

3ie-IFPRI Seminar

Debt reduction for life:

The Impact of the Heavily Indebted Poor Countries Initiative on Child Mortality

January 22, 2015

[Eric Djimeu](#), an Evaluation Specialist for the HIV/AIDS program at 3ie, presented his paper “Debt reduction for life: The Impact of the Heavily Indebted Poor Countries Initiative on Child Mortality” at the [3ie-IFPRI joint seminar series](#) in Washington D.C. on January 22nd. Djimeu’s paper evaluates the impact of debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative on child and infant mortality in sub-Saharan Africa. The paper exploited variability in participation across time and space to identify its causal effect.

The study sample consisted of the forty-eight sub-Saharan African countries, of which twenty-eight received debt relief under the HIPC Initiative between 1996 and 2012. The paper combined a difference-in-differences and propensity score matching strategy to compare HIPC countries to non-HIPC countries. Outcomes of interest included child and infant mortality, and government expenditure on health, education, agriculture, and transportation. Despite baseline differences in child and infant mortality between the two groups, pre-intervention data showed parallel trends in these differences for two decades preceding the intervention.

The paper finds a significant impact of participating in the HIPC Initiative on child and infant mortality in HIPC countries. Participation was associated with a 16.27% and 12.52% decrease in child and infant mortality, respectively. These effects were largest in the poorest HIPC countries and countries with a relatively low quality of governance and institutions. Additionally, the Initiative led to an increase in government expenditure in agriculture and education. Surprisingly, there was no increase in public health expenditure.

[Ezequiel Cabezon](#), formerly of the Asia Pacific Department at the IMF, served as the discussant. Cabezon commended Djimeu for his rigorous work quantifying the impact of a transnational debt relief programme. Cabezon suggested that the reduction in child and infant mortality, despite the absence of increases in public health expenditure, may best be attributed to improved administrative efficiency rather than increased resources. Audience comments and questions revolved around the process of country matching, secular trends in child and infant mortality, and Djimeu’s parallel trend assumption.