

Ireland Offers Malawi Aid After HIPC Compliance

BLANTYRE, Nov 5 (IPS) - Malawi's compliance with the requirements of the Heavily Indebted Poor Countries (HIPC) initiative has opened the door to a commitment by Ireland to increase aid to the Southern African country.

Over the next six years, Dublin will allocate a yet-to-be agreed amount of money to Malawi out of a total amount of about 1.9 billion dollars which has been set aside for nine developing countries. Ranked 165 on the United Nations Human Development Index, Malawi is one of the poorest countries in the world with a per capita income of less than 160 dollars. Malawi is the sixth country in Africa to be targeted for Irish aid -- after **Zambia, Lesotho, Mozambique, Tanzania and Ethiopia.**

Ireland is committing itself to deepening its support for Malawi as part of a decision to double its official aid expenditure by 2012. This year, Ireland spent almost 937 million dollars on official assistance. Irish President Bertie Ahern recently declared 2012 as the year in which his country intends to reach the United Nations target of spending 0.7 percent of gross national product on official aid.

This is ahead of the European Union's target date of 2015.

The debt cancellation deal comes after Malawi reached the completion point under the HIPC initiative, in which rich countries agreed to cancel some of the poorest countries' debt if they complied with certain policy prescriptions.

The International Monetary Fund (IMF) and the World Bank cancelled the bulk of Malawi's 2.9 billion dollars worth of external debt in September. According to the IMF, the debt cancellation was approved because the government of ex-economist and now Malawian president Bingu wa Mutharika "established a solid track record of good policy implementation".