

A reading of the indicators of external loans for developing countries and international initiatives to reduce its burdens for the period (2000-2019)

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Abstract : There is no country in the world that does not go to various loans to finance its economies, whether developed or developing countries. of course, with the different purpose of external borrowing, the creditworthiness of each country also varies in its ability to meet in the service of its foreign debts, and if we exclude the industrialized advanced countries Often the analysis of its loans does not represent a risk to its economy, as it is one of the surplus countries in its balance of payments on the one hand, and it is often the lenders to the countries in need of loans, and at the same time it is in control of the multilateral international financial institutions (the International Monetary Fund and the World Bank Group) on the other hand. The problem is focused on the following question (Is the size of the external debt of developing countries reached its dangerous limits, which requires setting mechanisms for reconsideration by creditors of writing off some of these debts through international initiatives proposed in this field. To show the size of the external debt of developing countries and the structure of the debt, which is represented by official and private debts and the use of the facilities of the International Monetary Fund and the World Bank. The study starts from the hypothesis that (Does the size of the external debt of countries and the limits of different indicators represent chronic problems in the economies of developing countries.

Keywords -Developing countries, external loans, the International Monetary Fund, the World Bank Group, Dept service.

INTRODUCTION: There is no country in the world that does not go to various loans to finance its economies, whether developed or developing countries. of course, with the different purpose of external borrowing, the creditworthiness of each country also varies in its ability to meet in the service of its foreign debts, and if we exclude the industrialized advanced countries Often the analysis of its loans does not represent a risk to its economy, as it is one of the surplus countries in its balance of payments on the one hand, and it is often the lenders to the countries in need of loans, and at the same time it is in control of the multilateral international financial institutions (the International Monetary Fund and the World Bank Group) on the other hand.

Based on that, this study attempts to read the size and structure of the indicators, the group of middle-income developing countries, with reference to the international initiatives launched by the international community to ease the burden of external loans for developing countries, usually the least developed countries. The importance of the research: The importance is concentrated in reading the size of the external indebtedness of developing countries and clarifying the indicators of the burden of indebtedness to show the extent of the seriousness of the escalation of those burdens.

The Research's Problem:

The problem is focused on the following question (Is the size of the external debt of developing countries reached its dangerous limits, which requires setting mechanisms for reconsideration by creditors of writing off some of these debts through international initiatives proposed in this field).

The aim of the research:

To show the size of the external debt of developing countries and the structure of the debt, which is represented by official and private debts and the use of the facilities of the International Monetary Fund and the World Bank.

The Research hypothesis:

The study starts from the hypothesis that (Does the size of the external debt of countries and the limits of different indicators represent chronic problems in the economies of developing countries).

The Research Methodology:

The analysis method was used using the deductive method by reviewing the data expressing the size, structure and indicators of the external debt of developing countries.

First: The concept: The global indebtedness is one of the most important economic problems facing the world, whether it is developed or developing countries, and Japan ranks first in the world in terms of the ratio of the volume of government debt to the gross national product at a rate of (238 percent) in 2019)) and it is expected to reach to

(264%) in (2025), then Italy in the third place, and then the United States comes in the size of the government's debt, and it may reach (26.55 trillion dollars), which is equivalent to (108%) of the American gross national product, and it is expected that it will reach (137%) In the year (2050). (1 -National debt –statistic and Facts : at . www/statistia.com/to/pics/836/national-debt/)

On the level of developing countries, the problem of indebtedness and its current reality is very different from the debt crises in the past, in light of the growing internal and external problems of the economies of these countries in general and low-income countries in particular, after the change in the debt structure from soft (soft loan) to difficult (Hard Loan), to The side of the mismanagement of indebtedness, and the global debt was not known to its present condition even in the seventies of the twentieth century, when external loans to developing countries were few and represented primarily (an official phenomenon), as at that time most of the creditors were from Bretton Woods institutions, and at that time more than The loans were granted in the form of low interest, i.e. grants in a privileged manner, and then after that period the size and structure of the external loans changed and witnessed an expansion in their size in many aspects according to the need of developing countries for productive projects that require the import of capital and intermediate goods. (2)(- Dr. TahaYounisHammadi, the external debt of some Arab countries and their role in political decision-making for the period (1985-2005), Center for Regional Studies, published research, p. 75.)

Accordingly, we must review the types of external loans. In terms of division, they are classified into (official loans) and other (informal private loans). As for official loans, they are bilateral or multilateral. As for bilateral loans, they are loans that are agreed upon by the government of two countries representing the parties to the contract and agreement. In terms of bilateral or multilateral loans, they are loans that are negotiated through the borrowing country or one of the parties responsible for this and entrusted with a mission with the international multilateral financial institutions represented by (IMF) and (WB) or regional institutions, which are represented by (the Arab Monetary Fund The African Development Bank and the Asian Development Bank (where they are represented are cooperative institutions, which were established by a group of countries in a particular region and their mission since its establishment is to provide loans to the affected countries, which include members and non-members of the region, and these institutions are considered as an official long-term lending market These loans provided by these institutions are called (easy loans)(1) (- Commercial loans, available at the following link: <https://www.meemapps.com>) .If they are compared to commercial loans. (3) - *SobhiTadrosQuraissa and Mahmoud Younes, Introduction to Economics, Beirut, Dar Al-Nahda Al-Arabiya for Printing and Publishing, 1984 - pg. 479*

Whereas commercial loans are defined as (a debt-based financing procedure between a commercial institution and another financial institution, such as banks, and according to certain conditions, where institutions and companies resort to commercial loans usually to obtain financial liquidity for the development of their business and to finance major capital expenditures or cover operational costs that the company may be able to bear them, such as paying workers' dues and purchasing necessary equipment and devices, and this loan is repaid through the company's surplus profits, and the repayment period for these loans may range between one month, and that is why these loans may be called (Short Term Loans). , this is with regard to official private loans. As for private (informal) loans, it has been defined as (large companies exporting goods for the borrowing country, and the advantage of these loans restricts the country granting loans to buy from it exclusively, as export prices exceed international prices. These loans are guaranteed by the government. (2) (- IrfanTaqi Al-Hasani, International Finance, Majdalawi Publishing House, 1, Amman, 1999, p. 73) As for loans from commercial banks, they are facilities by banks, which are provided by some foreign banks with interest collection from them.

With regard to loans from commercial banks, they are facilities by banks, which are provided by some foreign banks, with interest collection from them. On the one hand, what distinguishes official sources from private ones is the easy lending terms in terms of duration and maturity, and interest rates are low, while private ones are the opposite. It does not apply to those conditions. (3) (- Ali Tawfiq Al-Sadiq and others, Public Debt Policy and Management in the Arab Countries, Abu Dhabi, Abu Dhabi Printing and Publishing Company, 1998-pg. 177.) Also, external loans are divided and other types vary in terms of content, and they may be divided into project loans to finance certain types of projects, and other disbursed financing loans, so that the borrower has no choice to dispose of them, and this takes place according to the terms of the contract and the location between them.(4) (- Dr. Attia Fayyad, Stock Market in the Balance of Islamic Jurisprudence, Universities Publishing House, available and published on the following website: www.Neelfurat.com)

It is noticeable that there are many forms of granting aid and loans in international societies as a means in addition to loans, especially since many countries have resorted to loans as they could not get out of the cycle of indebtedness, and this is due to the special circumstances of the country and economic factors. American International Development, which provides special grants to troubled countries on the terms of these grants and aid which sets a special framework for assistance in accordance with policies agreed upon by the two parties to confront and develop solutions to some of the difficulties in those countries. (5) (- Dr. Attia Abdel Wahed, Principles and Economics of Public

Finance, a comparative study of Islamic thought, Dar Al-Nahda Al-Arabiya, Cairo, 2000, p.) , There are conditions for external loans represented as follows: (1) - Sabah Majeed Al-Obaidi, External loans and the problems of developing countries towards them (Arab countries as a case study), Journal of Administration and Economics, Al-Mustansiriya University, No. 51, 2004, p. 5.

✚ Grace period.

✚ Maturity period.

✚ Interest rate .

✚ Soft Loans

✚ Hard Loans

To clarify the nature of these two types of loans, we divide them as follows:

1- Soft loans may be characterized by several advantages and characteristics, including:

A - The interest rate is very low, approximately (1%).

B - The repayment period is long, up to (40 to 50) years.

C- The grace period is relatively long, about (10) years.

D- The height of the grant element.

2- Hard loans, which are the opposite of soft loans, and their advantages are the following (2):- (- Dr. Muhammad YunusYahya Al-Sayegh and Dr. Abdul Basit Ali Jassem Al-Zubaidi, a previously mentioned source, p. 147.)

A- Interest rates are high and are determined according to the prevailing market rate.

B - The repayment period is low, which may reach less than one year.

C - The grace period is low.

D - There is no grant element or "relative weakness".

Second: The volume and structure of external loans to developing countries

1- **The Size** The dimensions of the volume of loans to developing countries were represented by the phenomenon of capital export to low- and middle-income countries, as it is a phenomenon inseparable from the development of capitalism and the transformations that occurred in the position of external debts owed by a group of developing countries (3)- (*AmalKahairi, The reasons for the emergence of the crisis of the external indebtedness of developing countries, published research, Journal of North African Economics, No. (3), p. 137*), and in general it may result in Increasing the indebtedness of developing countries, resorting to international financial markets to include their need for capital, whether long-term loans or short. (1) (- Dr. Sami Hamid Al-Jumaili, The Problem of External Debt in Developing Countries (Reality and Prospects). The Islamic University Journal, No. 16, 2005, p. 303.) Within this context, we will review the volume of loans to the group of developing countries, to which countries No. (1) refers. We note from the table that in the year (2000) long-term loans were recorded (1733) billion dollars. For the same year, the public debt service amounted to 197.4 billion dollars in debt installments, while the interest was about 92 billion dollars. In 2005, the total loans amounted to 2532 billion dollars, while long-term loans recorded (1973) billion dollars. And the use of the Fund's credit was (69.4) billion dollars, while the long and withdrawn loans amounted to (366.6) billion dollars. As for the global debt service, debt installments amounted to (272.5) billion dollars, and the interest on this debt was about (81.9) billion dollars. In the year (2008) It is the year in which the global financial crisis occurred, where the total loans amounted to about (2362) billion dollars, and the long-term loans amounted to (2511) billion dollars, and the credit ratio to the International Monetary Fund was (48.4) billion dollars, and the long-term and withdrawn loans amounted to (615.5) One billion dollars, and public debt service through debt installments was recorded (386.6) billion dollars, and the interest on this debt amounted to (104.3) billion dollars.

In the second part of the global crisis in (2009), we note an increase in total loans, long-term loans, and the use of IMF credits and long-term loans withdrawn by about (3542, 2643, 14907, 54596) billion dollars, respectively, and this rise comes to address the repercussions on The economies of these countries (low-income and middle-income) and to address the decline in macroeconomic indicators (high unemployment, inflation and a decline in their export returns). In the previous table, we note the rise in the previous indicators in (2014) after the decline in the prices of raw materials, foremost of which is crude oil, and in the period (2015-2018) took a moderately upward trend, but increased significantly in (2019) due to its weak performance and the need for more external loans, which requires restructuring many developing countries.

Table No. (1) The volume of loans to the group of developing countries (billion dollars)

Statement / years	total loans	long term loans	Use of IMF credit	loans long-term withdrawn	debt service	
					debt premium	Benefit
2000	2091	1733	78.4	222.4	197.4	92.0
2005	2532	1973	69.4	366.6	272.5	81.9

2007	2994	2260	33.1	584.0	335.4	97.3
2008	3262	2511	48.5	615.5	386.6	104.3
2009	3542	2643	149.7	545.6	418.6	98.9
2010	4024	3133	154.5	642.2	382.6	106.4
2011	5299	3574	154.4	770.4	400.0	124.1
2012	5872	4002	146.1	852.3	406.7	151.7
2013	6638	4438	128.4	929.0	478.6	412.1
2014	7071	4754	113.8	969.0	549.9	154.2
2015	6669	4750	113.7	803.1	593.9	150
2016	6623	4924	112.0	950	700	170
2017	7317	5281	112.0	1105	703	185
2018	7719	5433	150	1052	769	205
2019	8139	5801	170	1191	860	222

Sources: -world Bank Group, International DEBT STATISTICS, Washington, DC, 2014, p.3, 2017, p.27, 2021, p.35.

After analyzing the credits of the International Monetary Fund provided to developing countries, it is necessary to refer to the loans and credits provided by the World Bank by regions and regions, to which Table No. (2) refers. The volume of loans and credits provided by the World Bank borrowed by regions and regions and for selected years (2000-2020) is noted. As Table (4) indicates that the volume of loans and credits provided by the Bank for the fiscal years (2000-2004) to the African region, the loans provided by the International Bank for Reconstruction and Development amounted to (3435) million dollars divided between the loans of the World Bank at a rate of (30.9). One million dollars, and the International Development Association (3404,1) million dollars. As for the year (2010), the volume of loans provided by the International Bank for Reconstruction and Development was (11437) million dollars, divided between the loans of the World Bank, which amounted to 4258 million dollars, and the IDA loans The International Development Fund amounted to (7179) million dollars.

As for the year (2015), the volume of IBRD loans amounted to (11569) million dollars, divided between the loans of the World Bank, which amounted to (1,209) million dollars, and the loans of the International Corporation, which amounted to (10360) million dollars. The loans and credits provided by the International Bank for Reconstruction and Development for the year (2020) totaled (20,820) million dollars, and were divided between World Bank loans (1725) and IDA loans (19,095) million dollars. From the International Bank for Reconstruction and Development for the years (2000-2004) amounted to (2550.4) million dollars, divided between loans from the World Bank and the International Development Association, where the loans of the International Bank for Reconstruction and Development amounted to (1,767.5) million dollars, while the loans of the International Corporation amounted to For development (782.9) million dollars, as the volume of loans provided by the World Bank took an escalation in the year (2010) and the total amounted to (7517) million dollars, while the appropriations provided by the International Bank for Reconstruction and Development amounted to (5865) million dollars.

The credits and loans from the International Development Association amounted to (1652) million dollars, while we see the path of loans and credits in the year (2015) decreased and amounted to (6342) million dollars divided between loans and credits of the World Bank (4539) and the loans of the International Development Association (1803) million dollars As for the fiscal year, the fiscal year (2020), the volume of loans provided by the World Bank gradually increased and the volume of loans reached (7270) million dollars, divided between loans of the International Bank for Reconstruction and Development, which amounted to (4770) million dollars, and the loans of the International Development Association, which amounted to (2500) million dollars.

As for the South Asia region, we note that the volume of loans provided by the International Bank for Reconstruction and Development totaled in the fiscal years (2000-2004) amounted to (3041.4) million dollars, divided between the loans of the World Bank, which amounted to (1027,5) million dollars, and between loans and credits International Development Association (2013.9) million dollars.

While the credits and loans provided by the World Bank in the year (2010) amounted to about (9,290) million dollars, divided between the World Bank, whose loans and credits amounted to about (6689) million dollars, and between the loans of the International Development Association, which amounted to (4645) million dollars, and it is noted that their decline In the year (2015) and after that, it began to rise, as the total loans provided by the World Bank amounted to about (11657) million dollars, divided between loans and credits of the Bank and the International Development Association.

As for the Europe and Central Asia region, the total volume of loans for the fiscal years (2000-2004) amounted to 3557.5 million dollars, divided between the World Bank and the International Foundation, while the path of the volume of loans began to rise for the year (2010), when the total loans provided by the Bank In the year (2015) the volume of loans continued to gradually increase, reaching (7206) million dollars, while in the fiscal year (2020) the volume of loans began to decline, reaching (7196) million dollars.

(Table 2
Loans and credits provided by the World Bank to borrowing countries by regions and regions (2000-2020)
million dollars

Statement / area	The donor of the loans and credits granted	2000-2004 Annual average	2010	2015	2020
Africa	The World Bank	30,9	4258	1,209	1725
	International Development Association	3404,1	7179	10360	9095
	Total	3435	11437	11569	20820
East Asia and the Pacific	The World Bank	1767,5	5865	4539	4770
	International Development Association	782,9	1652	1803	2500
	Total	2550,4	7517	6342	7270
South Asia	The World Bank	1027,5	6689	2089	5565
	International Development Association	2013,9	4645	5762	6092
	Total	3041,4	9290	7851	11657
Central Europe	The World Bank	2976,7	10196	6679	5699
	International Development Association	580,8	620	527	1497
	Total	3557,5	10816	7206	7196
Latin America and the Caribbean	The World Bank	4708,4	13667	5709	6798
	International Development Association	265,5	240	315	978
	Total	4793,9	13907	6024	7776
Middle East and North Africa	The World Bank	673,7	3523	3294	3419
	International Development Association	102,5	214	198	203
	Total	825,7	3737	3492	3622
Total areas	The World Bank	11184,7	44198	23519	27976
	International Development Association	7199,2	14550	18965	30365
	Total	18383,9	58744	42484	58341

Sources:- The World Bank, The Report of the International Bank for Reconstruction and Development 2005.

Washington, The World Bank Group 2005, pp. 3, p. 37, p. 45, p. 49, p. 53.

The World Bank, The Report of the International Bank for Reconstruction and Development 2005. Washington, The -
 .World Bank Group 2010, pp. 31, p. 29, p. 27, p. 25, p. 23, p. 21

The World Bank, The Report of the International Bank for Reconstruction and Development 2005, Washington, The -
 .World Bank Group 2017, pp. 37, p. 41, p. 45, p. 49, p. 53

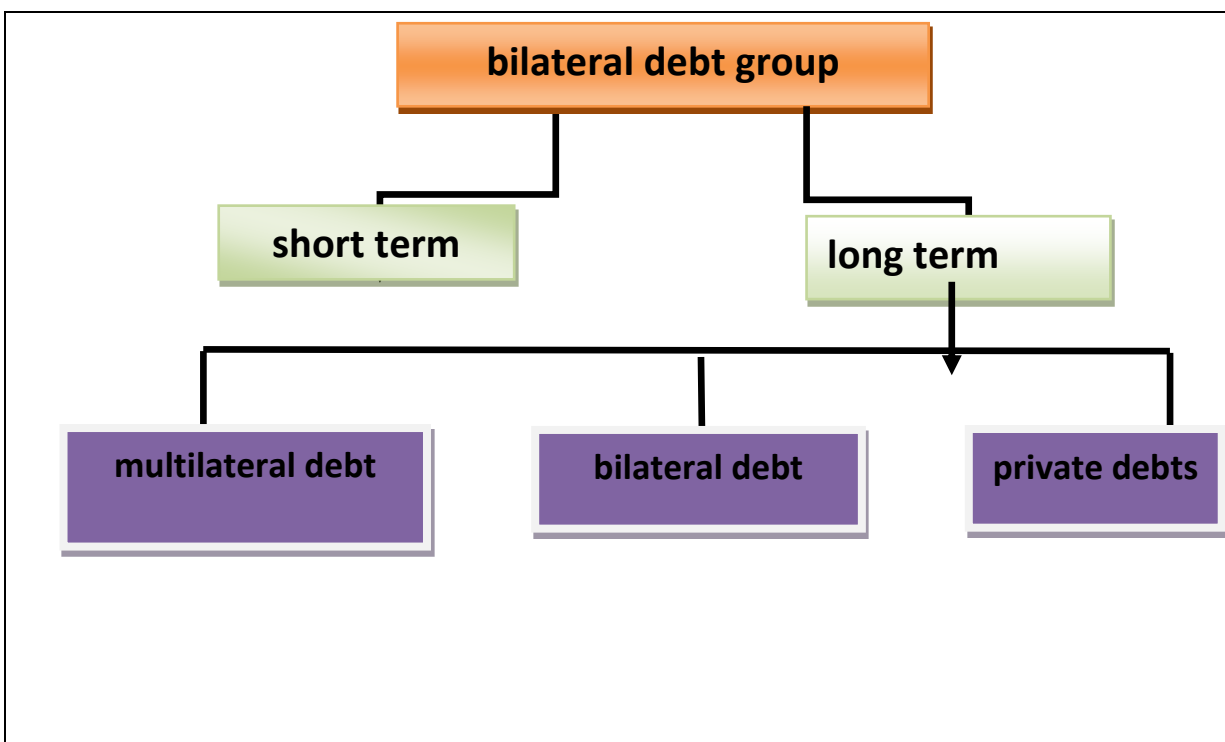
The World Bank, The Report of the International Bank for Reconstruction and Development 2005. Washington, The -
 World Bank Group 2020, pp. 18, p. 22, p. 27, p. 30, p. 34, p. 38.

2- Structure of debt

A- Structure of total financial flows to developing countries

Figure (1) shows a simple description of the debt structure, and we note that long-term debt is divided into three categories, (private debt, bilateral debt, and the latter is debt from multilateral parties), and long-term debt is usually more than a year and short-term debt is less than year as we have indicated in the concepts.

Structure of external loans for developing countries



Source: Created by researchers

It is appropriate to show the structure of the total financial flows of developing countries (low-income, middle-income) and it is noted from Tables (3) and (4) the size and proportion of the main types of financial flows to this international group, which consist of (gross loans, net foreign direct investment flows and remittances). workers residing from these countries to their home countries), and it is clear that the volume of loans increased in (2009) to (170.8) billion dollars, after it amounted to (184.3) billion dollars in (2008), the year in which the global financial crisis occurred. (A.J.M) decreased from (498.4) billion dollars in the last year to (360.8) billion dollars in (2009), and the same applies to workers' transfers and their decrease from (280.9) billion dollars to (270.9) billion dollars this year. last compared to the year (2008), in (2015) the volume of external loans decreased and recorded a negative volume of (-319.2) billion dollars as a result of the reverse transfer of resources, in other words the transfer of financial materials from debtor countries to creditor countries and entities, and the same is true of net (AJM) except Workers' remittances received a small increase of about (13) billion dollars, compared to the year (2014) and this year, which witnessed a decrease in the prices of raw materials, including crude oil. Both official debt and private debt.

B - The structure of the external debt of developing countries Table No. (4) shows the structure of the external debt, and we can derive from two essential points:

The first: the annual growth rate and the percentage of official debt's contribution to the total loans to record negative rates in most of the period of the table, and since the year (2009) the percentage of these debts from the total loans decreased from (65.1%) to the end of the period of the table, and we conclude the decline of easy debts with their known conditions.

The second: the escalation of the relative importance of private loans, as well as the positive rates of annual growth rates for these loans recorded in many periods of the previous table. We conclude that this type of loans has become the last resort for this international group, despite the difficult conditions imposed by the creditors.

Table No. (3) The structure of the total financial flows of developing countries for the period (2008-2019)
,Millard of dollars

Statement /years	Debt flow structure			net inflows of foreign direct investment	Employee transfers	net remittances
	Long term	short term	total			

2008	210.6	-26.3	184.3	498.4	280.9	963.6
2009	137.9	32.9	170.8	360.8	270.9	802.59
2010	288.5	44.9	716.4	524.3	299.3	1540
2011	411.9	306.6	718.5	602.3	337.2	1658
2012	471.4	122.8	594.2	537.0	363.0	1494.2
2013	448.8	362.2	813.9	567.4	380.3	1762.1
2014	392.2	143.5	535.7	505.0	410.4	1451.1
2015	160.9	-479.7	-319.2	469.0	424.0	413.3
2016	254.7	-36.0	218.7	462.4	411.7	1092.8
2017	405.9	326.7	732.6	462.9	442.9	1638.4
2018	313.4	218.3	531.9	490.4	478.6	1500.9
2019	353.1	29.8	389.8	479.4	494.8	1364.0

Sources: -WORLDBANK GROUP, International Debt statistics,2019,NW,Washington, DC,P.4,2020,P.5,2021,P.5.

Table No. (4) Structure of the external debt of developing countries) billion dollars

Statement / years	official debt			Private debts			TOTAL		
	the size the	The Rate of growth	%	the size the	The Rate of growth	%	the size the	The Rate of growth	%
2008	28.7	—	13.6	181.9	—	86.4	210.6	—	%100
2009	79.5	%63	65.1	42.5	%_32.8	34.9	122.0	0.4	%100
2010	63.9	%_24.4	22	244.6	82.6	88	288.5	57.7	%100
2011	32.6	%_96.0	8.0	379.3	355	92	411.9	29.9	%100
2012	34.6	% -5.4	7.3	436.8	13.0	92.7	471.4	12.6	%100
2013	32.8	%_5.7	7.3	416.0	_5.0	92.7	448.8	-5.0	%100
2014	53.1	%38	13.5	339.1	_22.6	86.5	392.2	-14.4	%100
2015	51.8	% -2.5	32.1	108.8	_211.0	77.9	160.9	-143	%100

2016	61.5	%15.7	24.1	193.2	4.2	75.9	254.7	36.8	%100
2017	57.7	%_6.5	14.2	348.2	44.5	85.8	405.9	37.2	%100
2018	82.0	%29.6	26.1	231.4	_50.4	87.9	313.4	-29.5	%100
2019	68.0	%20.5	15.0	285.1	18.8	85.0	353.1	11.2	%100

Sources: -WORLDBANK GROUP, International Debt statistics, 2019, NW, Washington, DC, p.4, 2020, p.5, 2021, p.5.

Third: Indicators of External Indebtedness The Executive Boards of the International Monetary Fund, the World Bank and the International Development Association (IDA) defined the Debt Sustainability Framework for Low-Income countries in April 2005, and it is a tool to be developed Among the multilateral financial institutions through their staff's proposals to measure the resilience of low-income countries in particular, and the last review of this framework by the Executive Boards was in September (2017).

Table No. (5) shows the thresholds for the debt burden indicators criteria. Before addressing these indicators, we must clarify these thresholds as follows (1): Toint world Bank .I.M.F Debtsustainability Framework for Low-Income countries March ,12,2020 .

a) Low risk threshold, which is in the event that no debt indicators exceed the specified thresholds.

b) The average risk threshold, which is in the event that any of the indicators mentioned in Table No. (5) is exceeded, meaning that the country does not currently face any difficulties in repaying its loans.

c) High risk threshold: When the country actually faces difficulties in servicing its debts in the short term, and there are arrears or debt rescheduling, the following terms may be used to define debt indicators, including:

-DOD:-Debt outstanding Disbursed.

- GNP:- Cross Domestic product

XGS:-Export of Good and Services

-TDS:-Total Debt Services

RES:- International services

The following is an explanation of these indicators.

Table (5) Thresholds for debt burden criteria

Indications threshold /	ability to pay		Liquidity		Public Debt Ratio total to output GDP
	DOD/GNP	DOD/XGS	EDS/XGS	EDS/RES	
Weak	30	140	10	14	35
Average	40	180	15	18	55
Dangerous	50	240	21	23	70

Source:- Toint world Bank .I.M.F Debt sustainability framework for Low-Income countries Marc

Third: - Indicators of the burden of external loans

First: Indicators of ability to pay

It reflects the extent of the economy's durability and strength, and the stability and stability of the national economy, as well as its ability to borrow. It includes the following indicators:

(1) Ratio of foreign loans to gross national product (DOD/GNP)⁽¹⁾- Abdul KarimJaber Al-Issawi, International Finance, a previously mentioned source, pp. 29-30

This indicator refers to the percentage of what the lenders deduct from the gross national product, as the latter is the main downstream of all activities that take place in the state, as the development in any economic activity must be reflected in the development of the national product, as this development requires more investments that exceed The available local resources, which in turn require financial resources through external loans, which in turn lead to an increase in burdens as a result of increasing their service, especially since the components of this product in a large part are generated by the service sector.

(2) Ratio of foreign loans to export earnings: (DOD/XGS)

This indicator was adopted on the basis that countries' earnings from their merchandise and service exports are the main sources of foreign exchange. This indicator reflects the deterioration of the creditworthiness of the borrowing countries and at the same time gives a clear picture of their exports, and the rise in this indicator gives a drop in the ability to pay index.

Second: Liquidity indicators

These indicators reflect the adequacy of exports, national output and external reserves of the national economy to cover its external obligations, especially with regard to paying the value of imports and servicing foreign loans. Liquidity indicators usually include the following:

(1) External loan service rate to exports of goods and services: (TDS/XGS)

When the debt service rises, this indicates the extent of the burden borne by the economy of the debtor state in comparison to the remaining export proceeds in order to finance the necessary imports, and from this logic the interest of the creditors is noted in the interest of this indicator to see the ability of the debtor agencies that deal with them and their ability to pay, which is A simple scale that does not need to be complicated and is calculated as in the following formula: -

Loan service rate = (installments + interest) / (exports proceeds)

(2) Loan service ratio to gross national product: (TDS/GNP)

This percentage indicates an increase in real deductions from a real indicator, which in the event of its escalation will negatively affect the national economy of the state. ⁽¹⁾ Abd al-Karim Jaber al-Issawi, Guardian Funding, a previously mentioned source, pp. 31-32

With regard to the position of external liquidity, liquidity depends on the proceeds of foreign exchange, which itself depends on the proceeds of exports, as well as on the role of foreign capital of all kinds (loans and aid), as well as on the emergency increase in imports, as well as on the position of the state from the International Monetary Fund. These factors are of a volatile nature

and unstable, and these international reserves are usually small in most developing countries, including Arab countries, and this is due to two reasons: The first reason: the depletion of many international reserves during the eighties. The second reason: the growth of the volume of foreign debts, with the increase in annual withdrawals to finance programs and plans, especially after the global recession (1982-1981).

Third: Indicators of political and social risks

✚ The percentage of the ability to pay indicators for the three levels (weak, moderate, dangerous) during the chosen period, except for the year (2000) did not exceed (2000) the percentage in its weak threshold was more than () the percentage in its weak threshold was more than (30%) for the (DOD/DOD) indicator GNP), and about (140%), and for the (DOD/XGS) index, it was achieved in the following years, but it rose in (2019) to

About (25%) and (107%) respectively for the two indicators, and it is worth noting that these indicators include all these countries and not individual countries or the sample countries chosen by the researcher, and the third indicator is in the ability to pay (RES)/DOD, which expresses The size of the international reserves of these countries, it started low in (2000) and then started to rise in other years, and this showed the ability and strength of external liquidity and then the energy to face the accumulated burdens due to the increase in their loan withdrawals and vice versa, and in the years (2018) and (2019) witnessed a decrease in this percentage.

✚ As for the liquidity indicators and the (TDS/XGS) index, it started high in (2000), then higher than the dangerous threshold of (23%), then decreased in (2005) to about (13.4%) and maintained its percentage that exceeded the weak threshold in the years However, it approached the average threshold in the years (2018) and (2016), while the indicator (TDS/RES) started to rise in (2000) and then began to decline in other years, this indicates an improvement in international liquidity. Otherwise, the years (2018) and (2019) witnessed an increase in this indicator due to the increase in external debt service, which makes it a permanent need for more financial flows, especially external loans.

Table No. (6) (Indicators of the external debt of developing countries)

Indicators / years	ability to pay		Liquidity	
	DOD/GNI	DOD/XGS	TDS/XGS	TDS/RES
2000	36.7	139.5	22.0	45.8
2005	26.9	80.9	13.4	18.7
2008	21.9	62.9	9.9	15.1

2009	23.7	85.0	12.0	14.3
2010	22.7	75.4	11.0	9.1
2015	25.8	97.8	11.9	12.8
2018	25.0	101.0	14.0	18.3
2019	26.0	107.0	15.0	19.5

Source:- Toint world Bank .I.M.F Debt sustainability Framework for Low-Income countries March ,12,2020 .

Fourth: Net remittances to developing countries

To find out the net transfers to developing countries is very important, as it gives us a picture of the evolution of the debt balance and thus to determine the extent to which these debts are benefited by the economies of developing countries, in other words answering the questions that the group of developing countries suffers from the phenomenon of transformation of materials, that is, it is they that finance the borrowing countries The international multilateral institutions (the International Monetary Fund and the World Bank) through the superiority of interest over debt installments. Table No. (9) shows the net transfers. We note the development of the size of the existing debt as it recorded the phenomenon of transferring resources in the years (2000, 2001, 2002), which are the years that I witnessed the attack on the World Trade Center in the United States and the reflection of this international event on the flows of capital from developed countries to developing countries, while we note the opposite in the years (2009, 2010, 2011, 2012, 2013, 2014) we note the stability in capital flows While we see in the year (2015) the development of the size of the existing debt and we note changes in capital flows, after which the capital flows stabilized in the years (2017, 2018, 2019) and What is shown in the following table:-

Table No. (7) Evolution of the Debt Balance and Net Transfers (Long-Term Public Debt for Developing Countries During the Period (2000-2019))

Indicators / years	Public debt		Long-term outstanding debt		Long-term outstanding debt from the World Bank	
	the size	net transfers	the size	net transfers	the size	net transfers
2000	2040.8	-102.94	1324.24	-40.77	190.42	0.14
2001	2045.77	-52.8	1314.99	-26.31	193.36	-0.05
2002	2093.97	-80.27	1387.81	-45.8	202.93	-6.92
2003	2286.99	-7	145.58	-59.79	213.92	-7.83
2004	2434.51	13.49	1483.83	-50.98	222.14	-2.32
2005	2429.27	25.75	1309.2	-93.14	213.46	-1.74
2006	2635.5	73.11	1246.13	-107.7	187.13	-5.3
2007	3143.18	323.28	1353.02	8.13	197.43	-0.5
2008	3367.57	57.2	1413.84	-8.66	204.19	2.1
2009	3618.48	41.99	1596.47	52.02	220.57	12.96
2010	4301.43	571	1733.83	114.42	238.5	19.65
2011	5061.19	551.9	1869.16	82.88	242.21	2.52

2012	5612.79	391.28	2069.05	138.95	252.04	8.72
2013	3680.93	616.61	2259.03	140.18	265.86	10.18
2014	6821.78	238.53	2404.04	124.24	270.11	11.77
2015	6340.39	-537.48	2414.66	13	278.09	10.22
2016	6623.4	62.5	2559.34	65.9	287.41	10.22
2017	7317.42	479.61	2882.44	174.98	310.58	7.8
2018	7718.98	245.83	3053.04	107.9	319.73	8.99
2019	8139.14	72.52	3270.76	102.09	337.73	12.35

Source:- Evolution of the external debt of developing countries between 2000 and 2019.

Fifth: International initiatives and attempts by international institutions to ease the debt burdens of poor and middle-income countries.

The issue of debt is one of the axes and attention of the International Monetary Fund through the International Monetary Fund, through an important issue, namely that debt represents a heavy burden on the shoulders of poor countries, as debt has become a matter that poses a threat to correction, growth and economic progress.

From this point of view, we will talk within the context of international initiatives. We mention three international initiatives, including the following: - ⁽¹⁾ (HIPC, the latest IMF initiative to ease debt burdens for poor countries, October 2016, January 15, 1998, 30, available at the following link: <https://www.albayan.ae/economy/1998-01-30-1.100708>)

1- Heavily Indebted Poor Countries Initiative :

The Heavily Indebted Poor Countries Initiative (HIPC) is a major debt relief initiative that aims to reduce the external debt burden of low-income countries alongside the Multilateral Debt Relief Initiative (MDRI). The International Monetary Fund and the World Bank launched the Heavily Indebted Countries Initiative in 1996) Its objective was to reduce the external debt burden of poor, highly indebted and highly indebted countries to a level that the two institutions consider (possible). A full and comprehensive review of the initiative was conducted in 1999 in order to increase debt relief and strengthen the links between debt relief, poverty reduction and policies Social .⁽²⁾ (United Nations, Promotion and protection of all human rights, civil, political, economic, social and cultural, including the right to development, 2013, June.11, p. 5, available at the following link: <https://scholar.google.com/scholar>)

Within the framework of this initiative, debt reduction and its burdens by taking various forms, including cancellation or (exemption), restructuring and rescheduling, and here is meant by restructuring “a process whereby the creditor and debtor agree to change previously specified conditions for the payment of debts, and this may include members of the debt (termination of debts) As for the re- Rescheduling means “modifying the payment schedule by extending the period, or providing a new refinancing loan, or rescheduling refers to the postponement of the due payments including Including interests for a limited period of time in order to reduce short-term debt service obligations and thus provide reduction to the debtor country and also includes rescheduling and members” ⁽³⁾ (United Nations, Promotion and protection of all human rights, civil, political, economic, social and cultural, including the right to development, 2013, June, *ibid.*)

The value of the total costs, net of present value, incurred by the Fund for its participation in the Comprehensive Heavily Indebted Poor Countries Initiative, is currently estimated at about (304.0) million Special Drawing Rights, equivalent to about (480.5) million US dollars in (2009). Where the total debt relief payments are estimated at (50.1) million US dollars for the last year, and in terms of commitments, the International Monetary Fund has committed to date amounts required to relieve the debts of all heavily indebted poor countries. The number of (international monetary to date) amounts required to relieve the debts of all the 34 heavily indebted poor countries that have reached the decision point. ⁽¹⁾ (United Nations, *Ibid*) ,In terms of financing the Fund for Debt Relief, the Fund may finance its participation in the Heavily Indebted Poor Countries Initiative through external contributions “provided directly to the Fund or transferred through the HIPC Trust Fund managed by the World Bank” and from its own resource ⁽²⁾ (- Enabling poor rural people to overcome poverty, IFAD's participation in the Heavily Indebted Poor Countries Debt

Initiative, Progress Report, Board of Governors - Thirty-third Session Rome, 17-18 February 2010, p. 3.) Within this context, we will mention the amounts provided for debt relief by the Fund and mention the participation of Member States in the Heavily Indebted Poor Countries Debt Initiative According to the achievement point and the decision point, on (30) September (2009) the Fund provided (247.4) million US dollars for debt relief to (26) countries that have reached the completion point, and accordingly Table No. (8) represents the participation of member countries in the initiative and as follows :-

As for the conditions signed by the International Monetary Fund to implement the initiative on poor countries wishing to help, as Uganda was the only country in 1997 eligible to implement the initiative on it, and the Fund explains that the debt strategy it adopts is based on providing advice on economic policies, financial support and assistance to countries Members to face the problems of their debts due to official coincidences and commercial banks, as the main and important objective of the debt strategy is to help the creditor countries to achieve stable growth and a sound balance of payments position. Therefore, this strategy focuses on three main axes according to the classification of the Fund's bulletin in 1997, and these axes are the first of which is to encourage directed correction Towards growth and structural reform in the debtor countries, the second is to maintain a favorable global economic environment, and the third is to secure financial support from official sources, whether bilateral or multilateral.

It is worth noting that official debt rescheduling is linked to the Paris Club, which includes the official creditors, as the Paris Club constitutes a forum that brings together debtor countries and official creditors in order to reach agreements providing for the rescheduling of eligible outstanding arrears and a series of restructuring debt service payments. The Paris Club links debt relief operations with the implementation of economic programs approved by the International Monetary Fund, and when the Paris Club creditors take a decision on the rescheduling and its terms, they rely on the Fund's analysis and assessment of the debt situation in the country concerned ⁽¹⁾ (- HIPC, the latest initiative of the Monetary Fund to ease the debt burdens of poor countries, Ibid

* Conditions of the Naples Summit: - It requires canceling part of the debts owed by poor countries (67% maximum), and rescheduling the remaining part over a period of 23 years with a grace period of six years, in addition to adjusting interest rates according to market rates, provided that they do not exceed On the original prices of the rescheduled debt).

This initiative is implemented in two main phases:

The first stage: the debtor country continues to implement a strong program of correction and reform with the support of the IMF and the World Bank, and gets rescheduling from the bilateral creditors * on the terms of the Naples summit, which is usually reaching the decision point, and this point is that the country concerned to complete a good performance record for Three years, at which point the country's eligibility for assistance under the initiative is assessed.

The second stage: in which the country concerned continues to demonstrate a strong performance record in the light of a three-year correction program with obtaining international financial support from the international financial community, and its creditors are committed . This country will make its debt burdens at bearable levels at the end of the second stage (the point of completion). ⁽²⁾ (- HIPC, the latest fund initiatives, Ibid), and through what was presented about the initiative, we will talk about how countries that suffer from debt burdens belong to the initiatives framework in terms of how the country is qualified to enjoy the relief initiative Debt within the Heavily Indebted Poor Countries Initiative?

In order to answer this proposition, the country submitting the initiative includes several conditions in order to be eligible, including the following: - ⁽¹⁾) (The United Nations, the promotion and protection of all human rights, Ibid)

2- MULTIL ATERAL DEBT RELIEF INITIATIVE (MDRI),

Within the framework of international initiatives, and after we have clarified the HIPC Initiative, we will address the second enhanced Multilateral Debt Relief Initiative (MDRI), which came as a continuation of the Heavily Indebted Poor Countries Initiative, and in (2005) the Enhanced Heavily Indebted Poor Countries Initiative (HIPC) was supplemented by the Multilateral Initiative for Heavily Indebted Poor Countries (HIPC). Debt burden, which is designed to increase debt relief for HIPCs by the Multilateral Debt Relief Initiative and to provide the resources needed to achieve the Millennium Development Goals, and within the framework of the Multilateral Debt Relief Initiative, the International Development Association, the International Monetary Fund, the African Development Fund, and the Development Bank United States of America, provides 100% debt relief on eligible debts" i.e. loans granted by the International Monetary Fund, the African Development Fund and the Inter-American Development Bank by the end of September 2003 and those granted by the International Development Association by the end of December (2003) and is still due after the Heavily Indebted Poor Countries (HIPC) initiative to reduce in debt burdens. ⁽²⁾ (The United Nations, the General Assembly, the promotion and protection of all human rights, Ibid)

In March 2013, 35 out of 39 countries assessed as eligible or likely to be eligible under the Heavily Indebted Poor Countries Initiative had reached the completion point, and one country (Chad) was in the transitional phase from The Initiative While three countries (Eritrea, Somalia, Sudan) were at the decision point and had not yet started the process of qualifying for debt relief within the framework of the Initiative. ⁽³⁾ (Ibid)

According to the International Monetary Fund and the World Bank, these two international debt relief initiatives have helped significantly (Heavily Indebted Poor Countries Initiative and the Multilateral Initiative to Relieve Excessive Debt Burden in 36 countries beyond the completion point, giving them a fresh start and renewed possibility to obtain On financing development, where poverty reduction expenditures were renewed to obtain, amounting to about (73%) of GDP, and this was four times greater than debt service payments in (2017) (4).(International Monetary Fund, I.M.F POLICY PAPER, 2009, P.1)

3 - The initiative to suspend debt service payments for the leaders of the Group of Twenty.

The initiative to suspend debt service for the leaders of the Group of Twenty is an initial support for countries that need to bear the repayment of external debts ⁽¹⁾ (INTERNATIONAL CHAMBER OF COMMERCE , GLOBAL CITIZEN OPEN LETTER TO G20 FINANCE MINISTERS, 13 JULY 2020, P.5)

. This initiative provides for a package of measures, as a sign of the comprehensive commitment to completely eliminate any risk of erratic sovereign debt crises that exacerbate human and economic losses (COVID-19) as there is an urgent and critical need to ensure comprehensive measures to ensure that debt servicing does not prevent the development of the economy, as well as enable a global recovery that prioritizes health resilience, decent work and growth of the real economy, as well as created new institutional mechanisms to enable the full participation of creditors from the bilateral private sector in providing debt sustainability, as well as addressing any barriers to the full participation of private creditors by providing coordinated clarification on the implementation of applicable regulatory frameworks ⁽²⁾ opcit, P.1 . (The G-20 in the debt service suspension initiative received about (46) requests of the candidate countries around the world, most of them are from Africa, and accordingly, the initiative covered for the year (2020) a small percentage (1.66%) of the payments of developing debts, according to the European Network debt and development. ⁽³⁾ (The Group of Twenty, terms and details of an agreement to restructure the debts of poor countries, 2,27, 2021, available at the following link: <https://arabic.sputniknews.com/>)

On the other hand, under the initiative to suspend debt payments and within the period of extending this initiative, countries that did not meet the stipulated requirements are excluded from it, and each beneficiary country must fully comply with the limits related to the non-concessional debt terms agreed upon in the special debt ceiling policy in the International Monetary Fund. The initiative allows the countries entitled to benefit from it to suspend debt service payments in (2020) at a value of (5.7) billion dollars, as the number of countries entitled to that postponement (and the number of countries entitled to that postponement reached (73) countries, where the initiative allows up to to (12) billion dollars for those countries. ⁽⁴⁾) (- G20 Summit, Calls for Rich Countries to Reduce, 2,27, 2021, available at the following link: <https://www.aljazeera.net/ebusiness/2020/11/23/>)

The Conclusions

The following was found:

First: Loans differ in their nature, which are divided into multilateral official loans, private and commercial loans, and the first type is characterized by easy terms, while the second type is by difficult loans, and this division is due to the conditions for granting each of them.

Second: The World Bank and its group provide loans and credits according to regions and regions, and they are concentrated in regions that include developing countries, in line with development projects that aim to reduce poverty in the countries benefiting from them.

Third: Each of the Executive Boards of the International Monetary Fund has set a framework for measuring the indicators of the debt burden of the borrowing countries on three thresholds (poor, medium, and dangerous). The indebtedness of developing countries has reached dangerous limits in some years, especially in the liquidity indicators.

Fourth: The net financial transfers of the existing debts recorded negative rates in the second half of the first decade of this century. This phenomenon is called reverse transfers, meaning that the debtor countries finance the creditor countries, which is the opposite of the required case of resorting to external loans.

Fifth: Due to the different burdens of foreign loans according to the group of developing countries, some of their countries are called poor developing countries, which made the rich countries present international initiatives to reduce the burdens of foreign loans.

Sixth: The Group of Twenty presented an international initiative to postpone the repayment of external debt service for developing countries in 2020 (COVID-19) in light of the outbreak of the Corona pandemic.

The Recommendations:-

1. Reviving the economic and financial cooperation formulas between the countries (South - South) to provide markets to absorb the products of developing and emerging countries.
2. Finding financing alternatives with easy conditions, foremost of which is the establishment of financing funds whose capital is from developing countries.
3. Encouraging foreign direct investment between countries (developing - developing).
4. Facilitating labor transfers from the countries hosting them and reducing the costs of transferring them to the countries exporting them, especially to the labor intensive developing countries.
5. Reforming the economic systems of developing countries in line with the radical changes in the nature of the general economic system in the last decade of the last century.
6. The optimal use of external loans in the profitable economic sectors and fields, including the possibility to pay the service of these debts, and this is done through economic feasibility studies, accompanied by the reduction of political corruption by government authorities.

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