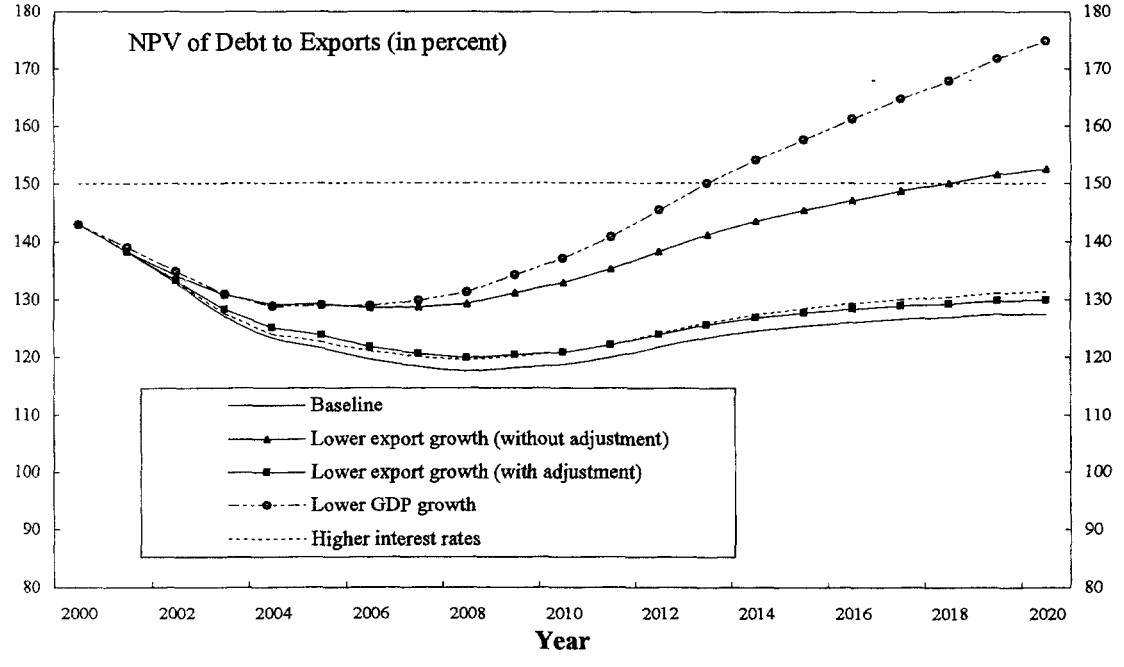
Figure 3. NPV of External Public Debt, End-2000
(In millions of U.S. dollars, end-2000 NPV terms 1/)

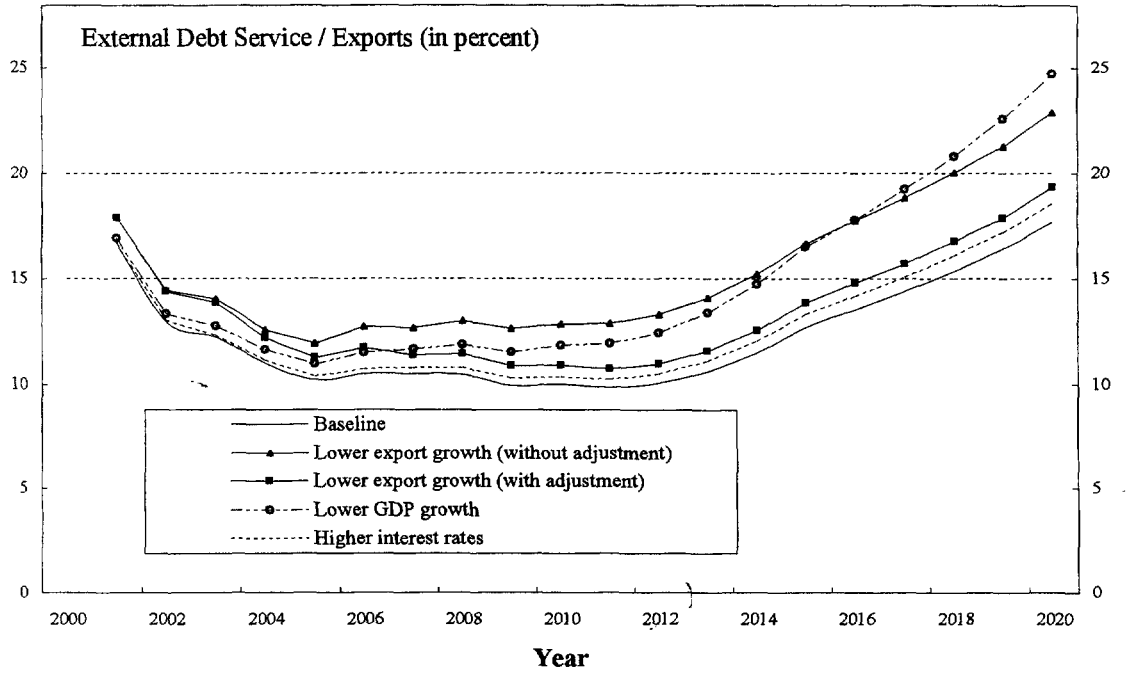


Sources: Central Bank of Bolivia; and Bank/Fund staffs estimates.

1/ NPV values are converted to end-2000 terms using an annual discount rate of 6.23%.
2/ Stock before original HIPC assistance and after full application of traditional debt relief mechanisms. This excludes Japanese ODA relief granted in 1998. Based on the hypothetical stock of debt as of end-2000, reconstructed back to eliminate original HIPC assistance already delivered.
3/ Based on the actual stock of debt as of end-2000, after simulation of traditional debt relief mechanisms, Japanese ODA relief and full delivery of original HIPC relief.
4/ Based on the actual stock of debt as of end-2000, after simulation of traditional debt relief mechanisms, and full delivery of both original and enhanced HIPC relief, assumed hypothetically committed as of end-2000.
5/ After additional voluntary bilateral debt forgiveness, assumed hypothetically committed as of end-2000.

Figure 4. Sensitivity Analysis, 2000-2020





Sources: Central Bank of Bolivia and Bank/Fund staff estimates and projections.

Bolivia: Tracking Poverty-Related Expenditures

The tracking of poverty-related expenditures represents a unique challenge in Bolivia since the poverty reduction strategy focuses on the municipal level of government to deliver poverty-related expenditure. This appendix describes current data monitoring mechanisms and the measures to be taken to improve the ability to track poverty-related expenditures.

Current data monitoring mechanisms

The current system for reporting on poverty-related expenditures provides data at an aggregate level (see Table 3). These data include the poverty-related expenditures of all prefectures and 111 municipalities, expenditures of the health and education ministries, health insurance costs, and poverty-reducing investments. The information on local spending relies on municipal data that in many cases may be of low quality.

Through the new financial management information system (SIGMA), detailed data on fiscal expenditure by function will become available for the central administration starting in 2001. Furthermore, SIGMA will be expanded during 2001 to include most decentralized agencies of the central government, including the Unified Directorate of Funds (DUF) through which poverty-related transfers (via the FPS described below) and credits will be channeled to local governments. This system should provide accurate data on transfers and credits and their purposes, which should account for the majority of poverty-related expenditure. All enhanced HIPC resources will accrue to a single account in the central bank, and information on flows into and transfers from this account to municipalities will be available on a timely basis.

Procedures for the use of HIPC and other resources are designed to ensure that they are used for poverty reduction activities. As shown in the chart below, municipalities will have two key sources of funds for poverty-reducing expenditures:[1] HIPC relief and the National Social and Public Investment Fund (FPS; under the direction of the DUF). In both cases, the transfers will be distributed to the municipalities on the basis of a transparent formula that directs more resources to municipalities with higher concentrations of poverty. In addition, these transfers must be spent on priority areas for reducing poverty as identified in the PRSP and the National Dialogue Law (specifically for HIPC resources). Priority expenditures include road infrastructure, education, health, basic sanitation, and rural development. FPS transfers are subject to additional controls, including requirements of project approval and monitoring. These controls will apply to the use of HIPC resources that are used as counterpart financing for projects financed by the FPS.

1/ The use of HIPC resources will be governed by the National Dialogue Law and the use of FPS resources are governed by the Decree on the National Compensation Policy.

Social oversight groups will play an important role in monitoring poverty-related expenditures. While data quality problems at the municipal level will make it difficult to accurately monitor poverty-related expenditures, social oversight is a unique feature that permits local committees to review the type and quality of municipal expenditures (mainly investment projects). These vigilance committees were created under the 1994 Law on Popular Participation to monitor the use of municipal resources, and hence are already a part of the municipal environment. Complaints by these groups can lead to the withholding of resources by the central government.

Planned improvements

The authorities are committed to strengthening financial management at the municipal level and improving mechanisms to track poverty-related expenditures. Given these commitments, the Fund can expect to have more timely and higher quality data on the majority of HIPC and poverty-related spending in only another year, and on all such expenditures in the next three to five years. In the interim, the authorities are committed to providing an adequate bridging mechanism for reporting on HIPC and poverty-related spending.

Short-term actions (2001):

- Expanding on the current reporting system to provide greater details on social and poverty-related expenditure. This system may rely on additional institutions for the collection of these data rather than on a single institution to collect and consolidate the data.
- Issuing new directives that require the municipalities to report on poverty-related expenditures and expenditure of HIPC resources on a quarterly basis. This will expand the coverage of the current reporting system from 111 municipalities to all municipalities, as well as improve the timeliness of reporting.
- Starting implementation of SIGMA in some municipalities. The majority of cities will be required to make commitments to improve financial management and to implement the SIGMA system as part of the agreements they sign in return for access to refinancing or credit from the National Fund for Rural Development (FNDR).
- Strengthening existing social oversight groups.

Medium-term actions:

- Implementing SIGMA in the 10 largest municipalities. Full implementation is expected by the end of 2002. This system will provide detailed data on poverty-related expenditures, including the use of HIPC resources. The 10 largest cities should cover the majority of HIPC and poverty-related expenditures.
- Gradual implementation of a scaled-down version of SIGMA in medium- and small-sized municipalities. It is scheduled to begin in late 2001, with the first municipal systems becoming fully operational in 2002.
- Developing a network of social oversight groups at the regional and national levels of government to support local oversight.

Mechanisms to Control Resources Earmarked for Poverty Reducing Expenditures

Type of Mechanism	HIPC Resources	FPS Transfers
Targeting	Pro-poor formula	
Conditionality and quality controls	Priority expenditures defined by the National Dialogue Law	Priority expenditures defined in the PRSP Project approval requirements Monitoring by the DUF/FPS with transfers subject to conditions
Social controls	Local social oversight groups (vigilance committees)	
	Democratic process at the local level	Regional and national social oversight [2]
Financial reporting	Short-term: All municipalities have quarterly reporting requirements Medium-term: Implementation of SIGMA	

2/ The regional and national social oversight groups will determine who represents civil society on the board of the DUF and the technical project committee of the FPS.

Bolivia: Performance Under Social Indicators

Social progress in Bolivia for the period 1999–2000 was monitored through 18 indicators established at the time of the decision point for the original HIPC Initiative. Following the performance review for 1997–98, the Bolivian Government and the Inter-American Development Bank staff agreed to revise some of the targets previously set for 1999-2000.[1] The changes were necessary due to the emergence of methodological issues, problems with data collection associated to certain indicators, and because some of the programs previously in place were modified or substituted by others. Apart from revising some quantitative annual targets in 1999 and 2000, midyear targets for the year 2000 were determined for all 18 indicators.[2]

Relative to the weak performance in social indicators observed during 1997–98, Bolivia experienced a strong improvement in the last two years. In particular, 16 out of 18 indicators met their targeted levels for 1999, and all the 18 social indicators reached their midyear targets in 2000.[3]

The performance by sector in 1999 and 2000 can be described as follows:

- **Education.** During 1999, eight out of the nine targets in education were fully met and only one was partially met. The latter is the **number of girls completing the 5th grade in rural areas.** The original target was 34,000 while the outturn was only 32,600. Performance in 2000 shows improvement, since all targets in education were achieved during the first half of the year. In particular, the number of girls completing the 5th grade in rural areas surpassed its targeted level of 37,500 with an outturn of 39,500. The observed increase in education coverage seems to be due to: (i) increased teachers' quality; (ii) introduction of better management norms for the education system; and (iii) distribution of pedagogical material to the students.

- **Health.** This sector experienced the largest improvement in performance when compared to 1997-98. In 1999, five out of the six targets for the sector were met. The target for the proportion of **inhabitants in areas with malaria participating in the annual parasite index (IPA)** was partially fulfilled. The proposed target for the

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1/ These revisions were made after consulting with World Bank and Fund staffs.

2/ Data were not collected for the indicator on the percentage of pregnant women in endemic areas having a blood test for Chagas. This indicator is poor, since it is costly to collect, and the probability of transmitting Chagas from mother to child is low. Also, the measurement units for the indicator on the cumulative number of beneficiary schools in quality improvement programs was modified, as these programs were phased out in favor of a new program of school improvement that more effectively combined infrastructure and pedagogical improvements and involved greater participation of parents, teachers, and local government representatives.

3/ Information on the performance for end-year 2000 is not available.

coverage was of 5 percent, but only 4 percent was reached in 1999. The main reason for this result was the lack of resources allocated to fighting malaria during the year. Performance improved during the first half of 2000, when the target of 2 percent coverage in risk areas was met. The higher coverage is attributed to the training received by health workers and the programs for health education in the area, which increased the number of people who demanded a test for malaria.

- **Rural development.** The three targets for this sector were met in 1999 and the first half of 2000.

Bolivia: Comparison of Debt Sustainability Analysis at Decision and Completion Points

The updated debt sustainability analysis (DSA), based on end-2000 data and projections, yields substantially lower levels for the debt and debt-service indicators than the DSA at the decision point, which was based on end-1998 data and projections. The ratio of NPV of debt to exports as of end-2000 was revised down from 160 percent in the decision point DSA to 143 percent in the updated DSA, after accounting for full (hypothetical) delivery of enhanced HIPC assistance. The difference between the debt ratios projected at decision point and those presented in this updated DSA increases steadily to over 44 percentage points in 2012, before declining over the latter part of the projection period to 31 percentage points in 2018 (Figure 5). Also, the projected path of the debt service-to-exports ratio is lower than calculated at the decision point for the period beginning in 2002. Much of the revision of the debt and debt service ratios is attributable to changes in the basic parameters of the DSA; however, greater concessional lending and changes in the authorities' macroeconomic framework, particularly higher export projections, have an important impact.

Differences in the 2000 data

The NPV of debt as of end-2000, after enhanced HIPC relief, falls to US$1,963 million in the updated DSA, 18.7 percent lower than the corresponding decision point projection expressed in comparable terms (see Table 19). The appreciation of the U.S. dollar and higher commercial interest reference rates (CIRRs) used to discount future flows of debt service in the updated DSA (see Table 13) account for most of the downward revision of the end-2000 NPV of outstanding debt. As Figure 5 shows, applying the 1998 exchange rates and CIRRs to the flows of new borrowing, debt service, and debt relief in the updated DSA raises the debt indicator above its value in the decision point DSA in 2000. Using the decision point projections for exports (three-year moving average), which were 2½ percent lower than the actual outturn, in the denominator lifts the debt indicator's value slightly further.

New borrowing, which was projected to total nearly US$700 million in 1999-2000, fell short of projections by about US$80 million, or about US$55 million in NPV terms (taking into account about a 33 percent grant element). A simplified analysis reveals that this lower than expected new borrowing accounted for only a modest portion (about 15–20 percent) of the change in NPV of the end-2000 debt stock from the decision point to completion point (Table A.III). That is, changes in the exchange rate and CIRRs accounted for the large majority of the fall in NPV of the debt stock at end-2000 (by US$335 million).

Differences in projections for 2001 and beyond

As Figure 5 shows, the widening of the downward revision to the debt-exports ratio over time can only be partly (about half) explained by the changes in the exchange rate, CIRR, and export assumptions. The slightly faster export growth over the projection period

(2000–2020) in the authorities' current macroeconomic framework for the PRSP has only a small impact initially, but accounts for about 10 percentage points of the reduction of the debt-export ratio in 2020 (see below for a discussion of differences in export projections). The change in the NPV of the enhanced HIPC relief itself only accounts for a relatively small and declining part of the difference. The enhanced relief had a lower NPV at the beginning of the projection period in the new DSA, partly because of the rebasing of the NPV of commitments to February 2000 from end-1998, but also because of the higher discount rates applied to the flows of assistance determined with the earlier CIRRs.

The appendix Table A.III suggests that a critical difference in Bolivia's debt sustainability at the completion point is the country's substantially greater access to concessional lending than was envisaged at the decision point. The grant element of accumulated new borrowing is presently projected to average 38 percent during 2001-2010, about double the average projected in the decision point DSA, which was based on an early IDA graduation and sharp decline in access to soft loans. Over 60 percent of disbursements during 2001-2010 are expected to be on highly concessional terms, falling to about 20 percent over the following decade, compared with comparable figures of 34 percent and 3½ percent, respectively, in the decision point DSA. As a result, the NPV of the stock of new borrowing averages nearly US$800 million dollars less during the latter part of the projection period (2011-2018).

The increased access to concessional lending also reduces significantly the debt service to exports ratio over the projection period. However, as noted in the text, this indicator is sensitive to a hardening of lending terms. After remaining well below the enhanced HIPC target range (15–20 percent) for much of the program period, or about 5 percentage points lower than was projected in the decision point DSA, it rises into the 15-20 percent range beginning in 2017. Over the projection period, the exchange rate and CIRR assumptions explain only a small fraction of the change compared to exports and new borrowing.

Differences in projections of disbursements

Projections of total disbursements are close to those at the decision point, except that, for the period 2009–2015, the projected path of disbursements is lower than that of the decision point. After 2017, completion point projections rise above those of the decision point. About half of a substantial upward revision in IDA disbursements in 2001–06 reflects a graduation from IDA, scheduled for around July 2003, which is 2 years later compared to to the assumption in the Decision Point document. The upward revision to disbursements for 2001–03 also reflects a larger than expected stock of undisbursed commitments (US$380 million at end-2000), which are likely to result in higher disbursements over the next two to three years.

Nonconcessional disbursements at completion point (i.e., those with grant element below 35 percent) remain below those at decision point for most of the period (2001 through 2017). The difference from the decision point reflects more concessional lending from IDA

and IDB than was projected at the decision point. While concessional disbursements are now expected to be higher than envisaged at decision point, the current projections assume a lesser *degree* of concessionality of concessional lending than assumed at decision point.

Differences in export projections

Exports of goods are projected to rise from US$1.23 billion in 2000 to US$6.07 billion in 2020, including an average 10 percent annual increase to 2005, about 1 percentage point lower than projected for the same period at the decision point. Starting in 2006, exports are projected to grow at about 7.7 percent annually in U.S. dollars, slightly higher than the rate of growth projected at decision point (7 percent). Projected exports of services have been revised downward, owing to a lower than expected outturn in 2000, mainly due to a fall in nontransport services.

Exports in the base year, 2000, were higher than projected at the decision point, reflecting higher than expected prices and volumes of gas exports to Brazil. This factor, and a downward revision to GDP, explain almost all of the upward revision to the projected ratio of exports to GDP.

Table A.III. Bolivia: Comparison of Debt Indicators at the Decision and Completion Points under the Enhanced HIPC Framework

(In millions of U.S. dollars, unless otherwise noted)

	1998	1999	2000	2001	2005	2010	2015	2018	Averages 2001-2010	Averages 2011-2018
Decision point 1/										
NPV of debt after enhanced HIPC relief (=A+B+C)	**2,042**	**2,078**	**2,141**	**2,308**	**3,193**	**4,749**	**6,867**	**7,883**	**3,284**	**6,590**
(In percent of exports) 2/	150.0	154.4	159.6	164.5	150.3	160.4	167.2	157.6	156.3	164.2
A. NPV of existing debt as of end-1998	2,895	2,778	2,663	2,541	1,989	1,516	1,167	972	2,038	1,200
B. NPV of new borrowing	...	196	419	643	1,788	3,525	5,721	6,911	1,847	5,469
C. NPV of enhanced HIPC debt relief (-)	-854	-896	-941	-877	-584	-292	-21	0	-601	-80
Adjusted decision point 3/										
NPV of debt after enhanced HIPC relief (=A+B+C)	...	...	**2,141**	**2,308**	**3,193**	**4,749**	**6,867**	**7,883**	**3,284**	**6,590**
(In percent of exports) 2/	...	...	159.6	164.5	150.3	160.4	167.2	157.6	156.3	164.2
A. NPV of existing debt as of end-2000	...	...	3,082	2,960	2,408	1,935	1,586	1,391	2,457	1,620
B. NPV of new borrowing	...	...	...	224	1,369	3,106	5,301	6,492	1,570	5,050
C. NPV of enhanced HIPC debt relief (-)	...	...	-941	-877	-584	-292	-21	0	-601	-80
Completion point										
NPV of debt after enhanced HIPC relief (=A+B+C)	...	...	**1,963**	**1,995**	**2,583**	**3,687**	**5,514**	**6,875**	**2,661**	**5,363**
(In percent of exports) 2/	...	...	144.4	140.5	118.6	113.1	119.3	121.2	123.2	118.3
A. NPV of existing debt as of end-2000	...	...	2,747	2,616	2,031	1,497	1,160	972	2,072	1,191
B. NPV of new borrowing	...	...	...	226	1,169	2,530	4,402	5,823	1,322	4,255
C. NPV of enhanced HIPC debt relief (-)	...	...	-785	-848	-617	-339	-48	79	-613	-83
Change from adjusted decision point to completion point										
NPV of debt after enhanced HIPC relief (=A+B+C)	...	...	**-178**	**-313**	**-610**	**-1,062**	**-1,353**	**-1,008**	**-623**	**-1,226**
A. NPV of existing debt before enhanced HIPC relief	...	...	-335	-345	-377	-438	-426	-419	-385	-428
B. NPV of new borrowing	...	...	...	2	-200	-576	-899	-668	-249	-795
C. NPV of enhanced HIPC debt relief (-)	...	...	157	29	-33	-48	-27	79	-12	-3
In percent of total difference										
NPV of debt after enhanced HIPC relief (=A+B+C)	...	...	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
A. NPV of existing debt before enhanced HIPC relief	...	...	188.0	110.1	61.8	41.3	31.5	41.6	76.2	35.2
B. NPV of new borrowing	...	...	...	-0.7	32.8	54.2	66.5	66.3	32.0	64.8
C. NPV of enhanced HIPC debt relief (-)	...	...	-88.0	-9.3	5.4	4.5	2.0	-7.9	-5.3	0.0
In percent of completion point exports 2/										
NPV of debt after enhanced HIPC relief (=A+B+C)	...	...	**-12.3**	**-20.0**	**-26.5**	**-31.9**	**-28.8**	**-17.4**	**-25.5**	**-27.4**
A. NPV of existing debt before enhanced HIPC relief	...	...	-23.1	-22.1	-16.4	-13.2	-9.1	-7.2	-17.3	-9.6
B. NPV of new borrowing	...	...	...	0.1	-8.7	-17.3	-19.1	-11.5	-9.1	-17.7
C. NPV of enhanced HIPC debt relief (-)	...	...	-10.8	-1.9	1.4	1.4	0.6	-1.4	-0.1	0.2
Exports of goods and services 2/										
Decision point	1,356	1,270	1,399	1,541	2,313	3,155	4,376	5,331	2,268	4,284
Completion point	1,355	1,310	1,453	1,563	2,304	3,329	4,697	5,799	2,333	4,604
Annual disbursements (in current dollars)										
Decision point	...	320	369	386	383	545	744	921	415	724
Completion point	...	303	304	399	404	456	699	1,002	397	701
Grant element of accumulated new borrowing (in percent) 4/										
Decision point	...	32.8	33.4	33.4	16.9	7.5	1.9	0.2	19.3	2.7
Completion point	...	...	...	43.3	39.9	29.3	20.1	16.3	38.2	21.4
Concessional lending (percent of annual disbursements) 5/										
Decision point	...	67.3	72.7	74.0	22.9	8.8	3.1	3.0	33.9	3.4
Completion point	...	...	...	82.9	63.0	33.9	20.5	21.2	61.2	22.5

Sources: Central Bank of Bolivia; and Bank/Fund staff estimates and projections.

1/ Figures are from the documents for the decision point under the enhanced HIPC framework (IDA/R2000-7 and EBS/00/04); NPV is net present value.

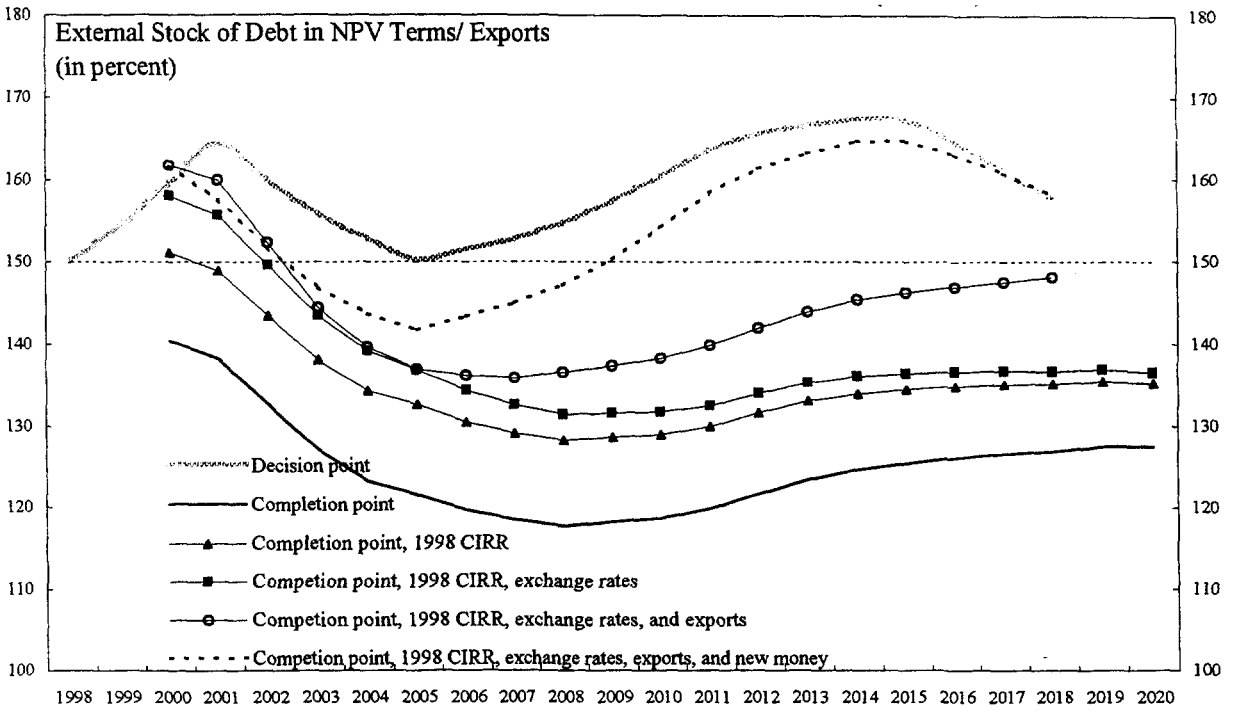
2/ Exports of goods and services, three-year average ending in the current year.

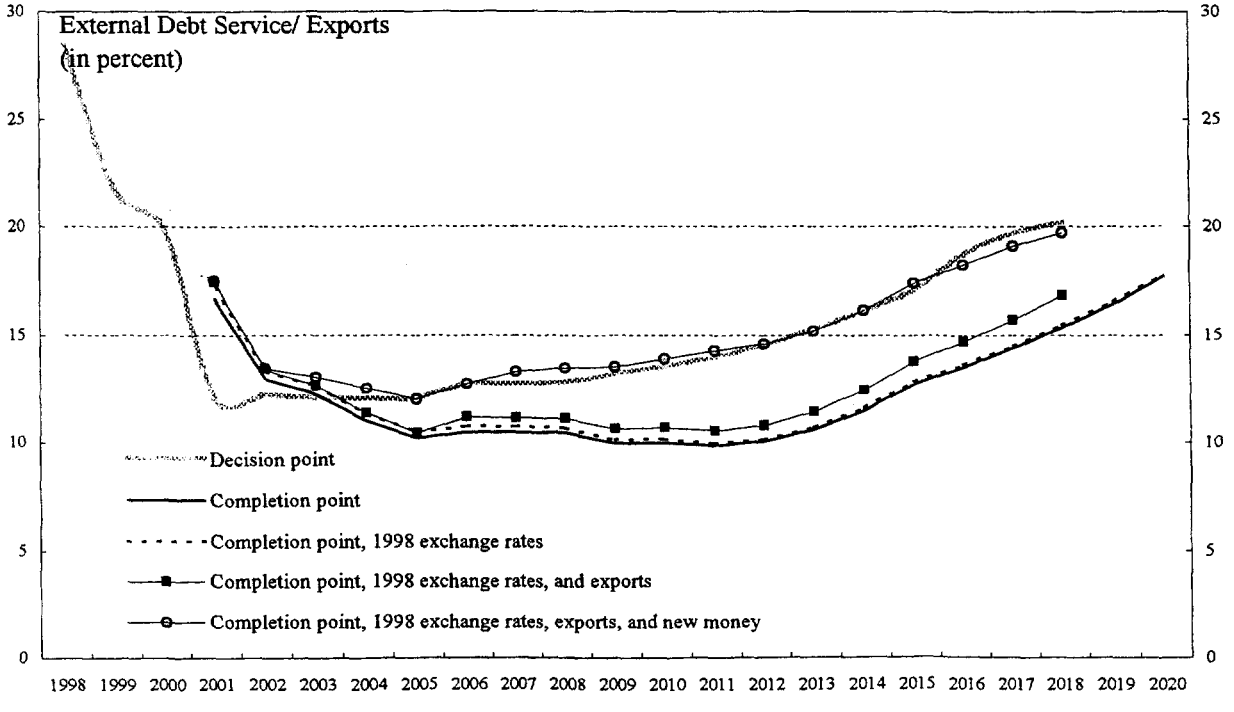
3/ A simplified adjustment to approximate the NPV of existing debt at end-2000 as envisaged at the time of the decision point (February 2000). The NPV at end-2000 of new borrowing that was projected for 1999-2000 is added to existing debt at end-2000.

4/ Defined as one less the ratio of the NPV to the nominal value of the outstanding stock of new borrowing.

5/ Concessional lending (IDA, IDB Fund for Special Operations, NDF, IFAD, the Fund's PRGF, and concesional bilateral lending) as a share of total disbursements in the current year.

Figure 5. Bolivia: Comparison of External Debt and Debt Service Indicators at Decision and Completion Points





Sources: Central Bank of Bolivia; and Bank/Fund staffs estimates and projections.

Bolivia: Debt Management

Institutional framework

Daily debt management is coordinated by the Bolivian Central Bank (BCB), responsible for maintaining the debt database and providing financial evaluation of new borrowing. Strategic decision making, including standards for new borrowing, is being integrated into a wider public sector management system involving the ministry of finance as well, through the External Debt Management Committee.

Debt recording and reporting

Debt monitoring of public and publicly-guaranteed is meticulous, comprehensive and up-to-date. The data has been fully reconciled with creditors. There is some scope, however, for improvement in the monitoring of external borrowing by the private sector. Regular publication of debt statistics is carried out, including on the website of the central bank.

Analytical capacity

The technical staff is well-versed in debt management issues, and fully capable of producing sophisticated debt sustainability analysis. They have successfully carried out numerous debt restructuring negotiations. Regular training is available for the technical staff to improve and update their skills. Some of BCB staff has participated in debt management workshops as instructors.

Bolivia: HIPC Initiative: Status of Country Cases Considered Under the Initiative, April 30, 2001

Country	Decision Point	Target NPV of Debt-to-: Completion Point	Export	Gov. Revenue	Assistance Levels 1/ (In millions of U.S. dollars, present value) Total	Bilateral	Multilateral	IMF	World Bank	Percentage Reduction in NPV of Debt 2/	Estimated Total Nominal Debt-Service Relief (In millions of U.S. dollars)
			(In percent)								
Completion point reached under enhanced framework											
Uganda					1,003	183	820	160	517		1,950
Original framework	Apr. 97	Apr. 98	202		347	73	274	69	160	20	650
Enhanced framework	Feb. 00	May 00	150		656	110	546	91	357	37	1,300
Decision point reached under enhanced framework											
Benin	Jul. 00	Floating	150		265	77	189	24	84	31	460
Bolivia					1,302	425	876	84	194		2,060
Original framework	Sep. 97	Sep. 98	225		448	157	291	29	53	14	760
Enhanced framework	Feb. 00	Floating	150		854	268	585	55	141	30	1,300
Burkina Faso					398	56	342	42	162		700
Original framework	Sep. 97	Jul. 00	205		229	32	196	22	91	27	400
Enhanced framework	Jul. 00	Floating	150		169	24	146	20	71	27	300
Cameroon	Oct. 00	Floating	150		1,260	874	324	37	179	27	2,000
Gambia, The	Dec. 00	Floating	150		67	17	49	2	22	27	90
Guinea	Dec. 00	Floating	150		545	215	328	31	152	32	800
Guinea-Bissau	Dec. 00	Floating	150		416	212	204	12	93	85	790
Guyana					585	220	365	74	68		1,030
Original framework	Dec. 97	May 99	107	280	256	91	165	35	27	24	440
Enhanced framework	Nov. 00	Floating	150	250	329	129	200	40	41	40	590
Honduras	Jun. 00	Floating	110	250	556	215	340	30	98	18	900
Madagascar	Dec. 00	Floating	150		814	457	357	22	252	40	1,500
Malawi	Dec. 00	Floating	150		643	163	480	30	331	44	1,000
Mali					523	162	361	58	182		870
Original framework	Sep. 98	Sep. 00	200		121	37	84	14	44	9	220
Enhanced framework	Sep. 00	Floating	150		401	124	277	44	138	28	650
Mauritania	Feb. 00	Floating	137	250	622	261	361	47	100	50	1,100
Mozambique					1,970	1,235	736	140	434		4,300
Original framework	Apr. 98	Jun. 99	200		1,716	1,076	641	125	381	63	3,700
Enhanced framework	Apr. 00	Floating	150		254	159	95	16	53	9	600
Nicaragua	Dec. 00	Floating	150		3,267	2,145	1,123	82	189	72	4,500
Niger	Dec. 00	Floating	150		521	211	309	28	170	54	890
Rwanda	Dec. 00	Floating	150		452	56	397	44	228	71	814
Sào Tome and Principe	Dec. 00	Floating	150		97	29	68	0	24	83	200
Senegal	Jun. 00	Floating	133	250	488	193	259	45	124	19	850
Tanzania	Apr. 00	Floating	150		2,026	1,006	1,020	120	695	54	3,000
Zambia	Dec. 00	Floating	150		2,499	1,168	1,331	602	493	63	3,820
Decision point reached under original framework											
Côte d'Ivoire	Mar. 98	Mar. 01	141	280	345	163	182	23	91	6 3/	800
Total assistance provided/committed					**20,663**	**9,744**	**10,821**	**1,737** 4	**4,883**		**34,424**
Preliminary HIPC document issued 5/											
Chad	...	...	150		157	34	123	15	65	27	250
Ethiopia	...	...	200		636	225	411	22	214	23	1,300

Sources: IMF and World Bank Board decisions, completion point documents, decision point documents, preliminary HIPC documents, and staff calculations.

1/ Assistance levels are at countries' respective decision or completion points, as applicable.

2/ In percent of the net present value of debt at the decision or completion point (as applicable), after the full use of traditional debt-relief mechanisms.

3/ Nonreschedulable debt to non-Paris Club official bilateral creditors and the London Club, which was already subject to a highly concessional restructuring, is excluded from the NPV of debt at the completion point in the calculation of this ratio.

4/ Equivalent to SDR 1,338 million at an SDR-U.S. dollar exchange rate of 0.7705.

5/ Figures are based on preliminary assessments at the time of the issuance of the preliminary HIPC document and are subject to change. Assistance level for Ethiopia is based on the original framework and applied at the completion point; for Chad, targets are based on the enhanced framework and assistance levels are at the assumed decision point.