



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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REPORT AND RECOMMENDATION OF THE PRESIDENT

TO THE EXECUTIVE BOARD ON A PROPOSED IFAD CONTRIBUTION TO

THE REPUBLIC OF CÔTE D'IVOIRE

UNDER THE

HEAVILY-INDEBTED POOR COUNTRIES DEBT INITIATIVE



TABLE OF CONTENTS

CURRENCY EQUIVALENTS	iii
WEIGHTS AND MEASURES	iii
ABBREVIATIONS AND ACRONYMS	iii
MAP OF THE COUNTRY	iv
FINANCING SUMMARY	v
PART I THE HEAVILY-INDEBTED POOR COUNTRIES DEBT INITIATIVE	1
PART II THE HIPC DI IN RELATION TO CÔTE D'IVOIRE	2
A. Preparations for the Côte d'Ivoire HIPC DI	2
B. Rationale for the Côte d'Ivoire HIPC DI	2
C. Policy Context, Poverty Situation and Agriculture	2
D. Debt Status	5
E. The IFAD Programme in Côte d'Ivoire	5
PART III THE CÔTE D'IVOIRE HIPC DI PROGRAMME	6
A. Policy Measures to be Implemented	7
B. Debt Relief Calculations	8
C. Mechanism for Reducing Côte d'Ivoire's Debt to IFAD	10
PART IV RECOMMENDATION	11



APPENDIXES

I.	COUNTRY DATA	1
II.	BASIC FINANCIAL DATA FOR THE IFAD PORTFOLIO IN CÔTE D'IVOIRE	2
III.	SOCIAL DEVELOPMENT PERFORMANCE INDICATORS, 1997-2000	3
IV.	NET PRESENT VALUE (NPV) CALCULATIONS FOR CÔTE D'IVOIRE	5
V.	NOMINAL AND NPV-EQUIVALENT PAYMENT STREAMS	6



CURRENCY EQUIVALENTS

Currency Unit	=	CFA Franc (XOF)
USD 1.00	=	XOF 600
XOF 1.00	=	USD 0.0017

WEIGHTS AND MEASURES

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m ²)	=	10.76 square feet (ft ²)
1 acre (ac)	=	0.405 ha
1 hectare (ha)	=	2.47 acres

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
ASAP	Agricultural Sector Adjustment Programme
BOAD	West Africa Development Bank
CIDT	Ivoirian Company for Textile Development
DSA	Debt Sustainability Analysis
ESAF	Enhanced Structural Adjustment Facility
GDP	Gross Domestic Product
HIPC DI	Heavily-Indebted Poor Countries Debt Initiative
IDA	International Development Association
IFI	International Financial Institution
IMF	International Monetary Fund
NPV	Net Present Value
NPV/EX	Net Present Value of Debt to Exports Ratio

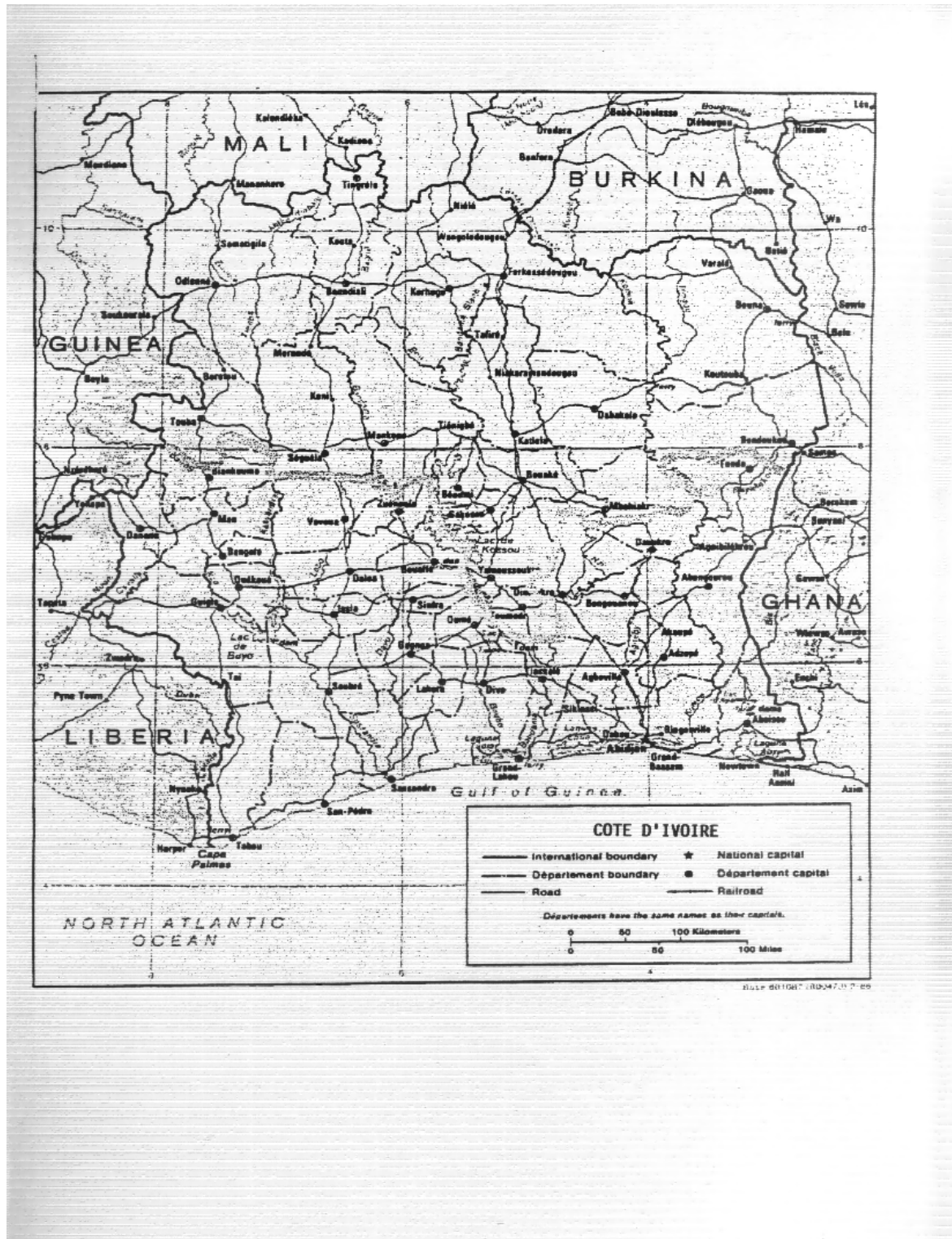
GOVERNMENT OF THE REPUBLIC OF CÔTE D'IVOIRE

Fiscal Year

1 January - 31 December



MAP OF THE COUNTRY



Source: IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.



REPUBLIC OF CÔTE D'IVOIRE
HEAVILY-INDEBTED POOR COUNTRIES DEBT INITIATIVE

FINANCING SUMMARY

INITIATING INSTITUTIONS:	International Development Association (IDA) International Monetary Fund (IMF)
RECIPIENT:	Republic of Côte d'Ivoire
TOTAL INTERNATIONAL FINANCIAL INSTITUTION (IFI) CONTRIBUTION:	USD 181.9 million
AMOUNT OF IFAD CONTRIBUTION:	SDR 164 300 (equivalent to approximately USD 230 100 in nominal terms)
TERMS OF IFAD CONTRIBUTION:	Grant
HIPC DI COMPLETION POINT:	March 2001
COFINANCIERS:	IDA African Development Bank (AfDB) IMF Other IFIs
AMOUNT OF COFINANCING:	IDA: USD 91.1 million AfDB: USD 49.4 million IMF: USD 22.4 million Other IFIs: USD 18.8 million



**REPORT AND RECOMMENDATION OF THE PRESIDENT OF IFAD
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I submit the following Report and Recommendation on a proposed financial assistance to the Republic of Côte d'Ivoire, constituting a contribution of SDR 164 300 in Net Present Value terms (equivalent to approximately USD 230 100 in nominal terms) to reduce the Net Present Value of Côte d'Ivoire's debt to IFAD under the Heavily-Indebted Poor Countries Debt Initiative (HIPC DI).

PART I - THE HEAVILY-INDEBTED POOR COUNTRIES DEBT INITIATIVE

1. At its Twentieth Session in February 1997, the Governing Council approved IFAD's participation in the HIPC DI on a country-by-country basis. The present document sets out a proposal for IFAD's participation in this process for Côte d'Ivoire.

2. The overall objective of the HIPC DI is to develop and implement a comprehensive, consistent framework for reducing "the net present value (NPV) of the debt of about 22 countries with unsustainable or possibly stressed levels of debt to a sustainable level that will not compromise economic reform and poverty eradication efforts."¹ The NPV concept is employed because of the need for a "common denominator" for valuing debt with differing interest rates, grace periods and maturities. The guiding principles of the HIPC DI stipulate that it must: "(i) address a country's aggregate debt sustainability and involve all creditors to be effective and equitable; (ii) assist only countries with a track record of economic policy and structural reform and that are making efforts towards poverty eradication; (iii) build on existing mechanisms of debt relief; (iv) preserve the financial integrity of the international financial institutions (IFIs) involved; and (v) secure a continued flow of new external financing on appropriately concessional terms from IFIs and the private sector."²

3. For each country programme, two critical milestones exist: the "decision point", at which an agreement is reached between the IFIs and the participating government on the general targets, terms and conditions of debt relief; and the "completion point", which is the point at which performance in attaining the agreed targets and conditions are assessed and debt relief operations are triggered. The completion point may be anywhere from one to three years after the decision point, and is determined on a case-by-case basis.

4. The rationale for IFAD participation includes: debt is a key problem that must be addressed if poverty alleviation is to occur, and the HIPC DI offers a comprehensive policy framework for accomplishing this; participation will enable IFAD to be part of a system with the potential to address the arrears issue; and participation will enable IFAD to be part of a policy dialogue process for monitoring poverty-related parameters of adjustment performance.

¹ Document GC 21/L.6: IFAD's Participation in the Debt Initiative for Heavily-Indebted Countries.

² Idem.



PART II - THE HIPC DI IN RELATION TO CÔTE D'IVOIRE

A. Preparations for the Côte d'Ivoire HIPC DI

5. In March 1998, the executive boards of the Bretton Woods institutions approved an HIPC DI programme for Côte d'Ivoire. This decision was taken only after the successful conclusion of an agreement between the Government of Côte d'Ivoire and the International Monetary Fund (IMF) on the initiation of an ambitious economic and social reform programme to be supported with an Enhanced Structural Adjustment Facility (ESAF). The general framework and objectives of the HIPC DI for Côte d'Ivoire are presented below.

B. Rationale for the Côte d'Ivoire HIPC DI

6. For countries to be eligible for inclusion in the HIPC DI, they must normally meet several specific conditions. First, they must be International Development Association (IDA) countries and be eligible for the IMF's ESAF facility. With a 1996 per capita income level of USD 620, Côte d'Ivoire meets these criteria. Second, the country must have a good structural adjustment record over at least the last three years. As the following section explains, Côte d'Ivoire meets this criterion, too. Third, the government should be current in debt payments to its multilateral creditors. In the context of the Debt Sustainability Analysis (DSA) process undertaken during country programme design, the IMF has agreed to facilitate the arrears clearance process between governments and creditors for prospective HIPC countries. Finally, the country's debt burden at "decision point" must be unsustainable as measured by high NPV of debt-to-exports and debt service-to-export ratios. However, in preliminary discussions on Côte d'Ivoire's eligibility for the HIPC DI, World Bank and IMF executive board members acknowledged that the NPV of the debt-to-exports ratio could overstate a country's debt servicing capacity in the case of open economies such as this one with high exports-to-gross domestic product (GDP) ratios and a heavy fiscal burden due to debt servicing. The World Bank and IMF executive board members therefore allowed for some flexibility in assessing country eligibility by setting the NPV of the debt-to-exports target at the completion point at a level that would ensure fiscal sustainability of the debt service burden. Consequently, the Bretton Woods institutions agreed to a debt sustainability target for the NPV of the debt-to-exports ratio consistent with an NPV of debt-to-government revenue target of 280 per cent.

7. In the case of Côte d'Ivoire, IFAD participation is justified for several reasons. First, the Government is committed to pursuing economic policy reform as shown by its highly successful economic performance since the January 1994 CFA franc (CFAF) devaluation. Second, the Government has demonstrated its commitment to poverty alleviation as witnessed by its adoption, in June 1997, of a poverty alleviation action plan. Finally, the Government has generally done a good job of managing its debt servicing to IFAD and is a strong and consistent supporter of the Fund, as evidenced by its early and substantial commitment of resources to the Fourth Replenishment.

C. Policy Context, Poverty Situation and Agriculture

8. **Policy context.** Since early 1994, following the CFAF devaluation, Côte d'Ivoire has successfully implemented a multi-year programme of economic recovery and reform, mainly aimed at achieving sustained economic growth and restoring financial viability over the medium term. The programme was supported by a three-year IMF-financed ESAF arrangement and a series of World Bank-supported adjustment operations, including: an economic recovery credit (USD 100 million); an



agricultural sector adjustment credit (USD 150 million); a private sector development credit (USD 180 million); and IDA supplemental credits under the World Bank's Fifth Dimension Programme (totalling USD 292 million).

9. The results of the comprehensive adjustment strategy adopted since the 1994 CFAF devaluation have been encouraging. Real GDP growth rose from 2% in 1994 to 7.1% in 1995 and an estimated 6.7% in both 1996 and 1997. Inflation fell sharply, from 32.2% in 1994 to 3.5% in 1996, rising slightly to 5% in 1997. The improved external competitiveness of the economy reduced the current account deficit from 11% of GDP in 1993 to 4.8% in 1996 and 4.5% in 1997. A comprehensive strategy to manage external and internal debt was also pursued (see paragraphs 19-22 below).

10. Important structural reforms have been carried out with a view to enhancing external competitiveness by liberalizing the economy and reducing transaction costs, and to expanding the role of the private sector. The prices of a wide range of products have been decontrolled and the price equalization fund (*Caisse de péréquation*) eliminated; the marketing of cocoa and coffee has been deregulated, an auction system for external marketing introduced, and the marketing board for these commodities reformed. Twenty-nine public enterprises have been partially or totally privatized and several others restructured. Private sector development has been fostered by liberalizing maritime transport, simplifying customs and port-handling procedures, implementing measures to make labour and financial markets more flexible, and taking steps toward judicial reform.

11. **Agriculture.** The agricultural sector contributes about 35% to GDP and its crop production potential is divided between the forest areas in the south and the savannah in the north. About 65% of all farms are located in the south, covering a cultivated area of 3.9 million ha. About 530 000 farms cultivate an average of 6 ha each, growing cocoa and coffee as their main cash crops and paddy, maize, cassava and plantain as food crops. Cocoa and coffee covers 64% of the total cultivated area. In the north, the most important cash crop is cotton, while food crops include maize, rice, yams, sorghum, millet, groundnuts and cassava. Some 300 000 smallholders cultivate an average of 3.6 ha each. Prior to the CFAF devaluation in 1994, production of most export crops had stagnated. However, since then, export performance has dramatically rebounded, with cocoa exports in particular attaining record levels.

12. Livestock contributes 3% to agricultural GDP, and is highly concentrated in the north where 85% of the national cattle herd is located. Côte d'Ivoire is a major importer of livestock products from the neighboring Sahelian countries. In the early 1990s, maritime fisheries accounted for over XOF 50 billion, or about 7% of agricultural GDP. Artisanal processing and informal sector marketing are important sources of employment, particularly for women. Fish is also very important to the Ivoirian diet, contributing half of animal protein requirements.

13. Exports of forestry products represent the second most important source of foreign exchange. However, primary forests are rapidly disappearing, with only 2.5 million ha left of the 13 million ha of primary forest stands at Independence. Protecting the environment and managing the resource base has become a major objective for sustainable development in Côte d'Ivoire. The country is faced with serious environmental problems, including deforestation, loss of bio-diversity, soil degradation, water pollution, and poor management of industrial and domestic waste. The Government adopted a national action plan for the environment in December 1994 and is in the process of drawing up an environmental code and a general forestry plan.



14. **Poverty situation.** As will be seen from the table below, since the late 1980s, poverty has become more widespread in all parts of the country but its growth has accelerated far more rapidly in the south than in the north. Furthermore, a variety of health indicators reveal that health conditions are often worse in the humid south than in the drier north. The bulk of the country's poor are found in rural areas, and are most concentrated among food crop and export crop producers. In absolute terms, there are more poor people to be found among export crop producers than any other socio-economic category.

15. Although still primarily a rural phenomenon, poverty appears to have grown markedly in urban areas, especially in Abidjan. This is due to a high urbanization rate, rising levels of unemployment and reductions in real wages.

Evolution of Poverty in Côte d'Ivoire by Geographic Zone, 1985-95
(%)

Zone	1985	1993	1995
Abidjan	0.7	4.8	17.4
Other Cities	8.0	31.3	28.8
East Forest	15.2	37.3	38.2
West Forest	1.6	35.6	47.1
Savannah	25.9	48.5	43.6

Source: *Institut national de la statistique, Côte d'Ivoire.*

16. Women are among the most vulnerable groups in the rural areas. Among other things, they have no decision-making power for the allocation of land and they are fully dependent on men for the granting of access. Therefore, in the zones where population pressure and environmental degradation have reduced overall access to productive land, women have been generally the first to feel the negative effects. Women depend more heavily than men on food crops for their livelihoods and, as mentioned above, poverty is most concentrated among those who are predominantly food crop producers. Although no data are available, it is also possible that renewed profitability of export cropping - relative to food crops - after the devaluation has made it even more difficult for women to gain access to land as the men increase the areas sown to export crops.

17. In June 1997, the Government adopted an action plan for combating poverty. The action plan comprises a number of specific measures and targets regarding health, education, increasing women's participation in development, and arresting the exodus of rural youth to the cities. Among the most important measures to be implemented are: construction of 1 000 new primary schools, mostly in the rural areas; recruitment of 2 000 new teachers annually; construction of rural health centres; installation of 5 000 new village-level potable water facilities by the year 2000; and electrification of 200 villages annually.

18. The Government has established a steering committee for implementing the action plan and has made appropriate budgetary allocations. It is also planned that a system for monitoring key indicators will be put in place shortly.



D. Debt Status

19. The Government has adopted a comprehensive strategy to restore creditworthiness and improve the climate for growth. Debt management has been carried out within tighter overall public spending limits by liquidating or privatizing non-viable public enterprises, limiting borrowing to highly concessional terms, not accumulating new arrears, and closely examining government expenditures on profitability and public goods criteria. Debt reduction has involved liquidating the stock of internal and external arrears, rescheduling bilateral debt on highly concessional terms, restructuring commercial debt on terms similar to those of the bilateral rescheduling, and elimination of the long-term debt of public enterprises through privatization. Improved debt management has been assisted through macroeconomic reform programmes supported by the Bretton Woods institutions.

20. Côte d'Ivoire has received significant debt relief from the Paris Club. Eligible debt to Paris Club creditors was rescheduled in March 1994, and all arrears to official bilateral creditors were cleared between 1994 and 1996.

21. In May 1997, Côte d'Ivoire signed a Debt Restructuring Agreement with its commercial creditors with a view to restructuring commercial debt that had not been serviced since 1987. The agreement essentially involved all outstanding commercial commitments, restructuring about USD 6.8 billion. Debt was owed to French, American, British, German, other European, and Japanese banks and to private investors. Together with the World Bank, IMF and the Governments of France, The Netherlands and Switzerland are financing this agreement, the aim of which is to bring Côte d'Ivoire much closer to a sustainable debt position. The agreement reduces the end-1997 NPV debt of the country by about USD 5 billion, equivalent to approximately 45% of GDP or 105% of exports.

22. Despite progress in bilateral and commercial debt reduction and improved debt management, the country's external public debt situation remains fragile due in part to the fiscal burden of debt service. Therefore, in view of the debt overhang and the associated fiscal problem, the executive boards of the World Bank and IMF agreed to Côte d'Ivoire's eligibility for support under the HIPC DI, based on the fiscal openness criterion. In addition, they endorsed:

- a decision point after agreement is reached on a new three-year ESAF arrangement and on appropriate structural and social development criteria to be monitored by the World Bank. This occurred in March 1998; and
- a completion point three years from the decision point subject to satisfactory implementation of the agreed programme - due in March 2001.

E. The IFAD Programme in Côte d'Ivoire

23. IFAD has financed five projects in Côte d'Ivoire, three of which are ongoing (see Appendix II for basic project information). The Artisanal Fisheries Development Project in the Aby Lagoon, which closed in 1994, assisted fishermen to manage the overexploited fish resources in the lagoon in a participatory manner. It also improved navigation conditions, marketing modalities and the availability of public health facilities.

24. The Dabakala/Katiola Rural Development Project, cofinanced by the West African Development Bank (BOAD) and implemented by the cotton parastatal, the Ivoirian Company for Textile Development (CIDT), became effective in 1987 and closed in June 1997. The project had three major components: (i) agricultural development through strengthening the CIDT extension service; distribution of 200 pairs of oxen and 50 nucleus herds; development research on tubers, on the production system and on alternatives for diversification; and the promotion of women's activities;



(ii) strengthening of cooperatives, establishment of 10 rural credit and savings cooperatives, and the provision of a credit line for financing inputs food crop marketing and equipment; and (iii) rural infrastructure development including the rehabilitation of 212 km of tracks and the construction of 30 boreholes with hand pumps.

25. The seven-year Marketing and Local Initiatives Support Project became effective in May 1997, and is partially seen a follow-up project to the Dabakala/Katiola Rural Development Project. Its overall objective is to improve the living standards of women and smallholder households in the Centre-North Region, mainly by the sustainable increase of agricultural cash income. Immediate objectives include: (i) creation and strengthening of 300 informal groups, at least 150 of which would be women's groups; (ii) improvement of marketing modalities for the members of 300 groups; (iii) experimentation of a stabilized cultivation system on 12 sites; (iv) application of participatory methods for local development planning, microproject formulation and implementation; (v) strengthening of rural financial services; and (vi) rural infrastructure investment comprising the improvement of village accessibility by the rehabilitation of 276 km of tracks and of village water supply through the rehabilitation/construction of 60 boreholes.

26. The Rural Development Project in the North East became effective in 1992 and is scheduled to close at the end of 1998. Cofinanced by the BOAD, it was initially implemented by CIDT but, since July 1997, this task has been entrusted to a small project coordination unit. The project includes practically the same components as the Dabakala/Katiola Rural Development Project and covers two of the three *Départements* of the North-Eastern Region, the country's poorest region.

27. The National Agricultural Services Restructuring Project is cofinanced by the World Bank and other donors. IFAD's support is concentrated in the savannah zone and focuses on the promotion of informal and formal farmer groups, with activities including the promotion of improved processing technologies, poultry development, creation of youth groups for the clearing of forests and for the use of animal traction, farmer training, functional literacy, support to local initiatives, and provision of credit.

28. While a number of problems has arisen regarding project implementation in Côte d'Ivoire, including a low disbursement rate and major institutional changes in the rural sector resulting from structural adjustment, there have also been some notable successes. Interest among women and youth for food crop and horticultural development appears promising, particularly in inland valley bottoms. Well construction for potable water and accompanying sensitization in sanitation have been well received by the rural population. Fourteen mutual credit and savings groups have been formed in the Centre-North and North-East Regions, forming a foundation for rural financial intermediation deserving of increased support. Finally, IFAD has demonstrated the potential for working with small informal groups as an important complementary avenue to more formal and ambitious cooperative development efforts.

PART III - THE CÔTE D'IVOIRE HIPC DI PROGRAMME

29. Each HIPC DI programme has two aspects: a set of policy measures to be implemented by the recipient, and the NPV debt relief operation itself. These aspects, and implications for IFAD participation, are discussed in the following sections.

A. Policy Measures to be Implemented

30. In February 1998, the Government and the IMF agreed on a new three-year ESAF arrangement which forms the centerpiece of policy conditionality for the Côte d'Ivoire HIPC DI programme. The programme includes a broad range of actions focusing on the implementation of a prudent fiscal policy, a deepening of structural reforms, sound management of public resources, and an ambitious social



development agenda. During the 1998-2000 period, Côte d'Ivoire's economic and policy reform performance will be monitored under IMF and World Bank-supported programmes. To reach a "completion point" in March 2001, Côte d'Ivoire will need to:

- successfully complete the programme supported by the ESAF;
- successfully implement the reform programmes under IDA's agricultural sector adjustment credit and private sector development credit;
- show satisfactory progress in implementing the outstanding structural reform agenda expected to be supported by IDA adjustment operations; and
- show satisfactory progress in implementing the social development reform agenda under the poverty alleviation action plan.

31. Major areas covered by the reform strategy for 1998-2000 include: trade and price liberalization and other action to promote private sector development; privatization and restructuring of public enterprises; tax reforms and expenditure management; civil service reform; strengthening of the financial sector; and liberalization of the cocoa and coffee sectors. Particular attention will be focused also on social sector reform and poverty alleviation, and specific measures in this area are outlined below.

32. The 1998-2000 programme focuses on strengthening the factors essential to generating sustainable and durable growth over the medium to long term and for allowing the broader population to participate actively in the benefits of such growth. In recognizing this need, the Government has reiterated its determination to reverse the deterioration of key poverty indicators in recent years and bring about noticeable changes in the priority sectors of health, education and basic infrastructure. Resources freed up by relief under the HIPC DI will support expansion in social programmes.

33. In June 1997, the Government adopted a poverty reduction action plan aimed at lowering the overall incidence of poverty from 37% in 1995 to less than 30% by the year 2000. The programme includes specific quantified targets that will be monitored throughout the 1998-2000 period by ongoing and new World Bank projects and adjustment operations, as well as under the ESAF. The key social actions and targets are summarized in Appendix III. To ensure the success of the action plan, the Government has set up a committee to supervise and oversee the action taken and has established a mechanism for systematically tracking poverty indicators. Annual surveys will be conducted to monitor the living standards and conditions of households.

34. In the education sector, the Government's efforts will focus on improving the quality of, and providing greater access to, education for the entire population. Net rates of primary school enrolment are targeted to increase from 51% in 1996 to 55% by the year 2000, and the literacy rate is expected to rise from 43% to 48% over the same period, with specific measures focusing on females and regions with poor enrolment rates. The share of education in government primary expenditure (excluding foreign-financed investments) is to be raised from 32% in 1996 to 39% by the year 2000. Within this envelope, the budgetary appropriations for basic education are to be kept to at least 45%, with a strong rural component.

35. In the health sector, the objectives, activities and resources needed are stipulated in the national health development plan covering the period 1996-2005. The Government is committed to increasing the coverage and quality of health services, especially in rural and disadvantaged areas, and to placing a strong emphasis on preventive care. Particular attention is to be devoted to raising the infant vaccination rate by 20 percentage points, to 80%, by the year 2000 and to strengthening preventive measures to



combat Acquired Immune Deficiency Syndrome (AIDS). Specifically, the Government aims at increasing the share of health in total primary spending (excluding foreign-financed investments) from 7% in 1996 to 11% by the year 2000. It has also set as a sub-target an increase in the share of primary health care in the health budget from 33% to 39% over the same period.

36. The authorities also intend to step up their efforts in the areas of family planning and basic infrastructure. The strengthening of basic infrastructure comprises a comprehensive strategy to increase access to safe water, expand rural electrification, and improve construction and particularly maintenance of rural roads.

B. Debt Relief Calculations

37. Calculating the IFAD contribution involves a three-step process:

- (a) calculation of IFAD's NPV-equivalent outstanding debt at a common point in time³ with other multilateral agencies prior to the decision point;
- (b) calculation of the NPV of debt relief to be delivered by IFAD, based on World Bank and IMF projections of the total level of multilateral assistance required at completion point to bring the country down to a sustainable level of debt. This value is translated into a constant percentage of each multilateral financial institution's outstanding NPV at the reference date. Each participating multilateral agency has been requested to pledge the NPV value corresponding to that percentage figure as of the reference point for debt reconciliation; and
- (c) calculation of the corresponding nominal value of debt relief to be delivered by IFAD, which will vary as a function of the scheduling of debt relief over time. Extending the debt forgiveness period will result in higher nominal values of debt relief, relative to shorter schedules.

38. **Calculation of the IFAD share of debt relief.** At the end of 1997, NPV total outstanding debt stood at USD 13 billion, of which 22% was owed to multilateral agencies.

39. Appendix IV presents detailed calculations of the NPV for outstanding disbursements to IFAD for the Côte d'Ivoire portfolio. IFAD has approved five loans to Côte d'Ivoire. As of the end of 1997, two were closed and three were ongoing, but one of the effective loans had not yet begun to disburse (see Appendix II for basic background information on the projects). Repayment terms vary between the loans, reflecting the fact that Côte d'Ivoire only became eligible for highly concessional loans after the 1994 CFAF devaluation. One loan carries ordinary terms, three others carry intermediate terms, and the most recent loan (signed in December 1996) was granted on highly concessional terms.

40. Under the HIPC DI, the NPV share of each multilateral creditor is based on outstanding disbursements. As of end-1997, commitments totalled SDR 31.68 million, of which SDR 8.07 million (or 25.5%) had been disbursed. Repaid principal amounted to SDR 5.14 million, or 63.7% of the value of disbursements, leaving about SDR 2.93 million outstanding. The NPV calculations are therefore based on this outstanding amount.

41. In calculating the NPV of IFAD's SDR 2.93 million of outstanding principal, the following parameters are used: an SDR-based semi-annual discount factor of 3.03% (because reimbursements to

³ For the Côte d'Ivoire debt reconciliation exercise, calculations are based on outstanding debt stock as of 31 December 1997.



IFAD are scheduled on a semi-annual basis); and, for United States dollar calculations, an exchange rate of SDR 1 = USD 1.35135 (because World Bank/IMF figures are dollar-denominated)⁴. Given these parameters, the NPV on outstanding IFAD debt as of 31 December 1997 is estimated at SDR 2.65 million, or USD 3.58 million.

42. **Calculation of the NPV of debt relief.** To calculate the value of the IFAD contribution, projections from the World Bank President's Report are used on amounts of debt relief at the completion point, with the World Bank then calculating the percentage of total multilateral debt stock corresponding to the total NPV value that would bring country debt down to a sustainable level. Each participating multilateral agency is then requested to pledge the NPV value corresponding to that percentage figure as of the reference point for debt reconciliation (in this case, end-1997).

43. The debt sustainability analysis baseline scenario elaborated by the World Bank and IMF covers the period 1997-2016 and assumes continued implementation of sound economic and financial policies. The medium- to long-term economic framework is built on the key government objectives of: (a) maintaining macroeconomic stability, including implementation of a prudent fiscal policy aimed at balancing the budget over the medium term and achieving surpluses thereafter; (b) deepening structural reforms that promote private sector development and investment, including foreign investment, and fostering continuing diversification and transformation of the Ivoirian economy; (c) pursuing an ambitious social development agenda, especially in education and health; and (d) ensuring environmentally sustainable development, including the prudent use of the country's natural resource base. It is expected that the Government will gradually phase out its reliance on external budgetary support as a result of stronger fiscal performance, including improved tax administration, and a more effective budgeting process and changes in the budget allocations that would entail a reallocation of spending to social services, notably in rural health and rural education.

44. Reflecting the assumed strong macroeconomic and fiscal performance, buoyant export activity, and continued reliance on highly concessional financing over the medium term, the key debt ratios are expected to fall over the medium to long term, even though significant relief for the budget from debt-service payments will not occur until well after the year 2000. Even with substantial bilateral and private debt relief and a favourable macroeconomic and trade environment, the ratio of debt service to government revenue is projected to remain above 27% from 1997 through 2000. The ratio of NPV of debt service to government revenue is expected to reach 293% in 2000.

45. In addition, the country faces above-average vulnerability in view of the openness of its economy. Côte d'Ivoire is particularly sensitive to possible external shocks, such as lower export prices of cocoa and coffee. In addition, although only partially documented, private debt plays an important role in assessing Côte d'Ivoire's debt sustainability. Its level is significantly above that of other sub-Saharan African countries and is estimated to account for roughly one fifth of the NPV of total debt in 1996. By 2008, based on the above assumptions, the NPV of external private debt is expected to surpass that of public debt for the first time.

46. In light of this situation, the World Bank and IMF executive boards approved an HIPC DI programme, the aim of which would be to reduce the NPV debt-to-government-revenue ratio from 293% to 280% by the March 2001 completion point, implying also an NPV debt-to-export ratio of 141%. This would correspond to a total multilateral NPV debt relief requirement of USD 181.9 million, equal to roughly 6.2% of the projected outstanding multilateral NPV debt stock of USD 2.9 billion at the end of 1997.

⁴ Discount factor and exchange rate for end-1997 supplied by the World Bank.



47. The IFAD requirement would be therefore 6.2% of its outstanding NPV debt stock of SDR 2.65 million at the end of 1997, or SDR 164 300. The value of IFAD participation for Côte d'Ivoire is quite small compared with that required for other HIPC countries. There are three reasons for this. First, during the 1980s, Côte d'Ivoire was not a priority country for IFAD lending because it was perceived to be quite wealthy compared to other African countries. In contrast, it was a high priority country for a number of other multilateral agencies such as the World Bank and the African Development Bank. Therefore, the absolute value of IFAD historical loan commitments to the country relative to other HIPC countries (such as Bolivia, Burkina Faso, Mozambique and Uganda) and IFAD's share in overall multilateral commitments and disbursements are small. Second, since all loans to Côte d'Ivoire that had disbursed as of the end of 1997 were on either ordinary or intermediate terms, principal repayments as a percentage of total disbursements are high compared to what they would be if all the loans had been granted on highly concessional terms (and thus having extended grace periods). Finally, historically, disbursement rates have been low in Côte d'Ivoire (see Appendix II), although efforts are currently being made to improve disbursement performance.

48. **Nominal value of debt relief.** As mentioned above, the more extended the period of debt relief scheduling, the greater the difference between the nominal value and the NPV of relief. As the value of IFAD's participation for Côte d'Ivoire would be small, it is proposed to fully forgive the debt in the first semester following the completion point. This results in a nominal value of relief of SDR 170 300, not much different from the NPV of SDR 164 300 (see Appendix V for this calculation).

C. Mechanism for the Reduction of Côte d'Ivoire's Debt to IFAD

49. Debt reduction by IFAD will be accomplished through an internal IFAD Trust Fund, the establishment of which was approved at the Governing Council in February 1998. No reduction of Côte d'Ivoire's debt to IFAD will take place:

- (a) prior to the agreed completion point for the Côte d'Ivoire HIPC DI (March 2001). IDA and IMF will monitor compliance with the monitorable conditions for debt reduction as specified above, and will report to IFI participants in the Côte d'Ivoire HIPC DI on or by March 2001; and
- (b) until Côte d'Ivoire has satisfied the conditions for the commencement of IDA and IMF debt relief under the Côte d'Ivoire HIPC DI.



PART IV - RECOMMENDATION

50. I recommend that the Executive Board approve the proposed contribution to the reduction of the Republic of Côte d'Ivoire's debt to IFAD within the framework of the Cote d'Ivoire HIPC DI in terms of the following resolution:

RESOLVED: that the Fund, upon declaration at the completion point by the World Bank and the International Monetary Fund that Côte d'Ivoire has satisfied the conditions for debt relief under the Côte d'Ivoire HIPC DI, shall:

reduce the value of the Republic of Côte d'Ivoire's debt to IFAD through the forgiving of Côte d'Ivoire's debt service obligations to IFAD (principal and service charge payments) as they fall due after the completion point up to the aggregate value of SDR 164 300 in Net Present Value terms, corresponding to approximately USD 230 100 in nominal terms.

Fawzi H. Al-Sultan
President

COUNTRY DATA

COTE D'IVOIRE

Land area (km² thousand) 1994 1/	318	GNP per capita (USD) 1995 2/	660
Population (million) 1995 1/	14	Average annual real rate of growth of GNP per capita, 1985-95 2/	-4.3
Population density (population per km²) 1995 1/	44	Average annual rate of inflation, 1985-95 2/	2.1
Local currency	CFA Franc	Exchange rate: USD 1 =	XOF 600
	XOF		
Social Indicators		Economic indicators	
Population (average annual rate of growth) 1980-95 1/	3.6	GDP (USD million) 1994 1/	10 069
Crude birth rate (per thousand people) 1995 1/	37	Average annual rate of growth of GDP 1/	
Crude death rate (per thousand people) 1995 1/	12	1980-90	0.1
Infant mortality rate (per thousand live births) 1995 1/	86	1990-95	0.7
Life expectancy at birth (years) 1994 3/	52.1		
		Sectoral Distribution of GDP, 1995 1/	
Number of rural poor (million) 1/	n.a.	% agriculture	31
Poor as % of total rural population 1/	n.a.	% industry	20
Total labour force (million) 1995 1/	5	% manufacturing	18
Female labour force as % of total, 1995 1/	33	% services	50
		Consumption, 1995 1/	
Education		Government consumption (as % of GDP)	12
Primary school enrolment (% of age group total) 1993 1/	69	Private consumption (as % of GDP)	67
Adult literacy rate (% of total population) 1994 3/	39.4	Gross domestic savings (as % of GDP)	20
		Balance of Payments (USD million)	
Nutrition		Merchandise exports, 1995 1/	3 939
Daily calorie supply per capita, 1992 3/	2 491	Merchandise imports, 1995 1/	2 808
Index of daily calorie supply per capita (industrial countries=100) 1992 3/	80	Balance of trade	1 131
Prevalence of child malnutrition (% of children under 5) 1989-95 1/	n.a.	Current account balances (USD million)	
		before official transfers, 1995 1/	25
Health		after official transfers, 1995 1/	- 269
People per physician, 1993 1/	11 739	Foreign direct investment, 1995 1/	19
People per nurse, 1993 1/	3 244	Net workers' remittances, 1995 1/	- 449
Access to safe water (% of population) 1990-96 3/	75	Income terms of trade (1987=100) 1995 1/	70
Access to health service (% of population) 1990-95 3/	n.a.		
Access to sanitation (% of population) 1990-96 3/	43	Government Finance	
		Overall budget surplus/deficit (as % of GDP) 1994 1/	n.a.
Agriculture and Food		Total expenditure (% of GDP) 1994 1/	n.a.
Cereal imports (thousands of metric tonnes) 1994 1/	466	Total external debt (USD million) 1995 1/	18 952
Food imports as percentage of total merchandise imports 1993 1/	n.a.	Total external debt (as % of GNP) 1995 1/	184.9
Fertilizer consumption (hundred grams of plant nutrient per arable ha) 1994/95 1/	170	Total debt service (% of exports of goods and services) 1995 1/	23.1
Food production index (1989-91=100) 1995 1/	114		
Food aid in cereals (thousands of metric tonnes) 1994-95 1/	56	Nominal lending rate of banks, 1995 1/	n.a.
		Nominal deposit rate of banks, 1995 1/	n.a.
Land Use			
Agricultural land as % of total land area, 1994 1/	53		
Forest and woodland area (km ² thousand) 1990 1/	109		
Forest and woodland area as % of total land area, 1990 1/	34		
Irrigated land as % of arable land, 1994 1/	2.0		

n.a. not available.

Figures in italics indicate data that are for years or periods other than those specified.

1/ World Bank, *World Development Report*, 1997

2/ World Bank, *Atlas*, 1997

3/ UNDP, *Human Development Report*, 1997



BASIC FINANCIAL DATA FOR THE IFAD PORTFOLIO IN COTE D'IVOIRE

(As of 30 May 1998)

Loan 145-IC - Artisanal Fisheries Development Project in the Aby Lagoon

Initiating Institution: IFAD
Cooperating Institution: AfDB
Approved 1984, effective 1985
Closing Date: 31.03.94
Loan Amount and Terms: SDR 2.7 million, intermediate
Disbursement (final): SDR 1 329 549 (49%).

Loan 189-IC - Dabakala/Katiola Rural Development Project

Initiating Institution: IFAD
Cooperating Institution: World Bank (IDA)
Approved 1986, effective 1987
Closing Date: 31.12.93, extended 30.06.97
Loan Amount and Terms: SDR 5.65 million, ordinary
Disbursement (final): SDR 4 084 714 (72%).

Loan 284-CT - Rural Development Project in the North East

Initiating Institution: IFAD
Cooperating Institution: BOAD
Approved 1991, effective 1992
Closing Date: 31.12.98
Loan Amount and Terms: SDR 10.35 million, intermediate
Disbursement: SDR 2 229 545 (22%)

Loan 337-CI - National Agricultural Services Restructuring Project

Initiating Institution: IDA
Cooperating Institution: IDA
Approved 1993. Effective August 1994
Closing Date: 31.12.99
Loan Amount and Terms: SDR 7.05 million, intermediate
Disbursement: SDR 682 439 (10%)

Loan 419-CI - Marketing and Local Initiatives Support Project

Initiating Institution: IFAD
Cooperating Institution: IDA
Approved 1996. Effective 1997
Closing Date: 30.09.04
Loan Amount and Terms: SDR 7.25 million, highly concessional
Disbursement: SDR 486 220 (7%)



SOCIAL DEVELOPMENT PERFORMANCE INDICATORS, 1997- 2000

Areas	Objectives	Specific Measures	Follow-up
	<ul style="list-style-type: none"> Strengthen measures to combat AIDS 	<ul style="list-style-type: none"> Implementation of specific sexually-transmitted diseases and AIDS prevention measures (education and condoms), targeting the most underprivileged populations, particularly young people and women. 	<ul style="list-style-type: none"> Monitoring of prevention activities (testing, etc.) Monitoring the distribution of condoms.
Family Planning	<ul style="list-style-type: none"> Lower the fertility rate from the current 5.6 children per woman to 4.5 by 2015. Raise the level of modern contraceptive use from 4% in 1996 to 10% by 2000 	<ul style="list-style-type: none"> Establishment of reproductive health units in all health facilities. Expansion of family planning programmes (information-education-communication/guidance, prevention, extension to all districts) and distribution of contraceptives. 	<ul style="list-style-type: none"> Monitoring of the number of reproductive health units Monitoring of the number of centres per region (MSP)
Basic infrastructure	<ul style="list-style-type: none"> Increase water supply to cover 65% of villages by 2000 compared to the current 50 percent, and 85% of urban areas instead of the present 75% . 	<ul style="list-style-type: none"> Preparation of a strategy to provide access to basic services in urban and rural areas. Increase in the number of rural villages serviced by establishing 5000 new water supply points by the year 2000. 	<ul style="list-style-type: none"> Monitoring of the number of new areas serviced each year. Monitoring of the number of new villages serviced each year.
	<p>Rural roads:</p> <ul style="list-style-type: none"> Make cut-off rural areas accessible by maintaining rural roads. 	<ul style="list-style-type: none"> Proper regular maintenance of 35.000 km of rural roads per year. 	<ul style="list-style-type: none"> Periodic monitoring (audit of transport sector loans).
	<p>Rural electrification:</p> <ul style="list-style-type: none"> Increase coverage from the current 23% to 33% by 2000. 	<ul style="list-style-type: none"> Increase in the pace of the rural electrification programme (200 rural villages per year). 	<ul style="list-style-type: none"> Monitoring of the number of villages supplied with electricity per year.
	<p>Living standards of low-income households: Improve the living conditions of the poorest segments of the population in the areas of housing, health, education and environment.</p>	<ul style="list-style-type: none"> Adoption of housing, development and utilities standards on par with the financial capacity of the households targeted. 	<ul style="list-style-type: none"> Utilities standards adopted in March 1988.
		<ul style="list-style-type: none"> Wider application of the practice of awarding building contracts (with specifications) to competing private developers. 	<ul style="list-style-type: none"> Periodic monitoring starting in the fourth quarter of 1997.
		<ul style="list-style-type: none"> Establishment of a system with a majority private sector holding ownership to raise long-term funding for housing and channel it through the commercial banks. 	<ul style="list-style-type: none"> Private system of raising operating funds starting in June 1999.
		<p>Rundown neighborhoods: Taking stock of neighborhoods requiring rehabilitation or relocation.</p>	<ul style="list-style-type: none"> Criteria defined for relocation of neighbourhoods.
		<ul style="list-style-type: none"> Supply of water, sewage, etc. to rundown neighbourhoods to be rehabilitated, and regularization of property status. 	<ul style="list-style-type: none"> Timetable adopted.
		<ul style="list-style-type: none"> Formulation and execution of a plan for resettlement of the poor groups to be relocated, covering social, educational and health concerns. 	<ul style="list-style-type: none"> Preparations for the drafting of a resettlement plan.
		<ul style="list-style-type: none"> Implementation of preventive measures to avoid resettlement in areas of risk. 	
Rural Development	<ul style="list-style-type: none"> Increase income for poor people in rural areas. 	<ul style="list-style-type: none"> Implementation of measures to ensure land tenure security in the context of the World Bank's National Programme for Land Management and Rural Infrastructure. 	<ul style="list-style-type: none"> Monitoring in the context of the supervision of the World Bank's National Programme for Land Management and Rural Infrastructure.
	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Strengthen private vocational agricultural organizations and provide assistance to young farmers and women. 	<ul style="list-style-type: none"> Monitoring in the context of the supervision of IFAD's National Agricultural Services Restructuring Project- and AfDB-supported projects.



APPENDIX III

Areas	Objectives	Specific Measures	Follow-up
Social Funds	<ul style="list-style-type: none"> Assess the impact of social funds in the poverty reduction action plan. 	<ul style="list-style-type: none"> Based on that assessment, preparation and implementation of mechanisms to ensure a net improvement in the management, targeting and impact of social funds in the context of the poverty reduction policy. 	<ul style="list-style-type: none"> Completion of annual audits for 1997-2000.
Poverty Reduction	<ul style="list-style-type: none"> Reduce the incidence of poverty from 36.8% in 1995 to under 30% by 2000. 	<ul style="list-style-type: none"> Preparation (by March 1998) of specific sectoral action programmes to increase and better target government expenditure to reach the poorest groups, and improve the effectiveness and usefulness of these expenditures (see below). 	<ul style="list-style-type: none"> Annual surveys of household living standards and conditions (National Institute for Statistics).
		<ul style="list-style-type: none"> Development of key poverty indicators by March 1998. 	<ul style="list-style-type: none"> Annual monitoring and publication of these indicators.
Education	<ul style="list-style-type: none"> Increase net rates of primary school enrollment from 51% in 1996 to 55% in 2000. 	<ul style="list-style-type: none"> Raising the share of education in total primary spending (excluding foreign-financed investments) from 31.6% in 1996 to 39% in 2000, i.e., from 4.5% of GDP to 5.4%. Keeping the share of the education budget devoted to primary education at least 45%. 	<ul style="list-style-type: none"> Annual monitoring of budget allocations and actual spending.
		<ul style="list-style-type: none"> Targeting of school construction and maintenance programmes toward low-income areas with poor primary school enrolment rates, the overall goal being the construction of 1000 primary school classrooms per year. 	<ul style="list-style-type: none"> Budget allocations by district and monitoring of the number of classrooms built per district.
	<ul style="list-style-type: none"> Improve school enrolment of children, particularly girls in areas of poor primary school enrolment. Increase the percentage of girls to total students from 42% in 1996 to 44% in 2000. 	<ul style="list-style-type: none"> Measures to reduce the cost of schooling for the poor (school meals, uniforms, school fees, free books, etc.). 	<ul style="list-style-type: none"> Inventory of these actions and the number of beneficiaries.
		<ul style="list-style-type: none"> Development and implementation of an action plan to increase access to education for girls. 	<ul style="list-style-type: none"> Periodic progress reviews.
		<ul style="list-style-type: none"> Recruitment of 2 000 primary school teachers per year. 	<ul style="list-style-type: none"> Actual recruitment per year.
	<ul style="list-style-type: none"> Improve the quality of teaching, with particular focus on continuous training of teachers and an annual reduction of 5% in the repetition rate over the period. 	<ul style="list-style-type: none"> Continuous training of teachers. 	<ul style="list-style-type: none"> Periodic programme reviews.
	<ul style="list-style-type: none"> Increase the literacy rate from 43 percent in 1996 to 48 percent in 2000. 	<ul style="list-style-type: none"> Continuation and intensification of literacy programmes (particularly towards women, youth in rural areas, and in the Northern area where school enrolment is poor). 	<ul style="list-style-type: none"> Periodic programme reviews.
Health	<ul style="list-style-type: none"> Increase the coverage and quality of health services, especially in rural and disadvantaged urban areas. 	<ul style="list-style-type: none"> Raising the share of health in total primary spending from 7.1% in 1996 to 10.8% by 2000 (i.e. an increase from 1.0% of GDP to 1.5%). Raising the share of the health budget devoted to primary health care from 33% in 1996 to 39% in 2000. Increasing the share of non-wage current spending. 	<ul style="list-style-type: none"> Budget allocations and actual spending.
		<ul style="list-style-type: none"> Increased access to health centres in poor and rural areas, and improvement in the quality of health care and development of preventive care. 	<ul style="list-style-type: none"> Monitoring of the number of health centres in the areas identified (Ministry of Public Health)
		<ul style="list-style-type: none"> Continuation of the campaign to promote generic drugs to health care providers, patients and dispensaries (public and private). 	<ul style="list-style-type: none"> Review of the proportion of generic drugs in dispensary sales.
	<ul style="list-style-type: none"> Increase the infant vaccination rate to 80% in 2000, compared to the current 60%. 	<ul style="list-style-type: none"> Extension of the vaccination programme. 	<ul style="list-style-type: none"> Periodic review.



NET PRESENT VALUE CALCULATION FOR COTE D'IVOIRE

(On Disbursement as of 31 December 1997)

	<u>145-IC</u>		<u>189-IC</u>		<u>284-CT</u>		<u>337-CI</u>		<u>419-CI</u>		<u>TOTAL (SDR)</u>	<u>TOTAL (\$)</u>	
Loan Amount	1 329 549		5 650 000		10 380 000		7 100 000		7 250 000		31 679 549	42 810 159	
Disbursed	1 329 549		4 084 714		1 972 612		682 439		-		8 069 314	10 904 468	
% Disbursed	100.00%		72.30%		19.06%		9.61%		0.00%		25.47%	25.47%	
Repaid Principal	1 097 226		3 008 062		1 085 000		-		-		5 140 288	6 946 328	
Outstanding	232 323		1 076 652		937 612		682 439		-		2 929 026	3 958 140	
6 month installment	15 488		67 291		32 331		22 748		-		-	-	
Interest Rate	4.00%		8.00%		4.00%		4.00%		0.75%				
<u>Year</u>	<u>Sem</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Total (SDR)</u>	<u>Total (\$)</u>
1998	1	4 646	15 488	43 066	67 291	18 752	32 331	13 649		-		195 224	263 816
1998	2	4 337	15 488	40 374	67 291	18 106	32 331	13 649		-		191 576	258 886
1999	1	4 027	15 488	37 683	67 291	17 459	32 331	13 649	22 748	-		210 676	284 697
1999	2	3 717	15 488	34 991	67 291	16 812	32 331	13 194	22 748	-		206 573	279 152
2000	1	3 407	15 488	32 300	67 291	16 166	32 331	12 739	22 748	-		202 470	273 608
2000	2	3 098	15 488	29 608	67 291	15 519	32 331	12 284	22 748	-		198 367	268 063
2001	1	2 788	15 488	26 916	67 291	14 872	32 331	11 829	22 748	-		194 264	262 519
2001	2	2 478	15 488	24 225	67 291	14 226	32 331	11 374	22 748	-		190 161	256 974
2002	1	2 168	15 488	21 533	67 291	13 579	32 331	10 919	22 748	-		186 058	251 429
2002	2	1 859	15 488	18 841	67 291	12 933	32 331	10 464	22 748	-		181 955	245 885
2003	1	1 549	15 488	16 150	67 291	12 286	32 331	10 009	22 748	-		177 852	240 340
2003	2	1 239	15 488	13 458	67 291	11 639	32 331	9 554	22 748	-		173 749	234 796
2004	1	929	15 488	10 767	67 291	10 993	32 331	9 099	22 748	-		169 646	229 251
2004	2			8 075	67 291	10 346	32 331	8 644	22 748	-		149 435	201 939
2005	1					9 699	32 331	8 189	22 748	-		72 968	98 605
2005	2					9 053	32 331	7 734	22 748	-		71 867	97 117
2006	1					8 406	32 331	7 279	22 748	-		70 765	95 628
2006	2					7 760	32 331	6 824	22 748	-	-	69 663	94 140
2007	1					7 113	32 331	6 369	22 748	-	-	68 562	92 651
2007	2					6 466	32 331	5 914	22 748	-	-	67 460	91 162
2008	1					5 820	32 331	5 460	22 748	-	-	66 359	89 674
2008	2					5 173	32 331	5 005	22 748	-	-	65 257	88 185
2009	1					4 526	32 331	4 550	22 748	-	-	64 155	86 696
2009	2					3 880	32 331	4 095	22 748	-	-	63 054	85 208
2010	1					3 233	32 331	3 640	22 748	-	-	61 952	83 719
2010	2					2 587	32 331	3 185	22 748	-	-	60 851	82 231
2011	1					1 940	32 331	2 730	22 748	-	-	59 749	80 742
2011	2							2 275	22 748	-	-	25 023	33 815
2012	1							1 820	22 748	-	-	24 568	33 200
2012	2							1 365	22 748	-	-	24 113	32 585
2013	1							910	22 748	-	-	23 658	31 970
2013	2							455	22 748	-	-	23 203	31 355
TOTAL 1/		36 242	201 347	357 987	942 071	279 344	872 949	238 854	682 439	-	-	3 611 232	4 880 088
		Count =	13		14		27		30			Of which interest =	912 427

1/ Totals subject to rounding error.

2/ Source: World Bank.

Discount Factor Semi-Annual (SDR) 2/ =	3.03%
Net Present Value (SDR) =	2 650 080
Exchange Rate (\$/SDR) 2/ =	1.35135
USD Equivalent (\$) =	3 581 186
6.2 percent (SDR) =	164 305
6.2 percent (\$) =	222 034



APPENDIX V

NOMINAL AND NPV-EQUIVALENT PAYMENT STREAMS

(At Projected Completion Point in March 2000)

Discount rates: USD 3.66%
SDR 3.03%

Year	Sem	Nominal		Cumulative Nominal		NPV-Equivalent				Period ^{1/}
		SDR	USD	SDR	USD	SDR	Cumulative	USD	Cumulative	
1998	1	195 224	263 816							
1998	2	191 576	258 886							
1999	1	210 676	284 697							
1999	2	206 573	279 152							
2000	1	202 470	273 608							
2000	2	198 367	268 063							
2001	1	194 264	262 519							0
2001	2	190 161	256 974	190 161	256 974	184 569	184 569	247 913	247 913	1
2002	1	186 058	251 429	376 219	508 404	175 275	359 844	234 011	481 924	2
2002	2	181 955	245 885	558 174	754 288	166 369	526 213	220 781	702 704	3
2003	1	177 852	240 340	736 026	994 629	157 835	684 048	208 193	910 897	4
2003	2	173 749	234 796	909 775	1 229 425	149 659	833 708	196 218	1 107 115	5
2004	1	169 646	229 251	1 079 421	1 458 676	141 828	975 536	184 829	1 291 944	6
2004	2	149 435	201 939	1 228 857	1 660 615	121 257	1 096 793	157 069	1 449 013	7
2005	1	72 968	98 605	1 301 825	1 759 221	57 468	1 154 261	73 991	1 523 004	8
2005	2	71 867	97 117	1 373 691	1 856 338	54 936	1 209 196	70 304	1 593 308	9
2006	1	70 765	95 628	1 444 456	1 951 966	52 503	1 261 699	66 786	1 660 094	10
2006	2	69 663	94 140	1 514 119	2 046 105	50 165	1 311 864	63 428	1 723 521	11
2007	1	68 562	92 651	1 582 681	2 138 756	47 920	1 359 784	60 224	1 783 745	12
2007	2	67 460	91 162	1 650 141	2 229 919	45 764	1 405 548	57 167	1 840 912	13
2008	1	66 359	89 674	1 716 500	2 319 592	43 692	1 449 240	54 250	1 895 162	14
2008	2	65 257	88 185	1 781 757	2 407 777	41 703	1 490 943	51 468	1 946 630	15
2009	1	64 155	86 696	1 845 912	2 494 474	39 794	1 530 737	48 815	1 995 446	16
2009	2	63 054	85 208	1 908 966	2 579 681	37 960	1 568 697	46 285	2 041 731	17
2010	1	61 952	83 719	1 970 918	2 663 401	36 200	1 604 897	43 873	2 085 605	18
2010	2	60 851	82 231	2 031 769	2 745 631	34 511	1 639 408	41 574	2 127 178	19
2011	1	59 749	80 742	2 091 518	2 826 373	32 889	1 672 298	39 382	2 166 560	20
2011	2	25 023	33 815	2 116 541	2 860 188	13 369	1 685 667	15 911	2 182 471	21
2012	1	24 568	33 200	2 141 109	2 893 387	12 740	1 698 407	15 071	2 197 542	22
2012	2	24 113	32 585	2 165 222	2 925 972	12 136	1 710 543	14 271	2 211 813	23
2013	1	23 658	31 970	2 188 879	2 957 942	11 557	1 722 100	13 508	2 225 321	24
2013	2	23 203	31 355	2 212 082	2 989 298	11 001	1 733 101	12 781	2 238 101	25

Percentage Requirement of Debt Relief	6.20%
Required NPV Relief (\$)	222 034
Required NPV Relief (SDR)	164 305
NPV (\$) in Period When Required Level Reached	247 913
NPV (SDR) in Period When Required Level Reached	234 011
Nominal SDRs in Period When Required Level Reached	190 161
Required Nominal SDR Relief	170 310
Required Nominal \$ Relief	230 149

1/ Payment period after completion point.