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INTERNATIONAL DEVELOPMENT ASSOCIATION
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CÔTE D'IVOIRE

Enhanced Initiative for Heavily Indebted Poor Countries (HIPC) Completion Point Document and Multilateral Debt Relief Initiative (MDRI)

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and the International Monetary Fund

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LIST OF ACRONYMS

AfDB	African Development Bank
AfDF	African Development Fund
BCEAO	Regional Central Bank
BOAD	West African Development Bank
CFA	West African Franc
DRA	Debt Relief Analysis
DSA	Debt Sustainability Analysis
ECF	Extended Credit Facility
EIB	European Investment Bank
EITI	Extractive Industries Transparency Initiative
EU	European Union
FAGACE	African Economic Cooperation and Guarantee Fund
HIPC	Heavily Indebted Poor Country
IDA	International Development Association
IMF	International Monetary Fund
JSAN	Joint Staff Assessment Note
MDRI	Multilateral Debt Relief Initiative
ODA	Official Development Assistance
PEMFAR	Public Expenditure Management and Financial Accountability Review
PETROCI	State Oil Company
PFM	Public Financial Management
PPG	Public and Publicly Guaranteed
PR	Progress Report
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
PRS	Poverty reduction strategy
PV	Present Value
RCF	Rapid Credit Facility
WAEMU	West African Economic and Monetary Union

EXECUTIVE SUMMARY

1. **In April 2009**, **the Boards of Executive Directors of IDA and the IMF agreed that Côte d'Ivoire had met the requirements for reaching the decision point under the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative**. The amount of relief committed at the decision point was $3,004.9 million in end-2007 present value (PV) terms. This was calculated to reduce the PV of eligible external debt to 250 percent of revenue at end-2007, implying a common reduction factor of 23.6 percent.

2. **IDA and IMF staffs are of the view that Côte d'Ivoire has made satisfactory progress in meeting the requirements to reach the completion point notwithstanding some delays related to the post-election crisis**. The first Progress Report (PR) on the PRSP (2009–12) was submitted to IDA and IMF staffs in April 2012; the associated Joint Staff Assessment Note (JSAN) will be considered by the Boards of IDA and the IMF jointly with this document. The staffs of IDA and the IMF have reviewed the PR and concluded that PRSP implementation and monitoring have been satisfactory. Côte d'Ivoire has maintained a stable macroeconomic environment as evidenced by broadly satisfactory implementation of the 2009 ECF-supported program until the eruption of the post-election crisis, the implementation of the RCF-supported program in 2011, and the completion of the first review of the 2011 ECF-supported program on May 11, 2012. Most other HIPC completion point triggers in the areas of public financial management, governance and transparency, debt management and social sectors have been met; however, the post-election crisis in late 2010-early 2011 resulted in interruptions/delays in the issuance of publications and the certification of conformity of the 2010 budget review law. The authorities are requesting waivers for the delays/interruptions in the related five triggers, and regular publications have resumed. IDA and IMF staffs support such waivers as satisfactory progress has been made before and after the post-elections crisis.

3. **The debt reconciliation exercise resulted in a slight upward revision of the stock of HIPC-eligible external debt in PV terms at end-2007**. This revision is due to the upward revision of debt to other official bilateral and commercial creditors, partly offset by a small decrease in debt to multilateral creditors. As a result, the end-2007 PV of debt after traditional relief has been revised from $12,759.3 million to $12,878.8 million, and the end-2007 PV of required HIPC assistance has risen from $3,004.9 million to $3,109.3 million.

4. **At completion point**, **Côte d'Ivoire has received assurances of participation in the Enhanced HIPC Initiative from creditors representing 98 percent of the PV of HIPC assistance at the decision point**. Almost all multilateral creditors have confirmed their participation. All Paris Club creditors have confirmed their participation, and the holders of Eurobonds have already delivered all of their HIPC relief. The authorities are working toward obtaining participation of all the remaining bilateral and commercial creditors.

5. **Côte d'Ivoire does not qualify for exceptional topping-up under the Enhanced HIPC Initiative**. After full delivery of HIPC assistance committed at the decision point the PV of debt-to-revenue ratio at end-2011 would decline substantially. The ratio would decline below the threshold of 250 percent after full delivery of additional bilateral debt relief beyond HIPC.

6. **Upon reaching the completion point under the Enhanced HIPC Initiative**, **Côte d'Ivoire will also qualify for additional debt relief under the Multilateral Debt Relief Initiative (MDRI)**. IDA would provide debt stock relief under the MDRI amounting to \$1,103.9 million in end-2011 PV terms, with the cancelation of almost all remaining IDA credits after HIPC relief. The AfDF would provide debt relief to Côte d'Ivoire under the MDRI \$156.2 million in end-2011 PV terms, canceling almost all of Côte d'Ivoire's post-completion-point repayment obligations to the AfDF. There will be no MDRI relief from the IMF, as all loans outstanding at end-2004 are fully repaid.

7. **Full delivery of HIPC Initiative assistance (HIPC**, **MDRI and additional multilateral and bilateral beyond HIPC assistance) at the completion point would considerably reduce the debt burden of Côte d'Ivoire**. The PV of debt-to-revenue ratio would fall from 336.8 percent in 2011 to 99.6 percent in 2012. Even with substantial external borrowing in the future, Côte d'Ivoire's debt ratios would remain below the policy-dependent threshold throughout the projection period. However, the country remains vulnerable to potential macroeconomic shocks.

8. **The staffs recommend that the Executive Directors of IDA and the IMF approve the completion point for Côte d'Ivoire under the Enhanced HIPC Initiative**.

I. INTRODUCTION

1. **This paper presents the progress made by Côte d'Ivoire under the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative**.[1] It recommends that the Executive Directors of the International Development Association (IDA) and the International Monetary Fund (IMF) approve the completion point for Côte d'Ivoire under the HIPC Initiative. In the view of the staffs, Côte d'Ivoire has met most completion point triggers; the remainder have not been fully met due to delays/interruptions related to the post-election crisis, and the authorities are requesting waivers for the related triggers in light of the satisfactory progress made before and after the crisis.

2. **In April 2009**, **the Executive Board of IDA and the IMF agreed that Côte d'Ivoire had met all requirements for reaching the decision point under the HIPC Initiative**. Executive Directors agreed that a total of US$3,004.9 million in PV terms would be required to reduce the PV of debt-to-revenue ratio to 250 percent, based on end-2007 data. This implied a common reduction factor of 23.6 percent. At the same time, the Boards of IDA and the IMF agreed to provide Côte d'Ivoire with relief through arrears clearance and interim debt relief, respectively, until the country reached its floating completion point. Relief through concessional arrears clearance and rescheduling was also granted by the African Development Bank (AfDB). Paris Club creditors provided debt relief through flow rescheduling and the London Club creditors through an exchange of old Brady Bonds for new Eurobonds, after an upfront 20 percent discount. The Executive Directors of IDA and the IMF decided that the completion point would be reached when the triggers set out in Box 3 of the Decision Point Document were met.[2]

3. **This paper assesses Côte d'Ivoire's performance in reaching the completion point under the HIPC Initiative and updates the debt relief analysis (DRA)**. The paper is organized as follows. Section II discusses Côte d'Ivoire's performance in meeting the triggers for the HIPC completion point. Section III updates the DRA including the status of creditor participation, and the delivery of debt relief under the HIPC and MDRI Initiatives. Section IV presents the main conclusions and Section V the issues for discussion by the Boards of IDA and the IMF. Appendix I presents the status of recent debt rescheduling agreements and Appendix II offers updates on debt management in Côte d'Ivoire. Appendix III updates the debt sustainability analysis for Côte d'Ivoire using the Low Income Country (LIC) framework. Appendix IV supplements appendix III by using a dynamic stochastic general equilibrium (DSGE) model to analyze the impact of scaling up public investment on growth and debt sustainability.

II. ASSESSMENT OF REQUIREMENTS FOR MEETING THE COMPLETION POINT

4. **In the view of the staffs of IDA and the IMF**, **Côte d'Ivoire has made sufficient progress for reaching the completion point**. While most triggers were completed, some have not been fully met because of delays/interruptions related to the post-election crisis and for which the authorities are requesting a waiver. The description of the triggers and their implementation status are presented in Table 1.

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[1] "Enhanced HIPC Initiative" is hereafter referred to as "HIPC Initiative."

[2] Decision Point Document for Côte d'Ivoire: "Republic of Côte d'Ivoire: Enhanced Heavily Indebted Poor Countries (HIPC) Initiative – Decision Point Document," March 12, 2009, WB Report No. P7715-CI. http://www.imf.org/external/pubs/cat/longres.aspx?sk=23033.0.

Table 1. Côte d'Ivoire: Triggers for the HIPC Initiative Completion Point

Measures	Status	Comments
Preparation of a full PRSP through a participatory process and its satisfactory implementation for at least one year, as evidenced by an annual progress report submitted by the government to IDA and the IMF.	Completed	The report was adopted by the Council of Ministers on March 28, 2012.
Maintenance of macroeconomic stability as evidenced by satisfactory performances under a PRGF-supported program.	Completed	IMF Executive Board approved the first review of the ECF program May 11, 2012.
Quarterly publication of budget execution reports (including revenue; expenditure by type, function, and administration/type, and by the different stages of budget execution; and identification of poverty-reducing spending) within six weeks after the end of each quarter, for at least the four quarters immediately preceding the completion point.	Not completed; interrupted due to post-election crisis; satisfactory progress has been made	Reports are regularly published on the Ministry of Economy and Finance website: (***http://www.finances.gouv.ci/fr/elements-de-gouvernance/execution-budgetaire.html***) Because of the post-election crisis, and the adoption of the 2011 budget only in June 2011, no reports were published between September 2010 and September 2011.
Certification of conformity (certification de conformité) by the competent authority of the draft budget review law (loi de règlement) for a given fiscal year, within the 10 months following the end of that fiscal year, for at least one year immediately preceding the completion point.	Not completed; delayed due to post-election crisis; satisfactory progress has been made	Certifications of conformity were issued for the budget review laws of 2006-10, though the one for 2010 was delayed (to 15 months) by the post-election crisis. The budget review law for 2011 has been submitted to the Audit Chamber for its review.
Establishment of an operational public procurement regulation authority (separate from supervision entities).	Completed	Following the adoption of the new public procurement code, the National Public Procurement Regulation Authority (ANRMP) was established by Decree 2009-260 of August 6, 2009, on the organization and functioning of the ANRMP. The ANRMP is operational since May 2010. ***(http://www.anrmp.ci/textes/decrets.html)***
Quarterly publication in the public procurement bulletin of the list of all contracts concluded and concession contracts granted (including by public establishments) for at least the fiscal year immediately preceding the completion point.	Not completed; interrupted due to post-election crisis; satisfactory progress has been made	Since 2009, the bulletins are regularly published, available online and in paper form, except reports were not published between April and May 2011 due to the post-election crisis.
Increase in the number of childbirths assisted by trained personnel to raise the rate of such deliveries to 65 percent on average nationwide (from 56 percent in 2006) during at least the year immediately preceding the completion point.	Completed	The rate of childbirths assisted by trained personnel rose from 67.5 percent in 2010 to 69.2 percent in 2011.

Table 1. Côte d'Ivoire: Triggers for the HIPC Initiative Completion Point (concluded)

Measures	Status	Progress and Comments
Distribution to 90 percent of students enrolled in all public primary schools of three textbooks covering French, mathematics, and civic education, during at least the school year immediately preceding the completion point.	Completed	In 2009–12, French textbooks were distributed to 93.8 percent of students, mathematics textbooks were distributed to 92.3 percent of students, and civic education textbooks were distributed to 90.1 percent of students.
Quarterly publication on the Treasury's website, within six weeks of the end of each quarter, of data on external and domestic public debt guaranteed by the government (stock, current debt service obligations due and actual debt service payments, loan disbursements) for at least the four quarters immediately preceding the completion point.	Not completed; interrupted due to post-election crisis; satisfactory progress has been made	The data on external and domestic public debt, as well as debt guaranteed by the government, are published on the Treasury's website (www.tresor.gov.ci) on a quarterly basis, since 2009; except data was not published between September 2010 and September 2011 due to the post-election crisis. These missing data have been published since, and the most recent data published are for end-March 2012.
Regular publication of a report on payments made to the government by the extractive industries and revenue received by the government from those same industries—mining, petroleum, and gas—in accordance with EITI criteria, along with a recent annual report, during at least the year immediately preceding the completion point.	Completed	The 2006–07 report on payments made to the government by the extractive industries and revenue received by the government from those same industries—mining, petroleum, and gas—in accordance with EITI criteria, has been available since April 2010. Reports for 2008–09 and 2010, including the mining sector, were adopted by the Steering Committee on May 10, 2012, and have been published.
Annual publication, within seven months of the end of the calendar year, of the certified financial statements of PETROCI, in accordance with international standards, during at least the year immediately preceding the completion point.	Not completed; delayed due to post-election crisis; satisfactory progress has been made	PETROCI's certified accounts for fiscal 2008 and 2009 were published, respectively, in July 2009 and July 2010 in the official gazette (*Fraternité Matin*). Despite the post-election crisis, PETROCI's accounts for fiscal 2010 were validated by the General Assembly and published on October 10, 2011 in *Fraternité-Matin*. Moreover, the report incorporating the auditor's assessment is published on the website of the Ministry of Economy and Finance.
Reduction of the overall taxation of cocoa production to no more than 22 percent of the c.i.f. price, as evidenced by (i) promulgation of the budget law; and (ii) an official communication to exporters, issued no earlier than five months before the start of the crop year.	Completed	The 22 percent ad valorem tax on the c.i.f. price of cocoa has been applied since the 2010/11 crop year and maintained for the 2011/12 crop year.
Adoption by the government of a new institutional and regulatory framework for the coffee-cocoa sector and satisfactory implementation of the functions under government responsibility for at least the six months immediately preceding the completion point, in accordance with its new strategy for development of the sector.	Completed	The coffee-cocoa sector reform was adopted by the Council of Ministers on November 2, 2011. Implementation over the first six months has been in line with benchmarks established in December 2011 by Bank and Fund staffs. Implementation includes the enactment of the new legal and regulatory framework, the establishment of the new regulatory body, and the timely start of forward sales and export permit auctions for the 2012–13 crop year.

A. Poverty Reduction Strategy

5. **The Cabinet adopted Côte d'Ivoire's new PRSP**, **called the National Development Plan (NDP)**, **for 2012–15 in late March 2012**.[3] The stated objective of the Plan is to make Côte d'Ivoire an emerging market economy by 2020. The Plan reflects the country's post-conflict situation and articulates five strategic aims: (1) people live in harmony in a secure society in which good governance is assured; (2) national wealth is increased, sustained and its fruits are distributed equitably; (3) the population, especially women, children and other vulnerable groups have equal access to quality social services; (4) people live in a healthy environment under adequate living conditions; and (5) Côte d'Ivoire repositions itself at the regional and international level. The design of the NDP included consultations held in all regions of the country; this was important given the need to signal inclusive policy-making and growth that would benefit all levels of society and areas of the country. This will strengthen security in the short term and contribute to national reconciliation over the longer term.

6. **Côte d'Ivoire now has the chance to reverse nearly three decades of rising poverty**. Ivoirien poverty rates have never recovered from the massive increases of the 1980s and early 1990s, when CFA overvaluation and the collapse of coffee and cocoa prices decimated the economy. The official poverty headcount ratio rose from 10 percent in 1985 to 34 percent in 1993 and 40 percent in 2002. More recently, the civil conflict and food price rises further increased poverty, to 43 percent by 2008 (the last survey-based measurement), with rural areas, where poverty rates exceeded 50 percent in 2008, suffering particularly.

7. **The NDP aims for a rapid build-up of investment and high growth rates to reverse longstanding increases in poverty**. While three growth trajectories are presented, the NDP focuses on the high-case scenario that foresees investment over four years of the order of $9 billion by the public sector and $13 billion by the private sector, leading to GDP growth rates in the range of 10 percent per year in 2012–15. Key investment projects, including targets for private-sector participation, have been identified. The Plan adheres to the principle that government should focus on its core functions (*fonctions régaliennes*, e.g., security, education, health, water and sanitation, infrastructure) while wherever possible private investment should be mobilized in sectors with market potential. The World Bank, IMF, and other development partners are committed to working with the government to try to realize these targets.[4]

8. **Progress under the previous Poverty Reduction Strategy (PRSP**, **2009–12) was reported on by the government in a Progress Report (PR) in March 2012**. The PR and the corresponding Joint Staff Assessment Note (JSAN) will be considered by the Boards of IDA and the IMF jointly with this document. The staffs of IDA and the IMF have reviewed progress

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[3] *République de Côte d'Ivoire, Plan National de Développement, 2012–15.*

[4] Growth rates used elsewhere in this document (e.g., for debt sustainability analysis) are somewhat lower and come from the baseline scenario used by the IMF in the first review of the ECF-supported program. http://www.imf.org/external/pubs/cat/longres.aspx?sk=25931.0

on each of the PRSP pillars and concluded that PRSP implementation and monitoring have been satisfactory.

9. **Commitment to poverty reduction has been high under the PRSP**. Pro-poor spending has increased as a share of the budget, rising from 25 percent in 2008 to reach 27.5 percent of GDP in 2011, and is forecast to rise to more than 30 percent in 2012. The government has pursued reforms on many fronts since 2011, including public financial management, the investment climate, customs, industrial zones, banking and microfinance, health and education initiatives, infrastructure investments including a framework for public-private partnerships, agriculture and rural development, hydrocarbons and electricity regulation, and security sectors. In part as a result of visible results and the confidence generated, domestic economic growth has picked up and foreign investor interest in Côte d'Ivoire has increased.

10. **Staffs of IDA and the IMF consider implementation and monitoring of the PRSP to be satisfactory and the corresponding trigger for completion point to be met**.

B. Macroeconomic Stability

11. **Macroeconomic stability has been maintained since the decision point in March 2009**, **except for the post-election crisis period**. This crisis sharply worsened the macroeconomic position of Côte d'Ivoire and interrupted the implementation of its ECF-supported program approved in 2009. Following the end of the crisis in April 2011, the new government took vigorous measures to reestablish macroeconomic stability and successfully implemented its program first supported under the RCF and then by a new ECF arrangement. The fiscal stance, anchored by targets on the overall balance, was prudent, and created space for social expenditure as well as for crisis-exit expenditure and for higher investment starting 2012. Except for a post-election crisis-induced spike in 2011, inflation has been under 2 percent.

12. **Côte d'Ivoire's fiscal performance has been satisfactory**, **reflecting revenue collection efforts and expenditure restraint**. The authorities' effort in customs and tax collection as well as high oil and cocoa prices helped improve revenue relative to GDP until the post-election crisis. Following the end of the crisis, the authorities stepped up their effort in revenue collection and received technical assistance in this regard. At the same time expenditure management was cautious, and space was created for pro-poor and crisis-exit expenditures, and more recently an increase in public investment.

13. **The fiscal stance for 2012 remains appropriate**. Key features of the 2012 budget include a gradual phasing out of crisis-exit/election-related expenditure, higher investment to invigorate growth, and the introduction of new or additional taxes on rubber, telecommunication, and mining. In addition, new telecommunication and oil exploration licenses are expected to add revenue. After benefiting from substantial external financing and donor support in 2011, Côte d'Ivoire is expected to rely more on domestic financing to fund its budget deficit in 2012.

14. **Growth did not reach its potential in recent years due to various shocks to the economy, but medium-term prospects are positive**. After reaching 3.8 percent in 2009, economic growth declined to 2.4 percent in 2010, due to an electricity crisis early in the year and the post-election crisis at the end of the year. The crisis continued through April 2011 and resulted in a 4.7 contraction of GDP in 2011, notwithstanding a strong recovery in the second half of the year. The recovery has gained momentum in 2012 and the government's efforts to scale up public investment and improve the business climate are expected to spur a strong response from the private sector and thus higher growth in the medium term after a decade of economic stagnation.

15. **High commodity prices, for oil and cocoa in particular, have resulted in current account surpluses in the last few years**. The surplus reached 6.7 percent of GDP in 2011, as cocoa prices reached historical highs, due in part to uncertainties related to the post-election crisis in Côte d'Ivoire. With the end of the crisis, prices have declined to levels not seen since 2007. This and the expected surge in investment and investment-related imports are forecast to result in a current account deficit in 2012 and over the medium term. The large shift in the current account highlights the need to further diversify the export base of Côte d'Ivoire beyond cocoa and oil.

16. **Côte d'Ivoire made progress in implementing macro-critical structural reforms and the government intends to advance a broad and ambitious reform agenda**. In the electricity sector, the government concluded negotiations with its principal gas[5] producer to reduce its price, thereby reducing the cost of generating electricity and contributing to the reduction of the financial deficit of the sector. Progress was also made in improving the business climate and the governance of the cocoa sector, advancing the civil service reform, and reforming both public and private pension systems.

17. **The staffs of IDA and the IMF consider that Côte d'Ivoire has fully implemented the trigger on the maintenance of macroeconomic stability as evidenced by broadly satisfactory implementation of the 2009 ECF-supported program until the eruption of the post-election crisis, the implementation of a RCF-supported program in 2011, and the completion of the first review of the 2011 ECF-supported program on a lapse-of-time basis on May 11, 2012**.

[5] Gas is the main input in the generation of electricity in Côte d'Ivoire.

Table2. Côte d'Ivoire: Selected Economic Indicators, 2010–17

	2010	2011	2012	2013	2014	2015	2016	2017
			Proj.					
			(Annual percentage changes, unless otherwise indicated)					
National income								
GDP at constant prices	2.4	-4.7	8.1	6.2	6.5	6.6	6.7	6.7
GDP deflator	1.9	5.0	2.2	2.0	1.8	1.9	2.0	2.1
Consumer price index (annual average)	1.4	4.9	2.0	2.5	2.5	2.5	2.5	2.5
Consumer price index (end of period)	5.1	1.9	1.5	2.5	2.5	2.5	2.5	2.5
External sector (on the basis of CFA francs)								
Exports, f.o.b., at current prices	5.6	3.5	1.2	10.8	1.5	4.6	5.1	7.4
Imports, f.o.b., at current prices	21.2	-13.1	27.7	11.6	5.0	5.7	6.9	7.7
Export volume	-14.1	-4.4	4.6	11.3	4.7	7.4	6.5	8.3
Import volume	-2.4	-20.8	24.6	12.0	5.5	5.9	6.7	7.1
Terms of trade (deterioration –)	-0.9	-1.4	-5.7	-0.1	-2.6	-2.3	-1.4	-1.4
Nominal effective exchange rate	-4.9	0.5	...	...	...	...	...	...
Real effective exchange rate (depreciation –) [1/]	-5.6	1.9	...	...	...	...	...	...
Central government operations								
Total revenue and grants	5.5	-22.8	39.6	14.5	10.9	11.0	10.0	9.8
Total expenditure	9.0	-11.6	34.2	8.0	8.0	9.8	9.0	10.0
			(Changes in Percent of Beginning-of-Period Broad Money)					
Money and credit								
Money and quasi-money (M2)	18.8	10.2	15.4	11.5	8.8	9.6	9.2	9.4
Net foreign assets	7.0	10.1	6.4	3.6	1.0	1.0	1.2	1.1
Net domestic assets	11.9	0.1	9.1	7.9	7.8	8.6	8.1	8.3
Of which: government	5.3	0.4	5.6	2.0	1.3	0.0	0.3	0.7
Of which: private sector	5.2	0.0	3.5	5.9	6.5	6.3	7.8	7.7
Velocity of money	2.7	2.5	2.4	2.3	2.3	2.3	2.3	2.3
			(Percent of GDP unless otherwise indicated)					
Central government operations [2/]								
Total revenue and grants	19.7	20.3	19.2	20.3	20.8	21.2	21.5	21.6
Total revenue	19.2	19.9	18.7	19.2	19.7	20.2	20.4	20.6
Total expenditure	22.0	25.9	23.6	23.5	23.4	23.7	23.7	24.0
Overall balance, incl. grants, payment order basis	-2.3	-5.7	-4.4	-3.2	-2.7	-2.5	-2.3	-2.4
Primary basic balance [3/]	-0.2	-2.9	-2.0	-0.2	0.3	0.7	0.9	0.8
Gross investment	9.0	8.2	12.1	14.6	17.6	18.7	19.8	20.9
Central government	3.1	2.5	5.3	5.6	6.0	6.2	6.4	6.6
Nongovernment sector	5.9	5.7	6.9	9.0	11.7	12.5	13.4	14.3
Gross domestic saving	16.2	20.4	15.8	17.7	19.2	19.7	20.2	21.2
Central government	1.7	-0.9	1.6	3.2	4.0	4.6	5.0	5.1
Nongovernment sector	14.6	21.2	14.2	14.6	15.2	15.2	15.3	16.2
Gross national saving	10.1	14.9	9.3	11.6	13.3	14.1	14.7	15.5
Central government	1.1	-1.7	0.8	2.5	3.4	3.8	4.2	4.3
Nongovernment sector	9.0	16.6	8.4	9.1	9.9	10.2	10.4	11.1
External sector								
Current account balance (including official transfers)	1.1	6.7	-2.8	-3.0	-4.3	-4.6	-5.1	-5.5
Current account balance (excluding official transfers)	0.3	5.3	-3.1	-3.2	-4.5	-4.8	-5.3	-5.6
Overall balance	-0.9	1.1	-1.4	-2.0	-2.9	-2.8	-2.5	-2.2
External public debt	50.6	54.7	26.9	25.8	25.0	24.3	23.3	21.6
Public external debt-service due before debt relief (CFAF billions) [4/]	438	364	451	564	625	794	838	794
Percent of exports of goods and services	7.2	6.4	7.5	8.5	9.2	11.2	11.2	9.9
Percent of government revenue	19.2	22.1	19.1	21.5	21.5	24.5	23.6	20.3
Memorandum items:								
Public debt in arrears (percent of GDP)	1.9	2.2	0.5	0.2	0.1	0.0	0.0	0.0
Domestic (after securitization)	0.7	0.5	0.2	0.0	0.0	0.0	0.0	0.0
External	1.2	1.7	0.4	0.2	0.1	0.0	0.0	0.0
Nominal GDP (CFAF billions)	11,352	11,360	12,575	13,610	14,750	16,021	17,425	18,982
Nominal exchange rate (CFAF/US$, period average)	494	471						
Nominal GDP at market prices (US$ billions)	23.0	24.1	25.2	27.3	29.5	32.0	34.8	38
Population (million)	22.0	22.7	23.4	24.1	24.8	25.5	26.3	27.1
Population growth (percent)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Nominal GDP per capita (CFAF thousands)	515	501	538	565	595	627	663	701
Nominal GDP per capita (US$)	1,043	1,062	1,079	1,135	1,190	1,255	1,325	1,410
Real GDP per capita growth (percent)	-0.6	-7.7	5.1	3.2	3.5	3.6	3.7	3.7

Sources: Ivoirien authorities; and IMF staff estimates and projections.

[1/] Based on end-of-period changes in relative consumer prices and the nominal effective exchange rate.

[2/] 2011 ratios based on Q2-Q4 fiscal aggregates over Q2-Q4 of GDP.

[3/] Defined as total revenue minus total expenditure, excluding all interest and foreign-financed investment expenditure.

[4/] Before HIPC completion Point and before 2011 Paris Club recheduling.

C. Public Financial Management

18. **Public financial management (PFM) reforms have been driven by the findings of the 2008 Public Expenditure Management and Financial Accountability Report (PEMFAR)**. The PEMFAR identified reforms critical to bring PFM and procurement to international standards. Key needs were in budget comprehensiveness and transparency, budget preparation and execution, public dissemination of information, control, and procurement. Budget comprehensiveness and transparency was compromised by budget classification and inadequate consolidation of public entities in the global budget, and a lack of clear rules for budget transfers to local governments. Budget execution was hampered by lags in the cycle of approvals, system processing, and account reconciliation. Information on budget allocations and execution was not easily available to the public. The Audit Chamber (*Chambre des Comptes*) was not fully operational, with delays in reviews of budget laws. Many procurement contracts excluded competitive bidding. Audit, dispute settlement, bidding documents, and ex-post controls also had shortcomings.

19. **Many of the needed improvements have been addressed by wide-ranging PFM reforms**. Budgets have been approved and executed following a normal budget cycle, budget execution statements regularly published, and use of treasury advances limited. Budget preparation has been enhanced by improved public investment planning and a Medium-Term Expenditure Framework in education and health (being extended to eight more ministries). Budget classification and nomenclature now meets WAEMU norms. Interfaces have been built between the budget execution system, the procurement system, and the treasury accounting system.[6] The budget execution system has also been decentralized to the *départements*. Information on budget allocations and execution are now easily available to the public and published on the internet. Audit and control have been streamlined and strengthened. Public procurement now benefits from a new regulatory framework and manual, standard contracts, a code of ethics, external conformity audits, and improved public dissemination of information and statistics. Recently undertaken PEFA self-assessments have recorded significant progress.

20. **The budget preparation and execution cycle has now been normalized**. Quarterly budget reports have been published for June and September 2010 and for September 2011, December 2011, and March 2012, including revenues and spending by functional classification; the authorities have asked for a waiver of the completion point trigger of a full year of such reports immediately preceding the completion point in light of the satisfactory progress that has been made. The Audit Chamber (*Chambre des Comptes*) has issued certifications of conformity for the Budget Execution Laws of 2006–10; the certification for 2010 was issued in March 2012 with a delay of 15 months (rather than the 10 months envisaged in the completion point trigger) due to the post-election crisis, and the authorities have asked for a waiver of this delay vis-à-vis the completion point trigger because of the

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[6] SIGFIP, SIGMAP, and ASTER (respectively).

satisfactory progress that has been made. The *Loi de Règlement* for 2011 was transmitted by the government to the Audit Chamber in April 2012. The staffs of IDA and the IMF interpret these actions as fulfilling the completion point trigger on budget conformity.

21. **Progress on public procurement has been notable**. A 2009 decree set up a National Public Procurement Regulatory Authority, in line with WAEMU guidelines, fulfilling one of the completion point triggers. The members of a tri-partite Regulatory Council have been designated and the Authority's management recruited. Since January 2010, the government has published a weekly journal listing all public contracts tendered and the results of past tenders on the website of the Department of Public Procurement (the completion point trigger provided for quarterly publications). There were interruptions in this publication during April and May 2011 due to the post-election crisis, and the authorities have asked for a waiver as weekly publications have resumed.

22. **Based on this progress**, **the staffs of IDA and the IMF consider the four completion point triggers on public financial management and procurement to have been met**, **except for those for which the staffs support waivers due to the satisfactory progress that has been made**.

D. Social Sectors

23. **Social outcomes worsened during the post-election crisis although government efforts reduced the impact**. Immunization rates deteriorated (e.g., measles from 70 percent in 2010 to 60 percent in 2011) and poliomyelitis, of which no case had been detected in 2010, saw 36 cases in 2011. There were also increased outbreaks of cholera, meningitis and yellow fever. Sixteen percent of children under five are underweight.[7] HIV/AIDS prevalence is falling: HIV prevalence in 2011 was 3.2 percent, down from 3.4 percent in 2010,[8] and Côte d'Ivoire is the only country in West Africa that fully finances its ARV needs through US funding,[9] the Global Fund, and IDA. Malaria remains the primary cause of mortality among children, accounting for half of all health facility consultations and 60 percent of all diagnoses among children under five. During the crisis, the government continued mass distribution of long lasting insecticidal mosquito nets (LLINs) for pregnant women and under-fives. The number of births assisted by qualified health professionals increased to 67.5 percent in 2010 and further to 69.2 percent in 2011, meeting the completion point trigger (65 percent for the year preceding completion point).

24. **The Ministry of Health has revised the National Health Plan (2011–15) to reflect the new government's vision and the effects of the crisis**. The draft Plan has been shared with health partners and a medium-term expenditure framework has been prepared. The Plan

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[7] WHO Global database on child growth and malnutrition; Côte d'Ivoire has the 35th highest rate among 136 surveyed countries.

[8] UNAIDS 2012 Annual Report.

[9] The US President's Emergency Plan for Aids Relief (PEPFAR).

includes the objective of free maternal and childcare countrywide in public health facilities. At subnational levels stewardship is weaker, with regional directorates poorly staffed and a lack of training and supervision at the district level. According to survey data, over a third of health expenditures are met out of pocket by households; the government is developing a health insurance system to address this situation. A Demography and Health Survey is now underway: an important component of a much needed upgrading of the health information system.

25. **The Education Sector Plan aims to strengthen access to education**, **improve quality**, **and improve institutional capacity and governance**. Significant progress has been made on ensuring availability of statistics: 2009/10 statistics and indicators were available even during the conflict. But gross enrollment has stagnated for a decade (at about 80 percent) and primary completion rates have declined (to 46 percent: 52 percent for boys and 39 percent for girls) to become among the weakest in Africa. About 800,000 youths are out of school. The quality of primary education has also declined since 2002; in 2010, only 10 percent of grade-5 students attained minimum standards in French and Mathematics.[10] This decline can be attributed to the quality of the teaching corps, inadequate supply of materials, and students' poor nutrition and health status. Teacher quality has suffered from the erosion of training capacity and indiscriminate hiring during the crisis period. Meanwhile public spending on education has increased steadily to more than a quarter of current expenditures by 2010 (not including household contributions, which are high by international comparison). For the years 2009–12, the textbook coverage rates for French, mathematics, and civic education[11] were 93.8 percent, 92.3 percent, and 90.1 percent, respectively, meeting the completion point trigger (90 percent for each) in this area.

26. **A social safety net strategy is under preparation with support from UNICEF and other partners**. Compared to countries of similar living standards, Côte d'Ivoire has underdeveloped social protection systems and, until now, lacked a strategy. Ministries and some local governments (primarily the richer communities in the south) run individual programs of limited scope, but there is little coordination between programs or monitoring of results.[12] Contributory programs have limited coverage, as they are restricted to formal workers. Informal mechanisms are inadequate even in normal times and tend to collapse during crises. Côte d'Ivoire spends significant public resources on price subsidies (e.g. electricity and fuel), but these are generally regressive in their incidence and fiscally burdensome. Labor-intensive public works have been implemented in response to the recent crisis (by the national roads agency with World Bank financing); these could represent one

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[10] PASEC student assessment, 2010.

[11] *Education Civique et Morale*.

[12] Programs by ministry include those of the Ministry of Family, Women and Social Affairs (indigent funds and special institutions such as orphanages); the Ministry of Solidarity and War Victims; the Ministry of Health (indigent funds in hospitals); the Ministry of AIDS; the Ministry of Education (school feeding programs).

component of the expansion of safety nets. There remains considerable scope to expand and improve social protection systems.

27. **The staffs of IDA and the IMF consider the two completion point triggers on health and education to have been met**.

E. Information Transparency

28. **Côte d'Ivoire has made notable progress on governance and transparency since the 2009 decision point**. The certified financial accounts of PETROCI for 2008, 2009 and 2010 were published, along with the auditor's assessment. The publication of the 2010 accounts was delayed beyond 7 months from end-2010 due to the post-election crisis, and the authorities are requesting a waiver of this delay vis-à-vis the completion point trigger due to the satisfactory progress that has been made. Since 2009, the authorities have published regularly quarterly data on external and domestic public debt; however, this publication was interrupted during the post-election crisis and the authorities are requesting a waiver for this interruption vis-à-vis the completion point trigger due to the satisfactory progress that has been made.

29. **Transparency in the extractive industries has also improved**. The government has regularly produced and published quarterly reports to the Council of Ministers on production and financial flows in the hydrocarbon sector. A report on the allocation of each shipment of crude oil between the different shareholders is also produced every quarter by the committee responsible for monitoring shipments. Regarding the Extractive Industries Transparency Initiative (EITI), the 2006-07 report on payments made to the government by the extractive industries and revenue received by the government from those same industries has been available since April 2010. The final reports for 2008–09 and 2010 were published in May 2012. The delay in producing the 2008–09 report is related to the inclusion of the mining sector and the new requirements of EITI-International, particularly the use of audited data to prepare the report.

30. **In light of these actions**, **the staffs of IDA and the IMF conclude that the completion point triggers on governance have been met**, **except for those for which the staffs support waivers due to the satisfactory progress that has been made**.

F. Cocoa/Coffee Sector

31. **Continued implementation of profound reforms in the cocoa sector is vital to the welfare of Côte d'Ivoire**. Cocoa provides the main source of income for four million Ivoiriens. Côte d'Ivoire is the world's largest cocoa producer, with about 40 percent of total world production, and cocoa accounts for one quarter of its exports and roughly 15 percent of budget revenues. The sector is only now beginning to overcome a long history of heavy taxation and poor governance. Between 2001 and 2007, it is estimated that $6.4 billion was raised from the cocoa sector as fiscal and quasi-fiscal levies. Overall taxation reached 40 percent of the CIF price leaving 35 to 40 percent to farmers. Sixty percent of cocoa growers

live below the poverty line; these households account for 28 percent of poor Ivoiriens. Productivity has declined due to aging trees, disease, and crop diversification.

32. **Reforms in the cocoa sector had begun prior to the recent election-related conflict and have been pursued vigorously**, **including the completion point triggers**. External audits of the bagging, weighing and quality control programs, of the various organizations governing the sector, and of the Rural Investment Fund (FIMR) were important first steps (from 2009 onward) and helped end the misuse of cocoa levies and promote a new culture of accountability. Further reforms were identified as completion point triggers: reduction in the overall indirect taxation of the cocoa sector to 22 percent of the CIF price, and the adoption and (at least six months') implementation of a new institutional and regulatory framework for the sector.

33. **Taxation of the sector was reduced in 2011**, **meeting the first completion point trigger**. The authorities converted all cocoa taxes to ad valorem taxes of 22 percent of the CIF price, with export taxes at 19.6 percent of the CIF price and levies going directly to the management committee at 2.4 percent of the CIF price (the rates for cocoa beans processed locally are slightly lower). The reduction in taxation and conversion to ad valorem rates, based on World Bank and the EU studies, ensured that the burden of any fall in world prices would be more equitably shared between government and producers. Previously, specific volume-based taxation forced the supply chain (primarily farmers) to absorb fully any changes in world market prices.

34. **World Bank staff worked closely with the authorities on the new cocoa strategy**. The strategy builds on existing strengths, maintains a strong role for producers and the private sector in the governance of the sector, and builds the capacity of farmers to defend their interests. The strategy was adopted by the Council of Ministers on November 2, 2011.

35. **Implementation of the strategy has been satisfactory**, **meeting the second completion point trigger**. Key measures since November 2011 have been: the adoption by the government (*Ordonnance No. 2011-481*, December 28, 2011) of the new legal and institutional framework for the sector; the creation of the main regulatory body, the Coffee and Cocoa Council; the approval in December 2011 of operational procedures for the Council, for domestic marketing (including the agreed cost structure governing the pricing mechanism for farmers)[13] and for export sales; the initiation of forward sales of cocoa exports from January 2012, with all exporters participating since February 24, 2012; and the adoption by the Council's Board on April 27, 2012 of the new manual of administrative and financial procedures and of the 2012 budget for the Council. Progress on these and other measures has been summarized in monthly progress reports produced by the Coffee and Cocoa Reform Monitoring Committee (*Comité de Suivi de la Réforme*) in February, March, April, and May 2012. Based on the last of these progress reports (dated May 2, 2012), IDA staff have

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[13] *Le barème harmonisé.*

judged implementation of the cocoa strategy to have been satisfactory in the six months prior to the proposed completion point.

36. **Based on the progress outlined above**, **the staffs of IDA and the IMF consider the two completion point triggers concerning governance of the coffee and cocoa sector to have been met**.

III. Updated Debt Relief and Debt Sustainability Analysis

A. Revision of Data Reconciliation Exercise as of the Decision Point

37. **The stock of HIPC-eligible external debt in present value (PV) terms at end-2011 was revised upward slightly from the decision point**, **following the debt reconciliation exercise**. The staffs of IDA and the IMF, together with the Ivoirien authorities, reviewed the end-2007 stock of debt data that was presented at the decision point document against recent creditor information. As a result, the nominal stock of debt has increased from $14,293.5 million to $14,318.9 million, and the PV of debt after traditional debt relief has been revised upward from $12,759.3 million to $12,878.8 million (Figure A1 and Table A2). The upward revision is attributable to increases in debt to other official bilateral and commercial creditors, partly offset by a small decrease in debt of multilateral creditors.

- **Multilateral creditors**. The total PV of multilateral debt as of end-2007 has decreased by $1.7 million due mainly to the exclusion of claims of the *Fonds Africain de Garantie et de Coopération Economique* (FAGACE), amounting to $2.4 million in PV terms, which did not constitute a debt obligation, and a minor correction in the arrears outstanding to IDA as of end-2007, which increased by US$0.7 million.

- **Paris Club creditors**. The PV of debt to Paris Club creditors at end-2007 after traditional debt relief has been revised upwards from $5,437.6 million to $5,550.8 million. This increase by $113 million is attributable to the revisions of debt data in accordance with updated information received from creditors, as well as updated CIRR rates for some of the currencies.[14]

- **Other official bilateral creditors**. The PV of the stock of debt owed to other official bilateral creditors has increased from $71.3 million to $71.8 million due mainly to inclusion of the debt to the Saudi Fund for Development.

- **Commercial creditors**. The commercial debt stock at end-2007 has increased by $7.4 million, which is attributable mainly to new data provided by Standard Bank.

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[14] Revisions reflect some adjustments to the level of debt as well as to the terms of the loans, as provided for the debt reconciliation.

- **Estimates of fiscal revenue in 2007 have been revised upwards by $6 million to $3,907.8 million**.[15,16] After this revision, Côte d'Ivoire continues to qualify under the fiscal window to assistance under the HIPC Initiative.[17]

- **Exports of goods and services used for the estimate of HIPC assistance were revised upwards**. The estimates of the 2005–07 average of exports of goods and services used to evaluate HIPC assistance at the decision point have been revised upwards from $7,990.3 million to $9,000 million.[18] After this revision, Côte d'Ivoire would no longer qualify for debt relief under the export window.

B. Revision of HIPC Assistance as of the Decision Point and Status of Creditor Participation

38. **The required HIPC assistance in end-2007 PV terms has been revised upward from $3,004.9 million estimated at the decision point to $3,109.3 million**. As a result, the common reduction factor has increased from 23.6 percent to 24.1 percent (Table A4).[19]

39. **At the completion point, Côte d'Ivoire has received financing assurances by creditors accounting for 98 percent of the PV of HIPC assistance estimated at the decision point** (Table A11). Almost all multilateral creditors (23 percent of total HIPC assistance) have confirmed their participation.[20] All Paris Club creditors (43 percent of total HIPC assistance) have confirmed their participation. In 1998 and 2002, the Paris Club already

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[15] 2007 government revenue without grant and adjusted for the toxic waste compensation (see Box II in the Decision Point document: "Republic of Côte d'Ivoire: Enhanced Heavily Indebted Poor Countries (HIPC) Initiative – Decision Point Document," March 12, 2009, WB Report No. P7715-CI. http://www.imf.org/external/pubs/cat/longres.aspx?sk=23033.0).

[16] In April 1997, the fiscal revenues/openness criterion was established to allow for the possibility that, for countries with a high export base, reaching the debt-to-export criteria targets may still leave the country with a large external debt burden relative to fiscal revenues. In order to qualify for debt relief under the revenue window, a country must have its PV/revenue ratio above 250 percent. In addition, to be eligible to access under this window, the country must have an export-to-GDP ratio of at least 30 percent, and a fiscal revenue-to-GDP ratio of at least 15 percent, using an average of the last three years of actual data. For 2005–07, Côte d'Ivoire's average export-to-GDP ratio was 50.4 percent (44.7 percent according to the data at the decision point) and its average revenue to GDP ratio was 18.0 percent (18.5 percent according to data at decision point).

[17] Côte d'Ivoire also qualified for HIPC debt relief under the exports window with a PV-of-debt to exports ratio of 160 percent at end-2007. However, as per HIPC guidelines, the 'fiscal window' was retained as it provides more debt relief compared with the exports window. According to the revised end-2007 data, Côte d'Ivoire does not qualify under the exports window with a PV-of debt to exports ratio below 150 percent.

[18] Exports have been revised to include services.

[19] Debt relief approved at the decision point may be adjusted either upward or downward on the basis of revised information at any time prior to the completion point, as long as the adjustment in US dollars terms was at least 1 percent of the targeted PV of debt after HIPC relief. In the case of Côte d'Ivoire, the amount of adjustment is $104.452 million, which amounts to 1.07 percent of the targeted PV of debt relief (Table A4).

[20] Only the Economic Community of West African States (ECOWAS), representing 0.1 percent of the PV of total debt, has indicated that it will not participate in the HIPC Initiative.

provided debt relief on terms more favorable than traditional debt relief.[21] Among the non-Paris Club creditors, China provided debt cancelation. In 1998, commercial creditors represented under the London Club went beyond traditional debt relief as part of a broader debt reduction package for the country. In the HIPC calculation, these creditors are fully compensated for provision of debt relief in excess of traditional mechanisms.

40. **As of now**, **Côte d'Ivoire has already received about 69 percent of its estimated HIPC debt relief**. In addition to the pre-2002 excess debt relief provided by the Paris Club and London Club creditors (66 percent of total bilateral and commercial HIPC debt relief), the AfDB, the EU, OFID and WAEMU (32.9 percent of the multilateral HIPC assistance) have already fully delivered their share of HIPC assistance through arrears clearance and concessional refinancing of arrears. The World Bank group has also provided 76 percent of its share of HIPC debt relief through the clearance of arrears ($270.5 million in 2007 PV terms) and interim debt service reduction ($43.9 million in 2007 PV terms). The IMF has already delivered 59 percent[22] of debt relief in the interim period (SDR 15.127 million in PV terms).

Multilateral Creditors

41. **The revised amount of enhanced HIPC assistance from multilateral creditors is $711.4 million in end-2007 PV terms**.[23]

- **The World Bank Group's share of HIPC debt relief is estimated at $412.6 million in PV terms**. Of this, $270.5 million has already been provided through the clearance of IDA and IBRD arrears. Interim relief was provided by the World Bank Group entirely on IBRD debt outstanding.[24] Accordingly, during the interim period, assistance has taken the form of IDA grants (over and above the country IDA envelope) to finance debt service on IBRD loans. Such resources were used to cover 50 percent of the debt service owed to IBRD during the interim period (subject to the ceiling of one-third of total debt relief to be provided on PV terms).[25] At the completion point, given that IBRD loans are fully repaid, the remaining share of HIPC assistance from the World Bank Group would be provided on IDA credits through debt service reduction. The details of World Bank Group's assistance are presented in Table A9.

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[21] In 1998 and 2002, Côte d'Ivoire benefited from a flow relief agreement under Lyon terms (80 percent).

[22] The figure of 59 percent is based on the revised HIPC assistance at completion point; the estimate based on decision point assistance was 60 percent.

[23] Based on the CRF as revised see Table A4 at the completion point.

[24] See "Côte d'Ivoire – Enhanced Heavily Indebted Poor Countries (HIPC) Initiative: President's Memorandum and Recommendation," March 12, 2009 (IDA/R2009-0040/1).

[25] Consistent with precedent, the one-third ceiling on the World Bank Group's interim debt relief is calculated on the total HIPC debt relief to be provided by the World Bank Group minus the amount of HIPC relief already provided through the pre-decision point concessional arrears clearance.

- IMF **assistance is estimated at $38.7 million in PV terms**. Following the approval of the decision point by the Boards of IDA and IMF, the IMF has provided interim assistance in the form of debt-service reduction. The details of delivery of IMF's HIPC debt relief are presented in Table A10. The remaining SDR 11.3 million (in PV terms), together with any unused interim assistance, would be delivered to Côte d'Ivoire at the completion point through a stock-of-debt operation.

- **The AfDB Group has fully provided its share of HIPC Initiative assistance through the clearance of arrears amounting to** $536.3 million. Grants amounting to two-thirds of the amount of arrears, estimated $380.7 million, were provided by the AfDB Group under its Fragile States Facility. The remaining one-third was paid by Côte d'Ivoire in January and February 2009 with the help of a bridge loan from a bilateral donor.

- **Assistance provided by all other multilateral creditors totals $55.6 million in PV terms**. The EU provided full debt relief through the clearance of their arrears in November 2011. The EIB has agreed to provide debt relief through debt service reduction after the completion point. The modalities of assistance by all other multilateral creditors—the Arab Bank for Economic Development in Africa (BADEA), BOAD, ECOWAS, IFAD, IsDB and OFID, WAEMU and—are summarized in Table A11. The grant element embedded in the clearance of arrears toward multilateral creditors will be counted toward their contribution to debt reduction under the HIPC Initiative. This is consistent with the standard HIPC Initiative methodology.[26]

Bilateral and Commercial Creditors

42. **Paris Club creditors are assumed to provide their share of enhanced HIPC assistance** (estimated at $1,340.1 million in end 2007 PV terms, in accordance with the revised assistance, Table A4). Interim assistance has been delivered through two flow reschedulings on Cologne terms during the interim period, agreed in May 2009 and November 2011 (Appendix 1). All participating Paris Club creditors would provide their remaining share of assistance at the completion point through a stock-of-debt reduction. A number of Paris Club creditors have also indicated that they would provide additional debt relief under the voluntary bilateral initiative beyond the HIPC Initiative. This additional relief is estimated at about $4.6 billion in end-2011 PV terms.

43. **Non-Paris Club bilateral creditors are assumed to provide relief on HIPC-eligible debt on terms comparable to those of the Paris Club**. The PV of such relief at end 2007 is estimated at $17.3 million. The major non-Paris Club creditor is China, comprising 0.4 percent of HIPC-eligible debt, followed by India (0.2 percent), Saudi Arabia, and Kuwait. China provided loan cancellation equivalent to $16.6 million in 2007 NPV terms before the decision

[26] See "HIPC Debt Initiative: the Chairman's Summary of the Multilateral Development Banks' Meeting," March 6, 1998.

point and $7.4 million in 2007 PV terms in 2011. The authorities are making good faith efforts to reach an agreement with creditors on provision of the remaining debt relief at the completion point.

44. **In 1998**, **some commercial creditors**, **accounting for the bulk of outstanding commercial debt**, **went beyond traditional debt relief as part of a broader debt reduction package for the country (Brady bonds)**. These creditors signed a restructuring agreement with a reduction in NPV terms of 75.8 percent. After the decision point, in April 2010, the country issued Eurobonds in exchange for its Brady bonds (US dollar and French franc denominated discount bonds, FLIRBs, and PDI bonds). Regarding other commercial creditors, the authorities are making good faith efforts to reach a restructuring agreement on terms comparable to those provided by Paris Club creditors.

C. Considerations for Exceptional Topping-Up Assistance

45. **The DRA has been updated jointly by the authorities and the IMF and IDA staffs on the basis of loan-by-loan debt data**, **exchange rates and discount rates as of end-2011** (Table A1).[27] At end-2011, the nominal stock of Côte d'Ivoire's external debt amounted to $12,492.4 million (Table A3). Multilateral creditors accounted for $2,987.7 million or 23.9 percent of total debt, of which IDA, IMF, and AfDB Group accounted for 13.7, 4.9, and 2.5 percent, respectively. Paris Club creditors accounted for 53.2 percent of total outstanding nominal debt at end-2011. Non-Paris Club bilateral creditors accounted for 1.0 percent of total debt, of which the main creditors are China and India. Commercial debt accounts for the remaining 21.9 percent of total, with Eurobond holders accounting for 88.6 percent of commercial debt.

46. **Côte d'Ivoire does not qualify for topping-up**. The PV of debt-to-revenue ratio at end-2011—after full delivery of the HIPC assistance committed at the decision point—is now estimated at 295.3 percent, and would decline further to 166.2 percent after full delivery of additional bilateral debt relief beyond the HIPC Initiative. This is well below the threshold of 250 percent[28] (Table 3).

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[27] This section updates the debt sustainability analysis using the HIPC DSA methodology, while Appendix III provides a forward-looking update using the Low-Income Countries Debt Sustainability Framework (LIC DSA) methodology.

[28] The debt stock after the additional Paris Club creditors' delivery of debt relief under bilateral initiatives beyond the HIPC Initiative is used as a base for topping up consideration.

Table 3. Côte d'Ivoire: Factors Affecting PV of Debt-to-Revenue Ratio at End-2011

	Stock at December 31, 2011		
	Decision Point DSA (Projection) 1/	Completion Point DSA 2/	
	After Enhanced Debt Relief	After enhanced debt relief 3/	After additional bilateral relief 3/ 4/
PV of debt using end-2007 parameters	**8,003.0**	**9,638.1**	**5,043.2**
Multilateral	2,083.9	1,844.7	1,844.7
Of which: new debt 3/	861.7	…	…
Official bilateral and commercial	5,919.1	7,793.4	3,198.4
Of which: new debt	40.6	…	…
PV of debt using end-December 2011 parameters	…	**10,604.1**	**5,967.8**
Multilateral	…	2,177.6	2,177.6
Official bilateral and commercial	…	8,426.5	3,790.2
PV of debt-to-revenue ratio			
Using end 2007 parameters	151.0	…	…
Using end 2011 parameters	…	295.3	166.2
Fiscal revenue			
Decision point	5,301.4	…	…
Completion point	…	3,591.2	3,591.2

Sources: Cote d'Ivoire authorities, and World Bank and IMF staff estimates and projections.

1/ Debt sustainability analysis (DSA) based on stock of debt reconciled as of December 2007, assuming full (hypothetical) delivery of HIPC assistance.
2/ Based on stock of debt reconciled as of December, 2011.
3/ Assuming full (hypothetical) delivery of enhanced HIPC assistance at end-June, 2012.
4/ Includes additional debt relief provided on a voluntary basis by the Paris Club and some commercial credits beyond the requirements of the enhanced HIPC framework.

D. Creditor Participation in the Multilateral Debt Relief Initiative

47. **Conditional on reaching the completion point under the HIPC Initiative**, **Côte d'Ivoire would qualify for additional debt relief from the Multilateral Debt Relief Initiative (MDRI) from IDA and the AfDB**. **No MDRI-eligible debt remains due to the IMF at the completion point**.

- **IDA**. IDA would provide debt stock relief under the MDRI amounting to $1,473.3 million in nominal terms ($1,103.9 million in end-2011 PV terms, Table A9). IDA would provide MDRI debt forgiveness by irrevocably canceling Côte d'Ivoire's debt service obligations for credits disbursed as of December 31, 2003 and still outstanding at end-June 2012.[29] MDRI debt relief from IDA would imply average debt service savings of $52 million per year over the next 30 years. The MDRI would result in the cancelation of almost all remaining IDA credits after HIPC relief.

- **African Development Fund (AfDF)**. The AfDF would provide debt relief to Côte d'Ivoire under the MDRI amounting to $246.2 million in nominal terms ($156.2 million in end-2011 PV terms), starting from the completion point. This

[29] See "IDA's implementation of the Multilateral Debt Relief Initiative," IDA/R2006-0042/2 (March 14, 2006).

amount is calculated based on debt disbursed as of December 31, 2004 and still outstanding at the completion point. MDRI would cancel practically all of Côte d'Ivoire's post-completion-point repayment obligations to the AfDF.

- **IMF**. There will be no MDRI relief from the IMF, as the last loan that was outstanding at end-2004, has been fully repaid in April 2012. The presently outstanding ECF loans were disbursed after end-2004, and will therefore not be eligible for MDRI relief (Table A10).

E. Debt Sustainability Outlook, 2011–31

48. **The baseline macroeconomic framework projections assume a strong economic recovery after the recession**. The projections are consistent with the medium-term macroeconomic framework under the ECF arrangement and the key assumptions are summarized in Box 1.

49. **After full delivery—at the completion point—of HIPC Initiative assistance**, **and additional bilateral assistance beyond HIPC and MDRI**, **Côte d'Ivoire's external public debt would be considerably reduced**, **and external debt indicators would improve (Table A7 and figure A2)**.[30] The PV of debt-to-revenue ratio would fall from 336.8 percent at end-2011 to 71.1 percent at end-2021 thanks to the delivery of MDRI assistance and beyond HIPC assistance (Table A7, scenario VI); thereafter it is projected to stay at around the same level until end 2031. The PV of debt-to-GDP ratio and the PV of debt-to-exports would follow a similar path.

50. **Côte d'Ivoire's debt service ratios are projected to increase rapidly over the medium-term (Table A7 and figure A2)**. The debt service-to-revenue ratio—after HIPC Initiative assistance and additional assistance beyond HIPC and MDRI—would increase to 5.3 percent in 2012 to at 11.3 percent in 2021, due to the end of exceptional debt service relief from Paris Club creditors and the beginning of full debt service payments on remaining debt after the completion point; and the step-up profile of debt service on the Eurobonds, which begins to rise in 2012 for several years (Table A7, scenario VI). Thereafter the debt service-to-revenue ratio is expected to remain above 10 percent and to reach 14.8 percent in 2031, because of the growing share of new borrowing contracted on non-concessional terms.

[30] The analysis presented here assumes that French post-cutoff date ODA claims of €2.3 billion to be cancelled, whereas the LIC DSA (appendix 3) assumes these to be converted in debt-for-development swaps (C2D) over 15 years.

Box 1. Côte d'Ivoire: Key Baseline Macroeconomic Assumptions

The baseline macroeconomic framework assumes a stable political and social situation and that important structural reforms in the financial and real sector are brought to fruition, accelerating output growth to the estimated potential and attracting additional foreign direct investment over the medium term.

Real GDP growth: It is expected to rebound to around 8 percent in 2012 following the 4.7 percent decline induced by the post-election crisis in 2011. Investor confidence is assumed to rise with political normalization over the next few years. Higher public investment (mainly in infrastructure) and reforms to improve the business climate are expected stimulate private investment across various sectors of the economy and drive growth. Growth is expected to average 6.6 percent over 2013–17 and 5 percent over 2018–32. A more ambitious growth path is simulated in appendix 4, along with its debt sustainability implications.

Inflation: Inflation, as measured by the GDP deflator (in U.S. dollars), is expected to stabilize around 3 percent. This is in line with the CPI inflation, which by WAEMU rules should not exceed 3 percent.

Fiscal policy: In the medium term, the government expects to achieve a primary basic surplus of 1.2 percent of GDP on average. Total revenues (excluding grants) are projected to increase to 20.6 percent of GDP in 2017 and 22.7 percent of GDP by 2032. Government expenditures are projected to increase to 22.4 percent of GDP in 2017 and 25.7 percent of GDP by 2032.

External financing: The levels of new external financing needs assumed here are lower than those in the November 2011 LIC-DSA, particularly in the medium-term, as debt service on existing debt increases rapidly and the debt service-to-revenue ratio gets very close to its indicative threshold. Grants are expected to stabilize at 1.0 percent of GDP. The residual external financing needs are assumed to be covered by concessional borrowing (from multilateral and bilateral creditors) and commercial borrowing.

External current account: The balance (excluding official transfers) is expected to decline from a surplus of 5.3 percent of GDP in 2011 to a deficit of 5.6 percent of GDP in 2017. The deficit would reach 7.1 percent in 2032, with an average of 6.6 percent of GDP over the period 2018–32. After declining by 4.4 percent in 2011, export volumes are expected to increase on average by 6.1 percent per year thereafter. Import volumes are expected to grow on average by 5.8 percent, after declining by 20.8 percent in 2011. Import dynamics reflect essentially the higher levels of investment.

All external arrears to official bilateral creditors are assumed to be cleared, and those to commercial creditors restructured, following the HIPC completion point. Debt service projections assume HIPC completion point, MDRI and beyond-HIPC debt relief. FDI is assumed to rise rapidly over the medium term, in response to the authorities' efforts to attract external investors, then gradually increase over the long term. Net inflows of FDI are projected to rise from 1.1 percent of GDP in 2011 to 4.9 percent in 2016, and 5.6 percent in 2032.

F. Sensitivity Analysis and Long-Term Debt Sustainability

51. **This section analyzes the impact on debt dynamics after debt relief of three alternative scenarios: lower cocoa prices, lower GDP growth and lower concessionality of new borrowing** (Table A8 and Figure A3). The baseline and all scenarios assume delivery of HIPC debt relief, MDRI and beyond HIPC assistance.

Alternative Scenario 1: ***Permanently Lower GDP Growth***

52. **This scenario assumes a uniform shock across sectors which results in lower real GDP growth by 2 percentage points relative to the baseline**, **from 2012 onwards**. This reduction in growth rate could be linked to a setback in the political environment or to a slowdown or reversal of important structural reforms. This would result in a significant deterioration in the PV of debt to revenues ratio, especially in the outer years. The PV of debt-to-revenue would rise to 83.1 percent by 2031, as compared to 70.9 percent in the baseline. The debt service-to-revenue ratio would reach 17.5 percent in 2031, as compared to 14.8 percent in the baseline.

Alternative Scenario 2: ***Permanently Lower Export Growth***

53. **This scenario assumes that exports grow at a slower pace**, **2 percentage points lower than in the baseline**. This assumption reflects possible adverse term of trade shocks, as well as limited export diversification as Côte d'Ivoire's exports are dominated by cocoa and oil. The shock to exports simulated here would result in a deterioration of the PV of debt-to-revenues ratio to 84.7 percent in 2031, as compared to 70.9 percent in the baseline. Debt service-to-revenue would rise to 17.4 percent in 2031, as compared to 14.8 under the baseline.

Alternative Scenario 3: ***Lower Average Concessionality on New Borrowing***

54. **This scenario assumes a lower concessionality of new external financing**, **specifically a higher cost of borrowing**, **an average interest rate on new loans 2 percentage points higher than in the baseline**. This scenario aims to show the risks of borrowing at less concessional terms, notwithstanding the initial low external debt level after the full delivery of debt relief. Under this scenario, the PV of debt-to-revenue would be 111.8 percent in 2031, much higher than under the baseline. Both the debt service-to-revenue and the debt service-to-exports ratios would increase substantially, as compared to the baseline (36.4 percent and 20.3 percent respectively, as compared to 14.8 percent and 8.2 percent respectively under the baseline).

55. **The sensitivity analysis highlights the need for strong and continued efforts to diversify the economy to reduce the risk of adverse shocks and maintain a prudent debt management strategy**. While HIPC, beyond-HIPC, and MDRI debt relief substantially reduce Côte d'Ivoire's debt burden, the sensitivity analysis clearly shows that Côte d'Ivoire would remain vulnerable to a number of shocks, in particular to lower export growth, lower GDP growth and lower concessionality of new borrowing. In order to maintain debt sustainability, it will be crucial to undertake measures to promote sustained growth, solid export and fiscal revenue performance and prudent debt management. It will be important to broaden the export base beyond cocoa and oil, as these two products dominate the exports and provide very significant fiscal revenue. Export diversification would make the economy more resilient to the shocks described above and would help stabilize the debt service-to-revenue, which is expected to increase in the medium-term. Côte d'Ivoire should also carefully consider the terms and volume of its new borrowing as they have a significant impact on debt dynamics. The country should adopt a debt strategy that would rely as much as possible on concessional sources of external financing.

IV. Conclusions

56. **In the opinion of the IDA and IMF staffs, satisfactory progress has been made in implementing the reforms specified for reaching the completion point**. Most floating triggers have been met, however 5 have not been met because of delays/interruptions related to the post-election crisis and the authorities have requested waivers for the related triggers. The PRSP implementation report was approved by the Council of Minister in March 2012 and was assessed as satisfactory by the Joint Staff Advisory Note (JSAN). The first review under the Extended Credit Facility (ECF) arrangement was completed by the IMF Board in early May 2012. Triggers in the social sectors and coffee-cocoa sector have been met. While some of the triggers in the areas of public financial management, governance and transparency, debt management have been met, for others the post-election crisis resulted in interruptions/delays. The authorities are requesting waivers for the delays/interruptions in the related five triggers, which IDA and IMF staffs support due to the satisfactory progress that has been made before and after the post-elections crisis.

57. **The debt reconciliation exercise resulted in a slight upward revision of the stock of HIPC-eligible external debt in present value (PV) term at end-2011**. This revision is due to the upward revision of the end-2007 debt of other official bilateral and commercial creditors, partly offset by a small decrease in debt of multilateral creditors. As a result, the end-2007 PV of debt after traditional relief has been revised from $12,759.3 million $12,878.8 million, and the end-2007 PV of required HIPC assistance went from $3,004.9 million to $3,109.3 million (the corresponding common reduction factor therefore went from 23.6 to 24.1 percent). Côte d'Ivoire has received financial assurances of participation in the HIPC Initiative from creditors representing 98 percent of the PV of HIPC assistance at the decision point.

58. **The IDA and IMF staffs are of the view that Côte d'Ivoire does not qualify for topping-up under the HIPC Initiative**. After full delivery of HIPC assistance committed at the decision point the PV of debt-to-revenue ratio at end-2011 would decline substantially. The ratio would decline below the threshold of 250 percent after full delivery of additional bilateral debt relief beyond HIPC.

59. **Full delivery of HIPC Initiative assistance (HIPC, MDRI and additional multilateral and bilateral beyond HIPC assistance) at the completion point would considerably reduce the debt burden of Côte d'Ivoire**. The PV of debt-to-revenue ratio would fall from 336.8 percent in 2011 to 99.6 percent in 2012. Even with external borrowing of up to 10 percent of GDP on average over the projection period, Côte d'Ivoire's debt ratio would remain below the policy-dependent threshold throughout the projection period. However, the country remains vulnerable to certain shocks, as highlighted by the sensitivity analysis.

60. **In light of the above, the staffs recommend that the Executive Directors of the IDA and IMF determine that Côte d'Ivoire has reached the completion point under the HIPC Initiative**.

V. Issues for Discussion

61. **The Executive Directors may wish to consider the following questions**:

- **Completion Point**: Do Directors agree that Côte d'Ivoire has reached the completion point under the Enhanced HIPC Initiative?

- **HIPC assistance**: Do Directors agree with staff's recommendation that the revised amount of HIPC assistance of US$3,109.3 million in end-2007 PV terms be provided to Côte d'Ivoire?

- **Topping-up**: Do the Directors agree that Côte d'Ivoire has not met the requirements for exceptional topping-up at the completion point?

APPENDIX 1—CÔTE D'IVOIRE: STATUS OF RECENT DEBT RESCHEDULING AGREEMENTS[1]

1. This annex provides an overview of rescheduling agreements, with emphasis on the 2009 and 2010 ones under which Paris Club and London Club creditors went beyond traditional debt relief mechanisms.

Paris Club

2. **In May 2009 Paris Club creditors agreed with the Government of Côte d'Ivoire to provide debt relief on Cologne terms, including, on an exceptional basis, post-cut-off date (July 1, 1983) debt, short-term debt and moratorium interest**. The last year (April 2011–March 2012) of the 2009 agreement did not enter into force as a result of the political crisis in Côte d'Ivoire and consequent derailment of the program supported under the 2009 ECF arrangement.

- *Pre-cut-off date debt maturities* falling due during the consolidation period (April 1, 2009–March 31, 2012) were rescheduled on Cologne terms.
- *Arrears on pre-cut-off date debt* as of March 2009 were rescheduled on Naples terms.
- *Post-cut-off date maturities* falling due during the consolidation period were deferred and made payable in seven installments in 2012–18.
- *Arrears on post-cut-off date and short-term debt* were deferred, payable on a rising scale September 2009–March 2017.
- *Moratorium interest* on the consolidation and deferral was capitalized (deferred) and made payable in seven installments during 2012–18. Interest payments on deferred (capitalized) moratorium interest fell due starting in September 2009.

3. **In November 2011 Paris Club creditors agreed with the Government of Côte d'Ivoire to provide debt relief on Cologne terms, including, on an exceptional basis, post-cut-off date debt, short-term debt and moratorium interest**.

- *Pre-cut-off date debt maturities* falling due during the consolidation period (July 1, 2011–June 30, 2014) were rescheduled on Cologne terms.
- *Arrears on pre-cut-off date debt* as of end-June 2011 were rescheduled on Cologne terms.
- *Post-cut-off date maturities* falling due during the consolidation period were deferred and made payable on a rising scale during March 2012–September 2021.

[1] See also Annex 1 of HIPC Decision Point document: "Republic of Côte d'Ivoire: Enhanced Heavily Indebted Poor Countries (HIPC) Initiative – Decision Point Document," March 12, 2009, WB Report No. P7715-CI. http://www.imf.org/external/pubs/cat/longres.aspx?sk=23033.0).

- *Arrears on post-cut-off date and short-term debt* were deferred, payable on a rising scale during March 2012–March 2019.

- *Moratorium interest* on the rescheduled and deferred maturities and arrears falling due during the consolidation period was capitalized and deferred, payable in seven installments during 2015–21. Interest payments on deferred capitalized moratorium interest fall due starting in March 2012.

London Club (See also Annex 1 of HIPC Decision Point document: "Republic of Côte d'Ivoire: Enhanced Heavily Indebted Poor Countries (HIPC) Initiative – Decision Point Document", March 12, 2009, WB Report No. P7715-CI.
http://www.imf.org/external/pubs/cat/longres.aspx?sk=23033.0).

4. **In September 2009 the Government of Côte d'Ivoire signed a preliminary agreement on the restructuring of private debt with the Coordinating Committee of Brady Bond Holders**. The operation was successfully completed in April 2010. The restructuring was based on three main elements: a discount of 20 percent on the stock of debt estimated at December 31, 2009, representing forgiveness of CFAF 287 billion, and the issuance by Côte d'Ivoire of a new security ("Eurobond 2032") for the remaining claims (80 percent of the stock) maturing in 23 years, including a six-year grace period, bearing a low fixed interest rate of 2.5 percent a year during the grace period, and growing gradually thereafter up to 5.75 percent a year over the long term.

APPENDIX 2— COTE D'IVOIRE: DEBT MANAGEMENT CAPACITY

1. The Debt Directorate under the Ministry of Economy and Finance (MEF) is responsible for external and domestic debt management functions in Côte d'Ivoire.

2. The MEF is delegated the legal authority to borrow on behalf of the Government. The Minister signs all external loans agreements and authorizes by decree all domestic borrowing. Regulations issued by the BCEAO, the regional central bank, define the procedures to conduct auctions of domestic treasury bills and bonds and related transactions, while the Minister authorizes by decree the issuance of government securities by syndication. A presidential decree also authorizes the issuance of guarantees by the Council of Ministers.

3. The Debt Directorate carries out all debt management-related activities for external debt, and defines an annual borrowing calendar to be implemented by the BCEAO on the regional CFAF debt market. The structure of the Debt Directorate was modified in February 2012. The Debt Directorate includes a division for loan negotiations, one for loan transactions (disbursement and payments), one for data management and one for analysis. It also includes a new internal audit department, which is not yet fully operational.

4. Consistent with a directive of the WAEMU, a new National Committee of Public Debt (CNDP), chaired by the Minister of the Economy and Finance ensures the coordination of financing decisions with the development program of the government. The CNDP is also responsible to prepare annual debt management strategies and debt sustainability analyses. The CNDP was created by decree in December 2011, and met for the first time in April 2012.

5. The Debt Directorate does not currently prepare a debt management strategy nor regularly prepares a debt sustainability analysis. Borrowing decisions are guided by the concessionality requirement defined under the ECF-supported program and the convergence criteria of the WAEMU, which establishes ceilings for total debt in percent of GDP and limits on the fiscal deficit.

6. While domestic borrowing procedures on bills and bonds auctioned by the BCEAO are clearly established, procedures for external borrowing are well known by the staff of the Debt Directorate, but not codified. A general manual of procedures exist, which specifies the operations to be carried out by the different divisions of the Directorate.

7. All government debt data are maintained in the DMFAS system version 5.3. Data are updated at every transaction and are readily available. DMFAS is also used to initiate payments of the external debt, while domestic debt transactions are carried out by the BCEAO. Access to the DMFAS is controlled by passwords, which secure dedicated access rights. The debt database is backed up daily, with copies maintained on a local server and a server abroad. No disaster recovery plan is in place to date.

8. The Debt Directorate prepares and publishes on the website of the Treasury data of the stock of domestic and external debt, payments due, payments made, and disbursements received within the quarter. These data are published according to the requirements of the completion point trigger on debt management. The Directorate will also start publication of a quarterly debt bulletin in 2012.

9. The Debt Directorate is adequately staffed with well-trained personnel to carry out basic debt management activities efficiently. Staff of the Directorate have attended training courses on debt sustainability analysis and debt management provided by the World Bank and the IMF. The authorities aim at preparing annually a debt management strategy and requested IMF and World Bank technical assistance for this.

APPENDIX 3—CÔTE D'IVOIRE: JOINT BANK-FUND DEBT SUSTAINABILITY ANALYSIS[1]

The debt sustainability analysis (LIC-DSA) shows that Côte d'Ivoire is at a moderate risk of debt distress. After full HIPC, MDRI and beyond-HIPC debt relief, all external debt indicators remain under their indicative thresholds[2] throughout the projection period. However, the country remains vulnerable to certain macroeconomic shocks, especially through the middle of the projection period. The inclusion of domestic debt raises debt burden indicators somewhat, but does not alter the overall assessment.

A. Introduction

1. **This analysis (LIC-DSA) is based on the Debt Sustainability Framework (DSF) for Low-Income Countries**. The DSA presents the projected path of Côte d'Ivoire's external and public sector debt indicators, and assesses the country's risk of external debt distress. The LIC-DSA and the HIPC Initiative Debt Relief Analysis (HIPC-DRA) share the same macroeconomic assumptions for the baseline, but methodologically, they differ. The LIC-DSA compares the evolution over the projection period of debt burden indicators against policy-dependent indicative thresholds. In contrast, under the HIPC-DRA, the historical debt burden indicators are compared to uniform thresholds in order to calculate the amount of HIPC debt relief that Côte d'Ivoire qualifies for in the context of the HIPC Initiative. In addition, the results of the LIC-DSA differ from the HIPC-DRA because of methodological differences related to the definition of the discount rates and the exchange rates used.

2. **The last LIC-DSA[3] for Côte d'Ivoire was prepared in November 2011 and assessed Côte d'Ivoire as being in debt distress**.[4] At that time, some arrears accumulated to a number of creditors during the post-election crisis were still unpaid. The results below are in line with the alternative scenario related to HIPC, MDRI and beyond-HIPC relief in the November 2011 LIC-DSA.

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[1] The DSA was prepared jointly by the staffs of the International Monetary Fund and the World Bank, in collaboration with the authorities of Côte d'Ivoire. The fiscal year in Côte d'Ivoire is January–December.

[2] For the threshold for countries weak policy environment, see the following joint IMF-World Bank staff paper: "Revisiting the Debt Sustainability Framework for Low-Income Countries," January 12, 2012.

[3] "Côte d'Ivoire: Joint Debt Sustainability Analysis under the Debt Sustainability Framework for Low-Income Countries," June 24, 2011.

[4] The DSAs presented in this document are based on the low-income countries (LIC) DSA framework. Under the Country Policy and Institutional Assessment (CPIA), Côte d'Ivoire is rated as a weak performer with an average rating of 2.72 in 2008–10, and the DSA uses the indicative threshold indicators for countries in this category. See the following joint IMF-World Bank staff papers: "Debt Sustainability in Low-Income Countries— Proposal for an Operational Framework and Policy Implications," February 3, 2004; "Debt Sustainability in Low-Income Countries—Further Considerations on an Operational Framework and Policy Implications," September 10, 2004; "Operational Framework for Debt Sustainability Assessments in Low-Income Countries—Further Considerations," March 28, 2005; "Review of Some Aspects of the Low-Income Country Debt Sustainability Framework," August 5, 2009; and "Staff Guidance Note on the Application of the Joint Bank-Fund Debt Sustainability Framework for Low-Income Countries", January 22, 2010.

3. **The dynamic of Côte d'Ivoire's debt has improved because of debt restructuring as discussed in Section III and appendix 1 of this report**.

B. Baseline Assumptions

4. **The assumptions of the LIC-DSA are broadly consistent with projections of the HIPC-DRA (Box 1 above) and those of the November 2011 LIC-DSA**. There are two differences, though. (i) Both this LIC-DSA and the DRA envisage a more ambitious investment path over the medium term, as compared to the last LIC-DSA, reflecting the better than expected performance of the Ivoirien economy in 2011 and early 2012. As a result, the growth path and thus financing needs are also projected to be higher than in the November 2011 LIC-DSA. The new financing needs will be essentially covered by higher commercial borrowing.[5] (ii) The DRA assumed French post-cutoff date ODA claims of €2.3 billion to be cancelled, and the LIC DSA assumes these to be converted in debt-for-development swaps (C2D) over 15 years.

5. **As the impact of the post-election crisis subsides**, **inflation is expected to decline from 4.9 percent in 2011 to 2.5 percent in the medium term and stay below the WAEMU target of 3 percent in the long run**. These projections reflect sound monetary policy at the regional level and efforts by the authorities to curb trading margins for basic goods.

6. **The baseline scenario reflects the full delivery of HIPC completion point**, **MDRI and beyond-HIPC debt relief**, **as in the HIPC-DRA**.

7. **FDI is expected to rise rapidly over the medium term**, and gradually increase over the long term. Following the HIPC completion point, debt service would rise in the medium term before settling at a lower level in the long run. The initial rise in debt service reflects in part the return to more normal levels of debt service payments, including the onset of payments under C2D,[6] the step-up profile of debt service on Eurobonds, and the repayment of arrears, after the exceptional treatment Côte d'Ivoire obtained from the Paris Club in recent years and the accumulation of past debt service arrears to commercial creditors.

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[5] The grant element of the new borrowing turns negative in the long run (Figure 1.a), as the interest on commercial borrowing (8 percent) is higher than the discount rate (4 percent), and the maturity and grace period are shorter (6 years and 1 year, respectively) as compared to concessional borrowing.

[6] Under C2D the existing debt service claims are reprofiled, and when they are repaid they are channeled into development spending.

C. External Debt Sustainability Analysis

Baseline

8. **Under the baseline scenario, Côte d'Ivoire's external debt indicators remain below their relevant indicative thresholds throughout the projection period** (Table 1a, Figure 1). The PV of public and publicly guaranteed (PPG) debt relative to GDP declines over the projection period and stays below the threshold. The PV of PPG debt relative to exports also stays below its indicative threshold throughout the projection period, reflecting the projected debt relief and rising exports.

9. **Debt service ratios remain below their indicative thresholds over the projection period**. However, they are projected to rise from their current exceptionally low levels in the medium term, then decline before stabilizing at their long-term levels. Debt service-to-revenue is relatively close to its threshold in the medium-term, indicating that prudent debt management would be crucial, even after the debt relief related to the HIPC completion point. The dynamics of the debt service ratios reflect mainly (i) the end of exceptional debt service relief from Paris Club creditors and the beginning of full debt service payments on remaining debt after the completion point;[7] (ii) the step-up profile of debt service on the Eurobonds, which begins to rise in 2012 for several years; and (iii) repayment of arrears.

Alternative Scenarios and Stress Tests

10. **Côte d'Ivoire's external debt outlook is subject to considerable vulnerabilities, especially until the middle of the projection period** (Table 1b, Figure 1). Given the impact of distortions on trend caused by the civil conflict in Côte d'Ivoire, the sensitivity analysis is based on regional averages and standard deviations for all relevant indicators. The sensitivity tests yield high levels of debt and debt service compared to the baseline scenario, and the debt service-to-revenue indicator almost briefly breaches its indicative threshold under the alternative scenario where key variables are set at their historical averages for the entire projection period. They also reveal that Côte d'Ivoire is most vulnerable to a hypothetical

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[7] These are €2.3 billion in post-cutoff date ODA debt to France that will be converted in debt-for-development swaps over time, and the €350 million 2011 emergency loan from France.

combination of one-half standard deviation shocks to real GDP growth, exports, GDP deflator, and net non-debt creating flows; this shock would raise the PV of debt-to-GDP, the PV of debt-to-revenue and the debt-service-to revenue ratios relative to their baseline by 6, 31, and 5 percentage points, respectively, by the middle of the projection period. The PV of debt-to-GDP and the debt-service-to revenue indicators breach their indicative thresholds under this shock. The PV of debt-to-exports ratio is most sensitive to less favorable terms on new borrowing and the debt-service-to-exports ratio is most sensitive to lower export growth, lower net non-debt creating flows, and a combination shock.

11. **In light of the results from the baseline and alternative scenarios as well as the stress tests**, **IDA and IMF staffs conclude that Côte d'Ivoire is at a moderate risk of debt distress** (Figure 3). However as the country improves its policy environment in the medium term, the indicative thresholds could be relaxed and the assessment the debt sustainability could improve.

D. Public Sector Debt Sustainability

Baseline

12. **If domestic public debt is included in the analysis**, **Côte d'Ivoire's debt situation deteriorates modestly** (Table 2a, Figure 2). However, public debt ratios would fall over the long run owing to the projected improvement in the macroeconomic outlook. Under the baseline scenario, the PV of total public debt would gradually decline from 65.9 percent of GDP in 2012 to 30.7 percent of GDP at the end of the projection period, with an average of 32.8 percent of GDP. Debt service on total debt would increase throughout the projection period, reflecting largely the external debt service trend described earlier.

Alternative Scenarios and Stress Tests

13. **Public debt dynamics are vulnerable to shocks** (Table 2b, Figure 2).[8] Public debt indicators are most sensitive to the assumptions on GDP growth. If GDP growth were one standard deviation lower than its historical average, the PV of total debt-to-GDP, PV of total debt-to-revenue, and total debt service-to-revenue ratios would be higher than the baseline value by 43, 190 and 20 percentage points, respectively by the middle of the projection period. While the historical value scenarios may not be relevant for Côte d'Ivoire going forward, they point to the need to foster conditions that are conducive to sustained growth.

E. Conclusion

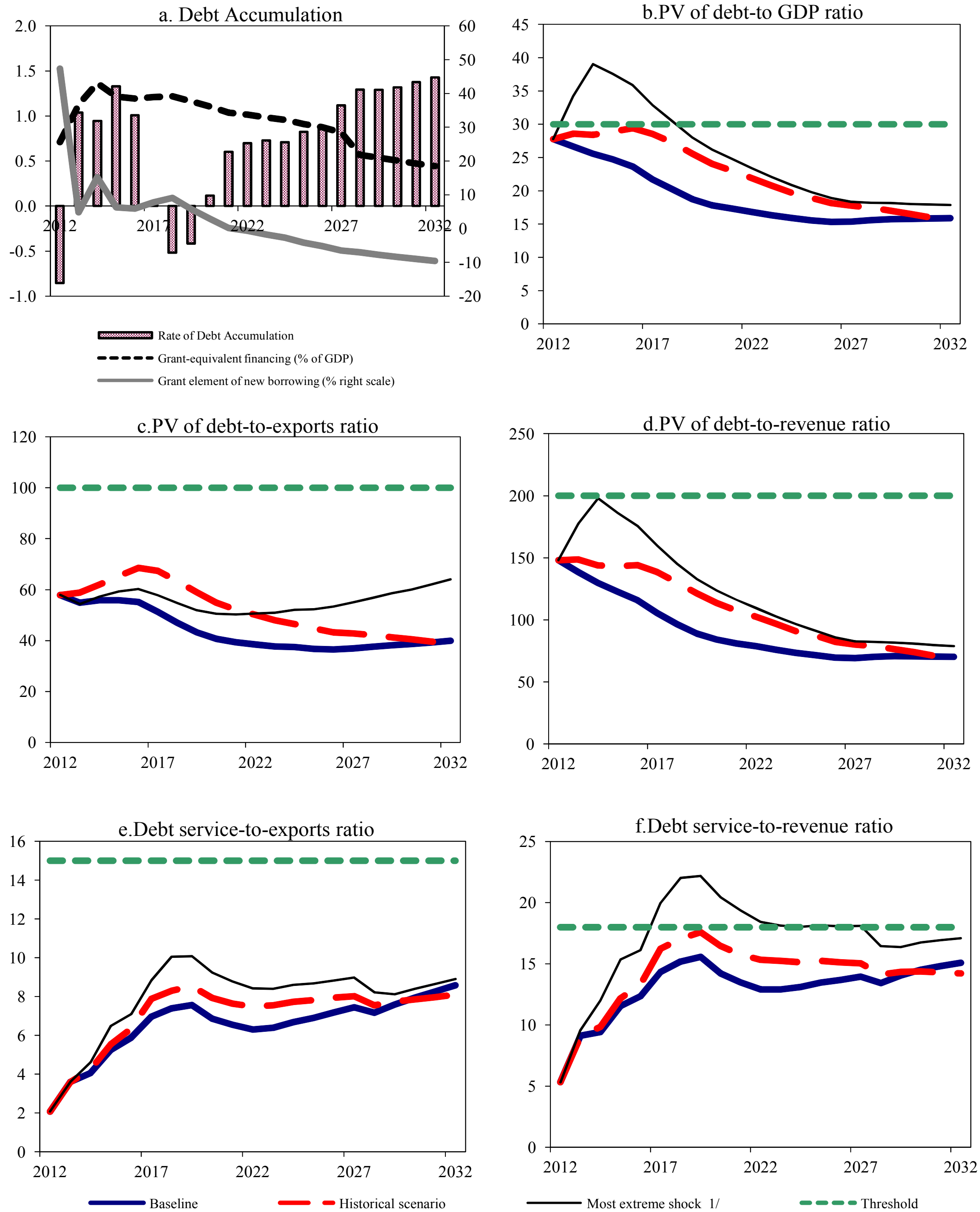
14. **This LIC-DSA shows that Côte d'Ivoire would be at moderate risk of debt distress after the HIPC completion point**. This compares to the "in debt distress"

[8] The stress test related to fixed primary fiscal balance used the 2012 value; the 2011 value could not be used, as that year was affected by many temporary factors (post-election crisis and historically high cocoa prices in particular).

assessment in the November 2011 LIC-DSA. Under the current baseline scenario the HIPC Initiative, MDRI and beyond-HIPC debt relief significantly improve the external debt indicators over the projection period. All debt burden indicators remain below their policy-dependent thresholds throughout the projection period, notwithstanding the initial rise in the debt service ratios before they level off in the long run. Alternative scenarios and bound tests reveal the vulnerability of Côte d'Ivoire's external debt outlook, as most indicators rise close to their thresholds or breach them under these scenarios. The inclusion of domestic debt moderately weakens the debt outlook, but does not alter the assessment of Côte d'Ivoire's risk of debt distress.

15. **A sustainable external debt position can be maintained through sound macroeconomic policies and prudent debt management**. Debt relief under the HIPC Initiative, MDRI and beyond-HIPC assistance significantly provides space for Côte d'Ivoire to access some non-concessional financing, increasing its ability to address its significant public investment needs and improving its growth prospects. However, sustained growth, solid export and fiscal revenue performance and prudent debt management are important for maintaining debt sustainability. This is important as the debt service-to-revenue ratio is expected to increase rapidly and be relatively close to its indicative threshold in the medium term. In addition, the rise in debt service-to-revenue ratio underscores the need to improve revenue mobilization and to reduce the vulnerability of revenue to commodities prices through export diversification. The alternative scenarios and stress tests highlight further these conclusions, and the need to avoid unfavorable debt positions.

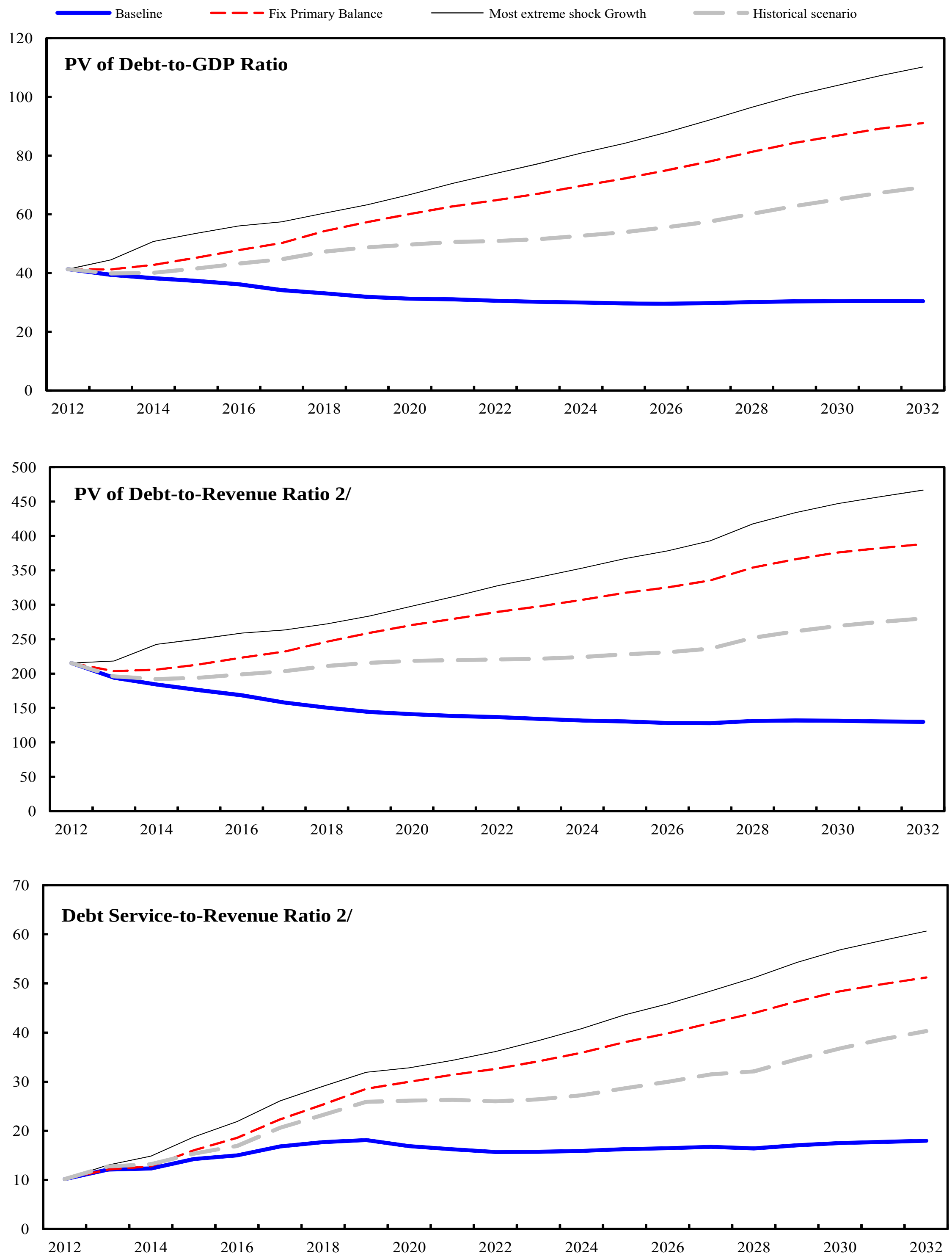
Figure 1. Côte d'Ivoire: Indicators of Public and Publicly Guaranteed External Debt under Alternatives Scenarios, 2012-2032 1/



Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in 2022. In figure b. it corresponds to a Combination shock; in c. to a Terms shock; in d. to a Combination shock; in e. to a Non-debt flows shock and in figure f. to a Combination shock

Figure 2. Côte d'Ivoire: Indicators of Public Debt Under Alternative Scenarios, 2012-2032 1/



Sources: Country authorities; and staff estimates and projections.
1/ The most extreme stress test is the test that yields the highest ratio in 2022.
2/ Revenues are defined inclusive of grants.

Table 1a. Côte d'Ivoire: External Debt Sustainability Framework, Baseline Scenario, 2009-2032 1/
(In percent of GDP, unless otherwise indicated)

	Actual			Historical Average	Standard Deviation	Projections									
	2009	2010	2011			2012	2013	2014	2015	2016	2017	2012-2017 Average	2022	2032	2018-2032 Average
External debt (nominal) 1/	**81.2**	**76.7**	**79.3**			**50.0**	**46.8**	**44.1**	**41.6**	**38.9**	**35.6**		**26.4**	**18.6**	
o/w public and publicly guaranteed (PPG)	53.9	50.6	54.7			26.9	25.8	25.0	24.3	23.3	21.6		17.3	16.1	
Change in external debt	-8.2	-4.6	2.6			-29.3	-3.2	-2.7	-2.5	-2.7	-3.3		-1.4	-0.5	
Identified net debt-creating flows	-4.4	-4.2	-11.3			-5.4	-2.5	-1.8	-2.0	-2.2	-1.7		-0.2	0.5	
Non-interest current account deficit	**-9.0**	**-2.8**	**-8.8**	**-6.0**	**2.8**	**1.3**	**1.2**	**2.5**	**2.9**	**3.5**	**3.9**		**5.2**	**6.0**	5.3
Deficit in balance of goods and services	-11.8	-7.3	-12.2			-3.6	-3.1	-1.6	-1.0	-0.4	-0.3		-1.2	-5.6	
Exports	50.9	51.2	51.2			48.0	48.6	45.8	44.3	42.9	42.4		43.7	39.8	
Imports	39.0	43.9	39.0			44.4	45.5	44.2	43.2	42.5	42.0		42.5	34.2	
Net current transfers (negative = inflow)	0.4	1.8	1.2	2.3	1.1	2.3	2.2	2.1	2.0	2.0	2.3		4.4	10.3	6.0
o/w official	-2.2	-0.8	-1.4			-0.2	-0.2	-0.2	-0.2	-0.2	-0.2		-0.2	-0.2	
Other current account flows (negative = net inflow)	2.4	2.6	2.2			2.6	2.0	2.0	2.0	2.0	1.9		2.0	1.3	
Net FDI (negative = inflow)	**-1.7**	**-1.5**	**-1.1**	**-1.7**	**0.3**	**-2.2**	**-2.8**	**-3.4**	**-4.1**	**-4.9**	**-4.9**		**-5.4**	**-5.6**	-5.5
Endogenous debt dynamics 2/	**6.2**	**0.1**	**-1.3**			**-4.4**	**-0.8**	**-0.9**	**-0.8**	**-0.9**	**-0.7**		**0.0**	**0.1**	
Contribution from nominal interest rate	2.2	1.8	2.3			1.7	2.1	1.9	1.8	1.7	1.7		1.3	1.0	
Contribution from real GDP growth	-3.5	-1.9	3.5			-6.2	-2.9	-2.8	-2.7	-2.6	-2.4		-1.3	-0.9	
Contribution from price and exchange rate changes	7.5	0.3	-7.1			…	…	…	…	…	…		…	…	
Residual (3-4) 3/	**-3.7**	**-0.4**	**13.9**			**-23.9**	**-0.7**	**-0.9**	**-0.5**	**-0.5**	**-1.6**		**-1.3**	**-1.0**	
o/w exceptional financing	-5.3	-2.6	-0.3			-21.4	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
PV of external debt 4/	...	...	75.9			50.8	47.6	44.7	42.0	39.3	35.7		25.9	18.4	
In percent of exports	...	...	148.3			105.9	98.0	97.6	95.0	91.5	84.3		59.3	46.2	
PV of PPG external debt	**...**	**...**	**51.4**			**27.8**	**26.7**	**25.6**	**24.7**	**23.7**	**21.7**		**16.8**	**15.9**	
In percent of exports	**...**	**...**	**100.4**			**57.9**	**54.9**	**55.8**	**55.9**	**55.1**	**51.3**		**38.4**	**39.9**	
In percent of government revenues	**...**	**...**	**344.6**			**148.1**	**138.6**	**129.7**	**122.5**	**115.8**	**105.5**		**78.7**	**70.2**	
Debt service-to-exports ratio (in percent)	**-4.0**	**-0.2**	**5.8**			**1.3**	**2.8**	**3.6**	**4.5**	**4.5**	**5.5**		**4.5**	**6.4**	
PPG debt service-to-exports ratio (in percent)	**4.8**	**3.6**	**5.7**			**2.1**	**3.6**	**4.1**	**5.3**	**5.9**	**7.0**		**6.3**	**8.6**	
PPG debt service-to-revenue ratio (in percent)	**13.0**	**9.6**	**19.5**			**5.3**	**9.1**	**9.4**	**11.5**	**12.4**	**14.3**		**12.9**	**15.1**	
Total gross financing need (Billions of U.S. dollars)	-1.8	0.0	-0.7			0.9	0.9	1.2	1.2	1.1	1.4		1.7	3.5	
Non-interest current account deficit that stabilizes debt ratio	-0.8	1.8	-11.4			30.5	4.4	5.2	5.4	6.2	7.3		6.7	6.5	
Key macroeconomic assumptions															
Real GDP growth (in percent)	3.7	2.4	-4.7	0.6	2.5	8.1	6.2	6.5	6.6	6.7	6.7	6.8	5.0	5.0	5.0
GDP deflator in US dollar terms (change in percent)	-7.8	-0.3	10.1	8.3	8.3	-3.2	2.0	1.4	1.9	1.9	2.1	1.0	2.1	3.4	1.9
Effective interest rate (percent) 5/	2.4	2.3	3.1	3.4	1.1	2.3	4.4	4.4	4.6	4.5	4.6	4.1	5.0	5.8	5.2
Growth of exports of G&S (US dollar terms, in percent)	-0.1	2.6	4.9	11.2	9.7	-1.8	9.7	1.8	5.0	5.4	7.5	4.6	6.3	7.1	6.6
Growth of imports of G&S (US dollar terms, in percent)	-9.4	14.8	-6.8	10.9	12.1	19.0	11.1	5.0	6.1	6.9	7.8	9.3	5.6	5.5	5.5
Grant element of new public sector borrowing (in percent)	...	...	...	...	...	47.4	4.8	15.2	6.3	5.9	7.8	14.6	-0.7	-9.6	-3.0
Government revenues (excluding grants, in percent of GDP)	18.9	19.2	14.9			18.7	19.2	19.7	20.2	20.4	20.6		21.4	22.7	21.8
Aid flows (in Billions of US dollars) 6/	0.1	0.1	0.1			0.2	0.4	0.5	0.6	0.6	0.6		0.8	1.1	
o/w Grants	0.1	0.1	0.1			0.1	0.3	0.3	0.3	0.4	0.4		0.5	0.8	
o/w Concessional loans	0.0	0.0	0.0			0.1	0.1	0.2	0.2	0.2	0.2		0.2	0.2	
Grant-equivalent financing (in percent of GDP) 7/	...	...	...			0.7	1.1	1.4	1.2	1.2	1.2		1.0	0.4	0.8
Grant-equivalent financing (in percent of external financing) 7/	...	...	...			68.4	38.5	42.5	31.0	32.0	36.7		26.9	9.7	22.1
Memorandum items:															
Nominal GDP (Billions of US dollars)	22.5	23.0	24.1			25.2	27.3	29.5	32.0	34.8	38.0		50.7	104.8	
Nominal dollar GDP growth	-4.3	2.1	4.9			4.6	8.3	8.0	8.6	8.8	8.9	7.9	7.3	8.6	7.0
PV of PPG external debt (in Billions of US dollars)			11.7			7.0	7.3	7.5	7.9	8.2	8.2		8.5	16.7	
(PVt-PVt-1)/GDPt-1 (in percent)						-19.5	1.0	0.9	1.3	1.0	0.0	-2.5	0.7	1.4	0.8
Gross remittances (Billions of US dollars)	-0.6	-0.6	-0.6			-0.6	-0.7	-0.7	-0.7	-0.7	-0.9		-2.3	-11.0	
PV of PPG external debt (in percent of GDP + remittances)	...	...	52.7			28.5	27.3	26.2	25.3	24.2	22.3		17.6	17.8	
PV of PPG external debt (in percent of exports + remittances)	...	...	105.6			61.1	57.7	58.7	58.7	58.0	54.4		43.0	54.3	
Debt service of PPG external debt (in percent of exports + remittances)	...	...	6.0			2.2	3.8	4.3	5.5	6.2	7.4		7.0	11.7	

Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.
2/ Derived as [r - g - ρ(1+g)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and ρ = growth rate of GDP deflator in U.S. dollar terms.
3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.
4/ Assumes that PV of private sector debt is equivalent to its face value.
5/ Current-year interest payments divided by previous period debt stock.
6/ Defined as grants, concessional loans, and debt relief.
7/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

Table 1b. Côte d'Ivoire: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2012-2032
(In percent)

	Projections							
	2012	2013	2014	2015	2016	2017	**2022**	2032
PV of debt-to GDP ratio								
Baseline	28	27	26	25	24	22	**17**	16
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2012-2032 1/	28	29	28	29	29	29	**22**	15
A2. New public sector loans on less favorable terms in 2012-2032 2	28	26	26	26	26	24	**22**	25
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2013-2014	28	28	28	27	25	23	**17**	17
B2. Export value growth at historical average minus one standard deviation in 2013-2014 3/	28	31	33	32	31	28	**20**	16
B3. US dollar GDP deflator at historical average minus one standard deviation in 2013-2014	28	28	28	27	26	24	**18**	17
B4. Net non-debt creating flows at historical average minus one standard deviation in 2013-2014 4/	28	32	37	35	34	31	**22**	16
B5. Combination of B1-B4 using one-half standard deviation shocks	28	34	39	38	36	33	**23**	18
B6. One-time 30 percent nominal depreciation relative to the baseline in 2013 5/	28	37	36	34	33	30	**22**	22
PV of debt-to-exports ratio								
Baseline	58	55	56	56	55	51	**38**	40
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2012-2032 1/	58	59	62	65	69	67	**50**	39
A2. New public sector loans on less favorable terms in 2012-2032 2	58	54	57	59	60	58	**51**	64
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2013-2014	58	54	55	55	54	50	**36**	38
B2. Export value growth at historical average minus one standard deviation in 2013-2014 3/	58	68	79	78	77	72	**50**	44
B3. US dollar GDP deflator at historical average minus one standard deviation in 2013-2014	58	54	55	55	54	50	**36**	38
B4. Net non-debt creating flows at historical average minus one standard deviation in 2013-2014 4/	58	66	80	80	79	73	**50**	41
B5. Combination of B1-B4 using one-half standard deviation shocks	58	69	76	76	75	70	**48**	40
B6. One-time 30 percent nominal depreciation relative to the baseline in 2013 5/	58	54	55	55	54	50	**36**	38
PV of debt-to-revenue ratio								
Baseline	148	139	130	123	116	106	**79**	70
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2012-2032 1/	148	149	144	143	144	139	**103**	68
A2. New public sector loans on less favorable terms in 2012-2032 2	148	137	133	130	127	119	**104**	112
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2013-2014	148	144	140	131	124	112	**81**	74
B2. Export value growth at historical average minus one standard deviation in 2013-2014 3/	148	159	169	159	150	136	**94**	71
B3. US dollar GDP deflator at historical average minus one standard deviation in 2013-2014	148	146	143	135	127	115	**83**	76
B4. Net non-debt creating flows at historical average minus one standard deviation in 2013-2014 4/	148	166	186	175	165	151	**103**	72
B5. Combination of B1-B4 using one-half standard deviation shocks	148	178	198	186	176	160	**110**	79
B6. One-time 30 percent nominal depreciation relative to the baseline in 2013 5/	148	195	181	170	160	145	**105**	95

Table 1b. Côte d'Ivoire: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2012-2032 (continued)
(In percent)

Debt service-to-exports ratio

Baseline	2	4	4	5	6	7	**6**	9
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2012-2032 1/	2	4	4	6	6	8	**7**	8
A2. New public sector loans on less favorable terms in 2012-2032 2	2	4	4	5	5	6	**5**	14
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2013-2014	2	4	4	5	6	7	**6**	8
B2. Export value growth at historical average minus one standard deviation in 2013-2014 3/	2	4	5	7	7	9	**8**	9
B3. US dollar GDP deflator at historical average minus one standard deviation in 2013-2014	2	4	4	5	6	7	**6**	8
B4. Net non-debt creating flows at historical average minus one standard deviation in 2013-2014 4/	2	4	5	6	7	9	**8**	9
B5. Combination of B1-B4 using one-half standard deviation shocks	2	4	5	6	7	9	**8**	9
B6. One-time 30 percent nominal depreciation relative to the baseline in 2013 5/	2	4	4	5	6	7	**6**	8

Debt service-to-revenue ratio

Baseline	5	9	9	12	12	14	**13**	15
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2012-2032 1/	5	9	10	12	13	16	**15**	14
A2. New public sector loans on less favorable terms in 2012-2032 2	5	9	9	10	11	12	**11**	24
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2013-2014	5	10	10	13	13	15	**14**	16
B2. Export value growth at historical average minus one standard deviation in 2013-2014 3/	5	9	10	13	14	17	**16**	15
B3. US dollar GDP deflator at historical average minus one standard deviation in 2013-2014	5	10	11	13	14	16	**14**	16
B4. Net non-debt creating flows at historical average minus one standard deviation in 2013-2014 4/	5	9	11	14	15	18	**17**	16
B5. Combination of B1-B4 using one-half standard deviation shocks	5	10	12	15	16	20	**18**	17
B6. One-time 30 percent nominal depreciation relative to the baseline in 2013 5/	5	13	13	16	17	20	**18**	21
Memorandum item:								
Grant element assumed on residual financing (i.e., financing required above baseline) 6/	-15	-15	-15	-15	-15	-15	**-15**	-15

Sources: Country authorities; and staff estimates and projections.

1/ Variables include real GDP growth, growth of GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.
2/ Assumes that the interest rate on new borrowing is by 2 percentage points higher than in the baseline., while grace and maturity periods are the same as in the baseline.
3/ Exports values are assumed to remain permanently at the lower level, but the current account as a share of GDP is assumed to return to its baseline level after the shock (implicitly assuming an offsetting adjustment in import levels).
4/ Includes official and private transfers and FDI.
5/ Depreciation is defined as percentage decline in dollar/local currency rate, such that it never exceeds 100 percent.
6/ Applies to all stress scenarios except for A2 (less favorable financing) in which the terms on all new financing are as specified in footnote 2.

Table 2a. Côte d'Ivoire: Public Sector Debt Sustainability Framework, Baseline Scenario, 2009-2032
(In percent of GDP, unless otherwise indicated)

	Actual					Estimate	Projections								
	2009	2010	2011	Average	Standard Deviation	2012	2013	2014	2015	2016	2017	2012-17 Average	2022	2032	2018-32 Average
Public sector debt 1/	66.5	66.4	69.3			40.5	38.5	37.6	36.8	35.8	34.0		31.1	30.7	
o/w foreign-currency denominated	53.9	50.6	54.7			26.9	25.8	25.0	24.3	23.3	21.6		17.3	16.1	
Change in public sector debt	-8.8	0.0	2.8			-28.8	-1.9	-0.9	-0.8	-1.0	-1.8		-0.3	-0.1	
Identified debt-creating flows	-7.6	-1.0	4.2			-23.6	0.2	-0.4	-1.3	-1.6	-2.2		0.2	-0.2	
Primary deficit	0.6	1.3	2.5	0.3	1.1	3.3	1.7	0.9	0.2	-0.1	-0.8	0.9	0.8	0.5	0.3
Revenue and grants	19.5	19.7	15.2			19.2	20.3	20.8	21.2	21.5	21.6		22.4	23.5	
of which: grants	0.6	0.5	0.3			0.4	1.0	1.0	1.0	1.0	1.0		1.0	0.8	
Primary (noninterest) expenditure	20.1	21.0	17.7			22.5	21.9	21.7	21.4	21.3	20.8		23.2	24.0	
Automatic debt dynamics	-2.9	0.4	1.9			-5.6	-1.5	-1.4	-1.5	-1.5	-1.4		-0.6	-0.8	
Contribution from interest rate/growth differential	-3.4	-1.9	3.8			-4.9	-1.4	-1.4	-1.4	-1.4	-1.4		-0.2	-0.2	
of which: contribution from average real interest rate	-0.7	-0.4	0.5			0.3	1.0	1.0	1.0	0.9	0.9		1.3	1.2	
of which: contribution from real GDP growth	-2.7	-1.6	3.3			-5.2	-2.4	-2.4	-2.3	-2.3	-2.2		-1.5	-1.5	
Contribution from real exchange rate depreciation	0.5	2.3	-1.9			-0.7	-0.1	0.0	-0.1	0.0	-0.1		...	...	
Other identified debt-creating flows	-5.3	-2.6	-0.3			-21.4	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
Privatization receipts (negative)	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
Recognition of implicit or contingent liabilities	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
Debt relief (HIPC and other)	-5.3	-2.6	-0.3			-21.4	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
Other (specify, e.g. bank recapitalization)	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
Residual, including asset changes	-1.2	0.9	-1.3			-5.2	-2.1	-0.5	0.5	0.6	0.4		-0.5	0.1	
Other Sustainability Indicators															
PV of public sector debt	...	...	65.9			41.3	39.4	38.2	37.3	36.2	34.2		30.6	30.5	
o/w foreign-currency denominated	...	...	51.4			27.8	26.7	25.6	24.7	23.7	21.7		16.8	15.9	
o/w external	...	...	51.4			27.8	26.7	25.6	24.7	23.7	21.7		16.8	15.9	
PV of contingent liabilities (not included in public sector debt)	...	...	...			...	...	...	...	...	...		...	...	
Gross financing need 2/	3.6	4.2	6.8			5.3	4.1	3.5	3.2	3.1	2.8		4.3	4.7	
PV of public sector debt-to-revenue and grants ratio (in percent)	…	…	433.6			215.4	194.1	184.1	175.9	168.6	158.1		136.7	129.8	
PV of public sector debt-to-revenue ratio (in percent)	…	…	442.0			220.2	204.5	193.7	184.9	177.2	166.0		143.3	134.4	
o/w external 3/	…	…	344.6			148.1	138.6	129.7	122.5	115.8	105.5		78.7	70.2	
Debt service-to-revenue and grants ratio (in percent) 4/	15.6	14.6	28.0			10.2	12.1	12.3	14.2	15.0	16.8		15.7	18.0	
Debt service-to-revenue ratio (in percent) 4/	16.1	15.0	28.5			10.4	12.7	13.0	15.0	15.7	17.7		16.4	18.6	
Primary deficit that stabilizes the debt-to-GDP ratio	9.4	1.4	-0.3			32.1	3.6	1.9	1.0	0.9	1.0		1.2	0.6	
Key macroeconomic and fiscal assumptions															
Real GDP growth (in percent)	3.7	2.4	-4.7	0.6	2.5	8.1	6.2	6.5	6.6	6.7	6.7	6.8	5.0	5.0	5.0
Average nominal interest rate on forex debt (in percent)	1.0	0.8	1.9	1.8	0.5	0.9	3.4	3.5	3.7	3.7	3.9	3.2	4.6	5.9	5.0
Average real interest rate on domestic debt (in percent)	3.0	2.9	0.0	0.7	1.8	2.5	3.6	4.1	4.0	4.0	3.8	3.7	3.7	2.5	4.0
Real exchange rate depreciation (in percent, + indicates depreciation)	0.9	4.4	-3.6	-1.5	7.9	-1.4	...	...	...	...	...	...	...	...	...
Inflation rate (GDP deflator, in percent)	0.0	1.9	5.0	3.3	2.4	2.4	1.9	1.7	1.9	1.9	2.1	2.0	2.1	3.4	1.9
Growth of real primary spending (deflated by GDP deflator, in percent)	0.1	0.1	-0.2	0.0	0.1	0.4	0.0	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1
Grant element of new external borrowing (in percent)	...	...	...	…	…	47.4	4.8	15.2	6.3	5.9	7.8	14.6	-0.7	-9.6	...

Sources: Country authorities; and staff estimates and projections.

1/ The public sector includes the central government and select public enterprises.

2/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period.

3/ Revenues excluding grants.

4/ Debt service is defined as the sum of interest and amortization of medium and long-term debt.

Table 2b. Côte d'Ivoire: Sensitivity Analysis for Key Indicators of Public Debt 2012-2032

	Projections							
	2012	2013	2014	2015	2016	2017	2022	2032
PV of Debt-to-GDP Ratio								
Baseline	41	39	38	37	36	34	31	30
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	41	40	40	42	43	45	51	69
A2. Primary balance is unchanged from 2012	41	41	43	45	48	50	65	91
A3. Permanently lower GDP growth 1/	41	40	39	39	38	37	39	61
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviations in 2013-2014	41	44	51	54	56	57	74	110
B2. Primary balance is at historical average minus one standard deviations in 2013-2014	41	39	38	37	36	34	31	31
B3. Combination of B1-B2 using one half standard deviation shocks	41	41	42	45	47	48	61	92
B4. One-time 30 percent real depreciation in 2013	41	51	50	48	47	45	42	48
B5. 10 percent of GDP increase in other debt-creating flows in 2013	41	51	49	48	47	44	41	40
PV of Debt-to-Revenue Ratio 2/								
Baseline	215	194	184	176	169	158	137	130
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	215	196	192	194	199	204	221	280
A2. Primary balance is unchanged from 2012	215	203	206	213	223	232	289	388
A3. Permanently lower GDP growth 1/	215	196	188	182	177	170	174	257
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviations in 2013-2014	215	218	242	250	259	263	327	467
B2. Primary balance is at historical average minus one standard deviations in 2013-2014	215	192	185	177	169	159	137	130
B3. Combination of B1-B2 using one half standard deviation shocks	215	201	203	209	216	219	270	388
B4. One-time 30 percent real depreciation in 2013	215	252	239	227	218	206	189	203
B5. 10 percent of GDP increase in other debt-creating flows in 2013	215	250	237	227	218	205	182	169
Debt Service-to-Revenue Ratio 2/								
Baseline	10	12	12	14	15	17	16	18
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	10	13	13	15	17	21	26	40
A2. Primary balance is unchanged from 2012	10	12	13	16	19	22	33	51
A3. Permanently lower GDP growth 1/	10	12	12	15	16	18	19	33
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviations in 2013-2014	10	13	15	19	22	26	36	61
B2. Primary balance is at historical average minus one standard deviations in 2013-2014	10	12	12	14	15	17	16	18
B3. Combination of B1-B2 using one half standard deviation shocks	10	13	14	15	17	21	29	50
B4. One-time 30 percent real depreciation in 2013	10	14	16	19	21	24	27	37
B5. 10 percent of GDP increase in other debt-creating flows in 2013	10	12	15	21	21	22	22	24

Sources: Country authorities; and staff estimates and projections.

1/ Assumes that real GDP growth is at baseline minus one standard deviation divided by the square root of the length of the projection period.

2/ Revenues are defined inclusive of grants.

APPENDIX 4—CÔTE D'IVOIRE: PUBLIC INVESTMENT, GROWTH, AND DEBT SUSTAINABILITY IN CÔTE D'IVOIRE[1]

1. **This appendix summarizes the preliminary results of an application to the Ivoirien economy of a dynamic general equilibrium model that analyses the links between public investment**, **economic growth and debt sustainability**. The aim of the model is to complement the standard IMF-World Bank debt sustainability framework for low-income countries and give preliminary guidance on the feasibility of scaling up public investments through borrowing under different assumptions. It is a two-sector open economy dynamic general equilibrium model, elaborated by Buffie and others (2012), with three types of public sector debt (external concessional, external commercial and domestic debt) that attempts to capture some of the features of a typical low-income country. It does so by, for example, taking into account the importance of grants and workers' remittances in the model, by introducing imperfect access to international capital markets and by incorporating "hand-to-mouth" consumers who do not save and therefore allow for non-Ricardian effects. See Buffie and others (2012) for details. [1]

- This model is intended for long-run analysis and therefore does not include money or nominal rigidities.

- In the model, public capital (infrastructure) enters the production function for both tradable and non-tradable goods. The extent to which public investment produces additional infrastructure depends on a parameter reflecting the efficiency of investment.

- The government undertakes current expenditures, infrastructure investment and pays debt service. It collects revenue from a consumption tax and from user fees for infrastructure services, which are expressed as a fixed fraction/multiple of recurrent costs. When expenditures exceed revenues, the difference is financed from various sources described below.

- The model allows comparisons of the implications of a range of financing options. Concessional loans by official creditors, domestic loans and grants from donors are both considered to be determined exogenously and are therefore fixed. The model can simulate governments borrowing under non-concessional terms abroad. Meanwhile, governments can also modify tax policy and user fees in the model. The tax burden is a crucial policy variable, and changes in the speed and size of the fiscal adjustment (i.e., increases in the tax burden) eventually required to pay for the investment scaling-up are important for determining the resulting debt path.

[1] It should be emphasized that the model presented in this appendix is one possible version of a number of choices for the main parameters of the model and—rather than offering definitive guidance—represents a window into ongoing technical dialogue between the authorities and the staffs of the IMF and IDA.

2. **The main lesson of the model is the need to consider the dynamic interactions of public investment**, **growth**, **recurrent costs**, **and fiscal policy**. In addition to servicing the debt, the government needs to account/pay for depreciation, if it desires a sustained increase in public capital. Therefore, even when investment has a high rate of return, it may not fully pay for itself from the point of view of the fiscal authorities if tax rates and user fees are low and the benefits initially accrue mainly to the private sector. There may also be a transitional fiscal problem if the benefits of public investment do not fully materialize before the debt needs to be repaid.

3. **We analyze two scenarios**: **in the first**, **we examine the macroeconomic implications of a sizeable investment scaling-up**, **and in the second we look at the economic effects of a more ambitious investment surge**. The investment scaling-up scenario starts from an initial value of public investment of 3.0 percent of GDP, reaching 6.0 percent in three years and peaking at 7.2 percent by year ten before declining to 4 percent. In the surge scenario, public investment increases to 9.6 percent of GDP in 9 years and subsequently stays at that level.[2] In each scenario we simulate the model using a baseline calibration and an alternative optimistic calibration of technical parameters. In the optimistic calibration, we set some key parameters to values more favorable for growth, as presented in Table 1, and introduce a 5 percent productivity improvement in both the traded and non-traded sectors, to reflect potential improvements of the Ivoirien economic environment assumed to be brought about by successful structural reforms.

4. **The model's parameters and key ratios were calibrated to match data available for the Ivoirien economy**.[3] We use Côte d'Ivoire-specific information to calibrate depreciation rates, the ratio of non-savers to savers, and one key technology parameter for the production of public capital. For depreciation rates, we use 4 percent, which the Ivoirien National Statistical Institute uses when calculating capital stocks. To calibrate the ratio of non-savers to savers in the economy, we use the share of the Ivoirien population with bank accounts (savers), from the Ivoirien branch (*Direction Nationale*) of the West African Central Bank (*BCEAO*); the share was 15 percent in 2010, implying a ratio of non-savers to savers of 5.6. As for the production function parameters, we use data on the share of public investment expenditures that go on imports; during 2002-09, the share of public investment expenditures spent on imported inputs averaged 40 percent. Other key initial conditions, including debt stocks and grants, are calibrated to match Côte d'Ivoire's post-HIPC completion point values. Where Ivoirien-specific estimates were not available, average estimates of low-income country parameters, as described in Buffie and others (2012), were

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[2] The choice of this public investment path is inspired by the authorities' high growth path in the National Development Program. Their vision of Côte d'Ivoire as an emerging market country by 2020 includes substantially higher public investment in the medium and long term to sustain strong economic growth.

[3] We are grateful to the Ivoirien authorities for providing the data used to calibrate some of the key parameters.

used. These include three crucial parameters: return on infrastructure investment, set at 30 percent in the baseline calibration, based on the literature on infrastructure investment in Africa;[4] user fees, assumed in the baseline calibration to allow recouping 50 percent of recurring costs for infrastructure projects;[5] and public investment efficiency, set at 50 percent in the baseline scenario, based on the estimates of Pritchett (2000) for sub-Saharan Africa. An investment efficiency of 50 percent implies that every dollar of public investment by the government translates into 50 cents of public "effective" capital. This value is similar to the estimate of public investment efficiency based on the public investment management index (PIMI) developed by Dabla-Norris and others (2011). The PIMI is composed of measures of the quality of appraisal, selection, management, and evaluation of public investment projects.[6]

Table 1: **Calibration of Key Parameters**

	Baseline	Alternative
Efficiency of Public Investment (in %)	50	60
Return on Public Investment (in %)	30	40
User Fees For Infrastructure Services (% of Recurrent Costs)	50	60

Source: IMF staff estimates.

5. **In each simulation we assume that the government has limited recourse to additional taxation/fiscal revenue to finance the increase in investment**. In the face of fiscal pressures, the taxes/government revenue are raised in a staggered fashion from 18 percent of GDP to 19 percent over 5 years and capped at that level thereafter.[7] Beyond the available grants, domestic borrowing and concessional external financing, the government borrows externally on non-concessional terms to finance any remaining fiscal gap. *The goal of these scenarios is to evaluate the trade-offs associated with the two paths for public investment and to investigate the conditions under which increased public investment could lead to higher growth and the implications for debt sustainability.*

[4] Return on infrastructure investment is the net marginal product of public capital (marginal product of public capital net of depreciation).There is considerable uncertainty about the average return on infrastructure investment in sub-Saharan Africa. We follow the macro-based estimates in Dalgaard and Hansen (2005), which are on the high return end of the spectrum (between 15 percent and 30 percent). However, numbers higher than 30 percent have been advanced in the literature and policy work. Examples include the scaling up exercise in Box 4.1 in Barkbu et al. (2008) and Gupta, Powell, and Yang (2006).

[5] This is in line with the average estimate for sub-Saharan African countries presented in Briceno-Garmendia et al. (2008).

[6] For Côte d'Ivoire, the PIMI is 0.46. It is important to note that there is no direct mapping between the PIMI (which is a relative measure) and the efficiency parameter discussed in the model.

[7] In all the scenarios, we assume no change in current expenditures (net of non-consumption tax revenue in the model). Therefore, the needed fiscal adjustment falls entirely on taxes/government revenue.

6. **In the first scenario, scaling up investment significantly increases GDP growth and stimulates sizeable private investment, while maintaining debt at sustainable levels**. Figure 1 shows that the baseline case generates a peak increase in GDP growth to 6 percent and stimulates an increase in private investment to 11 percent of GDP in the long run. In the alternative calibration assuming higher efficiency, the peak in GDP growth would rise to 9.7 percent before declining to 7 percent in the long run, and private investment would rise to over 25 percent of GDP in the medium run. The external current account deficit would rise to about 9 percent of GDP before falling gradually over the medium term, and the fiscal deficit would remain at 4 percent of GDP over the medium term. While external and total public debt stocks rise in both the baseline and alternative cases, both remain sustainable. In the baseline case, external public debt and total public debt peak at 65 and 80 percent of GDP, respectively, but then return to 63 and 78 percent, respectively. These debt figures become much lower in the alternative calibration, when structural conditions are improved, with total external and total public debt falling to 37 and 50 percent of GDP, respectively. Therefore, with successful structural reforms in management of public investment, revenue collection and productivity, a moderate scaling-up of public investment may lead to higher growth and stimulate higher private investment, while the benefits of growth help keeping public debt sustainable.

7. **The results from the second scenario show that a more ambitious investment surge may lead to only slightly higher growth, especially with improved structural conditions, but that this could generate an unsustainable debt build-up.** Under this scenario, the higher investment surge leads to a peak in GDP growth of 6.6 percent over the medium term in the baseline case and to a peak of 11 percent GDP growth in the alternative calibration (Figure 2). In addition, the stimulus to private investment is stronger, with private investment reaching 25 percent of GDP over the medium term. With this investment surge, Côte d'Ivoire would have to run current account deficits of the order of 12 percent of GDP, as well as persistent fiscal deficits, in the medium and long term. Notwithstanding the benefit of higher growth, a public investment surge of this magnitude leads to debt sustainability problems, even assuming parameters indicating improved structural conditions (successful structural reforms in management of public investment, revenue collection and productivity).[8] In this alternative calibration, total external and total public debt reach 85 and 100 percent of GDP, respectively, over a 20-year horizon.

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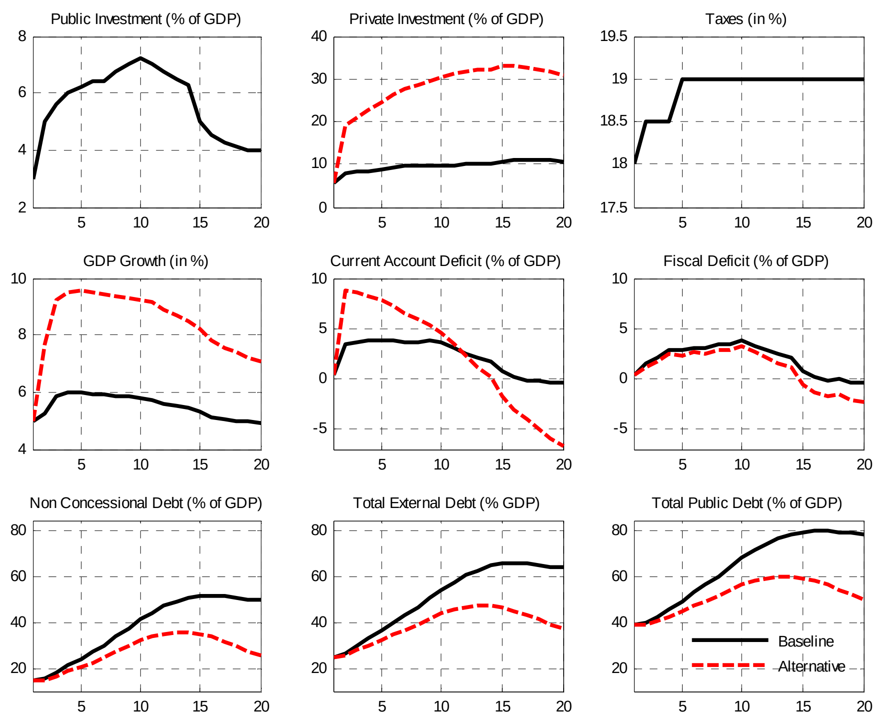
[8] Note that even under a very high public investment efficiency (90 percent), collection of user fees that allows recouping 90 percent of recurrent costs and a higher rate of return on infrastructure investment generates (50 percent) does not lead to debt sustainability. However, if we assume different financing conditions, in the form of more grants and more concessional loans, the surge scenario could lead to debt sustainability. The paths of grants and concessional loans used in this analysis are based on staff estimates of grants and concessional loans that Côte d'Ivoire could have access to. Finally, changing the trajectory of the surge in public investment by gradually reducing the level after it reaches the peak could also lower the build-up of debt even under the current financing conditions.

8. **This model-based simulation of debt sustainability in Côte d'Ivoire highlights the possibilities for higher growth and sustainable debt dynamics under specific conditions, as well as the risks of adverse debt dynamics over the medium and long term**.[9] Overall, the results of the analysis pinpoint that a massive and sustained surge in public investment, despite its growth benefits, would be likely to lead to debt sustainability problems even under improved structural conditions. The results also underscore the importance of combining speedy and successful structural reforms in some key areas (which include the efficiency of public investment, the ability to collect more revenue, the return on investment and productivity in both the traded and non-traded sectors) with a moderate scaling-up of public investment while maintaining debt sustainability. This combination would induce private investment, leading to higher growth while preserving debt sustainability.

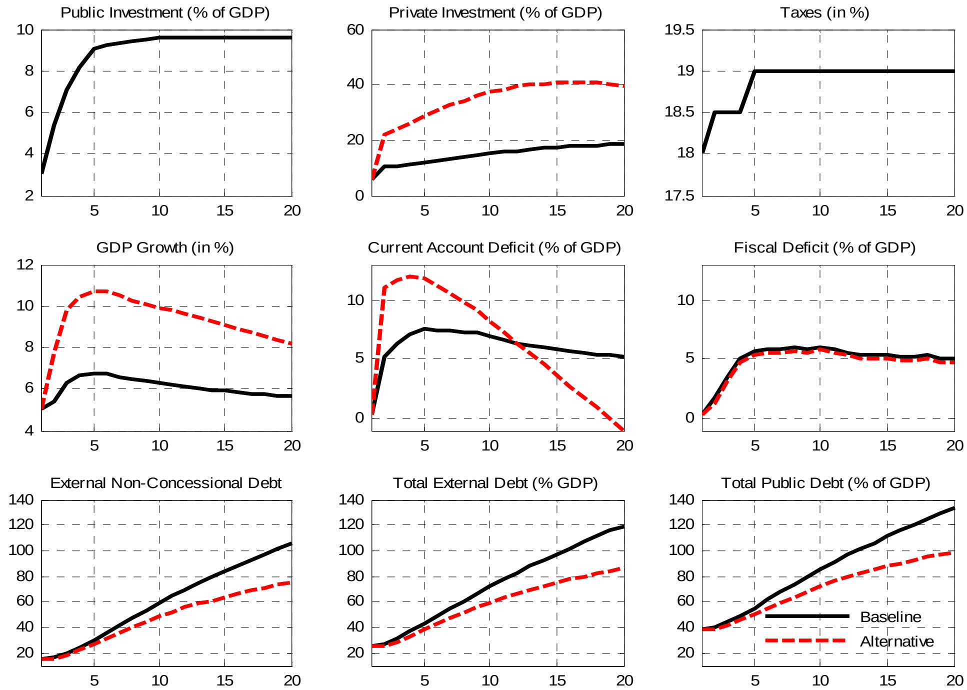
Figure 1. Investment Scaling-Up Model Simulations: Baseline Compared to Alternative Calibration



Source: IMF staff estimates.

[9] It is important to bear in mind that the conclusions obtained in the application of the model are sensitive to the set of assumptions made. Consequently, the results of the model should be used with care.

Figure 2. Ambitious Investment Surge Model Simulations: Baseline Compared to Alternative Calibration



Source: IMF staff estimates.

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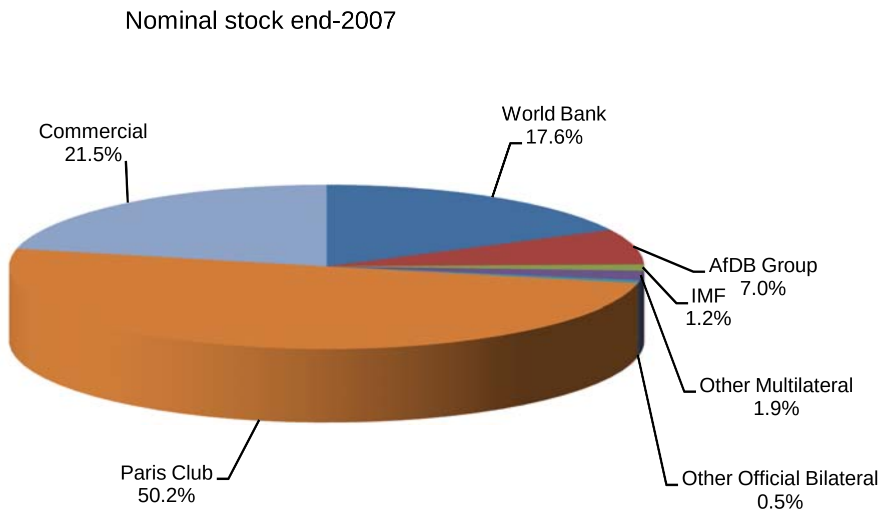
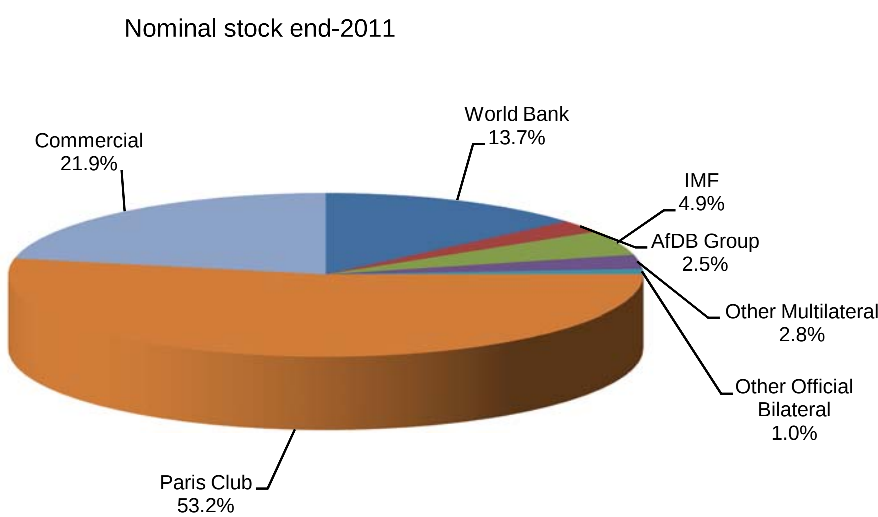
Figure A1. Côte d'Ivoire: Composition of External Debt by Creditor Group, end-2007 and end-2011

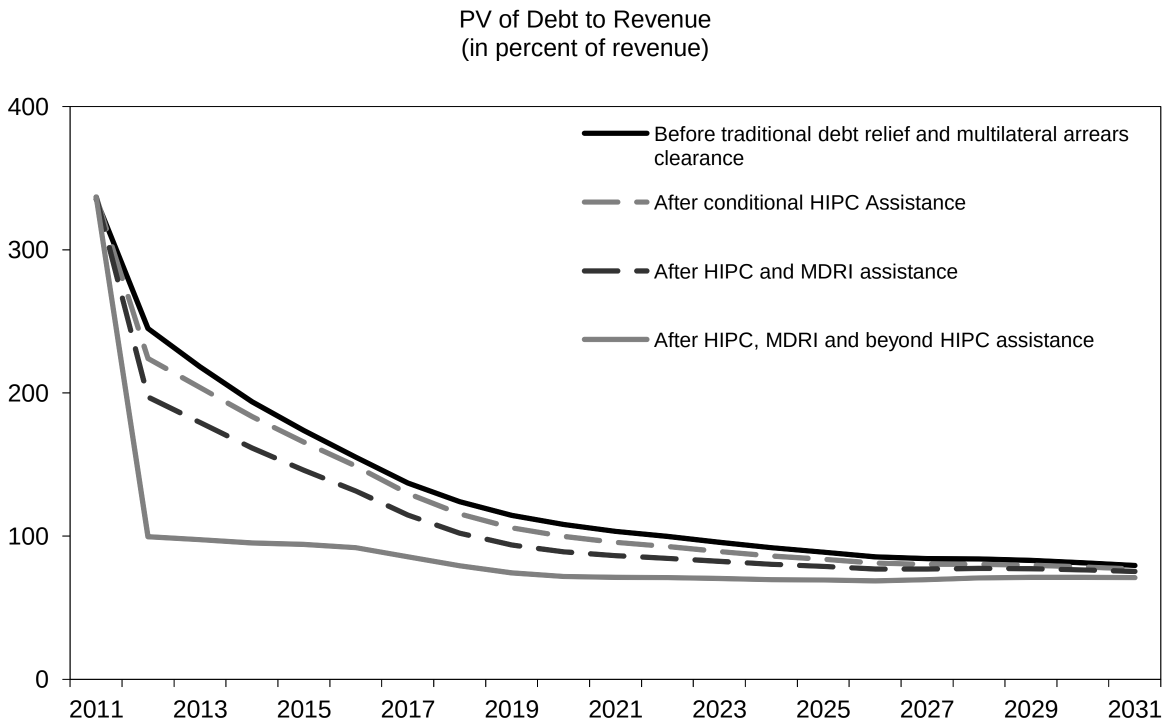


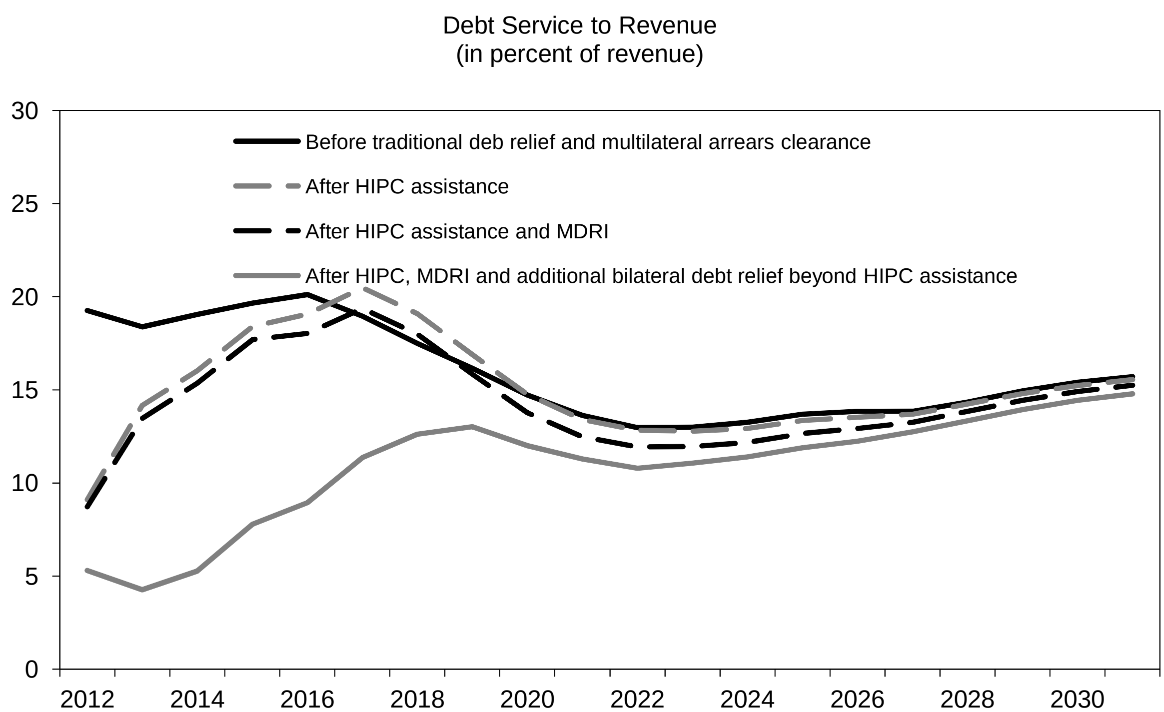
Sources: Côte d'Ivoire authorities and staff estimates.



Sources: Côte d'Ivoire authorities and staff estimates.

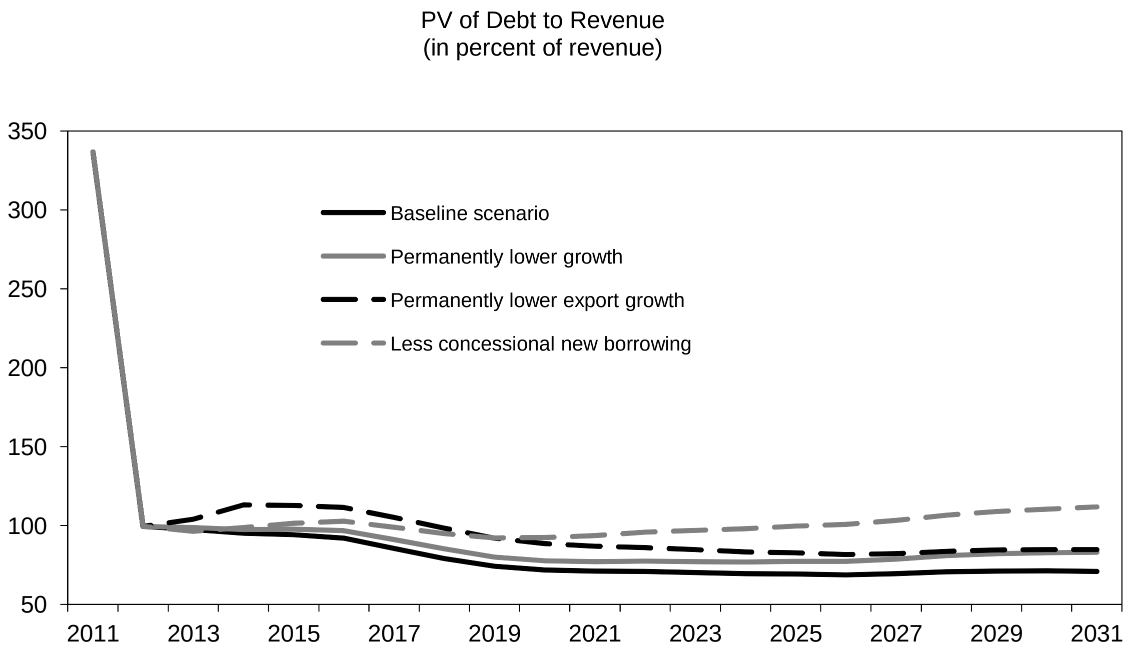
Figure A2. Côte d'Ivoire: External Debt Indicators, 2011-2031

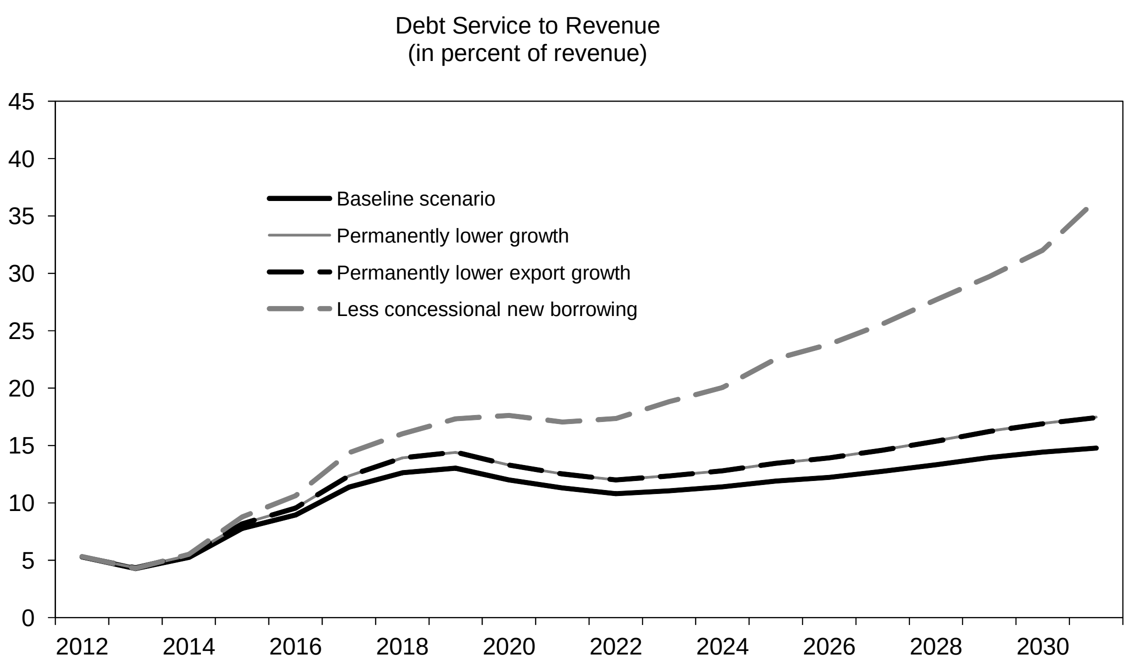




Sources: Côte d'Ivoire authorities and staff estimates.

Figure A3. Côte d'Ivoire: Sensitivity Analysis, 2011-31





Sources: Côte d'Ivoire authorities and staff estimates.

Table A1. Côte d'Ivoire: Discount and Exchange Rate Assumptions as of end-December 2007 and 2011

Currency Name	Discount Rate 1/ (In percent per annum)		Exchange Rate 2/ (Currency per U.S. dollar)	
	At decision point end-December 2007	At completion point end-December 2011	At decision point end-December 2007	At completion point end-December 2011
CFA Franc	5.35	3.52	445.59	506.96
Swiss Franc	3.95	2.05	1.13	0.94
Chinese Yuan	5.27	3.09	7.30	6.30
Danish Krone	5.39	3.21	5.08	5.75
Euro	5.35	3.52	0.68	0.77
U.K. Pound	6.33	3.37	0.50	0.65
Japanese Yen	2.47	1.63	114.00	77.72
Kuwaiti Dinar	5.27	3.09	0.27	0.28
Special Drawing Rights	5.27	3.09	0.63	0.65
Swedish Krona	5.31	3.27	6.41	6.89
U.S. Dollar	5.64	2.96	1.00	1.00
Memorandum item:				
Paris Club cutoff date	July 1, 1983			

Sources: OECD; and IMF, *International Financial Statistics* .

1/ The discount rates used are the average commercial interest reference rates over the six-month period prior to end-December 2007 and 2011, respectively, i.e., the end of the period for which actual debt and revenue data are available.

2/ The exchange rates are expressed as national currency per U.S. dollar in end-of-period terms.

Table A2. Côte d'Ivoire: Nominal Stock and Present Value of Debt, end-December 2007, by Creditor Groups

	Legal Situation								Base Situation for Calculation of HIPC Debt Relief 2/			
	Nominal Debt Stock 1/				PV of Debt 1/				PV of Debt			
	At decision point		Revised at completion point		At decision point		Revised at completion point		At decision point		Revised at completion point	
	US$ million	Percent of total	US$ million	Percent of total	US$ million	Percent of total	US$ million	Percent of total	US$ million	Percent of total	US$ million	Percent of total
Total	**14,293.5**	**100.0**	**14,318.9**	**100.0**	**12,282.8**	**100.0**	**12,188.1**	**100.0**	**12,759.3**	**100.0**	**12,878.8**	**100.0**
Multilateral	**3,973.1**	**27.8**	**3,969.5**	**27.7**	**2,948.2**	**24.0**	**2,946.6**	**24.2**	**2,948.2**	**23.1**	**2,946.6**	**22.9**
World Bank	2,523.1	17.7	2,523.8	17.6	1,708.2	13.9	1,708.9	14.0	1,708.2	13.4	1,708.9	13.3
IDA	*1,970.9*	*13.8*	*1,971.6*	*13.8*	*1,160.5*	*9.4*	*1,161.2*	*9.5*	*1,160.5*	*9.1*	*1,161.2*	*9.0*
IBRD	*552.1*	*3.9*	*552.1*	*3.9*	*547.8*	*4.5*	*547.8*	*4.5*	*547.8*	*4.3*	*547.8*	*4.3*
IMF	173.5	1.2	173.5	1.2	160.1	1.3	160.1	1.3	160.1	1.3	160.1	1.2
AfDB Group	1,001.1	7.0	1,001.1	7.0	847.2	6.9	847.2	7.0	847.2	6.6	847.2	6.6
AfDB	*711.0*	*5.0*	*711.0*	*5.0*	*715.9*	*5.8*	*715.9*	*5.9*	*715.9*	*5.6*	*715.9*	*5.6*
AfDF	*290.2*	*2.0*	*290.2*	*2.0*	*131.3*	*1.1*	*131.3*	*1.1*	*131.3*	*1.0*	*131.3*	*1.0*
BOAD	38.0	0.3	38.0	0.3	33.9	0.3	33.9	0.3	33.9	0.3	33.9	0.3
CEDEAO/ECOWAS	18.6	0.1	18.6	0.1	16.4	0.1	16.4	0.1	16.4	0.1	16.4	0.1
EIB/EU	133.2	0.9	133.2	0.9	114.8	0.9	114.8	0.9	114.8	0.9	114.8	0.9
EIB	*38.6*	*0.3*	*38.6*	*0.3*	*38.6*	*0.3*	*38.6*	*0.3*	*38.6*	*0.3*	*38.6*	*0.3*
EU	*94.6*	*0.7*	*94.6*	*0.7*	*76.2*	*0.6*	*76.2*	*0.6*	*76.2*	*0.6*	*76.2*	*0.6*
IDB	4.4	0.0	2.6	0.0	3.0	0.0	3.0	0.0	3.0	0.0	3.0	0.0
IFAD	14.5	0.1	14.5	0.1	8.3	0.1	8.3	0.1	8.3	0.1	8.3	0.1
OFID	14.0	0.1	14.0	0.1	10.8	0.1	10.8	0.1	10.8	0.1	10.8	0.1
BADEA	9.7	0.1	9.7	0.1	7.2	0.1	7.2	0.1	7.2	0.1	7.2	0.1
FAGACE	2.5	0.0	-	-	2.4	0.0	-	-	2.4	0.0	-	0.0
UEMOA/WAEMU	40.6	0.3	40.6	0.3	35.9	0.3	35.9	0.3	35.9	0.3	35.9	0.3
Bilateral and Commercial	**10,320.4**	**72.2**	**10,349.4**	**72.3**	**9,334.6**	**76.0**	**9,241.5**	**75.8**	**9,811.1**	**76.9**	**9,932.2**	**77.1**
Bilateral	7,246.8	50.7	7,268.4	50.8	6,407.5	52.2	6,498.1	53.3	5,508.9	43.2	5,622.6	43.7
Paris Club:	7,169.7	50.2	7,189.8	50.2	6,352.8	51.7	6,442.8	52.9	5,437.6 3/	42.6	5,550.8 3/	43.1
Post-cutoff date	3,011.0	21.1	3,064.3	21.4	2,835.7	23.1	2,889.9	23.7	2,696.6	21.1	2,747.7	21.3
ODA	2,829.6	19.8	2,901.7	20.3	2,654.6	21.6	2,727.9	22.4	2,518.2	19.7	2,587.9	20.1
Non-ODA	181.4	1.3	162.7	1.1	181.1	1.5	162.0	1.3	178.5	1.4	159.8	1.2
Pre-cutoff date	4,158.7	29.1	4,125.5	28.8	3,517.1	28.6	3,552.9	29.2	2,741.0	21.5	2,453.5	19.1
ODA	1,067.4	7.5	878.7	6.1	979.1	8.0	780.9	6.4	913.4	7.2	703.6	5.5
Non-ODA	3,091.2	21.6	3,246.8	22.7	2,538.0	20.7	2,772.0	22.7	1,827.5	14.3	1,749.8	13.6
Austria	127.3	0.9	127.3	0.9	67.2	0.5	74.8	0.6	44.6	0.3	46.1	0.4
Belgium	313.6	2.2	313.6	2.2	220.0	1.8	228.4	1.9	108.2	0.8	108.6	0.8
Brazil	8.6	0.1	8.9	0.1	6.0	0.0	8.6	0.1	10.9	0.1	14.7	0.1
Canada	158.6	1.1	158.6	1.1	127.9	1.0	156.3	1.3	117.5	0.9	142.7	1.1
France	4,523.1	31.6	4,523.5	31.6	4,270.8	34.8	4,271.2	35.0	3,855.7	30.2	3,842.3	29.8
Germany	574.5	4.0	574.5	4.0	422.2	3.4	423.3	3.5	327.8	2.6	341.1	2.6
Italy	122.6	0.9	123.9	0.9	89.7	0.7	97.9	0.8	57.1	0.4	70.9	0.6
Japan	167.1	1.2	167.1	1.2	166.1	1.4	166.1	1.4	161.4	1.3	161.4	1.3
Netherlands	165.1	1.2	165.1	1.2	170.6	1.4	170.7	1.4	130.3	1.0	146.1	1.1
Norway	33.4	0.2	33.4	0.2	25.9	0.2	32.1	0.3	24.3	0.2	29.7	0.2
Spain	461.2	3.2	460.6	3.2	301.1	2.5	300.6	2.5	240.3	1.9	243.6	1.9
Switzerland	4.8	0.0	10.7	0.1	4.8	0.0	10.7	0.1	4.7	0.0	10.6	0.1
United Kingdom	90.1	0.6	103.7	0.7	82.0	0.7	96.4	0.8	68.3	0.5	82.9	0.6
United States	419.9	2.9	419.1	2.9	398.6	3.2	405.6	3.3	286.7	2.2	310.0	2.4
Other Official Bilateral:	77.1	0.5	78.7	0.5	54.7	0.4	55.3	0.5	71.3	0.6	71.8	0.6
China	50.3	0.4	50.3	0.4	36.2	0.3	35.6	0.3	52.7 4/	0.4	52.2 4/	0.4
India	26.7	0.2	26.7	0.2	18.4	0.2	18.4	0.2	18.4	0.1	18.4	0.1
Kuwait	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.00
Saudi Fund	-	-	1.5	0.0	-	-	1.1	0.0	-	-	1.1	0.01
Commercial	3,073.6	21.5	3,081.0	21.5	2,927.1	23.8	2,743.4	22.5	4,302.2	33.7	4,309.6	33.5
BNP Luxembourg	2,898.5	20.3	2,898.5	20.2	2,752.5	22.4	2,561.3	21.0	4,127.67 5/	32.4	4,127.7 5/	32.1
Hopitaux de France	4.5	0.0	4.4	0.0	4.5	0.0	4.4	0.0	4.5	0.0	4.4	0.0
Iran Khodro Diesel	6.5	0.0	6.5	0.0	7.1	0.1	7.1	0.1	7.1	0.1	7.1	0.1
RATP	0.8	0.0	0.8	0.0	0.8	0.0	0.8	0.0	0.8	0.0	0.8	0.0
Renault Vehicule Industriel	1.6	0.0	1.7	0.0	1.6	0.0	1.7	0.0	1.6	0.0	1.7	0.0
Standard Bank	161.7	1.1	169.0	1.2	160.6	1.3	168.0	1.4	160.6	1.3	168.0	1.3

Sources: Côte d'Ivoire authorities; and Fund and World Bank staff estimates.

1/ Includes arrears.
2/ Includes a hypothetical stock-of-debt operation on Naples terms at end-2007 and at least comparable treatment by other official bilateral and commercial creditors on eligible debt (pre-cutoff and non-ODA).
3/ Increased by the amount of excess relief provided beyond traditional relief through two flow rescheduling operations on Lyon terms (80 percent reduction).
4/ Increased by the NPV of the 2007 cancelled loans by China in line with the HIPC methodology applied to other countries.
5/ Increased by the amount of excess relief provided beyond traditional debt relief through the 1998 agreement.

Table A3. Côte d'Ivoire: Nominal Stock and Present Value of Debt, end-December 2011, by Creditor Groups

	Legal Situation				PV of Debt		
	Nominal Debt		PV of Debt 1/		After enhanced HIPC relief 2/	After additional bilateral relief	After additional bilateral relief
	US$ million	Percent of total	US$ million	Percent of total	US$ million	US$ million	Percent of total
Total	12,492.4	100.0	12,042.3	100.0	10,604.1	5,967.8	100.0
Multilateral 3/	**2,987.7**	23.9	**2,328.6**	19.3	**2,177.6**	**2,177.6**	36.5
World Bank	1,712.9	13.7	1,315.4	10.9	1,215.5	1,215.5	20.4
IDA	1,712.9	13.7	1,315.4	10.9	*1,215.5*	*1,215.5*	20.4
IBRD	-	-	-	-	-	-	-
IMF	613.1	4.9	507.5	4.2	484.2	484.2	8.1
AfDB Group	312.4	2.5	206.7	1.7	206.7	206.7	3.5
AfDB	30.1	0.2	31.9	0.3	*31.9*	31.9	0.5
AfDF	282.3	2.3	174.9	1.5	*174.9*	174.9	2.9
BOAD	33.1	0.3	34.8	0.3	25.2	25.2	0.4
CEDEAO/ECOWAS	14.4	0.1	14.4	0.1	9.1	9.1	0.2
EIB/EU	90.3	0.7	76.2	0.6	69.6	69.6	1.2
EIB	41.8	0.3	39.2	0.3	*33.4*	*33.4*	0.6
EU	42.7	0.3	36.2	0.3	*36.2*	*36.2*	0.6
IDB	119.5	1.0	94.2	0.8	93.3	93.3	1.6
IFAD	20.4	0.2	15.4	0.1	12.8	12.8	0.2
OFID	22.9	0.2	20.3	0.2	20.3	20.3	0.3
BADEA	25.4	0.2	23.0	0.2	20.2	20.2	0.3
FAGACE	-	-	-	-	-	-	-
UEMOA/WAEMU	23.1	0.2	20.5	0.2	20.5	20.5	0.3
Bilateral and Commercial	9,504.7	76.1	9,713.7	80.7	8,426.5	3,790.2	63.5
Bilateral	6,775.0	54.2	6,273.1	52.1	5,257.9	621.6	10.4
Paris Club:	6,649.3	53.2	6,161.2	51.2	5,165.8	529.4	8.9
Post-cutoff date	3,320.3	26.6	3,197.9	26.6	…	…	…
ODA	2,751.6	22.0	2,640.2	21.9	…	…	…
Non-ODA	568.7	4.6	557.7	4.6	…	…	…
Pre-cutoff date	3,329.0	26.6	2,963.2	24.6	…	…	…
ODA	949.0	7.6	925.7	7.7	…	…	…
Non-ODA	2,380.1	19.1	2,037.5	16.9	…	…	…
Austria	96.6	0.8	61.1	0.5	…	…	…
Belgium	267.9	2.1	231.2	1.9	…	…	…
Brazil	9.4	0.1	9.4	0.1	…	…	…
Canada	129.0	1.0	122.7	1.0	…	…	…
France	4,484.9	35.9	4,280.7	35.5	…	…	…
Germany	519.3	4.2	432.3	3.6	…	…	…
Italy	68.5	0.5	57.1	0.5	…	…	…
Japan	262.2	2.1	243.1	2.0	…	…	…
Netherlands	116.5	0.9	130.6	1.1	…	…	…
Norway	27.5	0.2	30.4	0.3	…	…	…
Spain	368.1	2.9	254.7	2.1	…	…	…
Switzerland	14.6	0.1	14.6	0.1	…	…	…
United Kingdom	70.1	0.6	58.0	0.5	…	…	…
United States	214.7	1.7	235.4	2.0	…	…	…
Other Official Bilateral:	125.7	1.0	112.0	0.9	92.1	92.1	1.5
China	87.8	0.7	77.0	0.6	74.3	74.3	1.2
India	24.9	0.2	22.7	0.2	16.8	16.8	0.3
Kuwait	4.5	0.0	4.5	0.0	0.1	0.1	0.0
Saudi Fund	8.4	0.1	7.8	0.1	0.9	0.9	0.0
Commercial	2,729.7	21.9	3,440.6	28.6	3,168.6	3,168.6	53.1
London Club CITI Eurobond	2,419.6	19.4	3,130.5	26.0	3,071.2	3,071.2	51.5
Hopitaux de Paris	2.6	0.0	2.6	0.0	2.6	2.6	0.0
Iran Khodro Diesel	5.7	0.0	5.7	0.0	1.0	1.0	0.0
RATP	0.7	0.0	0.7	0.0	0.5	0.5	0.0
Renault Vehicule Industriel	1.5	0.0	1.5	0.0	1.0	1.0	0.0
Standard Bank	299.6	2.4	299.6	2.5	92.4	92.4	1.5

Sources: Cote d'Ivoire authorities authorities; and Fund and World Bank staff estimates.

1/ Includes arrears.

2/ Assumes full delivery of HIPC assistance as of end June 2012.

3/ IDA, IMF, AfDB, EU, OFID, and WAEMU have already given full or partial debt relief through arrears clearance, concessional loan rescheduling or debt service payment reductions. For these creditors the end-2011 legal situation reflects the situation after full or interim HIPC debt relief. For PC creditors, the end-2011 situation may not include the full relief of November 2011 agreed minutes.

Table A4. Côte d'Ivoire: HIPC Initiative Assistance Under a Proportional Burden-Sharing Approach 1/ 2/

(In millions of U.S. dollars, unless otherwise indicated)

	Debt Outstanding (PV terms) end-2007 (A)		Debt Outstanding (PV terms) Post-HIPC (B)		Reduction of the PV of Debt due to HIPC (A-B) /3	
	At decision point	Revised at completion point	At decision point	Revised at completion point	At decision point	Revised at completion point
Total	12,759.3	12,878.8	9,754.4	9,769.5	3,004.9	3,109.3
(as percent of revenue)	327.0	329.6	250.0	250.0	77.0	79.6
of which:						
Multilateral	2,948.2	2,946.6	2,253.9	2,235.2	694.3	711.4
Bilateral	5,508.9	5,622.6	4,211.5	4,265.1	1,297.4	1,357.5
Paris Club:	5,437.6	5,550.8	4,157.0	4,210.6	1,280.6	1,340.1
Other Official Bilateral:	71.3	71.8	54.5	54.5	16.8	17.3
Commercial	4,302.2	4,309.6	3,289.0	3,269.2	1,013.2	1,040.5
Memorandum Items:						
Common reduction factor (percent) 3/	23.6	24.1				
Revenue 4/	3,902	3,907.8				
Exports	7,990.26	9,000.0				
Revenue/ GDP (3 year average) 5/	18.5	18.0				
Exports/ GDP (3 year average) 6/	44.7	50.4				

Sources: Côte d'Ivoire authorities; and IMF and World Bank staff estimates and projections.

1/ The proportional burden sharing approach is described in "HIPC Initiative--Estimated Costs and Burden Sharing.Approaches."
2/ Includes a hypothetical stock-of-debt operation on Naples terms (end-December 2007) and comparable treatment by other official bilateral creditors.
3/ Each creditor's NPV reduction in percent of its exposure at the reference date, end-December 2007, calculated as (A-B)/A.
4/ 2007 government revenue without grant and adjusted for the toxic waste compensation (see Box III in the Decision Point document).
5/ Three-year average of fiscal revenues and GDP (2005-2007).
6/ Three-year average of exports and GDP (2005-2007).

Table A5. Côte d'Ivoire: Present Value of External Debt, 2011-31
(in millions of U.S. dollars, unless otherwise indicated)

	2011	2012	2013	2014	2015	2016	2021	2026	2031	Averages 2011 - 2021	Averages 2022 - 2031
I. Before traditional debt relief and after multilateral arrears clearance 1/											
PV of total debt	12,038.6	11,582.8	11,475.7	11,273.5	11,226.0	11,039.7	10,450.4	12,660.8	17,268.7	10,950.6	13,479.8
PV of outstanding debt	12,038.6	11,499.8	10,898.9	10,158.9	9,333.6	8,434.6	5,598.6	3,854.4	2,221.8	8,632.4	3,730.3
Official bilateral and commercial	9,713.7	9,235.4	8,678.4	8,016.9	7,305.4	6,529.2	4,491.3	3,166.6	1,826.4	6,825.8	3,048.4
Paris Club	6,161.2	5,736.3	5,233.6	4,628.6	3,975.3	3,302.1	2,050.7	1,621.1	1,240.9	3,708.1	1,613.7
Other official bilateral	112.0	103.4	94.3	84.6	74.5	67.0	31.8	5.1	0.0	69.6	7.4
Commercial	3,440.6	3,395.8	3,350.4	3,303.7	3,255.6	3,160.2	2,408.7	1,540.4	585.4	3,048.1	1,427.3
Multilateral	2,324.9	2,264.3	2,220.6	2,142.0	2,028.1	1,905.4	1,107.3	687.9	395.5	1,806.6	681.9
World Bank	1,315.4	1,287.9	1,259.4	1,227.8	1,192.2	1,147.0	856.8	513.6	263.0	1,120.6	508.3
AfDB Group	206.7	185.4	180.8	176.1	176.2	176.4	169.0	147.4	123.1	178.9	144.8
IMF	507.5	508.9	530.6	520.9	475.5	417.9	0.0	0.0	0.0	329.3	0.0
Other multilateral	295.2	282.1	249.7	217.2	184.2	164.1	81.5	26.8	9.3	177.8	28.8
Multilateral debt in arrears											
PV of new borrowing	0.0	83.0	576.8	1,114.6	1,892.5	2,605.1	4,851.8	8,806.4	15,046.9	2,318.2	9,749.6
II. After traditional debt relief and multilateral arrears clearance 2/											
PV of total debt	9,822.9	9,023.1	8,671.4	8,276.3	8,003.8	7,639.2	7,934.4	10,796.2	16,008.6	8,085.8	11,635.8
PV of total debt after full delivery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0
Multilateral											
Bilateral											
PV of outstanding debt	9,822.9	8,940.1	8,094.6	7,161.7	6,111.3	5,034.0	3,082.6	1,989.8	961.7	5,767.7	1,886.2
Official bilateral and commercial	7,498.0	6,675.8	5,874.0	5,019.7	4,083.2	3,128.6	1,975.3	1,301.9	566.3	3,961.1	1,204.3
Paris Club	5,085.7	4,578.3	4,101.8	3,588.1	3,035.6	2,501.2	1,857.3	1,210.3	566.3	3,033.7	1,144.9
Other official bilateral	93.9	86.5	78.7	70.1	61.4	55.1	27.5	5.0	0.0	58.1	6.7
Commercial	2,318.4	2,010.9	1,693.5	1,361.4	986.1	572.4	90.5	86.6	0.0	869.3	52.7
Multilateral	2,324.9	2,264.3	2,220.6	2,142.0	2,028.1	1,905.4	1,107.3	687.9	395.5	1,806.6	681.9
World Bank	1,315.4	1,287.9	1,259.4	1,227.8	1,192.2	1,147.0	856.8	513.6	263.0	1,120.6	508.3
AfDB Group	206.7	185.4	180.8	176.1	176.2	176.4	169.0	147.4	123.1	178.9	144.8
IMF	507.5	508.9	530.6	520.9	475.5	417.9	0.0	0.0	0.0	329.3	0.0
Other multilateral	295.2	282.1	249.7	217.2	184.2	164.1	81.5	26.8	9.3	177.8	28.8
Multilateral debt in arrears											
PV of new borrowing	0.0	83.0	576.8	1,114.6	1,892.5	2,605.1	4,851.8	8,806.4	15,046.9	2,318.2	9,749.6
III. After conditional delivery of enhanced HIPC assistance 3/											
PV of total debt	12,094.9	10,595.2	10,709.4	10,675.1	10,705.3	10,593.8	9,678.2	12,013.8	16,723.5	10,327.8	12,826.2
PV of outstanding debt	12,094.9	10,512.2	10,132.6	9,560.5	8,812.9	7,988.7	4,826.4	3,207.4	1,676.6	8,009.6	3,076.6
Official bilateral and commercial	9,777.5	8,358.4	7,997.6	7,453.7	6,790.1	6,078.6	3,718.2	2,519.2	1,281.0	6,223.8	2,394.4
Paris Club	6,461.4	5,146.0	4,834.6	4,348.7	3,757.0	3,140.4	1,572.8	1,264.2	989.9	3,392.2	1,246.8
Other official bilateral	99.1	84.8	77.4	68.7	59.7	52.9	25.7	5.0	0.0	56.7	6.4
Commercial	3,217.0	3,127.6	3,085.6	3,036.3	2,973.4	2,885.3	2,119.8	1,250.0	291.1	2,774.8	1,141.1
Multilateral	2,317.4	2,153.8	2,135.0	2,106.8	2,022.8	1,910.1	1,108.2	688.2	395.5	1,785.8	682.2
World Bank	1,315.4	1,200.3	1,201.4	1,201.4	1,194.6	1,159.3	863.9	517.0	264.1	1,110.5	511.7
AfDB Group	206.7	185.4	180.8	176.1	176.2	176.4	169.0	147.4	123.1	178.9	144.8
IMF	500.0	497.9	513.3	520.5	475.3	417.8	0.0	0.0	0.0	325.9	0.0
Other multilateral	295.2	270.3	239.6	208.8	176.7	156.6	75.2	23.8	8.3	170.5	25.8
PV of new borrowing	0.0	83.0	576.8	1,114.6	1,892.5	2,605.1	4,851.8	8,806.4	15,046.9	2,318.2	9,749.6
IV. After unconditional delivery of enhanced HIPC assistance 4/											
PV of total debt	10,604.1	10,595.2	10,709.4	10,675.1	10,705.3	10,593.8	9,678.2	12,013.8	16,723.5	10,192.3	12,826.2
PV of outstanding debt	10,604.1	10,512.2	10,132.6	9,560.5	8,812.9	7,988.7	4,826.4	3,207.4	1,676.6	7,874.1	3,076.6
Official bilateral and commercial	8,426.5	8,358.4	7,997.6	7,453.7	6,790.1	6,078.6	3,718.2	2,519.2	1,281.0	6,101.0	2,394.4
Paris Club	5,165.8	5,146.0	4,834.6	4,348.7	3,757.0	3,140.4	1,572.8	1,264.2	989.9	3,274.4	1,246.8
Other official bilateral	92.1	84.8	77.4	68.7	59.7	52.9	25.7	5.0	0.0	56.1	6.4
Commercial	3,168.6	3,127.6	3,085.6	3,036.3	2,973.4	2,885.3	2,119.8	1,250.0	291.1	2,770.4	1,141.1
Multilateral	2,177.6	2,153.8	2,135.0	2,106.8	2,022.8	1,910.1	1,108.2	688.2	395.5	1,773.1	682.2
World Bank	1,215.5	1,200.3	1,201.4	1,201.4	1,194.6	1,159.3	863.9	517.0	264.1	1,101.4	511.7
AfDB Group	206.7	185.4	180.8	176.1	176.2	176.4	169.0	147.4	123.1	178.9	144.8
IMF	484.2	497.9	513.3	520.5	475.3	417.8	0.0	0.0	0.0	324.5	0.0
Other multilateral	271.1	270.3	239.6	208.8	176.7	156.6	75.2	23.8	8.3	168.3	25.8
PV of new borrowing	0.0	83.0	576.8	1,114.6	1,892.5	2,605.1	4,851.8	8,806.4	15,046.9	2,318.2	9,749.6
V. After conditional delivery of enhanced HIPC and MDRI assistance 3/ 5/											
PV of total debt	12,094.9	9,315.8	9,428.7	9,394.5	9,431.6	9,354.9	8,727.8	11,411.3	16,375.1	9,262.8	12,229.2
PV of outstanding debt	12,094.9	9,232.8	8,851.9	8279.9	7539.1	6749.7	3876.1	2604.9	1328.2	6,944.7	2,479.6
Official bilateral and commercial	9,777.5	8,358.4	7,997.6	7,453.7	6,790.1	6,078.6	3,718.2	2,519.2	1,281.0	6,223.8	2,394.4
Paris Club	6,461.4	5,146.0	4,834.6	4,348.7	3,757.0	3,140.4	1,572.8	1,264.2	989.9	3,392.2	1,246.8
Other official bilateral	99.1	84.8	77.4	68.7	59.7	52.9	25.7	5.0	0.0	56.7	6.4
Commercial	3,217.0	3,127.6	3,085.6	3,036.3	2,973.4	2,885.3	2,119.8	1,250.0	291.1	2,774.8	1,141.1
Multilateral	2,317.4	874.4	854.3	826.2	749.0	671.1	157.8	85.7	47.2	720.8	85.2
World Bank	1,315.4	79.6	79.4	79.3	79.0	78.3	62.3	41.0	17.5	187.4	38.4
AfDB Group	206.7	26.6	22.1	17.7	18.0	18.4	20.3	20.9	21.4	37.0	21.0
IMF	500.0	497.9	513.3	520.5	475.3	417.8	0.0	0.0	0.0	325.9	0.0
Other multilateral	295.2	270.3	239.6	208.8	176.7	156.6	75.2	23.8	8.3	170.5	25.8
PV of new borrowing	0.0	83.0	576.8	1,114.6	1,892.5	2,605.1	4,851.8	8,806.4	15,046.9	2,318.2	9,749.6
VI. After conditional additional bilateral and multilateral relief beyond enhanced HIPC and MDRI assistance 3/ 5/ 6/											
PV of total debt	12,094.9	4,707.2	5,126.8	5,536.2	6,085.5	6,545.0	7,189.5	10,177.4	15,413.3	6,720.1	11,012.3
PV of outstanding debt	12,094.9	4,624.1	4,550.0	4421.6	4193.1	3939.8	2337.7	1371.0	366.4	4,401.9	1,262.7
Official bilateral and commercial	9,777.5	3,749.8	3,695.7	3,595.5	3,444.1	3,268.7	2,179.9	1,285.3	319.2	3,681.1	1,177.5
Paris Club	6,461.4	537.4	532.7	490.5	411.0	330.5	34.5	30.3	28.1	849.5	30.0
Other official bilateral	99.1	84.8	77.4	68.7	59.7	52.9	25.7	5.0	0.0	56.7	6.4
Commercial	3,217.0	3,127.6	3,085.6	3,036.3	2,973.4	2,885.3	2,119.8	1,250.0	291.1	2,774.8	1,141.1
Multilateral	2,317.4	874.4	854.3	826.2	749.0	671.1	157.8	85.7	47.2	720.8	85.2
World Bank	1,315.4	79.6	79.4	79.3	79.0	78.3	62.3	41.0	17.5	187.4	38.4
AfDB Group	206.7	26.6	22.1	17.7	18.0	18.4	20.3	20.9	21.4	37.0	21.0
IMF	500.0	497.9	513.3	520.5	475.3	417.8	0.0	0.0	0.0	325.9	0.0
Other multilateral	295.2	270.3	239.6	208.8	176.7	156.6	75.2	23.8	8.3	170.5	25.8
PV of new borrowing	0.0	83.0	576.8	1,114.6	1,892.5	2,605.1	4,851.8	8,806.4	15,046.9	2,318.2	9,749.6

Sources: Côte d'Ivoire authorities and staff estimates and projections.

1/ After full or partial debt relief through arrears clearance, concessional loan rescheduling or debt service reduction by IDA, AfDB, EU/EIB, OFID and WAEMU.
2/ Assumes a hypothetical stock of debt operation on Naples terms and comparable treatment from other bilateral and commercial creditors.
3/ Assumes interim relief under the enhanced HIPC Initiative from March 2009 to June 2011 and full delivery of assistance at completion point.
4/ Assumes full delivery of estimated HIPC initiative debt relief at end-June 2012.
5/ MDRI assistance applies to the World Bank and the AfDB Group and starts after completion of the HIPC Initiative (June 2012).
6/ Paris Club creditors deliver, under bilateral initiatives, additional debt relief beyond the HIPC Initiative at the completion point.

Table A6. Côte d'Ivoire: External Debt Service, 2012–2031 1/
(in millions of U.S. dollars, unless otherwise indicated)

	2012	2013	2014	2015	2016	2021	2026	2031	Averages 2012 - 2021	Averages 2022 - 2031
I. Before traditional debt relief and after multilateral arrears clearance and interim debt relief										
Total	910.1	965.7	1,108.3	1,270.1	1,431.5	1,377.2	2,050.0	3,412.1	1,282.1	2,238.9
Existing debt 2/	909.0	964.3	1,077.1	1,137.6	1,183.4	552.1	471.1	426.1	916.2	454.4
Multilateral	128.1	120.7	147.9	180.7	186.0	168.1	102.8	73.8	180.5	94.9
World Bank	68.1	68.2	70.5	73.5	82.1	91.3	86.1	61.6	81.3	76.9
IMF	9.0	0.0	26.0	61.3	72.1	50.0	0.0	0.0	61.9	0.0
AfDB Group	28.1	10.6	10.6	5.7	5.7	8.4	9.6	9.7	9.7	9.6
Others	22.9	41.8	40.8	40.3	26.1	18.4	7.0	2.6	27.6	8.4
Official bilateral	646.0	709.5	795.1	822.7	817.4	161.4	161.7	147.4	552.2	141.3
Paris Club	634.1	697.3	782.5	810.1	807.6	153.3	158.9	147.4	542.0	137.8
Non Paris Club	12.0	12.2	12.6	12.7	9.9	8.1	2.8	0.0	10.2	3.5
Commercial	134.8	134.1	134.1	134.1	180.0	222.6	206.6	204.9	183.5	218.2
New debt	1.1	1.4	31.3	132.5	248.1	825.1	1,578.9	2,986.0	365.8	1,784.5
Debt service to exports ratio	7.5	7.3	8.2	9.0	9.6	6.6	7.3	8.8	8.1	7.4
Debt service to revenue ratio	19.3	18.4	19.1	19.6	20.1	13.6	13.8	15.7	17.7	14.1
II. After traditional debt relief and multilateral arrears clearance 3/ 4/										
Total	1,202.5	1,147.2	1,230.1	1,417.6	1,525.1	1,159.3	1,896.0	3,104.1	1,237.7	2,064.7
Existing debt	1,201.4	1,145.9	1,198.8	1,285.1	1,277.0	334.1	317.1	118.2	871.9	280.3
Multilateral	128.1	120.7	147.9	180.7	186.0	168.1	102.8	73.8	180.5	94.9
World Bank	68.1	68.2	70.5	73.5	82.1	91.3	86.1	61.6	81.3	76.9
IMF	9.0	0.0	26.0	61.3	72.1	50.0	0.0	0.0	61.9	0.0
AfDB Group	28.1	10.6	10.6	5.7	5.7	8.4	9.6	9.7	9.7	9.6
Others	22.9	41.8	40.8	40.3	26.1	18.4	7.0	2.6	27.6	8.4
Official bilateral	689.5	641.6	663.1	684.2	644.8	162.2	210.4	44.4	437.3	174.3
Paris Club	679.2	631.1	652.2	673.4	636.5	155.5	207.9	44.4	428.8	171.2
Non Paris Club	10.3	10.5	10.9	10.8	8.2	6.7	2.6	0.0	8.5	3.0
Commercial	383.8	383.6	387.9	420.1	446.3	3.8	3.8	0.0	254.0	11.1
New debt	1.1	1.4	31.3	132.5	248.1	825.1	1,578.9	2,986.0	365.8	1,784.5
Debt service to exports ratio	9.9	8.6	9.1	10.0	10.2	5.6	6.7	8.0	8.0	6.8
Debt service to revenue ratio	25.4	21.8	21.1	21.9	21.4	11.5	12.8	14.3	17.8	12.9
III. After HIPC assistance 5/										
Total	430.5	744.3	931.9	1,189.5	1,356.5	1,356.0	2,003.2	3,377.0	1,208.7	2,207.4
Existing debt 2/	429.4	743.0	900.6	1,057.0	1,108.4	530.9	424.3	391.0	842.9	423.0
Multilateral	103.0	82.5	91.4	146.4	172.7	166.8	102.1	73.5	163.0	94.1
World Bank	51.2	34.4	35.5	42.4	70.7	91.3	86.1	61.6	68.4	76.9
IMF	1.2	0.0	8.6	61.3	72.1	50.0	0.0	0.0	59.4	0.0
AfDB Group	28.1	10.6	10.6	5.7	5.7	8.4	9.6	9.7	9.7	9.6
Others	22.5	37.4	36.6	37.1	24.2	17.1	6.4	2.2	25.4	7.6
Official bilateral	181.1	515.7	658.3	747.7	749.8	129.8	104.4	101.1	481.8	102.5
Paris Club	171.0	505.6	647.3	736.6	741.2	123.6	101.8	101.1	473.3	99.6
Non Paris Club	10.1	10.1	11.0	11.2	8.5	6.3	2.6	0.0	8.5	2.8
Commercial	145.3	144.8	150.9	162.8	186.0	234.3	217.8	216.4	198.1	226.4
New debt	1.1	1.3	31.2	132.5	248.1	825.1	1,578.9	2,986.0	365.8	1,784.5
Debt service to exports ratio after HIPC assistance	3.6	5.6	6.9	8.4	9.1	6.5	7.1	8.7	7.5	7.3
Debt service to revenue ratio after HIPC assistance	9.1	14.2	16.0	18.4	19.1	13.4	13.5	15.5	16.1	13.9
Reduction in debt service as a result of										
HIPC Initiative assistance 6/	772.0	403.0	298.2	228.1	168.6	-196.7	-107.3	-272.8	29.0	-142.7
IV. After HIPC and MDRI assistance 7/										
Total	412.1	707.2	893.4	1,144.2	1,283.5	1,262.7	1,913.8	3,312.2	1,141.6	2,127.3
Existing debt 6/	411.1	705.9	862.2	1,011.7	1,035.4	437.6	334.9	326.2	775.8	342.9
Multilateral	84.7	45.4	53.0	101.2	99.6	73.5	12.7	8.7	95.9	14.0
World Bank	35.3	2.6	2.5	2.6	3.1	6.0	5.8	5.6	7.3	5.8
IMF	1.2	0.0	8.6	61.3	72.1	50.0	0.0	0.0	59.4	0.0
AfDB Group	25.7	5.4	5.2	0.3	0.3	0.4	0.6	0.9	3.8	0.6
Others	22.5	37.4	36.6	37.1	24.2	17.1	6.4	2.2	25.4	7.6
Official bilateral	181.1	515.7	658.3	747.7	749.8	129.8	104.4	101.1	481.8	102.5
Paris Club	171.0	505.6	647.3	736.6	741.2	123.6	101.8	101.1	473.3	99.6
Non Paris Club	10.1	10.1	11.0	11.2	8.5	6.3	2.6	0.0	8.5	2.8
Commercial	145.3	144.8	150.9	162.8	186.0	234.3	217.8	216.4	198.1	226.4
New debt	1.1	1.3	31.2	132.5	248.1	825.1	1,578.9	2,986.0	365.8	1,784.5
Debt service to exports ratio after HIPC and MDRI assistance	3.4	5.3	6.6	8.1	8.6	6.1	6.8	8.5	7.1	7.0
Debt service to revenue ratio after HIPC and MDRI assistance	8.7	13.5	15.4	17.7	18.0	12.5	12.9	15.2	15.3	13.3
Reduction in debt service as a result of										
MDRI assistance	18.3	37.1	38.4	45.3	73.0	93.3	89.4	64.7	67.1	80.1
V. After conditional additional bilateral and multilateral relief beyond enhanced HIPC and MDRI assistance 7/ 8/										
Total	250.8	224.1	306.0	503.3	636.1	1,141.8	1,812.4	3,211.8	728.6	2,028.5
Existing debt 6/	249.7	222.8	274.7	370.8	388.0	316.7	233.5	225.8	362.9	244.0
Multilateral	84.7	45.4	53.0	101.2	99.6	73.5	12.7	8.7	95.9	14.0
World Bank	35.3	2.6	2.5	2.6	3.1	6.0	5.8	5.6	7.3	5.8
IMF	1.2	0.0	8.6	61.3	72.1	50.0	0.0	0.0	59.4	0.0
AfDB Group	25.7	5.4	5.2	0.3	0.3	0.4	0.6	0.9	3.8	0.6
Others	22.5	37.4	36.6	37.1	24.2	17.1	6.4	2.2	25.4	7.6
Official bilateral	19.7	32.5	70.9	106.8	102.4	9.0	3.0	0.7	68.8	3.6
Paris Club	9.6	22.5	59.9	95.6	93.9	2.7	0.4	0.7	60.3	0.8
Non Paris Club	10.1	10.1	11.0	11.2	8.5	6.3	2.6	0.0	8.5	2.8
Commercial	145.3	144.8	150.9	162.8	186.0	234.3	217.8	216.4	198.1	226.4
New debt	1.1	1.3	31.2	132.5	248.1	825.1	1,578.9	2,986.0	365.8	1,784.5
Debt service to exports ratio after HIPC and MDRI assistance	2.1	1.7	2.3	3.5	4.3	5.5	6.4	8.2	4.3	6.7
Debt service to revenue ratio after HIPC and MDRI assistance	5.3	4.3	5.3	7.8	8.9	11.3	12.2	14.8	9.2	12.7
Reduction in debt service as a result of										
HIPC Initiative assistance 6/	772.0	403.0	298.2	228.1	168.6	-196.7	-107.3	-272.8	29.0	-142.7
Additional bilateral assistance beyond HIPC	161.4	483.1	587.5	640.9	647.4	120.8	101.4	100.4	413.0	98.8
Memorandum items:										
Exports of goods and nonfactor services 9/	12,100.7	13,272.1	13,509.8	14,179.3	14,952.0	20,863.2	28,208.3	38,965.6	15,981.7	29,647.3
Government revenues 10/	4,727.5	5,255.4	5,816.6	6,464.3	7,115.6	10,115.0	14,812.5	21,727.5	7,392.5	15,659.6

Sources: Cote d'Ivoire authorities and staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed (PPG) debt and are defined after rescheduling, unless otherwise indicated. Fiscal year ends in December.
2/ Includes only principal and interest due on debt outstanding as of the reference date (12/31/2007) and does not include projected penalty interest on arrears.
3/ Includes the impact of the loan rescheduling with EIB, OFID and WAEMU.
4/ Assumes a hypothetical stock of debt operation on Naples terms and comparable treatment from other bilateral and commercial creditors.
5/ Bilateral and commercial creditors are assumed to provide a Cologne flow rescheduling on eligible debt during the interim period and a Cologne stock of debt operation at the completion point (end-June 2012).
6/ The reduction is measured as the difference between the projected debt service after full use of traditional debt relief and debt service after the application of HIPC relief.
7/ MDRI assistance applies to the World Bank and the AfDB Group and starts after the assumed completion of the HIPC Initiative (end-June 2012).
8/ Paris Club creditors deliver, under bilateral initiatives, additional debt relief beyond the HIPC Initiative at the completion point. The EIB/EU delivers full cancellation of remaining EU special loans under the Least Developed Countries (LDC) Initiative. Details on the modalities of the delivery are presented in Table A11.
9/ As defined in IMF, Balance of Payments Manual, 5th edition, 1993. Refers to current year exports.
10/ Revenue is defined as central government revenue, excluding grants.

Table A7. Côte d'Ivoire: External Debt Indicators , 2011-31 1/

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2031	Averages 2011 - 2021	Averages 2022 - 2031
	(In percent, unless otherwise indicated)											
I. Before traditional debt relief and multilateral arrears clearance												
PV of debt-to-GDP ratio	50.0	45.9	42.0	38.2	35.0	31.7	28.2	26.0	24.1	17.9	33.3	19.2
PV of debt-to-exports ratio 2/ 3/	101.7	96.1	91.3	87.0	82.2	77.7	71.1	64.5	59.2	47.4	76.3	48.6
PV of debt-to-revenue ratio 4/	335.2	245.0	218.4	193.8	173.7	155.1	137.1	124.0	114.5	79.5	173.5	87.3
Debt service-to-exports ratio	...	7.5	7.3	8.2	9.0	9.6	9.2	8.5	7.8	8.8	8.1	7.4
Debt service-to-revenue ratio 4/	...	19.3	18.4	19.1	19.6	20.1	18.9	17.5	16.2	15.7	17.7	14.1
II. After traditional debt relief and multilateral arrears clearance 5/ 6/												
PV of debt-to-GDP ratio	40.8	35.8	31.8	28.1	25.0	21.9	19.7	18.3	17.4	16.6	24.8	16.4
PV of debt-to-exports ratio 2/ 3/	83.0	74.8	69.0	63.9	58.6	53.7	49.7	45.4	42.6	43.9	56.6	41.5
PV of debt-to-revenue ratio 4/	273.5	190.9	165.0	142.3	123.8	107.4	95.8	87.4	82.4	73.7	129.7	74.5
Debt service-to-exports ratio	...	9.9	8.6	9.1	10.0	10.2	7.6	7.0	6.3	8.0	8.0	6.8
Debt service-to-revenue ratio 4/	...	25.4	21.8	21.1	21.9	21.4	15.6	14.4	12.9	14.3	17.8	12.9
III. After conditional delivery of enhanced HIPC assistance 7/												
PV of debt-to-GDP ratio	50.2	42.0	39.2	36.2	33.4	30.4	26.7	24.2	22.3	17.3	31.5	18.2
PV of debt-to-exports ratio 2/ 3/	102.2	87.9	85.2	82.4	78.4	74.5	67.3	60.1	54.7	45.9	72.1	46.1
PV of debt-to-revenue ratio 4/	336.8	224.1	203.8	183.5	165.6	148.9	129.9	115.6	105.8	77.0	164.5	82.9
Debt service-to-exports ratio	...	3.6	5.6	6.9	8.4	9.1	10.0	9.3	8.2	8.7	7.5	7.3
Debt service-to-revenue ratio 4/	...	9.1	14.2	16.0	18.4	19.1	20.5	19.1	16.9	15.5	16.1	13.9
IV. After unconditional delivery of enhanced HIPC assistance 8/												
PV of debt-to-GDP ratio	44.0	42.0	39.2	36.2	33.4	30.4	26.7	24.2	22.3	17.3	30.9	18.2
PV of debt-to-exports ratio 2/ 3/	89.6	87.9	85.2	82.4	78.4	74.5	67.3	60.1	54.7	45.9	71.0	46.1
PV of debt-to-revenue ratio 4/	295.3	224.1	203.8	183.5	165.6	148.9	129.9	115.6	105.8	77.0	160.7	82.9
Debt service-to-exports ratio	...	3.6	5.6	6.9	8.4	9.1	10.0	9.3	8.2	8.7	7.5	7.3
Debt service-to-revenue ratio 4/	...	9.1	14.2	16.0	18.4	19.1	20.5	19.1	16.9	15.5	16.1	13.9
V. After conditional delivery of enhanced HIPC and MDRI assistance 9/												
PV of debt-to-GDP ratio	50.2	36.9	34.5	31.9	29.4	26.9	23.6	21.4	19.7	17.0	28.3	17.2
PV of debt-to-exports ratio 2/ 3/	102.2	77.3	75.0	72.5	69.1	65.8	59.4	53.0	48.4	44.9	64.8	43.8
PV of debt-to-revenue ratio 4/	336.8	197.1	179.4	161.5	145.9	131.5	114.7	102.0	93.7	75.4	148.9	78.6
Debt service-to-exports ratio	...	3.4	5.3	6.6	8.1	8.6	9.4	8.8	7.7	8.5	7.1	7.0
Debt service-to-revenue ratio 4/	...	8.7	13.5	15.4	17.7	18.0	19.4	18.0	15.8	15.2	15.3	13.3
VI. After conditional additional bilateral and multilateral relief beyond enhanced HIPC and MDRI assistance 9/ 10/												
PV of debt-to-GDP ratio	50.2	18.7	18.8	18.8	19.0	18.8	17.6	16.6	15.7	16.0	20.4	15.4
PV of debt-to-exports ratio 2/ 3/	102.2	39.0	40.8	42.7	44.6	46.0	44.3	41.2	38.4	42.3	46.6	39.2
PV of debt-to-revenue ratio 4/	336.8	99.6	97.6	95.2	94.1	92.0	85.5	79.2	74.3	70.9	108.8	70.2
Debt service-to-exports ratio	...	2.1	1.7	2.3	3.5	4.3	5.5	6.2	6.3	8.2	4.3	6.7
Debt service-to-revenue ratio 4/	...	5.3	4.3	5.3	7.8	8.9	11.4	12.6	13.0	14.8	9.2	12.7

Sources: Côte d'Ivoire authorities and staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed (PPG) debt at end-December 2007.
2/ Exports are defined as in IMF, Balance of Payments Manual, 5th edition, 1993.
3/ Based on a three-year average of exports on the previous year (e.g., export average over 2007-2009 for PV of debt-to-exports ratio in 2009).
4/ Revenue is defined as central government revenue, excluding grants.
5/ Shows the external debt situation after the full use of traditional debt-relief mechanisms, and assuming at least comparable treatment from official bilateral creditors.
6/ After full debt relief through arrears clearance and concessional arrears rescheduling by IDA, AfDF, EIB, IsDB and OFID. Includes the impact of the (hypothetical) rescheduling of (remaining) arrears by OFID, IsDB and FEGECE, as well as the 2007 loans cancellation by China.
7/ Assumes interim relief under the enhanced HIPC Initiative from March 2009 to June 2012 and full delivery of assistance at completion point.
8/ Assumes full delivery of estimated HIPC initiative debt relief at the decision point.
9/ MDRI assistance applies to the World Bank and the AfDB Group and starts after the completion point (June 2012). Assumes that MDRI has no impact on Côte d'Ivoire's new borrowing over the projection period.
10/ Paris Club creditors deliver, under bilateral initiatives, additional debt relief beyond the HIPC Initiative at the completion point. The EIB/EU delivers full cancellation of remaining EU special loans under the Least Developed Countries (LDC) Initiative. Details on the modalities of the delivery are presented in Table A11.

Table A8. Côte d'Ivoire: Sensitivity Analysis, 2011-31 1/

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2031	Averages 2011 - 2021	Averages 2022 - 2031
	(In percent, unless otherwise indicated)											
I. Baseline scenario 2/												
PV of debt-to-GDP ratio	50.2	18.7	18.8	18.8	19.0	18.8	17.6	16.6	15.7	16.0	20.4	15.4
PV of debt-to-exports ratio 3/ 4/	102.2	39.0	40.8	42.7	44.6	46.0	44.3	41.2	38.4	42.3	46.6	39.2
PV of debt-to-revenue ratio 5/	336.8	99.6	97.6	95.2	94.1	92.0	85.5	79.2	74.3	70.9	108.8	70.2
Debt service-to-exports ratio	...	2.1	1.7	2.3	3.5	4.3	5.5	6.2	6.3	8.2	4.3	6.7
Debt service-to-revenue ratio	...	5.3	4.3	5.3	7.8	8.9	11.4	12.6	13.0	14.8	9.2	12.7
II: Permanently lower growth 6/												
PV of debt-to-GDP ratio	50.2	18.7	19.0	19.2	19.7	19.8	18.8	17.9	17.1	22.2	21.3	19.5
PV of debt-to-exports ratio 3/ 4/	102.2	39.0	40.8	43.0	45.4	47.6	46.4	43.6	40.9	49.3	48.0	44.1
PV of debt-to-revenue ratio 5/	336.8	99.6	98.8	97.5	97.7	96.8	91.1	85.3	80.1	83.1	112.6	79.4
Debt service-to-exports ratio	...	2.1	1.7	2.3	3.7	4.5	6.0	6.8	7.0	9.7	4.7	7.7
Debt service-to-revenue ratio	...	5.3	4.3	5.4	8.2	9.5	12.3	13.9	14.4	17.5	9.9	14.5
III: Permanently lower export growth 6/												
PV of debt-to-GDP ratio	50.2	18.7	20.0	22.3	22.8	22.8	21.6	20.6	19.4	19.1	23.2	18.4
PV of debt-to-exports ratio 3/ 4/	102.2	39.0	43.0	49.9	52.4	54.8	53.5	50.2	47.3	58.8	53.1	51.2
PV of debt-to-revenue ratio 5/	336.8	99.6	104.1	113.2	112.8	111.5	105.1	98.3	92.1	84.7	122.6	83.9
Debt service-to-exports ratio	...	2.1	1.7	2.3	3.7	4.5	6.0	6.8	7.1	11.5	4.7	8.6
Debt service-to-revenue ratio	...	5.3	4.3	5.4	8.2	9.6	12.4	13.9	14.4	17.4	9.9	14.5
IV: Lower average concessionality on new borrowing 6/												
PV of debt-to-GDP ratio	50.2	18.7	18.6	19.5	20.5	21.0	20.4	19.9	19.4	25.2	22.5	22.7
PV of debt-to-exports ratio 3/ 4/	102.2	39.0	40.4	44.3	48.1	51.5	51.3	49.4	47.7	66.7	51.8	57.7
PV of debt-to-revenue ratio 5/	336.8	99.6	96.5	98.7	101.6	102.8	99.0	94.9	92.2	111.8	118.9	103.2
Debt service-to-exports ratio	...	2.1	1.7	2.4	4.0	5.1	7.0	7.8	8.4	20.3	5.5	13.4
Debt service-to-revenue ratio	...	5.3	4.3	5.5	8.8	10.6	14.4	16.0	17.3	36.4	11.7	25.4

Sources: Côte d'Ivoire authorities and staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed (PPG) debt and are defined after additional bilateral and multilateral relief beyond HIPC and MDRI assistance.

2/ The macroeconomic projections for the baseline scenario are described in Section Table 2.

3/ As defined in IMF, *Balance of Payments Manual* , 5th edition, 1993.

4/ Based on a three-year average of exports on the previous year (e.g., export average over 2007-2009 for PV of debt-to-exports ratio in 2009).

5/ Revenue is defined as central government revenue, excluding grants.

6/ The macroeconomic projections for the different scenarios are described in Section IV F.

Table A9. Côte d'Ivoire: Delivery of IDA Assistance Under the Enhanced HIPC Initiative and the MDRI, 2010–44 1/

(in millions of U.S. dollars, unless otherwise indicated)

	2011	2012	2013	2014	2015	2016	2017	2018	2023	2033	2043	2044	Cumulative 2011-2023	Cumulative 2011-44
World Bank Debt service before HIPC Assistance 1/	**67.1**	**68.1**	**68.2**	**70.5**	**73.5**	**82.1**	**85.0**	**89.5**	**92.4**	**58.8**	**0.0**	**0.0**	**1065.3**	**1939.5**
IBRD	13.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
IDA	53.2	68.1	68.2	70.5	73.5	82.1	85.0	89.5	92.4	58.8	0.0	0.0		
World Bank Debt Service after HIPC Assistance 1/	**67.1**	**51.2**	**34.4**	**35.5**	**42.4**	**70.7**	**85.0**	**89.5**	**92.4**	**58.8**	**0.0**	**0.0**	**937.1**	**1811.3**
IBRD	13.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.8	13.8
IDA	53.2	51.2	34.4	35.5	42.4	70.7	85.0	89.5	92.4	58.8	0.0	0.0	923.2	1797.4
Savings on debt service to the World Bank 2/	**0.0**	**16.9**	**33.8**	**35.0**	**31.1**	**11.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**128.2**	**128.2**
IBRD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
IDA	0.0	16.9	33.8	35.0	31.1	11.4	0.0	0.0	0.0	0.0	0.0	0.0		
II. Relief under the MDRI 3/														
Projected stock of IDA credits outstanding at implementation date 4/		1,713												
Remaining IDA credits after MDRI		136												
Debt stock reduction on eligible credits 3/ 5/		1,577												
Due to HIPC relief 6/		104												
Due to MDRI		1,473												
Debt service due after HIPC relief and the MDRI	67.1	35.3	2.6	2.5	2.6	3.1	3.8	5.0	5.9	3.6			**151.7**	**216.3**
Memorandum item:														
Debt service to IDA covered by HIPC assistance (in percent)	-	24.8	49.6	49.7	42.3	13.9	-	-	-	-			12.0	6.6
Debt service to IDA covered by HIPC assistance and MDRI (in percent)		48.2	96.3	96.4	96.5	96.2	95.6	94.4	93.6	93.9			85.8	88.8
IDA debt service relief under the MDRI (in SDR) 6/	-	9.3	18.0	18.8	23.4	41.7	50.7	53.0	54.9	35.6				

Source: Staff estimates.

1/ Principal and interest due to IDA correspond to prorated projections on disbursed and outstanding debt as of end-December 2011, converted to U.S. dollar.

2/ This reflects remaining HIPC debt relief at the completion point of the Initiative. The total HIPC debt relief from IDA/IBRD is estimated at US$412.6 million in 2007 PV terms. US$270.5 million were delivered through the arrears clearance operation and additional US$43.9 million as interim debt service reduction.

3/ Stock of debt and debt service denominated in SDRs are converted into U.S. dollar by applying the end-2011 exchange rate.

4/ Stock of debt outstanding on January 1, 2012.

5/ Debt disbursed as of December 31, 2003 and still outstanding at July 1, 2012.

6/ For SDR denominated credits, debt relief under the MDRI is estimated as debt service on SDR denominated credits minus USD-based HIPC debt relief on these credits. HIPC debt relief is converted into SDR equivalent amounts, from July 2012 onwards, by applying the provisional IDA16 foreign exchange reference rate of 1.48899 U.S. dollars per SDR. For USD denominated credits, debt relief under the MDRI is estimated as debt service on USD denominated credits minus USD-based HIPC debt relief on these credits. The resulting MDRI debt relief amounts are converted into SDR equivalent amounts by applying the IDA16 foreign exchange reference rate.

Table A10. Côte d'Ivoire: Delivery of IMF Assistance under the Enhanced HIPC Initiative and the MDRI, 2009–19 1/

(In millions of SDRs, unless otherwise indicated)

	2009	2010	2011	2012		2013	2014	2015	2016	2017	2018	2019
	Apr-Dec			Jan-June	July-Dec							
I. Pre-MDRI Debt relief (under the HIPC Initiative only) 2/												
HIPC-eligible debt service due on IMF obligations 3/	**12.5**	**11.7**	**11.7**	**5.9**	**-**	**-**	**16.9**	**39.9**	**47.0**	**79.3**	**79.1**	**63.0**
Principal	11.7	11.7	11.7	5.9	-	-	15.9	39.0	46.2	78.7	78.7	62.8
Interest 4/	0.8	0.02	-	-	-	-	1.0	0.9	0.8	0.6	0.4	0.2
HIPC assistance--deposits into member's Umbrella Account												
Interim assistance	5.0	5.0	-	5.0								
Completion point disbursement 5/				11.3								
Completion point assistance				10.7								
Completion point interest 6/				0.6								
IMF assistance--drawdown schedule from member's Umbrella Account	**5.0**	**5.0**	**-**	**5.0**	**-**	**-**	**2.0**	**2.0**	**1.9**	**2.5**	**2.5**	**1.1**
IMF assistance without interest	5.0	5.0	-	5.0	-	-	1.6	1.6	1.6	2.4	2.4	1.1
Estimated interest earnings 6/	-	0.0	-	-	-	-	0.4	0.4	0.3	0.1	0.1	0.1
Debt service due on IMF obligations after IMF assistance	7.4	6.7	11.7	0.8	-	-	14.9	38.0	45.0	76.8	76.6	61.9
Delivery schedule of IMF assistance (in percent of the total assistance; on a flow basis)	19.5	19.5	-	19.5	-	-	6.2	6.2	6.2	9.3	9.3	4.1
Share of debt service due on IMF obligations covered by HIPC assistance (in percent)	40.4	43.0	-	86.1	-	-	11.8	4.9	4.1	3.2	3.1	1.8
Proportion (in percent) of each repayment falling due during the period to be paid by HIPC assistance from the principal deposited in Umbrella Account	43.1	43.1	-	86.1	-	-	10.1	4.1	3.5	3.1	3.1	1.7
II. Post-MDRI Debt relief (under both MDRI and HIPC Initiatives)				**11.3**								
Projected pre MDRI cutoff date debt at completion point 7/ 8/				-								
Delivery of debt relief (on stock basis):												
from the MDRI-II Trust				-								
from the HIPC Umbrella Account				-								
Delivery of remaining HIPC assistance for post MDRI cutoff date debt (on stock basis)				11.3								
Completion point disbursement				11.3								
Umbrella account balance				-								
III. Debt service due to the IMF after HIPC and MDRI debt relief 9/	7.4	6.7	11.7	0.8	-	-	5.6	39.9	47.0	79.3	79.1	63.0
Principal	6.7	6.7	11.7	0.8	-	-	4.6	39.0	46.2	78.7	78.7	62.8
Interest	0.8	0.02	-	-	-	-	1.0	0.9	0.8	0.6	0.4	0.2

Source: Fund staff estimates and projections.

1/ Total IMF assistance under the enhanced HIPC Initiative amounts to SDR 25.85 million (equivalent to US$38.66 million using exchange rate on 3/27/09) in end-December 2007 NPV terms, somewhat higher than the amount calculated at the decision point (SDR 25.21 million or US$37.71 million) owing to debt revisions. This amount excludes interest earned in Cote d'Ivoire's Umbrella account and on committed but undisbursed amounts as described in footnote 6. Completion point (CP) is assumed on June 26, 2012.
2/ Estimated delivery of HIPC assistance in the absence of MDRI decision.
3/ Data are actual through April 2012. Forthcoming obligations after April 2012 are based on schedules in effect as of end-April 2012. Interest obligations exclude net SDR charges and assessments.
4/ On December 1, 2011 the IMF Board extended through December 31, 2012, the waiver of interest payments for concessional loans that was introduced on January 7, 2010.
For 2013, interest rates will be zero percent for ECF and RCF loans, and 0.25 percent per annum for the SCF and ESF loans. After 2013, projected interest charges are based on 0.25 percent per annum.
The Fund will review the interest rates for all PRGT facilities by end-2013 and every two years thereafter.
5/ A final amount of SDR 10.7 million will be deposited into Cote d'Ivoire's Umbrella Account at CP expected in end-June 2012.
6/ Includes estimated interest earnings on: (a) amounts held in Cote d'Ivoire's Umbrella Account; and (b) up to CP, amounts committed but not yet disbursed. The projected interest earnings are estimated based on assumed interest rates which are gradually rising to 4.5 percent in 2015 and beyond; actual interest earnings may be higher or lower.
7/ Credit outstanding at end-2004 that has not been repaid by the member or with HIPC assistance at the completion point and is not scheduled to be repaid by HIPC assistance, as defined in the MDRI-II Trust Instrument.
8/ Cote d'Ivoire will have repaid its MDRI-eligible debt by April 2012.
9/ Data prior to CP represent actual debt service paid and projected debt service as of end-June 2012. Debt service data after CP include repayments of RCF disbursed on 7/19/11 and ECF aprroved on 11/4/11
Interest obligations exclude net SDR charges and assessments.

Table A11. Côte d'Ivoire: Status of Creditor Participation Under the Enhanced HIPC Initiative

	Debt relief in PV terms (US$ millions)	Percentage of total assistance	Modalities to deliver debt relief
World Bank	412.6	13.3	The World Bank's debt relief has been delivered through the clearance of arrears (US$ 270.5 million in PV terms) on grant terms in April 2008 and through the debt service reduction (US$ 43.9 million in PV terms) during interim period from 2009-2010. Remaining assistance (US$ 98.2 million in PV terms) will be provided at the completion point to further reduce debt service payments over the period from 2012 to 2016.
IDA	*280.3*	*9.0*	
IBRD	*132.2*	*4.3*	
IMF	38.7	1.2	The Fund has provided interim HIPC assistance in amount of US$22.6 million in the form of debt service payment reduction. The remaining assistance of US$16.04 will be provided at completion of the HIPC Initiative to further reduce debt service payments.
AfDB Group	204.5	6.6	AfDB group's assistance has been fully delivered through its concessional arrears clearance operation under the Fragile States Facility.
AfDB	*172.8*	*5.6*	
AfDF	*31.7*	*1.0*	
BOAD	8.2	0.3	Assistance to be delivered at completion point.
CEDEAO/ECOWAS	4.0	0.1	Assistance to be delivered at completion point.
EIB/EU	27.7	0.9	Partial debt relief was provided through concesional loan rescheduling. Remaining debt relief will be provided starting from 2013 through debt service payment reduction.
EIB	*9.3*	*0.3*	
EU	*18.4*	*0.6*	EU assistance has been fully provided through a concessional arrears clearance.
IDB	0.7	0.0	Assistance to be delivered at completion point.
IFAD	2.0	0.1	Assistance to be delivered at completion point.
OFID	2.6	0.1	Assistance was provided through the grant element imbedded in the concessional loan financing.
BADEA	1.7	0.1	Assistance to be delivered at completion point.
UEMOA/WAEMU	8.7	0.3	Debt relief was provided through loan restructuring.
Total multilateral	**711.4**	**23**	
Paris Club Creditors	1,340.1	43	Paris Club creditors provided debt relief on terms more favorable than traditional through two Lyon flow rescheduling operations in 1998 and 2002. It also provided interim assistance through two Cologne flow treatments in 2009 and 2011.
Non-Paris Club Creditors 1/	17.3	0.6	
Of which : China	12.6	0.4	China delivered debt relief in excess of its share through loans cancellations.
Commercial creditors 1/	1,040.5	33.5	
Of *which* London Club creditors	996.5	32.1	London Club creditors delivered debt relief in excess of their share as part of a debt reduction pacakge in 1998 and through additional debt reduction in 2010.
Total bilateral and commercial	**2,397.9**	**77**	
TOTAL	**3,109.3**	**100**	
Memorandum item:			
Estimated satisfactory assurances		98	

Sources: Cote d'Ivoire authorities; and Bank-Fund staff estimates.

1/ The authorities continue to make good-faith efforts to negotiate HIPC relief with the rest of the non-Paris Club.official bilateral and commercial creditors.

Table A12. Paris Club Creditors' Delivery of Debt Relief Under Bilateral Initiatives Beyond the HIPC Initiative 1/

Countries Covered		**ODA (In percent)**		**Non-ODA (In percent)**		**Provision of Relief**	
		Pre-cutoff Date Debt	Post-cutoff Date Debt	Pre-cutoff Date Debt	Post-cutoff Date Debt	Decision Point (In percent)	Completion Point
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**
Australia	HIPCs	100	100	100	100 2/	2/	2/
Austria	HIPCs	100	-	100	-	Case-by-case, flow	Stock
Belgium	HIPCs	100	100 3/	100	-	100 flow	Stock
Canada	HIPCs	100	100	100	100	100 flow	Stock
Denmark	HIPCs	100	100 4/	100	100 4/	100 flow	Stock
France	HIPCs	100	100	100	-	100 flow 5/	Stock
Finland	HIPCs	100	- 6/	100	- 6/	-	-
Germany	HIPCs	100	100	100	100 7/	100 flow	Stock
Ireland	-	-	-	-	-	-	-
Italy	HIPCs	100	100 8/	100	100 8/	100 flow	Stock
Japan	HIPCs	100	100	100	-	-	Stock
Netherlands, the	HIPCs	100 9/	100	100	-	90-100 flow 9/	Stock
Norway	HIPCs	10/	10/	11/	11/	-	-
Russia	HIPCS	- 12/	- 12/	100	100	-	Stock
Spain	HIPCs	100	100 13/	100	100 13/	-	Stock
Sweden	HIPCs	-	- 14/	100	-	-	Stock
Switzerland	HIPCs	- 15/	- 15/	100 16/	-	100 flow 16/	Stock
United Kingdom	HIPCs	100	100	100	100 17/	100 flow 17/	Stock
United States 18/	HIPCs	100	100	100	100	100 flow	Stock

Source: Paris Club Secretariat.

1/ Columns (1) to (7) describe the additional debt relief provided following a specific methodology under bilateral initiatives and need to be read as a whole for each creditor. In column (1), "HIPCs" stands for eligible countries effectively qualifying for the HIPC process. A "100 percent" mention in the table indicates that the debt relief provided under the enhanced HIPC Initiative framework will be topped up to 100 percent through a bilateral initiative.
2/ Australia: Australia cancelled all HIPC claims.
3/ Belgium: cancellation at completion point 100 percent of ODA loans contracted before December 31, 2000.
4/ Denmark provides 100 percent cancellation of ODA loans and non-ODA credits contracted and disbursed before September 27, 1999.
5/ France: cancellation of 100 percent of debt service on pre-cutoff date commercial claims on the government as they fall due starting at decision point. Once countries have reached completion point, debt relief on ODA claims on the government will go to a special account and will be used for specific development projects.
6/ Finland: no post-Cutoff date claims.
7/ If not treated in the Agreed Minutes at Completion Point, debt cancellation of 100 % only on a case by case basis.
8/ Italy: cancellation of 100 percent of all debts (pre- and post-cutoff date, ODA and non-ODA) incurred before June 20,1999 (the Cologne Summit).
At decision point, cancellation of accrued arrears and maturities falling due in the interim period. At completion point, cancellation of the stock of remaining debt.
9/ The Netherlands: 100 percent ODA (pre- and post-cutoff date debt will be cancelled at decision point); for non-ODA: in some particular cases (Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, Nicaragua, Rwanda, Tanzania, Uganda and Zambia), the Netherlands will write off 100 percent of the consolidated amounts on the flow at decision point; all other HIPCs will receive interim relief up to 90 percent reduction of the consolidated amounts. At completion point, all HIPCs will receive 100 per cent cancellation of the remaining stock of the pre-cutoff date debt.
10/ Norway has cancelled all ODA claims.
11/ Due to the current World Bank/IMF methodology for recalculating debt reduction needs at HIPC completion point, Norway has postponed the decisions on whether or not to grant 100% debt reduction until after HIPCs' completion point.
12/ Russia has no ODA claims
13/ Spain provides 100 percent cancellation of ODA and non-ODA claims contracted before January 1, 2004
14/ Sweden has no ODA claims.
15/ Switzerland has cancelled all ODA claims.
16/ Switzerland usually writes off 100 percent of government-owned claims of the remaining debt stock at Completion Point and provides at least full HIPC debt relief of claims held by the ECA (100% cancellation of all remaining claims with the exception of Honduras and Cameroon).
17/ United Kingdom: "beyond 100 percent" full write-off of all debts of HIPCs as of their decision points, and reimbursement at decision point of any debt service paid before the decision point.
18/ United States: cancellation of 100 percent of all debts (pre- and post-cutoff date, ODA and non-ODA) incurred before June 20, 1999 (the Cologne Summit). At decision point, cancellation of accrued arrears and maturities falling due in the interim period. At completion point, cancellation of the stock of remaining eligible debt.

Table A13. HIPC Initiative: Status of Country Cases Considered Under the Initiative, August 2011

Country	Decision Point	Completion Point	Target NPV of Debt-to- Exports (in percent)	Target NPV of Debt-to- Gov. revenue (in percent)	Assistance Levels 1/ (In millions of U.S. dollars, present value) Total	Bilateral and commercial	Multilateral Total	IMF	World Bank	Percentage Reduction in NPV of Debt 2/	Estimated Total Nominal Debt Service Relief (In millions of U.S. dollars)
Completion point reached under enhanced framework (32)											
Afghanistan	Jul. 07	Jan. 10	150		582	446	136	-	76	51	1,280
Benin	Jul. 00	Mar. 03	150		265	77	189	24	84	31	460
Bolivia					1,302	425	876	84	194		2,060
original framework	Sep. 97	Sep. 98	225		448	157	291	29	54	14	760
enhanced framework	Feb. 00	Jun. 01	150		854	268	585	55	140	30	1,300
Burkina Faso					553	83	469	57	231		930
original framework	Sep. 97	Jul. 00	205		229	32	196	22	91	27	400
enhanced framework	Jul. 00	Apr. 02	150		195	35	161	22	79	30	300
topping-up	…	Apr. 02	150		129	16	112	14	61	24	230
Burundi	Aug. 05	Jan. 09	150		833	127	706	28	425	92	1,366
Cameroon	Oct. 00	Apr. 06	150		1,267	879	322	37	176	27	4,917
Central African Rep.	Sept. 07	Jun. 09	150		578	186	362	27	207	68	804
Congo Rep. of	Mar. 06	Jan. 10		250	1,575	1,462	113	8	47	31	1,738
Congo, Democratic Rep. of	Jul. 03	Jul. 10	150		7,252	4,618	2,633	471	854	82	11,105
Ethiopia					1,982	637	1,315	60	832		3,275
enhanced framework	Nov. 01	Apr. 04	150		1,275	482	763	34	463	47	1,941
topping-up	…	Apr. 04	150		707	155	552	26	369	31	1,334
Gambia, The	Dec. 00	Dec. 07	150		67	17	49	2	22	27	112
Ghana	Feb. 02	Jul. 04	144	250	2,186	1,084	1,102	112	781	56	3,500
Guinea-Bissau					554	279	275	12	139		933
enhanced framework	Dec. 00	Dec. 10	150		422	218	204	12	93	86	703
topping-up	…	Dec. 10	150		133	61	71	-	46	40	230
Guyana					591	223	367	75	68		1,354
original framework	Dec. 97	May 99	107	280	256	91	165	35	27	24	634
enhanced framework	Nov. 00	Dec. 03	150	250	335	132	202	40	41	40	719
Haiti	Nov. 06	Jun. 09	150		140	20	120	3	53	15	213
Honduras	Jul. 00	Mar. 05	110	250	556	215	340	30	98	18	1,000
Liberia	Mar. 08	Jun. 10	150		2,739	954	1,421	730	374	90	4,607
Madagascar	Dec. 00	Oct. 04	150		836	474	362	19	252	40	1,900
Malawi					1,057	171	886	45	622		1,628
enhanced framework	Dec. 00	Aug. 06	150		646	164	482	30	333	44	1,025
topping-up	…	Aug. 06	150		411	7	404	15	289	35	603
Mali					539	169	370	59	185		895
original framework	Sep. 98	Sep. 00	200		121	37	84	14	43	9	220
enhanced framework	Sep. 00	Mar. 03	150		417	132	285	45	143	29	675
Mauritania	Feb. 00	Jun. 02	137	250	622	261	361	47	100	50	1,100
Mozambique					2,023	1,270	753	143	443		4,300
original framework	Apr. 98	Jun. 99	200		1,717	1,076	641	125	381	63	3,700
enhanced framework	Apr. 00	Sep. 01	150		306	194	112	18	62	27	600
Nicaragua	Dec. 00	Jan. 04	150		3,308	2,175	1,134	82	191	73	4,500
Niger					663	235	428	42	240		1,190
enhanced framework	Dec. 00	Apr. 04	150		521	211	309	28	170	53	944
topping-up	…	Apr. 04	150		143	23	119	14	70	25	246
Rwanda					696	65	631	63	383		1,316
enhanced framework	Dec. 00	Apr. 05	150		452	56	397	44	228	71	839
topping-up	…	Apr. 05	150		243	9	235	20	154	53	477
São Tomé and Príncipe					124	31	93	1	47	128	263
enhanced framework	Dec. 00	Mar. 07	150		99	29	70	-	24	83	215
topping-up	…	Mar. 07	150		25	2	23	1	23	45	49
Senegal	Jun. 00	Apr. 04	133	250	488	212	276	45	124	19	850
Sierra Leone	Mar. 02	Dec. 06	150		675	335	340	125	123	81	994
Tanzania	Apr. 00	Nov. 01	150		2,026	1,006	1,020	120	695	54	3,000
Togo	Nov. 08	Dec. 10		250	282	127	155	0.3	102	20	272
Uganda					1,003	183	820	160	517		1,950
original framework	Apr. 97	Apr. 98	202		347	73	274	69	160	20	650
enhanced framework	Feb. 00	May 00	150		656	110	546	91	357	37	1,300
Zambia	Dec. 00	Apr. 05	150		2,499	1,168	1,331	602	493	63	3,900
Decision point reached under enhanced framework (4)											
Chad	May. 01	Floating	150		170	35	134	18	68	30	260
Comoros	Jun. 10	Floating	150		145	33	111	4	45	56	122
Cote d'Ivoire	Mar. 09	Floating		250	3,005	2,311	694	38	402	24	3,129
Guinea	Dec. 00	Floating	150		545	215	328	31	152	32	800
Total assistance provided/committed					: **42,890**	**21,802**	**20,593**	**3,395**	**9,603 3/**		**70,817**

Sources: IMF and World Bank Board decisions, completion point documents, decision point documents, preliminary HIPC documents, and staff calculations.

1/ Assistance levels are at countries' respective decision or completion points, as applicable.
2/ In percent of the net present value of debt at the decision or completion point (as applicable), after the full use of traditional debt-relief mechanisms.
3/ Equivalent to SDR 2181.98 million at an SDR/USD exchange rate of 0.640563, as of January 27, 2010.

INTERNATIONAL MONETARY FUND
EXTERNAL RELATIONS DEPARTMENT

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June 26, 2012

IMF and World Bank Announce more than US$4 Billion in Debt Relief for Côte d'Ivoire

The International Monetary Fund (IMF) and the World Bank's International Development Association (IDA) approved US$3.1 billion[1] in debt relief for Côte d'Ivoire under the Heavily Indebted Poor Countries (HIPC) Initiative, representing a 24 percent reduction of its external debt, plus a further US$1.3 billion dollars of debt relief[2] under the Multilateral Debt Relief Initiative (MDRI).[3]

The Boards of Directors of both institutions[4] determined the country has made satisfactory progress in meeting the requirements to reach the completion point under the HIPC Initiative, the stage at which debt relief becomes irrevocable and at which countries start to benefit from additional multilateral relief (MDRI).

The requirements met by Côte d'Ivoire included satisfactory implementation of the Poverty Reduction Strategy Paper (PRSP), the maintenance of a sound macroeconomic policy framework, regular publication of information on public finances, and reform of the governance of the cocoa sector, among others. Côte d'Ivoire was granted waivers for delays/interruptions of five completion point triggers related to publication of information on public finances, as satisfactory progress has been made before and after the post-elections crisis.

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[1] In 2007 present value terms.

[2] In 2011 present value terms.

[3] Amounts are presented in end-2007 (HIPC) and end-2011 (MDRI) present value (PV), which is the discounted sum of all future debt service (principal and interest) at a specific market rate of interest (called the discount rate). In debt-reorganization discussions, the present value concept is used to measure, in a consistent manner, the burden sharing of debt reduction among creditors. The nominal value of debt is the amount that the debtor owes to creditors at a moment in time. For further explanation click here to see entries for Nominal Value and Present Value in Appendix III--Glossary of External Debt Terms IMF, External Debt Statistics: Guide for Compilers and Users, (2003) IMF, Washington DC.

[4] The IMF Executive Board met on June 25, 2012, and the IDA Executive Board met on June 26.

"Reaching the HIPC completion point represents a milestone for Côte d'Ivoire and its population. It reflects the significant progress achieved in economic management since the Ouagadougou peace accord of 2007 and the end of the post-election crisis in April 2011," said Doris Ross, IMF mission chief for Côte d'Ivoire. "Reaching the completion point will also help Côte d'Ivoire normalize relations with its external creditors. Although this will increase debt service payable in the medium term, it will also help catalyze further support from donors and potential investors. Judicious macroeconomic management will remain critical to make the country's enormous growth potential a reality and bring prosperity to its people, while maintaining debt sustainability," Ross said.

"We are very pleased to provide full debt relief to Côte d'Ivoire, as this will help the country devote more resources to poverty reduction and development," said Madani M. Tall, World Bank Director for Côte d'Ivoire. "We will continue to work with the country to ensure the economy remains stable and resilient in the face of potential economic shocks."

Of the resulting reduction of US$3.1 billion in the stock of debt under the HIPC Initiative, 23 percent comes from multilateral creditors, 43 percent from Paris Club bilateral creditors, and the remainder from other bilateral and commercial creditors. Under MDRI, IDA, the World Bank's fund for the poorest countries, will provide a further US$1.1 billion (in end-2011 PV terms) with the cancelation of almost all remaining IDA credits after HIPC relief, and the African Development Bank (AfDB) will provide debt relief of US$156.2 million (in end-2011 PV terms), canceling almost all of the country's repayment obligations to the AfDB. There remain no loans eligible for MDRI relief from the IMF.

Full delivery of debt relief (HIPC Initiative, MDRI, and additional bilateral assistance) at the completion point will considerably reduce the debt burden of Côte d'Ivoire. The PV of debt will fall from about US$12.0 billion (in 2011 PV terms, or about 3 times 2011 government revenues) in 2011 to about US$4.7 billion (in 2011 PV terms, or about the level of 2012 revenues) in 2012. Nevertheless, both the IMF and the World Bank consider that the country remains vulnerable to potential economic shocks, underlining the need for continued strong economic management and structural reforms.

Côte d'Ivoire becomes the 33rd country to reach the completion point under the HIPC Initiative. The completion point marks the end of the HIPC process, which started in 2009 when the Executive Boards of the IMF and the World Bank's IDA agreed that Côte d'Ivoire had met the requirements for reaching the decision point, the stage at which countries start receiving debt relief on an interim basis.

ANNEX (Note to Editors)

The HIPC Initiative. In 1996, the World Bank and IMF launched the HIPC Initiative to create a framework in which all creditors, including multilateral creditors, can provide debt relief to the world's poorest and most heavily indebted countries to ensure debt sustainability, and thereby reduce the constraints on economic growth and poverty reduction imposed by the unsustainable debt-service burdens in these countries.

To date, 36 HIPC countries have reached their decision points, of which 33 (including Côte d'Ivoire) have reached the completion point.

The MDRI. Created in 2005, the aim of the Multilateral Debt Relief Initiative is to reduce further the debt of eligible low-income countries and provide additional resources to help them reach the Millennium Development Goals. Under the MDRI, three multilateral institutions – the World Bank's International Development Association, the International Monetary Fund and the African Development Fund-- provide 100 percent debt relief on eligible debts to qualifying countries normally at the time they reach the HIPC Initiative completion point.

For more information on Cote d'Ivoire, please visit: http://www.imf.org/external/country/CIV/index.htm

For more information on debt relief, click:
http://www.imf.org/external/np/exr/facts/hipc.htm,
http://www.imf.org/external/np/exr/facts/mdri.htm