July 2020

PASSING THE BUCK ON DEBT RELIEF

How the failure of the private sector to cancel debts is fueling a crisis across the developing world

The Covid-19 pandemic will not be defeated unless it's defeated in all countries. In developing countries, where public health spending and the ability to purchase personal protective equipment (PPE), ventilators and intensive care beds is often severely constrained, significant debt cancellation will be necessary to deal with the double whammy of a health and economic crisis.

The need for deep and broad debt relief has been acknowledged by leaders of G20 countries, the IMF and the UN, but to date, rhetoric has not been matched by adequate action. In April, the G20 finance ministers agreed to a temporary suspension of debt payments from the poorest countries. This agreement, known as the Debt Service Suspension Initiative (DSSI), should only be the first step to providing an adequate solution to the crisis. Crucially, the agreement fails to mandate any action from private creditors (e.g. commercial banks and investment funds) or multi-lateral development banks, such as the World Bank – to whom many developing countries owe huge sums, often the largest part of their debt.

So far 41 out of 73 of the poorest countries have applied through the DSSI for their bilateral debt repayments to be suspended this year. This could save these countries up to $9 billion. Yet all 73 countries must still repay up to $33.7 billion worth of debt this year, which is $2.8 billion per month. This figure is double the amount that Uganda, Malawi and Zambia combined spend on their annual health budget[1]. Debt cancellation is the fastest way to free up money for governments to spend on addressing the needs of their populations during this pandemic.

Failure to include private or multi-lateral creditors in the DSSI also means that the bilateral debt relief granted (as well as new loans given to these countries in need) is simply being diverted into the pockets of some of the richest investors in the world.

This paper, issued ahead of the G20 Finance Ministers meeting, shows that despite the DSSI, many of the poorest countries are spending more on servicing debt payments than they are on life-saving public services. This paper examines the size of the private debt burden in these countries and makes a case for the introduction of a mechanism that would make participation in a debt suspension initiative compulsory for all actors, including private and multi-lateral creditors.

We call on countries at the G20 financial ministers to take the following steps:

1. Demand that private sector creditors and multi-lateral development banks immediately match the terms of the debt suspension offered by the DSSI under a binding and compulsory scheme.
2. The agreed suspension needs to be extended until the end of 2022 and transformed into a future cancellation commitment.
3. Pledge to pass legislation to remove the ability of hold-out bondholders to sue developing countries in courts for repayment on any debts they refuse to cancel. This is particularly important in England and New York, under whose law the vast majority of international debts are owed.
4. Ensure a fair and transparent process for restructuring and further debt stock cancellation inclusive of all debt types and with the binding participation of all types of creditors, such as a global debt workout mechanism

It is the duty of the international community to avoid adding a debt crisis to dozens of developing countries that are already dealing with health, humanitarian, hunger and economic crises. Preventing a global disaster demands widespread and concerted debt relief and significantly more financing.

Understanding external public debt

Countries borrow for a variety of reasons, for example, to pay for the costs of unexpected events (e.g. natural disasters, pandemics), but the recent tide of large debt financing has been focused on large scale physical infrastructure (e.g. the construction of new roads, railroads, ports, airports, dams). Countries can borrow through three main avenues:

- **Bilateral debt: loans and other financing mechanisms provided by foreign governments and foreign public institutions such as Export Credit Agencies, Development Finance Institutions or ExIm Banks**
- **Multi-lateral debt: loans and other investment tools provided by the IMF, the World Bank and other multilateral creditors**
- **Private debt: financing provided by private actors in the shape of either loans (normally large syndicated loans) or through bond issuances.**

Creditor composition of DSSI eligible countries

The level of public external debt accumulated by developing countries is staggering. In 2018 it had reached $457 billion for 68 of the 73 DSSI eligible countries.[6] Over the course of the last decade, developing countries have been borrowing not only from other countries but increasingly from multilateral institutions and private financial actors. In 2018, multilateral institutions owned more than 50 per cent of the total external public debt stock of 31 countries. In 29 countries, private creditors owned at least 10 per cent of total debt, including 44 per cent in Nigeria, 36 per cent in Senegal, 28 per cent in Ghana and 18 per cent in Kenya (see Annex I).[7]

This means that most of the money that developing countries have to repay to

CASE STUDY: KENYA[2]

Kenya has only 518 hospital ICU beds across both public and private facilities for a population of over 51 million people,[3] and hospitals are fast running out as the number of Covid-19 patients increases.[4] The majority of the poorest people simply have no access to facilities should they fall ill. Yet, Kenya is spending more on servicing its debt (about $2.7 billion in debt service in 2020 alone) than on public healthcare (about $1.86 billion in 2018).

Taking part in the DSSI could free precious resources for Kenya's public spending, given that about 46 per cent of the 2020 debt service payments (about $1.2 billion) are due to other countries (bilateral debt). However, so far Kenya has not joined the DSSI and requested relief from bilateral debt, for fear of the consequences on its credit rating and the long-term cost of financing, which would also make it difficult to refinance existing debts.

Even if Kenya were to join the DSSI, it would still owe private lenders more than $660 million this year and $423 million next year. Although opacity in the debt markets means that it's hard to discover the owners of much of this debt, we know that some of the richest banks and hedge funds in the world are likely to have a stake in it. This is money that Kenya desperately needs to ramp up its healthcare and social security spending to protect its people and economy, but to date no private sector debt cancellation has been offered. Meanwhile, Kenya has been granted emergency financing in the form of loans by the IMF worth $739 million.[5] These additional loans increase Kenya's debt burden, and they also come with the IMF's explicit expectation of the government resuming fiscal consolidation as soon as the crisis abates, with hints of regressive taxation and spending cuts already expected in the recovery period.

The failure of private sector debt cancellation means debt relief is failing countries like Kenya both in the immediate and longer term. As things stand, Kenya will spend 1.4 times more servicing its debts than spending on healthcare and twice as much as it spends on social protection. Additionally, any debt relief which is given by countries could easily end up in the pockets of the banks and bondholders. The case of Kenya shows the urgency of ensuring private creditors are included in the DSSI.

their creditors this year is owed to private actors and multilateral banks. Specifically, of the $42.7 billion that the 73 DSSI countries owe in debt payments in 2020 (Annex II), less than half (41%) is due to bilateral creditors, 27 per cent is owed to private creditors and 32 per cent to multilateral banks (Figure 1).[8]

In fact, at least half of the debt service payments of eight countries (Mongolia, Fiji, Honduras, Mozambique, Ghana, Ethiopia, Zambia and Nigeria) is owed to private creditors. In addition, Nepal, Burkina Faso, Sierra Leone and Bangladesh owe over 70 per cent of their debt service to multilateral institutions (Figure 2). For these

Fig 1: Debt service owed in 2020 by lending agency

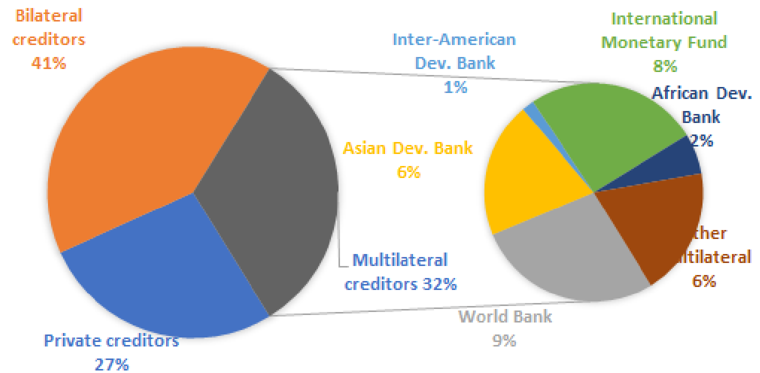
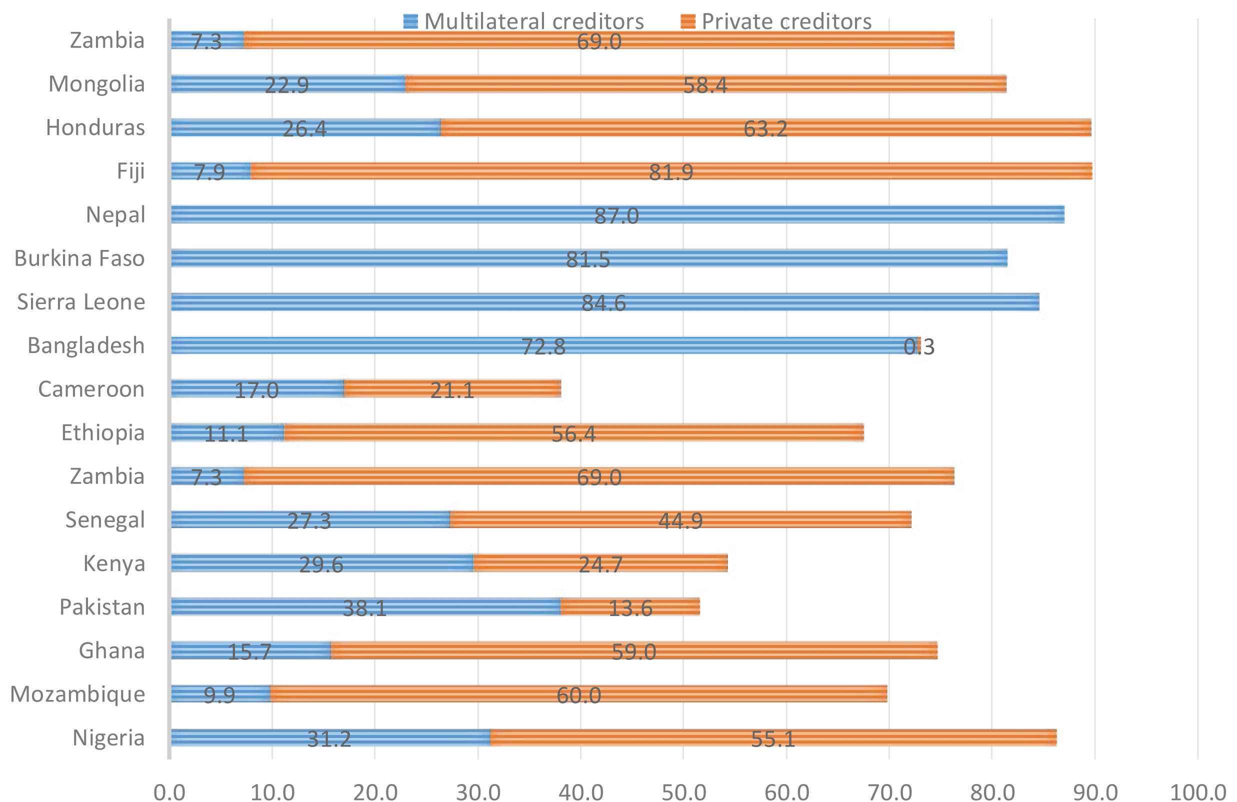


Fig 2: Debt service payment excluded from the DSSI (as % of total, 2020)



countries, the debt suspension offered by the DSSI covers only a minor part of their debt burden and they are still being expected to repay large debt amounts right now, in the middle of the Covid-19 pandemic.

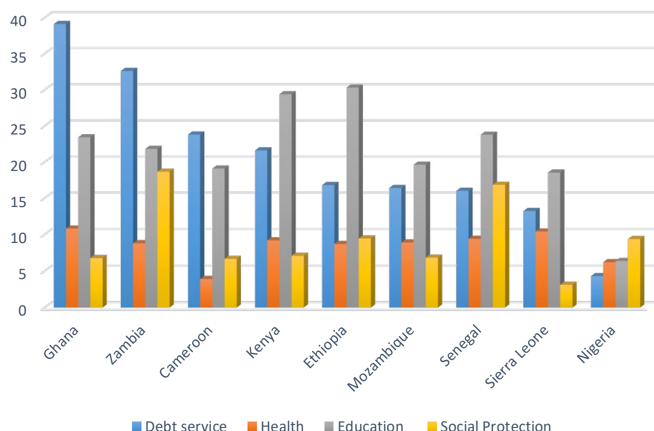
Debt, health and public spending

Many of the countries eligible for debt relief are already allocating more money to debt service than to public spending in health, education and social protection. In 2019, 64 countries were spending more on servicing external government debt payments than on health[9]; 45 countries were spending more on debt payments than on social protection and 24 countries were spending more on debt payments than on public education (Annex III).[10] These include countries such as Pakistan, Bangladesh, Sierra Leone, Benin and Ethiopia which are among the ten most vulnerable countries according to health indicators such as maternal mortality, child mortality and attended-births (see Annex IV).

Many of these countries spend more on paying off external government debt than they receive in overseas aid to support their health systems. In 2019, 47 countries spent more on debt service payments than they received in overseas aid for healthcare. For example, Ghana spent 23 times as much on debt payments than they received in aid for healthcare; Cameroon spent seven times as much, Kenya, Ethiopia and Senegal spent five times as much.[11]

Asking developing countries to use their scarce revenues to pay back old debt is undermining their capacity to scale up their healthcare systems and social safety nets to respond to the pandemic, exposing millions of people to risk of death, ill health and destitution. Last month, Pakistan ended its lockdown measures early, with Prime Minister Imran Khan telling a news conference "Unfortunately, the (previous) lockdown has already hit the poor people. We no longer can afford that".[12] The World Health Organisation responded by urging the country to reimpose lockdown.

Fig 3: Share of government revenues allocated to debt service and public spending



The DSSI and the limitations of designed debt relief

In April 2020, the G20 agreed to the DSSI, which provides a process for suspending debt repayment to official bilateral creditors until the end of 2020 for 73 countries,[13] with payments expected to be resumed in 2022, 2023 and 2024. So far, only 41 countries have requested participation in the DSSI, bringing the potential debt relief to an estimated $9 billion, equivalent to 20 per cent of all external debt payments due in 2020. This is significant but clearly an insufficient amount, especially considering that tax revenues of developing countries are expected to fall substantially in the coming months, further and faster than output.[14]

Multilateral and private creditors[15] are not included in the initiative, despite it stating that "Private creditors will be called upon publicly to participate in the initiative on comparable terms." The only attempt at creating a coordinated voluntary action on private debt relief has come from the Institute for International Finance (IIF),[16] which designed a set of Terms of References (ToRs) for private debt suspension. However, the ToRs effectively leaves countries to negotiate individually with all their private creditors. So far, not a single country has requested a private credit standstill, suggesting serious flaws in the conception of the initiative. Three months after its conception, private creditors are continuing to collect payments as normal, protecting their assets and positions, blind to the financing, health and social sacrifices countries are making to service their debts.

The exclusion of private and multilateral creditors from the DSSI creates several problems that undermine the effectiveness of the initiative and creates an unfair playing field where private lenders are operating as free riders. Multilateral creditors like the World Bank are advancing new loans instead of offering a standstill on existing loans and providing additional grants to deal

with the emergency. This means that much of the resources freed up by the suspension of bilateral debt and new loans (particularly those given in the form of budget support) are likely being diverted to paying off existing debts, rather than being used to respond to the pandemic.

Credit rating crunch

The current set up of the DSSI also creates mixed incentives for countries which are eligible to join, as they have to choose what to do based on how they think the private financial market will respond now and in the future rather than based on the needs of their people.

Credit agencies have been sending mixed signals in the past three months. In May, Moody's put Ethiopia's rating on review following its request to join the DSSI,[17] while Fitch placed Ethiopia on a negative outlook supposedly because of the generalized deteriorating economic conditions. Pakistan's credit rating was placed under review for a downgrade on 14th May for the same reason.[18] Moody's also placed Kenya on a 'negative watch' on 7th May. Ethiopia and Pakistan have applied to join the DSSI while Kenya has not, supposedly for fear of consequences on its credit rating. Moody's has declared that the DSSI on bilateral debt may help to ease external funding pressures for a few DSSI countries, possibly helping their credit rating, as that may help to reduce the length of the crisis and improve the economic outlook. Similarly, Fitch and S&P have expressed support for countries joining the DSSI to the extent that this only applies to bilateral debt, signalling that things may change should private debt relief be included in the initiative.

Another major flaw of the voluntary approach to private creditors' participation (and of the IIF Terms of Reference) is that it implies that each country has to individually negotiate terms. The IIF president and CEO, Tim Adams, stated that "IIF has been adamant that creditors of every type and size have a role to play in making sure the world's most vulnerable countries have the liquidity needed to combat the Covid-19pandemic."[19] However, each loan and bond holder would still need to negotiate the interest rate charged on deferred payments, rather than offering standard terms. Little information is available on the membership and the activities of the Africa Private Creditors Working Group (APCWG), a group recently constituted with the purpose of engaging with African countries facing sovereign debt problems.

Public debt contracted in the form of private sector loans and bonds has ballooned in developing countries in recent years, bringing in new financing opportunities but also new vulnerabilities for these countries. For some, the power of private markets action over them has grown disproportionate, and the fact that there are few mechanisms to compel the private sector to write down debts is a major problem for their long-term economic stability. With private creditors not part of any concerted action, countries eligible for the DSSI are paying private creditors $32 million per day ($961 million per month) to large banks and investment funds, while facing health, hunger, poverty and economic crises.

While we don't know what specific debt relief terms private creditors may have offered to single countries, we do know that they have repeatedly asserted that the net present value (NPV) of their investments must be preserved in the event of any debt relief measures. This implies that while a suspension could be granted, countries would continue to have to re-pay the full debt amount according to the original financial terms, and payment would just be delayed. Insisting on the NPV approach is surreal and selfish during a pandemic accompanied by a global economic crisis with few precedents. Expecting the value of fragile economies´ public bonds and assets to remain stable while trade, growth and revenue collection are in free fall is delusional and unrealistic. Private creditors must be prepared to bear their fair share of the losses that will result from this crisis. If this cannot be achieved through voluntary mechanisms, then the DSSI must be expanded so as to make the participation of private and multilateral creditors compulsory.

The Covid-19 health and economic crisis can only be addressed with global and coordinated action to provide debt relief to the poorest countries. All creditors should be part of the solution now, as part of a concerted action plan that will necessarily imply losses and debt write offs for all creditors, to allow a better chance for a reduced economic impact and subsequent recovery for everyone.

Towards legally Binding Methods for Including Private Creditors in Debt Relief

The voluntary approach has proven inadequate in terms of ensuring private creditors' participation in debt standstills or debt cancellation measures. It is time to negotiate and introduce binding mechanisms for private creditors in the DSSI, which would make it easier for all 73 countries to join the initiative and receive actual and effective debt relief.

Compulsory mechanisms will not be easy to design and will have to be negotiated. Some investors will argue that they effectively have a legal 'fiduciary duty' to ensure that their investors gain the maximum financial return from investments, and thus they would argue that they cannot participate in a voluntary standstill. This is especially the case for US investors, where the interpretation of the 'fiduciary duty' in company law is based on profit and return rather than wider good governance.

There are, however, several concrete options for the design of international legally binding mechanisms, providing there is willingness on the side of creditors to act.

- One legally binding method is to **pass legislation or resolutions that prevent legal action or court orders to compel debt distressed countries**. The UK is the contractual jurisdiction of approximately 90 per cent of private bonds of the 73 countries that come under the G20 DSSI initiative, while New York is a popular jurisdiction especially for Latin American and Caribbean sovereign debt contracts. The UK and New York could pass legislation to prevent borrower countries from being sued if they suspend debt payments. In the UK a similar bill was passed in 2010 with a focus on countries benefiting from the G8 Heavily Indebted Poor Country and Multilateral Debt Relief Initiative (HIPC-MDRI) debt cancellation agreed in 2005. Isle of Man and Jersey also passed similar legislation, while in Belgium "illegitimate advances" to private sector creditors were banned, and in France "protecting foreign states' property" from private creditors also covered HIPC-MDRI countries.
- **The IMF could offer a legally binding suspension[20] to impose debt standstills through use of its Article VIII, Section 2 (b) of the IMF Articles of Agreement.** The article in question allows the IMF to impose a debt standstill through the temporary suspension of enforceability of debt contracts in domestic courts of more than 189 IMF member countries, including the US and the UK where most private debt contracts are made.
- **The UN Security Council can also pass a resolution to order a suspension of private creditor litigation with regards to certain countries' sovereign debt, an action that was used in relation to Iraq's debt with United Nations Security Council Resolution 1483.** It shows that if there is political willingness, it's possible for world leaders to give vulnerable governments extraordinary legal protections under extreme circumstances.

Recommendations

World leaders face a stark choice: commit to further, deeper measures for the urgent debt relief developing countries need or leave them to struggle with the immediate economic and health impacts of the pandemic while still paying off crippling loans that often outstrip spending on vital services such as health. Beyond the strong start that was made in April, the G20, along with private creditors and multilateral lenders, now need to deliver the following action to free up the money that is desperately needed to fight Covid-19 across the developing world.

To the G20

1. **The DSSI needs to be urgently expanded and extended in the following terms:**

   a. **Private creditors and multi-lateral development banks** must immediately match the terms of the existing debt suspension (and of any future review) offered by the DSSI under a binding and compulsory scheme

   b. **The agreed suspension needs to be extended until the end of 2022, and transformed into a future cancellation commitment,** avoiding countries to pile up new debts on top of those already due, when debt sustainability is worsening every week.

   c. To make the DSSI effective, **key G20 countries must pledge to pass legislation to remove the ability of hold-out bondholders to sue developing countries** in rich country courts for repayment on any debts they refuse to cancel. This is particularly important in England and New York, under whose law the vast majority of international debts are owed.

   d. Establish **an agreement which covers credit rating agencies and their regulatory bodies** guaranteeing that under the current dramatic circumstances, countries that decide to join an umbrella initiative such as the DSSI will be rewarded and not punished.

   e. **Middle Income Countries** that are at risk of deep sovereign debt crisis **should be included in the DSSI,** especially where their debt payments exceed government investment in health, education or social protection – making many of them especially vulnerable to the impacts of the Covid-19 crisis.

   f. **Full transparency in debt contracts and debt payments calendars** is needed, as well as parliamentary and civil society oversight of the agreements including a public system to **track the use of the resources suspended or cancelled** for health and recovery priorities,

To the International Monetary Fund (IMF) and World Bank (WB)

1. The IMF should, when agreeing to provide emergency or additional loans to countries in debt distress or high risk of being so, **call all creditors to immediately start talks towards a full debt restructuring.**
2. **The IMF should avoid the use of economic conditionalities in all new financing packages** during this crisis, and governance-related terms should be enhanced to ensure that all money is spent transparently and on responding to the needs of the people affected rather than on bailing out creditors.
3. **The WB should, at the very least, apply a suspension and rescheduling of its own payment collection.** The World Bank is a major creditor to low income countries with limited or no market access, and it makes little sense to provide new loans while simultaneously collecting the old payments in the time of an emergency.
4. **The WB should significantly increase the amount of financing it is providing in grant terms** so as not to increase countries' debt burden further.
5. Both institutions´ leaders need to take steps, **in agreement with the United Nations Secretary General and in collaboration with the G20 country leaders, toward the establishment of a global and independent debt workout mechanism.** It should be inclusive of all types of debts, to deal with the potential risk of a cascade of defaults and debt crisis in the coming months, as well as addressing future restructuring and debt stock cancellation when the DSSI process comes to an end.

Annexe I

Creditor composition (excluding use of IMF credit).

Source: World Bank International Debt Statistics (IDS), data for 2018

Bonds ≥ 10%		Commercial Banks ≥ 10%		Multilateral ≥ 50%		World Bank ≥ 30%		
Country	%	Country	%	Country	%	Country	% WB/ Multilateral	% WB/ Total PPG
Cote d'Ivoire	57%	Cabo Verde	30%	Solomon Islands	91%	Kosovo	96%	75%
St. Lucia	51%	Benin	27%	Timor-Leste	91%	Madagascar	71%	57%
Nigeria	44%	Zambia	21%	Nepal	90%	Tanzania	74%	53%
Mongolia	43%	Sierra Leone	19%	Burkina Faso	89%	Nepal	56%	50%
Senegal	36%	Angola	18%	Lesotho	86%	Rwanda	66%	50%
Zambia	30%	Papua New Guinea	16%	Madagascar	81%	Moldova	62%	49%
Ghana	28%	Ethiopia	14%	Moldova	79%	Burkina Faso	55%	49%
Fiji	28%	Ghana	14%	Kosovo	79%	Malawi	61%	48%
Honduras	24%	Congo, Rep.	13%	St. Vincent and the Grenadines	78%	Liberia	59%	45%
Grenada	22%	Mozambique	10%	Malawi	78%	Lesotho	48%	41%
Kenya	18%			Nicaragua	77%	Uganda	61%	40%
Tajikistan	18%			Rwanda	76%	Bangladesh	58%	40%
Maldives	17%			Liberia	76%	Mali	52%	39%
Lao PDR	17%			Niger	74%	Niger	51%	38%
Angola	16%			Burundi	74%	Solomon Islands	42%	38%
Papua New Guinea	15%			Mali	74%	Guinea-Bissau	52%	34%
Rwanda	12%			Gambia, The	73%	Nigeria	78%	34%
Pakistan	11%			Tanzania	72%	Burundi	45%	33%
Dominica	10%			Bangladesh	68%	Ethiopia	75%	31%
				Sierra Leone	67%			
				Uganda	66%			
				Guinea-Bissau	65%			
				Guyana	65%			
				Honduras	59%			
				Benin	59%			
				Uzbekistan	58%			
				Mauritania	58%			
				Grenada	57%			
				Samoa	52%			
				Dominica	51%			
				Afghanistan	50%			

Annexe II

Annual Debt Service Payments by creditor for 68 of the 73 DSSI eligible countries (US$ thousand)

Source: Debt service data for 2020 and beyond have been estimated using World Bank's DSSI debt statistics database (annual data updated at 19th June 2020) https://datatopics.worldbank.org/debt/ids/

Lending agency	2019	2020	2021
Total	45790718	42725059	43042748
Private creditors	17545332	11554334	13559635
Multilateral	12475390	13825039	13568135
Bilateral	15769998	17345688	15914977

Annexe III

Comparison between debt service payment and public spending in education, social protection and health as share of total government revenues

*https://jubileedebt.org.uk/press-release/sixty-four-countries-spend-more-on-debt-payments-than-health
** Data on public spending in education and social protection come from a database being compiled by Development Finance International for the Commitment to Reducing Inequality Index No. 3 to be published in October. The dataset includes the most recent spending data available for 157 countries.
***https://jubileedebt.org.uk/press-release/sixty-four-countries-spend-more-on-debt-payments-than-health

	Government external debt service as % of government revenue (2019)*	Government spending on education as % of government revenue**	Government spending on social protection as % of government revenue**	Government spending on health as % of government revenue***
Sri Lanka	47.60	14.53	13.75	13.00
Angola	42.60	10.52	22.57	6.40
Lebanon	41.20	8.12	10.82	19.50
Ghana	39.10	23.41	6.77	10.80
Gambia, The	38.00	24.75	0.13	4.10
El Salvador	38.00	17.36	20.17	21.00
Republic of Congo	37.30	11.79	3.68	6.20
Zambia	32.60	21.81	18.65	8.80
Argentina	28.70	15.84	53.41	16.70
Lao PDR	27.90	13.44	1.17	4.90
Gabon	27.70	N/A	N/A	11.00
Montenegro	27.10	N/A	N/A	13.60
Pakistan	26.50	18.65	8.64	6.00
Tunisia	25.80	20.43	34.35	14.00
Jamaica	23.90	16.17	4.07	12.50
Cameroon	23.80	19.09	6.66	3.90
Belize	22.90	23.56	6.58	13.40
Kenya	21.60	29.38	7.08	9.20
Jordan	21.30	13.77	36.12	12.80
Egypt, Arab Rep.	19.90	11.72	21.48	6.60
Dominica	19.60	N/A	N/A	8.20
Ecuador	19.40	14.45	3.90	12.30
Mauritania	18.60	144.47	84.77	5.90
Sudan	17.70	N/A	N/A	8.90
Ethiopia	16.80	30.30	9.44	8.70
Dominican Republic	16.80	28.50	9.94	19.70
Mozambique	16.40	19.62	6.83	8.90
Belarus	16.20	12.39	38.47	10.30
Senegal	16.00	23.77	16.84	9.40
Grenada	15.80	N/A	N/A	8.40
Maldives	15.80	14.90	19.37	29.60
Tonga	14.90	13.18	1.27	7.80
Bangladesh	14.60	28.55	11.96	4.30
Costa Rica	14.60	57.79	62.38	39.70
Armenia	14.30	9.18	28.91	6.90
Cote d'Ivoire	13.80	24.74	1.14	5.60
Indonesia	13.70	19.06	8.68	9.70
Honduras	13.40	23.67	27.96	14.40
Cabo Verde	13.20	21.30	12.94	9.30
Sierra Leone	13.20	18.53	3.11	10.40

Djibouti	13.10	21.43	7.90	6.90
Bhutan	12.80	20.31	6.18	11.60
Mongolia	12.70	16.24	19.50	7.00
Niger	12.40	19.26	4.12	5.90
Samoa	12.30	13.84	3.56	12.40
Ukraine	12.20	13.77	47.49	7.30
St. Vincent and the Grenadines	11.80	20.11	15.18	9.60
Chad	11.70	15.20	0.60	5.50
Tanzania	11.70	22.62	31.00	12.00
Zimbabwe	11.60	10.49	4.87	29.60
Congo, Dem. Rep.	11.30	18.91	1.85	4.40
North Macedonia	11.00	11.84	36.17	13.50
Comoros	10.90	11.67	N/A	6.20
Albania	10.80	9.25	33.85	10.20
Morocco	10.60	19.77	16.82	10.40
Marshall Islands	10.60	N/A	N/A	17.50
Rwanda	10.50	13.08	8.32	9.90
Mexico	9.90	20.96	29.84	12.50
Burundi	9.50	27.42	6.97	13.20
Colombia	9.50	14.72	21.81	14.00
Papua New Guinea	9.40	21.67	2.71	8.50
Tajikistan	8.70	20.39	17.01	7.20
Kyrgyz Republic	8.70	15.03	29.56	7.80
Vanuatu	8.60	17.41	2.55	5.60
Central African Republic	8.30	9.60	8.28	3.20
Turkey	8.30	11.78	31.34	11.20
Uganda	7.70	13.80	12.28	6.00
São Tomé and Príncipe	7.70	26.73	3.14	10.70
Bosnia and Herzegovina	7.70	#N/A	#N/A	15.60
Paraguay	7.70	17.49	19.92	23.30
Azerbaijan	7.50	6.35	16.96	3.40
Vietnam	7.30	17.04	26.51	11.50
Guatemala	7.30	25.39	18.93	21.10
Madagascar	7.10	20.40	0.24	17.50
Mauritius	7.00	21.07	29.51	11.20
Burkina Faso	6.90	24.48	6.34	11.10
Benin	6.80	20.76	7.11	5.50
Serbia	6.80	8.95	43.59	13.00
Haiti	6.70	25.70	5.68	5.60
Russian Federation	6.70	10.66	30.87	8.60
Nicaragua	6.70	17.43	1.85	22.00
Myanmar	6.60	16.03	5.47	6.00
Guyana	6.40	18.97	7.60	7.80
Lesotho	6.40	14.12	17.30	12.30
Togo	6.30	19.97	8.29	5.80
South Africa	6.30	22.56	12.76	15.00
Bolivia	6.30	26.50	16.98	15.70
Romania	6.20	10.89	39.48	13.10
Liberia	6.10	9.39	0.85	4.90
St. Lucia	6.10	15.44	8.34	9.40

Malawi	6.10	22.04	8.19	11.70
Tuvalu	6.00	N/A	N/A	9.20
Mali	5.90	16.72	9.51	5.50
Moldova	5.90	17.62	35.53	14.30
Kazakhstan	5.80	16.55	23.53	9.90
Cambodia	5.70	10.50	3.79	5.60
Georgia	5.50	13.35	24.80	10.90
Eswatini	5.50	24.03	12.54	21.10
Eritrea	5.30	N/A	N/A	2.60
Philippines	5.00	19.39	12.48	6.80
Uzbekistan	4.70	21.29	22.57	11.50
Nigeria	4.30	6.37	9.36	6.20
Micronesia	4.10	N/A	N/A	4.00
Fiji	3.90	20.48	5.15	8.40
Brazil	3.80	7.58	46.90	12.70
Guinea	3.60	18.51	9.14	4.30
Peru	3.40	19.76	13.80	16.50
Botswana	3.30	24.36	8.48	10.70
Nepal	2.70	14.76	16.72	4.50
India	2.70	14.05	17.41	4.70
Guinea-Bissau	2.50	11.80	6.95	13.80
Kiribati	2.00	12.96	1.10	5.80
Solomon Islands	1.80	26.47	4.30	8.30
Afghanistan	1.70	11.27	7.56	1.90
Thailand	1.20	14.54	14.24	13.50
Turkmenistan	0.90	N/A	N/A	9.40
China	0.90	12.23	10.28	10.00
Timor-Leste	0.70	14.84	18.74	7.70
Algeria	0.30	9.12	11.88	4.90
Iran	0.20	N/A	N/A	34.00
Bulgaria	0.00	9.98	34.21	11.50

Annexe IV

SDGs indicators of health vulnerability – ten most vulnerable countries per each indicator

Source: UN SDGs indicators (SDG 3.1 and 3.2) https://unstats.un.org/sdgs/indicators/database/

Maternal mortality rate (deaths per 100000 live births)	Neonatal mortality rate (deaths per 1,000 live births)	Proportion of births attended by skilled health personnel	Under-five mortality rate, by sex (deaths per 1,000 live births)
South Sudan	Pakistan	Ethiopia	Somalia
Chad	Central African Republic	Niger	Nigeria
Sierra Leone	South Sudan	Haiti	Chad
Nigeria	Somalia	Nigeria	Central African Republic
Central African Republic	Afghanistan	Madagascar	Sierra Leone
Somalia	Guinea-Bissau	Angola	Guinea
Mauritania	Nigeria	Bangladesh	South Sudan
Guinea-Bissau	Lesotho	Guinea	Mali
Liberia	Chad	Papua New Guinea	Benin
Afghanistan	Côte d'Ivoire	Timor-Leste	Democratic Republic of the Congo

References

1 Data on health spending come from a database being compiled by Development Finance International for the Commitment to Reducing Inequality Index No. 3 to be published in October.

2 Debt statistics in this box come from the World Bank's DSSI debt statistics database (annual data updated at 19th June 2020) https://datatopics.worldbank.org/debt/ids/; health statistics come from the database being compiled by Development Finance International for the Commitment to Reducing Inequality Index No. 3.

3 https://www.reuters.com/article/us-health-coronavirus-africa-response-ex/exclusive-virus-exposes-gaping-holes-in-africas-health-systems-idUSKBN22J1GZ

4 https://www.nation.co.ke/kenya/news/top-hospitals-running-out-of-icu-beds-covid-19--1444712

5 Under the Rapid Credit Facility (RCF) terms, with a zero-interest rate

6 World Bank International Debt Statistics (IDS), data for 2018. DSSI eligible countries not included in IDS: Kiribati, Marshall Islands, Micronesia, South Sudan, Tuvalu.

7 Ibidem.

8 Debt service data for 2020 and beyond have been estimated using World Bank's DSSI debt statistics database (annual data updated at 19th June 2020) https://datatopics.worldbank.org/debt/ids/

9 https://jubileedebt.org.uk/press-release/sixty-four-countries-spend-more-on-debt-payments-than-health

10 Data on public spending in education and social protection come from a database being compiled by Development Finance International for the Commitment to Reducing Inequality Index No. 3 to be published in October. The dataset includes the most recent spending data available for 157 countries.

11 Data on aid for health (health ODA) are for 2018 and come from the Credit Reporting System (CRS) Aid Activity Database of the OECD. https://stats.oecd.org/qwids/

12 https://www.dw.com/en/pakistan-risking-disaster-with-its-contentious-coronavirus-strategy/a-53668805

13 These include the 76 IDA countries plus Angola but excluding Eritrea, Sudan, Syria and Zimbabwe which are considered inactive due to protracted non-accrual status.

14 http://www.oecd.org/coronavirus/policy-responses/the-impact-of-the-coronavirus-covid-19-crisis-on-development-finance-9de00b3b/

15 Private creditors include hedge funds, banks, commodity traders and other private companies. The World Bank breaks down external debt owed to private creditors into debt owed as bonds, and other private debt such as direct loans by commercial banks, or loans by commodity trading companies.

16 A private foundation that brings together the interests and views of private sector creditors, including some of the main High Street banks in the UK https://www.iif.com/Membership

17 https://www.worldbank.org/en/topic/debt/brief/debt-service-suspension-initiative-qas

18 https://www.moodys.com/research/Moodys-places-Pakistans-B3-rating-under-review-for-downgrade--PR_423623

19 https://www.iif.com/Press/View/ID/3918/IIF-Releases-New-Framework-to-Facilitate-Voluntary-Private-Sector-Involvement-inthe-G20Paris-Club-Debt-Service-Suspension-Initiative

20 https://www.eurodad.org/Entries/view/1547199/2020/05/19/Back-to-the-Future-A-sovereign-debt-standstill-mechanism-IMF-Article-VIII-Section-2-b

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