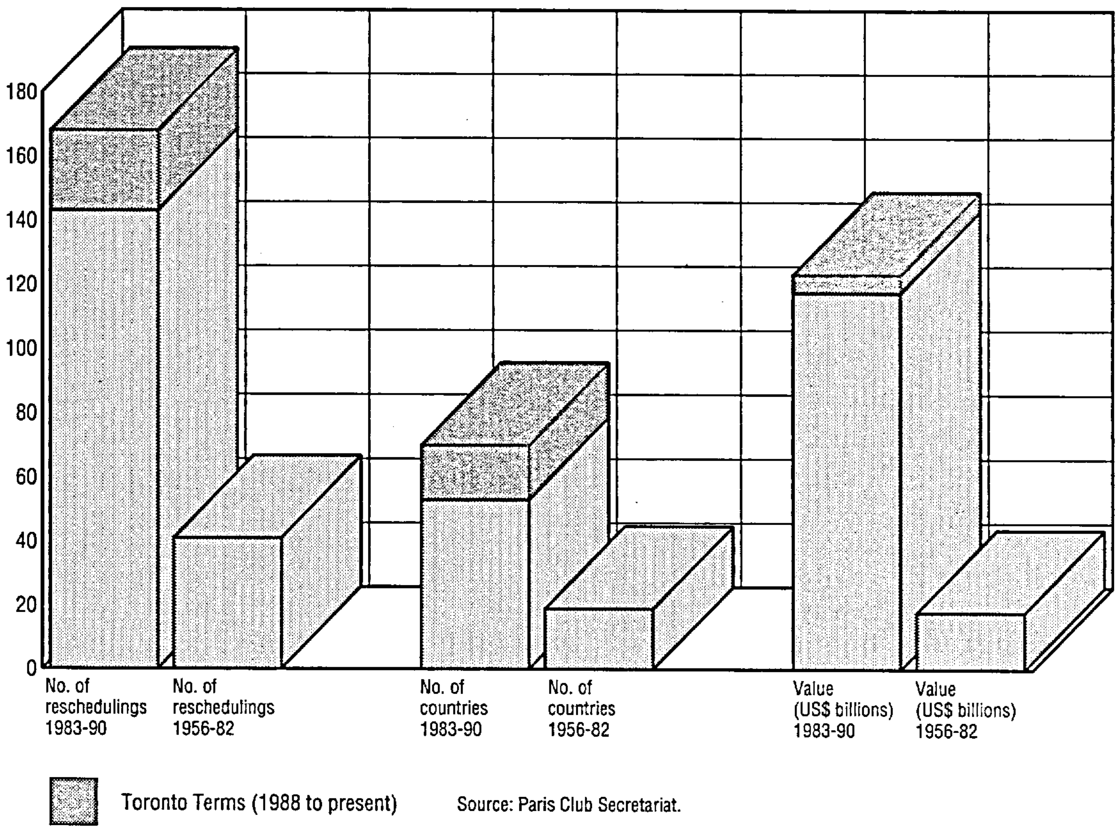
Table 4 Paris Club Reschedulings



Source: Paris Club Secretariat.

International Financial Institutions

The role of the IMF is to preserve the financial integrity of the world monetary system and, when necessary, to provide balance-of-payments assistance, usually for a short-term, to countries experiencing difficulties in their external payments. The multilateral development banks (the World Bank and similar regional institutions) have traditionally provided concessional and non-concessional finance for development purposes.

The multilateral institutions have made significant contributions to resolving the debt problem. They have provided considerable external finance for adjustment programs and served as a catalyst for further bilateral or commercial credits. More recently, up to US$25 billion of IMF and World Bank resources (including US$100 million of World Bank income) have been made available for debt-reduction schemes under the Brady Plan. Also, the Inter-American Development Bank (IDB) recently agreed in principle to provide funds for debt reduction.

To ease the cost of borrowing for low-income countries, multilateral institutions have provided more concessional funds for adjustment programs, or to finance investment, through the IMF's Enhanced Structural Adjustment Facility, the low-interest loans of the International Development Association or the development funds of the regional banks.

Debt-reduction measures would not be appropriate for IMF credits because this would undermine the revolving nature of its resources and limit its ability to provide