

Debt Relief and Beyond

*Lessons Learned and
Challenges Ahead*

Edited by

Carlos A. Primo Braga

Dörte Dömeland

B 366994



THE WORLD BANK
Washington, D.C.

Contents

<i>Preface</i>	<i>xiii</i>
<i>Acknowledgments</i>	<i>xv</i>
<i>Contributors</i>	<i>xvii</i>
<i>Abbreviations</i>	<i>xxi</i>
 Introduction	 1
<i>Dörte Dömeland and Carlos A. Primo Braga</i>	
 Part I: Debt Relief	 9
 1 Debt Relief to Low-Income Countries: A Retrospective	11
<i>Boris Gamarra, Malvina Pollock, and Carlos A. Primo Braga</i>	
 2 Debt Relief and Education in Heavily Indebted Poor Countries	35
<i>Jesús Crespo Cuaresma and Gallina Andronova Vincelette</i>	
 3 Is Debt Relief Good for the Poor? The Effects of the HIPC Initiative on Infant Mortality	49
<i>Juan Pedro Schmid</i>	
 4 Drivers of Growth in Fragile States: Has the HIPC Process Helped Fragile Countries Grow?	71
<i>Luca Bandiera, Jesús Crespo Cuaresma, and Gallina Andronova Vincelette</i>	
 Part II: Debt Sustainability	 91
 5 Debt Sustainability in Low-Income Countries: Recent Experience and Challenges Ahead	93
<i>Christian Beddies, Dörte Dömeland, Marie-Hélène Le Manchec, and Henry Mooney</i>	

6	Debt Relief and Sustainable Financing to Meet the MDGs <i>Dörte Dömeland and Homi Kharas</i>	117
7	Sovereign Default Risk and Private Sector Access to Capital in Emerging Markets <i>Udaibir S. Das, Michael G. Papaioannou, and Christoph Trebesch</i>	141
8	Lessons from Market-Access Countries on Public Debt Sustainability and Growth <i>Brian Pinto and Mona Prasad</i>	181
Part III: Odious Debt		203
9	The Concept of Odious Debt: Some Considerations <i>Vikram Nehru and Mark Thomas</i>	205
10	Odious Debt as a Principal-Agent Problem <i>Frederico Gil Sander</i>	229
11	The Economics of Odious Debt <i>Dörte Dömeland, Frederico Gil Sander, and Carlos A. Primo Braga</i>	261
Part IV: Debt Management		293
12	Government Debt Management in Low-Income Countries <i>Phillip Anderson and Eriko Togo</i>	295
13	Debut Sovereign Bond Issues: Strategic Considerations and Determinants of Characteristics <i>Udaibir S. Das, Michael G. Papaioannou, and Magdalena Polan</i>	313
14	Subnational Debt Management by Low-Income Countries in Transition to Market Access <i>Lili Liu, Abha Prasad, Francis Rowe, and Signe Zeikate</i>	343
15	Managing Volatility: Fiscal Policy, Debt Management, and Oil Revenues in the Republic of Congo <i>Nina Budina, Sweder van Wijnbergen, and Ying Li</i>	373

CONTENTS

vii

16	Debt-Swap Mechanisms Revisited: Lessons from the Chilean Experience of the 1980s <i>Leonardo Hernández</i>	405
	Index	427