

The impact of the debt crisis has been even more severe on the countries of Sub-Saharan Africa (excluding S. Africa) than on the highly-indebted middle-income countries. Their total debt of \$129 billion has coincided with declining export revenues in 1986 and 1987, resulting in 1988 debt service obligations amounting to 47 percent of the region's total export revenues.

There are also some encouraging developments in the otherwise gloomy external debt situation. On March 10, 1989, US Treasury Secretary Brady outlined a number of proposals concerning an international debt strategy. Included was a proposal for a role by the World Bank and the IMF in financing debt reduction programs of debtor countries, for example through debt/bond swaps or debt buy-back schemes. The Brady Plan was the focus of discussion at the meetings of the IMF's Interim Committee and the World Bank/IMF Development Committee in early April. Canada and other major industrialized countries are currently studying the proposals but have already indicated broad support.

With respect to Sub-Saharan Africa, some progress has been made to provide debt relief to these countries, notably in the framework of the Paris Club. Following agreement at the 1988 Toronto Summit, a number of Sub-Saharan African countries, including the Central African Republic, Niger, Senegal, Tanzania, Madagascar, Uganda and Mali have received reschedulings on concessional terms. Donors,