

successful in terms of domestic economic management, and continue to experience onerous debt-service payments.

Table 1
Total Developing Country Debt by Income Level, Region and Indebtedness, 1980, 1986-93
(billions of US \$ and % change)

By Country Group	1980	1986	1987	1988	1989	1990	1991	1992	1993	% change 1980-93
All developing countries	658.1	1,217.6	1,381.2	1,373.2	1,411.3	1,518.4	1,605.9	1,662.2	1,770.0	169.0%
Low-income	138.0	310.3	377.4	396.3	413.4	449.9	479.3	501.6	542.3	293.0%
Middle-income	520.2	907.3	1,003.8	976.9	998.0	1,068.5	1,126.7	1,160.5	1,227.7	136.0%
Sub-Saharan Africa	84.0	138.5	165.2	166.3	173.8	191.1	195.5	194.3	199.0	136.9%
East Asia and Pacific	96.5	199.8	223.6	225.3	227.2	259.8	293.8	320.2	366.7	280.0%
South Asia	39.3	82.7	96.6	101.8	108.7	119.0	126.2	133.4	145.3	269.7%
Europe and Central Asia	94.9	202.0	237.4	237.4	256.5	286.4	310.5	329.1	351.3	270.2%
Middle East & North Africa	86.0	160.4	184.1	186.6	194.2	188.4	191.4	189.0	194.7	126.4%
Latin America & Caribbean	257.4	434.2	474.3	455.7	451.0	473.7	488.4	496.3	513.0	99.3%
SILICs	68.9	156.7	188.1	193.6	198.5	201.9	206.2	204.1	207.9	201.7%
SIMICs	252.5	466.9	527.0	512.9	521.8	557.1	575.2	570.8	584.2	131.4%

Notes: (1) Data for 1993 are estimates.

(2) See the Appendix for definitions.

Source: World Bank (1993c), Vol. 1.

2. Debt and Debt-Servicing Reduction Mechanisms

In the years since the beginning of the crisis, a number of debt-reduction and debt-servicing reduction mechanisms have been introduced by the international community to assist developing countries in reducing their debt burdens, while strengthening the weakened international financial system.² Programmes were developed for different groups of debtors, depending on the type of debt (commercial or bilateral), the severity of a country's indebtedness, and the per capita income level of the country. The main programmes addressing commercial debt have been the Baker Plan, the Brady Plan and the Debt Reduction Facility of the International Development Association (IDA). For bilateral government-to-government debt, the group of developed country creditors known as the Paris Club has renegotiated payment schedules and, in some cases, reduced principal amounts under special terms for the poorest developing countries.

²Debt-reduction mechanisms reduce the stock (or principal) of outstanding debt. Debt-servicing reduction mechanisms do not reduce the debt principal, but reduce the payments that must be made, thus relieving the country of its debt-servicing burden. This is commonly done by capitalizing any outstanding payments, increasing the period over which loans are amortized and by extending grace periods.