

countries.¹⁵ A number of these countries are, however, eligible to benefit from a special Paris Club programme known as the Houston Terms, which offers longer repayment periods on ODA and non-ODA debt than provided in regular rescheduling agreements. Interest on rescheduled ODA debt is offered at concessional rates, while interest on non-ODA debt is based on market rates. Since 1990, 14 countries have benefitted from this programme.¹⁶

Bilateral cancellation of official government-to-government credits to developing countries has also been used, mainly benefitting the countries of sub-Saharan Africa. Between 1982 and 1991, DAC countries cancelled over US \$10.5 billion of ODA-related debt, export credits and guaranteed debt owed by developing countries, an amount greater than all the multilateral debt relief granted by the Paris Club under both the Toronto Terms and Enhanced Toronto Terms.¹⁷

Table 2
External Finance to Developing Countries
(% of gross long-term flows)

	1981	1991
Commercial Bank Loans	46.1	17.4
Foreign Direct Investment	8.3	16.5
Portfolio Equity	0.1	3.7
Bonds	1.2	4.8
Total Private	55.7	42.4
Official Loans	26.0	30.8
Grants	7.3	14.5
Suppliers and Export Credits	11.0	12.3
Total Official	44.3	57.6
Grand Total	100.0	100.0
Total (billions of US \$)	\$156.9	\$205.3

Source: World Bank (1993b), p. 18.

¹⁵The exceptions to this rule were Egypt and Poland, both considered middle-income countries for Paris Club purposes. The Paris Club reduced the eligible debt of each country by the equivalent of 50% in 1991. See OECD (1993), p. 54.

¹⁶Countries which have come to agreement with the Paris Club under the Houston Terms are: Cameroon, Congo, Côte d'Ivoire, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica (two agreements), Morocco (two agreements), Nigeria, Peru (two agreements) and the Philippines. See World Bank (1993c), Vol. 1, Table A2.3, p. 90.

¹⁷OECD (1993), p. 55. Canada has forgiven ODA loans amounting to almost CDN \$1.2 billion since 1978, mainly to countries in sub-Saharan Africa.