

**FOR  
AGENDA**

EBS/09/93  
Correction 1

June 26, 2009

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Central African Republic—Enhanced Heavily Indebted Poor Countries Initiative—Completion Point Document and Multilateral Debt Relief Initiative**

The attached corrections to EBS/09/93 (6/16/09) have been provided by the staff:

**Factual Errors Not Affecting the Presentation of Staff's Analysis or Views**

**Page 5, line 27:** for “77.6” read “82”

**Page 28, para. 54, line 2:** for “77.6” read “82”  
**line 6:** for “8.0” read “11.9”

**Page 30, para. 57, line 5:** for “Kuwait (2.2 percent of total HIPC-eligible debt)”  
read “Argentina (3.9 percent of total HIPC-eligible debt), Kuwait  
(2.2 percent)”  
**para. 58, line 1:** for “Argentina (3.9 percent of total HIPC-eligible debt), China  
(2.9 percent)”  
read “China (2.9 percent of total HIPC-eligible debt)”  
**line 3:** “for two-thirds” read “about half”

**Page 38, para. 81, line 7:** for 78, read 82

**Page 50, Table 11, line 31:** for “Argentina 23 3.92”  
read “Argentina 23 3.92 The creditor agreed in principle  
to provide debt relief at the completion point.”

**Typographical Errors**

**Page 30, para. 58, line 2:** for “Taiwan, Province of China”  
read “Taiwan Province of China”

**Page 31, para. 60, line 7:** for “Taiwan, Province of China”  
read “Taiwan Province of China”

**Page 47, Table 8:** for “Taiwan, Province of China”  
read “Taiwan Province of China”

Questions may be referred to Mr. Petri (ext. 38429), Mr. Keller (ext. 34427), Mr. Kinoshita (ext. 39798), and Mr. Hitakatsu (ext. 37197) in AFR.

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## EXECUTIVE SUMMARY

**In September 2007, the Boards of Executive Directors of IDA and the IMF agreed that the Central African Republic (C.A.R.) had met the requirements for reaching the decision point under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative.** The amount of debt relief committed at the decision point was US\$583 million in end-2006 net present value (NPV) terms, calculated to reduce the NPV of eligible external debt to 150 percent of exports at end-2006. This relief implied a common reduction factor of 68.1 percent.

**In the view of the IDA and IMF staffs, C.A.R. has made satisfactory progress in meeting the requirements to reach the completion point.** All the floating triggers have been fully implemented. The first poverty reduction strategy paper (PRSP) was published in June 2007. Its implementation has been satisfactory, as acknowledged by the Joint Staff Advisory Note (JSAN) on the first Annual Progress Report (APR) of the poverty reduction strategy. The fourth review under the Poverty Reduction and Growth Facility (PRGF) arrangement will be considered by the Executive Board of the IMF together with this completion point document and the JSAN. The IMF staff will recommend completion of the fourth PRGF review based on the broadly satisfactory implementation of the program in 2008 and the appropriate policy framework for 2009. All other triggers, including those in the area of transparency, structural reforms for forestry and mining sectors, public financial management (PFM), civil service reform, public debt management, social sectors and HIV/AIDS have also been fully implemented.

**As a result of the debt reconciliation exercise for the completion point, the net present value (NPV) of eligible external debt at end-2006 after traditional debt relief has been revised upward by US\$0.7 million to US\$856.6 million.** The required HIPC assistance in end-2006 NPV terms has been revised downward from US\$583 million at the decision point to US\$578 million. The HIPC assistance in nominal terms is estimated at US\$804 million, of which US\$454 million would be delivered by multilateral creditors and US\$350 million by bilateral and commercial creditors. The common reduction factor has declined from 68.1 percent to 67.5 percent.

**Creditors accounting for 82 percent of total HIPC eligible debt have given satisfactory assurances of their participation in the enhanced HIPC Initiative.** Most multilateral creditors and all Paris Club creditors have agreed to participate. The authorities are working toward obtaining participation of all the remaining creditors.

**C.A.R. does not qualify for topping-up under the enhanced HIPC Initiative.** The NPV of debt-to-exports ratio after enhanced HIPC assistance at end-2008 was 148.0 percent, higher than anticipated at the decision point. This increase is mainly explained by less favorable exchange rates, a lower discount rate used to calculate the NPV of debt, and reduced exports. The NPV of eligible external debt-to-exports ratio at end-2008 after the full delivery of additional bilateral debt relief beyond HIPC Initiative is estimated at 137.8 percent, below the 150 percent threshold for topping-up consideration under the enhanced HIPC Initiative.

**Upon reaching the completion point under the enhanced HIPC Initiative, C.A.R. will also qualify for additional debt relief under the Multilateral Debt Relief Initiative (MDRI).** Debt relief under the MDRI would cover almost all remaining debt service obligations to IDA, the African Development Bank (AfDB), and the IMF. MDRI relief would reduce nominal debt service by US\$297 million over a period of 33 years.

**Full delivery of HIPC, additional bilateral assistance beyond HIPC and MDRI debt relief at the completion point would reduce C.A.R.'s external debt burden significantly.** The NPV of debt-to-exports ratio at end-2009 would drop to 74.8 percent and gradually fall over time under the baseline scenario, after rising to 91.3 percent by end-2011. However, the future evolution of these indicators would be sensitive to the macroeconomic assumptions, particularly exports and the terms of new external financing.

**The staffs recommend that the Executive Directors of IDA and the IMF approve the completion point for C.A.R. under the enhanced HIPC Initiative.**

coverage and follow up of domestic debt including arrears for non central government institutions and agencies.

## I. UPDATED DEBT RELIEF AND DEBT SUSTAINABILITY ANALYSIS

### A. DATA RECONCILIATION

51. The stock of HIPC-eligible external debt in NPV terms at end-2006 increased slightly following the debt reconciliation exercise. The staffs of IDA and the IMF, together with the C.A.R. authorities, reviewed the end-December 2006 stock of debt data that was presented in the decision point document against recent creditor statements. Due to revisions in the amount of arrears in interest payments both the nominal debt stock and the NPV of debt after traditional debt relief have been revised upward by the same amount (US\$0.7 million) to US\$1,087.5 million in nominal terms and US\$856.6 million in end-2006 NPV terms (Table 3).

- **Multilateral creditors.** The debt owed to multilateral creditors as of end-2006 remains at US\$686.1 million in nominal terms, which corresponds to US\$536.7 million in end-2006 NPV terms.
- **Paris Club creditors.** The end-2006 NPV of debt to Paris Club creditors after traditional debt relief has been revised upward from US\$47.3 million to US\$48.3 million. There has been marginal increase in the NPV of debt to France and to Italy reflecting new information received from creditors on the accumulated interest in arrears.
- **Other official bilateral creditors.** The NPV of debt as of end-2006 owed to other official bilateral creditors has been revised downward marginally by US\$0.5 million to US\$227.8 million. This revision is due to upward revisions to the NPV of debt owed to Argentina, and downward revisions of the NPV of debt owed to China.<sup>1</sup>
- **Commercial creditors.** The NPV of debt as of end-2006 owed to commercial creditors remains in line with the amount estimated at the decision point.

52. **Exports of goods and services have been revised upward.** Estimates of exports of goods and services used to evaluate HIPC assistance at the decision point have also been revised by the authorities from an annual average of US\$182 million for 2004–06 to US\$185.5 million.

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<sup>1</sup> For Argentina, the accrued interest payments were re-estimated based on the creditor's methodology described in the debt reorganization agreement. For China, the revisions are attributable to the new loan data submitted by the creditor.

## B. REVISION OF HIPC ASSISTANCE AND STATUS OF CREDITOR PARTICIPATION

53. **The required HIPC assistance in end-2006 NPV terms has been revised downward from US\$583 estimated at the decision point to US\$578 million.** The common reduction factor has declined from 68.1 percent to 67.5 percent (Table 4).<sup>2</sup> The revised HIPC assistance in nominal terms is estimated at US\$827 million.

54. **The C.A.R. has received financing assurances by creditors for the participation in the enhanced HIPC Initiative accounting for 82 percent of the NPV of HIPC assistance estimated at the decision point (Table 11).** Most multilateral (61 percent of total HIPC assistance) and all Paris Club creditors (5.6 percent) have confirmed their participation. Several multilateral creditors and Paris Club creditors have provided interim assistance. Some of the other official bilateral (11.9 percent) and commercial creditors (3.1 percent) have also agreed in principle to provide debt relief at completion point. The authorities are working toward reaching agreements with all remaining creditors.

### Multilateral creditors

55. **The revised amount of HIPC assistance from multilateral creditors is US\$362 million in end-2006 NPV terms or 62.7 percent of total HIPC assistance.** Multilateral creditors accounting for 61 percent of HIPC assistance have committed to provide their full share of assistance to C.A.R. under the enhanced HIPC Initiative. IDA, the IMF, the AfDB Group, and the EU provided interim assistance in the form of debt service reductions and BADEA has provided interim assistance through a rescheduling of accrued arrears and maturities. Total relief provided during the interim period amounted to US\$142.6 million in end-2006 NPV terms, corresponding to 39.4 percent of total HIPC assistance from multilateral creditors.

- **IDA:** Debt relief from IDA amounts to US\$206.9 million in NPV terms at the decision point. Of this amount, IDA has delivered US\$81.1 million in NPV terms (US\$78.8 million in nominal terms) through the clearance of arrears on grant terms in November 2006 and a 63.4 percent reduction in debt service falling due during the interim period. Upon reaching the completion point, the remaining assistance from IDA, amounting to US\$125.8 million in NPV terms (US\$210 million in nominal terms), would be provided in the form of a 62.6 percent reduction of C.A.R.'s debt service to IDA through September 2027 (Table 12).

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<sup>2</sup> In accordance with the "Information Reporting in the Context of HIPC Initiative Assistance", approved by the members of the Executive Board of the IMF (EBS/02/36 and BUFF/02/50) and IDA (IDA/SecM2002-0131), March 4, 2002, the assistance for C.A.R. will be revised downward. The revision amounts to 1.5 percent of the target NPV of debt after full delivery of HIPC relief and therefore exceeds the 1 percent threshold set as minimum condition for the modification of HIPC relief. The revision is mainly due to the increase in exports of goods and services as reported by the authorities.

- **IMF:** At the decision point, the IMF committed HIPC Initiative assistance of SDR 17.33 million (US\$26.98 million) in NPV terms. As a result of the downward revision in the amount of HIPC assistance, there will be a marginal revision in HIPC assistance to SDR 17.19 million (US\$26.77 million) in NPV terms at the decision point. The IMF has already provided about SDR 6.6 million (US\$10.3 million) in NPV terms in the form of interim assistance. At the completion point, the IMF will provide the remaining amount of its share of HIPC assistance through a stock-of-debt operation estimated at SDR 11.4 million (in nominal terms). IMF assistance represents an average reduction of 55 percent of debt service on eligible debt (Table 13).
- **The African Development Bank Group (AfDB):** HIPC debt relief from the AfDB Group amounts to US\$84.7 million in NPV terms, of which US\$49.4 million in end-2006 NPV terms (US\$48.2 million in nominal terms) have already been provided through the clearance of arrears on grant terms in December 2006 and a 84 percent reduction in debt service during the interim period. At the completion point, it is expected that the AfDB Group will provide the remaining amount of relief through an 80 percent reduction of debt service on debt outstanding as of end-December 2006, applied from July 2009 through July 2020.
- **The European Union (EU):** HIPC debt relief from the EU amounts to US\$4.2 million, of which the EU has already provided US\$1.8 million in end-2006 NPV terms (US\$1.4 million in nominal terms) through the clearance of arrears on grant terms and a 100 percent reduction of debt service during the interim period on selected loans. The reminder of the HIPC assistance is expected to be delivered through debt service reduction up to 100 percent on selected loans (Table 11).
- **Other multilateral creditors:** HIPC assistance in end-2006 NPV terms amounts to US\$8.7 million from BADEA, US\$15.5 million from IFAD, US\$6.4 million from OFID, US\$8.8 from BDEAC and US\$0.5 million from arrears to international organizations. BADEA delivered an estimated US\$3 million of interim assistance through a rescheduling of accrued arrears and maturities.<sup>3</sup> The remaining creditors are expected to provide their share of HIPC relief after the completion point. It is assumed that IFAD will provide the full amount of debt relief by cancelling 100 percent of debt service falling due, starting at the completion point through May 2017. OFID is assumed to provide the full amount of debt relief by a concessional rescheduling of accrued arrears and maturities at completion point. However, BDEAC and the international organizations have not confirmed their participation at the time of writing (Table 11).

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<sup>3</sup> In August 2004 and April 2008, BADEA rescheduled accrued arrears falling due through December 2005 and payments due through December 2008.

## Bilateral and commercial creditors

56. **Paris Club creditors have agreed in principle to provide their share of enhanced HIPC assistance** (estimated at US\$33 million in end-2006 NPV terms, in accordance with the revised assistance, Table 4). Interim assistance, estimated at US\$4 million in end-2006 NPV terms, has been provided through a flow treatment on Cologne terms, agreed in April and December 2007, respectively. Participating Paris Club creditors declared their readiness in principle to provide their full share of assistance at the completion point. The full share of assistance at the completion point is expected to be provided through a stock-of-debt reduction. The Paris Club creditors have also indicated that they would provide additional assistance beyond HIPC relief through 100 percent stock-of-debt cancellation, estimated at about US\$22.7 million in end-2008 NPV terms.

57. **Non-Paris Club bilateral creditors are assumed to provide relief on HIPC-eligible debt on terms comparable to those of the Paris Club.** NPV of HIPC relief at end-2006 is estimated at US\$153.8 million. In 2008 and 2009, the C.A.R. authorities sent letters to their non-Paris Club creditors to initiate negotiations for possible debt restructuring. Some of these creditors, such as Argentina (3.9 percent of total HIPC-eligible debt), Kuwait (2.2 percent), Libya (1.2 percent), Saudi Arabia (1.9 percent), and Serbia (2.4 percent), agreed in principal to provide debt relief at completion point. Some member countries of *Union Postale Universelle* also agreed in principle to provide debt relief on their bilateral claims.<sup>4</sup>

58. **A number of non-Paris Club bilateral creditors have not responded.** China (2.9 percent of total HIPC-eligible debt) and Taiwan Province of China, (10.9 percent) account for about half of this group of creditors. However, China, in January 2007, cancelled two of its loans totaling US\$11 million, accounting for 29 percent of the nominal amount of China's loans to C.A.R. and 59 percent of its share of HIPC relief in end-2006 NPV terms.

59. **Some commercial creditors agreed in principle to provide debt relief at completion point.** The NPV of debt owed to commercial creditors after traditional relief is estimated at US\$43.7 millions, 5 percent of total HIPC-eligible debt. The C.A.R. authorities have sent letters to all their commercial creditors to request a rescheduling of the existing debt. Some of these creditors, such as France Cable Radio, France Telecom, France Hospital, and French Postal Bank, totaling to 3.1 percent of total HIPC-eligible debt, agreed in principle to provide debt relief. Commercial creditors that have not responded favorably to C.A.R.'s requests account for 2 percent of total HIPC-eligible debt. While lawsuits by non-participating creditors against post-completion point HIPC countries have been filed in the

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<sup>4</sup> These countries are Burkina Faso, Chad, the Republic of Congo, Mali, and Niger. Expected HIPC assistance from them is totaling 0.2 percent of total HIPC-eligible debt.



past, staffs are at the moment not aware of any litigation against the government of C.A.R., which is committed to negotiating in good faith with the remaining creditors.<sup>5</sup>

### C. CONSIDERATIONS FOR EXCEPTIONAL TOPPING-UP ASSISTANCE

60. **The Debt Sustainability Analysis (DSA) has been updated jointly by the authorities and the IMF and IDA staffs** on the basis of loan-by-loan debt data, and exchange rates and interest rates as of end-2008 (Table 5).<sup>6 7</sup> On December 31, 2008, the nominal stock of C.A.R.'s external debt amounted to US\$1.05 billion (Table 8). Multilateral creditors accounted for 63 percent of total debt. IDA remains the C.A.R.'s largest creditor, accounting for 36.8 percent of total outstanding nominal debt. Paris Club creditors account for 5.6 percent and non-Paris Club creditors for 26.7 percent of total debt. Taiwan Province of China, is the largest bilateral creditor, and its claims comprise 9.8 percent of total outstanding nominal debt. Commercial creditors account for only 5 percent of total debt.

61. **C.A.R. would not qualify for topping-up.** The NPV of debt-to-exports ratio at the end-2008—after full delivery of the assistance committed at the decision point—is now estimated at 148.0 percent, which is 21 percentage points above the projection at time of the decision point. At that time, the end-2008 NPV of debt-to-exports ratio was projected to be 127.1 percent.<sup>8</sup> The NPV of debt-to-exports ratio—after the full delivery of the additional bilateral debt relief beyond the HIPC initiative at end-2008—is somewhat lower at

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<sup>5</sup> Litigation cases are particularly frequent in post-conflict and resource-rich countries. To June 2008, amounts claimed by creditors and awarded by a court judgment against these countries amounted to US\$1.2 billion, but the potential impact of such awards varies from less than 0.5 percent of the debtor's GDP to 49 percent in the case of Liberia. The IDA administered Debt Reduction Facility can help HIPC countries limit creditor litigation. Non-litigating creditors can help too, for instance by agreeing not to sell their claims on HIPC countries to creditors unwilling to provide debt relief, as was done in 2007 by Paris Club members and in May 2008 by European Union countries. See also section IV.B in "Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) - Status of Implementation" (EBD/08/89 and IDA/SecM2008-0561/1).

<sup>6</sup> This section updates the debt sustainability analysis using the HIPC DSA methodology, while Appendix II provides a forward-looking update using the Low-Income Countries Debt Sustainability Framework (LIC DSA) methodology.

<sup>7</sup> The DSA assumes that the multilaterals that have not yet confirmed participation in the HIPC initiative provide their full share of debt relief (see Section III.B and Table 11 for details on creditor participation).

<sup>8</sup> The value in the decision point document was 117.4 and was changed due to correction in the projections of the NPV of new borrowing. See *Central African Republic—Enhanced Initiative for Heavily Indebted Poor Countries—Decision Point Document*, EBS/07/106 and IDA/R2007-0239, Table 4.

137.8 percent, which is below the 150 percent threshold for consideration of topping-up defined under the enhanced HIPC Initiative (Table 2).<sup>9</sup>

**62. Less favorable developments on exchange rates, lower concessionality of new borrowing, and reduced exports explain the higher-than-projected NPV of debt-to-exports ratio after HIPC assistance.** The contribution of the main factors is described in Table 2 and summarized as follows:

- Changes in the parameters (dollar depreciation and, to a lesser extent, lower discount rates used to calculate the NPV of debt) contribute 13.5 percentage points to the difference in the NPV of debt-to-exports ratio at the end of 2008 between the decision point projection and the completion point estimate.
- Due to significantly lower exports of diamonds and wood products in 2008 exports of goods and services was 8 percentage point lower than projected at the decision point, leading to a 8.9 percentage point increase of the NPV of debt-to-exports ratio.

Table 2. Central African Republic: Breakdown of the increase of NPV of Debt-to-Export Ratio as of end-2008 1/

	Percentage Points	Percent of Total Increase
<b>NPV of debt-to-export ratio (as projected at Decision Point) 2/</b>	<b>127.1</b>	
<b>NPV of debt-to-export ratio (actual)</b>	<b>148.0</b>	
<b>Unanticipated changes in the ratio</b>	<b>21.0</b>	<b>100%</b>
<b>1. Due to changes in the parameters</b>	<b>13.5</b>	<b>64%</b>
o/w due to changes in the discount rates	4.4	21%
o/w due to changes in the exchange rates	9.1	43%
<b>2. Due to unanticipated new borrowing</b>	<b>-4.9</b>	<b>-23%</b>
o/w due to higher than expected disbursements	-6.1	-29%
o/w due to lower concessionality of the loans	1.2	6%
<b>3. Due to changes in export</b>	<b>8.9</b>	<b>43%</b>
<b>4. Due to changes in HIPC relief and other factors</b>	<b>3.4</b>	<b>16%</b>
<b>Bilateral debt relief beyond HIPC</b>	<b>-10.2</b>	
<b>NPV of debt-to-export ratio after full delivery of HIPC assistance and bilateral debt relief beyond HIPC (actual)</b>	<b>137.8</b>	

Sources: World Bank and IMF staff estimates and projections.

1/ NPV of debt-to-export ratio after full delivery of enhanced HIPC assistance and bilateral debt relief beyond the HIPC Initiative.

2/ Value was 117.4 in the decision point document and was revised due to corrections in the projections of the NPV of new borrowings.

<sup>9</sup> 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. See "The Enhanced HIPC Initiative - Completion Point Considerations," EBS/01/141 (8/20/2001) and IDA/SecM2001-0539/1 (8/21/2001).

compared to the baseline scenario. The NPV of debt-to-revenue ratio would increase by 12.7 percentage points by 2018 and by 15.4 percentage points on average in 2019–28, reaching 74.6 percent in 2028. Over the long term, debt service indicators would also increase.

### **Alternative Scenario 2: Lower export growth**

76. **This scenario assumes a reduction in export volume growth of goods by 30 percent from 2010 onward.**<sup>10</sup> This reduced export volume growth represents a substantial worsening from the baseline projections, which might materialize if C.A.R.'s transport infrastructure is not improved, which would make export growth more difficult to achieve. Compared to the baseline scenario, which assumes that the exports-to-GDP ratio steadily increases, this ratio will remain almost unchanged under this scenario. The lower exports may result from failure of diversifying export products due to delayed foreign investment in key sectors such as gold, uranium, and in higher value-added for wood products. Under this scenario, compared to the baseline, the NPV of the debt-to-exports ratio would be higher on average by 10.5 percentage points during 2008–18 and 23.5 percentage points during 2019–28, reaching 89.8 percent in 2028.

### **Alternative Scenario 3: Less grants**

77. **This scenario assumes a change in the composition of external assistance by replacing budget-support and project grants with external borrowing.** This scenario assumes that the disbursements of budget-support and project grants fall short of the baseline projections by 50 percent from 2010 onward; instead, the same level of expenditure as in the baseline scenario is financed by additional borrowing on concessional terms. The lower grants may result from concerns about governance as well as donors' budget constraints due a tight fiscal position. This scenario leads to a higher ratio of loan financing to GDP at 3.2 percent of GDP in 2029, compared to 1 percent in the baseline scenario. Over the long-term projection period, all debt indicators would deteriorate substantially. The NPV of debt as a share of GDP, exports, and revenues would on average be more than double than in the baseline scenario for the period 2019–28.

78. **The results of the sensitivity analysis underscore the importance of continuing prudent fiscal policies and relying on grants to finance additional capital spending.** The authorities' commitment to macroeconomic stability and structural reforms to recover and accelerate growth is critical in this respect. Although it is expected that the economy's resilience to external shocks would strengthen as the export base diversifies, forward-looking debt management and readiness to respond unexpected shocks would be required to keep debt sustainable.

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<sup>10</sup> Miscellaneous goods are excluded because there is no data on volumes; these exports represent 14.4 percent of total exports in value terms in 2008.

## II. CONCLUSIONS

79. **In the view of the staffs of IDA and IMF, C.A.R. has met the requirements established in September 2007 for reaching the completion point under the enhanced HIPC initiative.**

80. **The staffs of IDA and the IMF consider that C.A.R.'s performance in implementing the conditions specified for reaching the completion point has been satisfactory.** It has satisfactorily implemented all eight triggers. The poverty reduction strategy is well grounded on the authorities' economic reform agenda, laid out in consultation with civil society. The government has recently prepared its first annual PRSP progress report. C.A.R.'s implementation and monitoring of the PRSP have been satisfactory. As a reflection of stronger policy implementation, anchored on a prudent fiscal stance, C.A.R. has maintained satisfactory performance under the current PRGF-supported program. C.A.R. has also made progress in implementing structural reform measures in the critically important forestry and mining sectors as evidenced by the establishment of a legal and regulatory framework that reflects best practices in both sectors, and implementation of the Extractive Industries Transparency Initiative (EITI) in the mining sector. C.A.R. has carried out a range of governance reforms, which have focused on actions to fight corruption, increase transparency and accountability in the use of public resources, and improve public financial management. The government has satisfactorily launched its civil service reform agenda, developed an education sector strategy that has been endorsed by the EFA/FTI partnership, and satisfactorily implemented reforms in the health sector as well as measures that strengthened the public debt management system as attested by the publication of the first annual public debt statistics bulletin.

81. **Revision to the end-2006 debt and export data has resulted in a downward revision in the amount of HIPC debt relief.** As a result of the changes the common reduction factor has declined from 68.1 percent to 67.5 percent, and the amount of HIPC debt relief required to reduce the NPV of debt to 150 percent of exports on the basis of end-December 2006 data has been revised downward from US\$583 million estimated at the decision point to US\$578 million. Assurances have been received regarding participation in the enhanced HIPC Initiative from creditors representing 82 percent of the NPV of HIPC debt relief estimated at the decision point.

82. Full delivery of HIPC debt relief, additional bilateral assistance beyond HIPC, and MDRI would considerably reduce Central African Republic's external public debt. In NPV terms, the stock of debt at end-2009 would decline by US\$483.4 million due to delivery of HIPC assistance and further by US\$200.4 million due to delivery of additional bilateral assistance beyond HIPC and MDRI assistance, going down to US\$156 million.

**Table 8. Central African Republic: Nominal and Net Present Value of External Debt outstanding at End-December 2008 1/**  
(In millions of US\$, unless otherwise indicated)

	Legal Situation 2/				Net Present Value of Debt 3/ 4/		
	Nominal Debt	Percent of total	NPV of debt	Percent of total	After enhanced HIPC relief	After additional bilateral relief	After additional bilateral relief (In percent of total)
<b>Total</b>	<b>1050.1</b>	<b>100.0</b>	<b>832.2</b>	<b>100.0</b>	<b>328.0</b>	<b>305.3</b>	<b>100.0</b>
<b>Multilateral</b>	<b>658.6</b>	<b>62.7</b>	<b>461.6</b>	<b>55.5</b>	<b>219.3</b>	<b>219.3</b>	<b>71.8</b>
IDA	386.0	36.8	257.4	30.9	115.7	115.7	37.9
AfDF	133.2	12.7	91.7	11.0	51.9	51.9	17.0
IMF	63.0	6.0	49.2	5.9	30.3	30.3	9.9
IFAD	35.6	3.4	26.2	3.1	9.5	9.5	3.1
BDEAC	11.3	1.1	11.4	1.4	3.9	3.9	1.3
BADEA	12.9	1.2	10.6	1.3	3.9	3.9	1.3
OFID	9.6	0.9	9.6	1.2	2.0	2.0	0.7
European Investment Bank	6.1	0.6	4.8	0.6	1.9	0.0	0.0
Other	0.8	0.1	0.8	0.1	0.2	0.2	0.1
<b>Bilateral and Commercial</b>	<b>391.5</b>	<b>37.3</b>	<b>370.5</b>	<b>44.5</b>	<b>108.7</b>	<b>86.0</b>	<b>28.2</b>
<b>Bilateral</b>	<b>338.4</b>	<b>32.2</b>	<b>317.7</b>	<b>38.2</b>	<b>99.8</b>	<b>77.1</b>	<b>25.3</b>
Paris Club:	58.5	5.6	52.7	6.3	22.7	0.0	0.0
Post-cutoff date	1.3	0.1	4.2	0.5	...	...	...
ODA	1.3	0.1	2.9	0.3	...	...	...
Non-ODA	0.0	0.0	1.3	0.2	...	...	...
Pre-cutoff date	51.1	4.9	48.5	5.8	...	...	...
ODA	48.3	4.6	0.3	0.0	...	...	...
Non-ODA	2.9	0.3	48.3	5.8	...	...	...
Austria	5.5	0.5	5.8	0.7	...	...	...
EEC IDA administered loans	0.3	0.0	0.3	0.0	...	...	...
France	10.5	1.0	9.7	1.2	...	...	...
Germany	4.4	0.4	4.4	0.5	...	...	...
Italy	5.3	0.5	5.1	0.6	...	...	...
Japan	2.9	0.3	2.9	0.3	...	...	...
Norway	0.0	0.0	0.0	0.0	...	...	...
Russia	0.9	0.1	0.7	0.1	...	...	...
Switzerland	19.4	1.8	14.1	1.7	...	...	...
United Kingdom	0.7	0.1	0.7	0.1	...	...	...
United States	8.7	0.8	9.0	1.1	...	...	...
<b>Other Official Bilateral:</b>	<b>280.0</b>	<b>26.7</b>	<b>265.0</b>	<b>31.8</b>	<b>77.1</b>	<b>77.1</b>	<b>25.3</b>
Post-cutoff date	45.1	4.3	214.5	25.8	69.3	69.3	22.7
ODA	45.1	4.3	169.3	20.4	56.8	56.8	18.6
Non-ODA	0.0	0.0	45.1	5.4	12.5	12.5	4.1
Pre-cutoff date	170.4	16.2	50.5	6.1	7.8	7.8	2.6
ODA	1.1	0.1	1.1	0.1	0.0	0.0	0.0
Non-ODA	169.3	16.1	49.4	5.9	7.8	7.8	2.6
Algeria	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Argentina	37.0	3.5	37.0	4.4	10.2	10.2	3.3
Benin	0.2	0.0	0.2	0.0	0.0	0.0	0.0
Burkina Faso	0.1	0.0	0.1	0.0	0.0	0.0	0.0
Cameroon	1.5	0.1	1.5	0.2	0.2	0.2	0.1
China	30.0	2.9	19.4	2.3	11.1	11.1	3.6
Congo, Rep of	0.5	0.1	0.5	0.1	0.0	0.0	0.0
Cote d'Ivoire	0.5	0.0	0.5	0.1	0.1	0.1	0.0
Equatorial Guinea	4.4	0.4	4.1	0.5	1.4	1.4	0.4
Iraq	6.4	0.6	6.4	0.8	0.5	0.5	0.2
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kuwait	23.1	2.2	23.1	2.8	5.7	5.7	1.9
Libya	14.9	1.4	12.1	1.5	4.1	4.1	1.4
Mali	1.1	0.1	1.1	0.1	0.3	0.3	0.1
Mozambique	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Niger	0.1	0.0	0.1	0.0	0.0	0.0	0.0
Saudi Arabia	18.1	1.7	17.5	2.1	5.2	5.2	1.7
Senegal	0.3	0.0	0.3	0.0	0.0	0.0	0.0
Taiwan Province of China	102.7	9.8	102.0	12.3	30.6	30.6	10.0
Chad	0.5	0.0	0.5	0.1	0.1	0.1	0.0
Former Serbia and Montenegro	38.2	3.6	38.2	4.6	7.3	7.3	2.4
Zimbabwe	0.3	0.0	0.3	0.0	0.0	0.0	0.0
<b>Commercial</b>	<b>53.1</b>	<b>5.1</b>	<b>52.9</b>	<b>6.4</b>	<b>8.9</b>	<b>8.9</b>	<b>2.9</b>
Air Afrique	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Air Camair	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accor group	0.2	0.0	0.2	0.0	0.1	0.1	0.0
Beptom	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chronopost	0.1	0.0	0.1	0.0	0.0	0.0	0.0
Credit Lyonnais	6.1	0.6	6.1	0.7	2.2	2.2	0.7
France Cable Radio	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fiduconsult	0.2	0.0	0.2	0.0	0.1	0.1	0.0
France Telecom	1.9	0.2	1.9	0.2	1.0	1.0	0.3
French Hospital	6.8	0.6	6.6	0.8	0.6	0.6	0.2
French Post Office	26.7	2.5	26.7	3.2	0.7	0.7	0.2
Glavupdk	0.3	0.0	0.3	0.0	0.1	0.1	0.0
GERBER	6.5	0.6	6.5	0.8	2.4	2.4	0.8
ICA - Imprimerie Centrafricaine	0.1	0.0	0.1	0.0	0.0	0.0	0.0
Imprimeur suisse	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintex	0.5	0.1	0.5	0.1	0.2	0.2	0.1
SAUR International	3.7	0.4	3.7	0.4	1.6	1.6	0.5
TOM SUDE MAINTEX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TNT	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Sources: C.A.R. authorities; and IMF and World Bank staff estimates and projections.

1/ Figures are based on data as of end-2008.

2/ Includes the 1988 and 1990 Toronto, 1994 London, 1998 and 2007 Naples flows, as well as the December 2007 Cologne flow and debt relief from non-Paris Club creditors.

3/ Assumes full delivery of HIPC assistance as of end-2008.

4/ Paris Club creditors deliver their share of assistance as a group. Actual delivery modalities are defined on a case-by-case basis.

Table 9. Central African Republic: External Debt Indicators, 2008–28 1/

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Averages	
																						2008-2018	2019-2028
	(In percent, unless otherwise indicated)																						
Before traditional debt relief 1/																							
NPV of debt-to-GDP ratio	45.0	44.5	41.7	38.7	35.8	33.0	30.4	27.8	25.3	23.2	21.5	20.0	18.8	17.8	16.9	16.0	15.2	14.4	13.6	12.9	12.2	33.4	15.8
NPV of debt-to-exports ratio 2/ 3/	375.5	401.9	430.8	426.5	374.1	325.0	286.8	255.1	229.4	208.4	190.4	174.7	162.1	151.2	141.3	132.1	123.5	115.5	108.3	101.7	95.7	318.5	130.6
NPV of debt-to-revenue ratio 4/	401.2	424.3	393.0	357.1	318.4	292.3	261.9	232.7	207.9	186.0	168.2	152.2	140.5	132.2	124.2	116.7	109.7	103.3	97.2	91.4	86.1	294.8	115.3
Debt service-to-exports ratio	...	25.9	23.5	19.8	18.6	18.1	17.6	18.1	17.4	14.0	11.1	9.6	7.5	6.5	6.1	5.9	5.7	5.7	5.7	5.7	5.4	18.4	6.4
Debt service-to-revenue ratio 4/	...	22.4	21.2	18.6	18.1	18.6	17.8	18.0	17.1	13.5	10.6	9.1	7.0	6.1	5.8	5.6	5.5	5.5	5.5	5.5	5.2	17.6	6.1
After traditional debt relief 5/																							
NPV of debt-to-GDP ratio	42.8	42.3	39.8	37.1	32.8	28.9	25.3	21.8	18.7	17.2	15.8	14.7	13.9	13.2	12.5	11.9	11.4	10.8	10.2	9.7	9.2	29.3	11.7
NPV of debt-to-exports ratio 2/ 3/	356.9	382.7	411.3	408.5	342.8	284.4	238.8	200.7	169.4	153.7	140.1	128.3	119.2	111.6	104.7	98.3	92.1	86.4	81.1	76.1	71.7	280.9	97.0
NPV of debt-to-revenue ratio 4/	381.3	404.1	375.3	342.0	291.8	255.8	218.1	183.1	153.5	137.3	123.7	111.7	103.3	97.6	92.0	86.8	81.8	77.3	72.8	68.4	64.5	260.5	85.6
Debt service-to-exports ratio	...	30.9	27.3	23.1	36.1	32.8	30.7	29.9	27.8	14.0	11.7	10.2	8.0	7.0	6.6	6.3	6.1	6.2	6.2	6.2	5.8	26.4	6.8
Debt service-to-revenue ratio 4/	...	26.7	24.6	21.7	35.1	33.7	31.0	29.7	27.3	13.5	11.2	9.6	7.5	6.6	6.2	6.0	5.9	5.9	6.0	5.9	5.6	25.5	6.5
After conditional delivery of enhanced HIPC assistance																							
NPV of debt-to-GDP ratio	43.0	18.9	18.2	17.4	16.3	15.4	14.6	13.2	12.0	11.3	10.8	10.3	10.1	10.0	9.8	9.6	9.4	9.1	8.9	8.6	8.2	17.4	9.4
NPV of debt-to-exports ratio 2/ 3/	359.0	170.6	187.9	191.8	170.2	151.8	137.2	121.7	108.7	101.4	95.3	90.2	87.3	84.7	82.0	79.0	76.0	73.1	70.4	67.5	64.1	163.2	77.4
NPV of debt-to-exports ratio (existing debt only)	359.0	157.6	168.5	166.3	138.2	113.3	92.2	74.0	59.3	51.0	45.0	40.3	36.0	31.6	27.5	23.6	20.3	17.5	15.0	12.5	9.7	129.5	23.4
NPV of debt-to-revenue ratio 4/	383.5	180.1	171.4	160.6	144.8	136.5	125.3	111.1	98.5	90.6	84.2	78.6	75.6	74.0	72.0	69.8	67.5	65.4	63.2	60.7	57.6	153.3	68.5
Debt service-to-exports ratio	...	13.3	9.6	8.6	12.9	11.3	11.7	14.6	14.0	8.6	6.7	5.5	3.7	3.5	3.7	3.9	4.0	4.1	4.3	4.6	5.3	11.1	4.3
Debt service-to-revenue ratio 4/	...	11.5	8.6	8.0	12.6	11.6	11.8	14.4	13.8	8.3	6.4	5.2	3.5	3.3	3.5	3.7	3.8	4.0	4.1	4.4	5.1	10.7	4.1
After unconditional delivery of enhanced HIPC assistance 6/																							
NPV of debt-to-GDP ratio	17.7	18.8	18.2	17.4	16.3	15.4	14.6	13.3	12.0	11.3	10.8	10.3	10.1	10.0	9.8	9.6	9.4	9.1	8.9	8.6	8.2	15.1	9.4
NPV of debt-to-exports ratio 2/ 3/	148.0	170.1	188.0	191.9	170.3	151.9	137.3	121.8	108.8	101.5	95.4	90.3	87.3	84.7	82.0	79.1	76.1	73.2	70.4	67.6	64.1	144.1	77.5
NPV of debt-to-exports ratio (existing debt only)	148.0	157.2	168.6	166.4	138.3	113.4	92.3	74.1	59.4	51.1	45.1	40.4	36.1	31.7	27.5	23.7	20.4	17.5	15.0	12.6	9.7	110.3	23.4
NPV of debt-to-revenue ratio 4/	158.1	179.6	171.5	160.7	144.9	136.6	125.4	111.1	98.6	90.6	84.2	78.7	75.7	74.1	72.0	69.8	67.6	65.5	63.2	60.7	57.6	132.9	68.5
Debt service-to-exports ratio	...	13.3	9.6	8.6	12.9	11.3	11.7	14.6	14.0	8.6	6.7	5.5	3.7	3.5	3.7	3.9	4.0	4.1	4.3	4.6	5.3	11.1	4.3
Debt service-to-revenue ratio 4/	...	11.5	8.6	8.0	12.6	11.6	11.8	14.4	13.8	8.3	6.4	5.2	3.5	3.3	3.5	3.7	3.8	4.0	4.1	4.4	5.1	10.7	4.1
After beyond HIPC assistance 7/																							
NPV of debt-to-GDP ratio	43.0	17.6	17.1	16.4	15.5	14.7	14.0	12.8	11.6	11.0	10.5	10.1	9.9	9.8	9.7	9.5	9.3	9.0	8.8	8.5	8.1	16.8	9.3
NPV of debt-to-exports ratio 2/ 3/	359.0	159.4	176.6	180.7	161.5	145.1	132.1	117.7	105.6	98.9	93.1	88.3	85.6	83.2	80.7	78.0	75.1	72.4	69.8	67.1	63.7	157.2	76.4
NPV of debt-to-exports ratio (existing debt only)	359.0	146.4	157.2	155.2	129.5	106.6	87.1	70.0	56.2	48.5	42.8	38.4	34.3	30.1	26.2	22.6	19.4	16.7	14.4	12.1	9.3	123.5	22.4
NPV of debt-to-revenue ratio 4/	383.5	168.3	161.1	151.3	137.5	130.5	120.6	107.4	95.7	88.3	82.2	76.9	74.2	72.7	70.9	68.9	66.8	64.8	62.7	60.3	57.3	147.9	67.5
Debt service-to-exports ratio	...	12.6	8.8	7.9	11.7	10.2	10.8	13.8	13.3	8.2	6.5	5.4	3.6	3.3	3.5	3.7	3.9	4.0	4.2	4.5	5.1	10.4	4.1
Debt service-to-revenue ratio 4/	...	10.9	8.0	7.4	11.3	10.5	10.9	13.7	13.1	7.9	6.2	5.0	3.3	3.2	3.3	3.6	3.7	3.9	4.0	4.3	5.0	10.0	3.9
After conditional delivery of enhanced HIPC, beyond HIPC, and MDRI assistance 7/ 8/																							
NPV of debt-to-GDP ratio	43.0	8.3	8.3	8.3	8.0	7.9	7.8	7.3	6.7	6.6	6.5	6.5	6.6	6.8	7.0	7.1	7.2	7.3	7.3	7.2	7.2	10.8	7.0
NPV of debt-to-exports ratio 2/ 3/	359.0	74.8	85.9	91.3	83.7	78.0	73.9	67.1	60.9	59.2	57.9	56.5	56.9	57.8	58.6	58.8	58.6	58.2	57.6	56.9	56.1	99.3	57.6
NPV of debt-to-exports ratio (existing debt only)	359.0	61.9	66.6	65.8	51.7	39.5	28.9	19.3	11.5	8.8	7.6	6.6	5.6	4.7	4.1	3.4	2.9	2.5	2.2	1.9	1.7	65.5	3.6
NPV of debt-to-revenue ratio 4/	383.5	79.0	78.4	76.5	71.2	70.2	67.5	61.2	55.2	52.9	51.2	49.2	49.3	50.5	51.4	51.9	52.0	52.0	51.7	51.2	50.4	95.2	51.0
Debt service-to-exports ratio	...	4.9	3.7	3.4	7.9	6.9	7.3	10.0	9.8	5.2	3.7	3.5	1.8	1.3	1.4	1.8	2.1	2.4	2.7	2.9	3.1	6.3	2.3
Debt service-to-revenue ratio 4/	...	4.3	3.3	3.2	7.7	7.1	7.4	9.9	9.7	5.0	3.5	3.3	1.7	1.2	1.3	1.7	2.0	2.3	2.6	2.8	3.0	6.1	2.2

Sources: C.A.R. authorities; and IMF and World Bank staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed (PPG) debt at end-December 2008.

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 2006–08 for NPV of debt-to-exports ratio in 2008).

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

5/ Assumes a hypothetical stock of debt operation on Naples terms and comparable treatment from other bilateral creditors.

6/ Assumes full delivery of estimated HIPC initiative debt relief at end-December 2008.

7/ Includes additional debt relief provided on a voluntary basis by the Paris Club and some commercial creditors beyond the requirements of the enhanced HIPC framework as specified on Table 16.

8/ Assumes MDRI assistance from the World Bank, the IMF and the African Development Bank after the completion point (July 2009). Also assumes that MDRI has no impact on the C.A.R.'s new borrowing over the projection period.

Table 10. Central African Republic: Sensitivity Analysis, 2008–28 1/

																							Averages	
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2008-2018	2019-2028	
	(In percent, unless otherwise indicated)																							
I. Baseline scenario 2/																								
NPV of debt-to-GDP ratio	17.7	18.8	18.2	17.4	16.3	15.4	14.6	13.3	12.0	11.3	10.8	10.3	10.1	10.0	9.8	9.6	9.4	9.1	8.9	8.6	8.2	15.1	9.4	
NPV of debt-to-exports ratio 3/ 4/	148.0	170.1	188.0	191.9	170.3	151.9	137.3	121.8	108.8	101.5	95.4	90.3	87.3	84.7	82.0	79.1	76.1	73.2	70.4	67.6	64.1	144.1	77.5	
NPV of debt-to-revenue ratio 5/	158.1	179.6	171.5	160.7	144.9	136.6	125.4	111.1	98.6	90.6	84.2	78.7	75.7	74.1	72.0	69.8	67.6	65.5	63.2	60.7	57.6	132.9	68.5	
Debt service-to-exports ratio	...	13.3	9.6	8.6	12.9	11.3	11.7	14.6	14.0	8.6	6.7	5.5	3.7	3.5	3.7	3.9	4.0	4.1	4.3	4.6	5.3	11.1	4.3	
Debt service-to-revenue ratio	...	11.5	8.6	8.0	12.6	11.6	11.8	14.4	13.8	8.3	6.4	5.2	3.5	3.3	3.5	3.7	3.8	4.0	4.1	4.4	5.1	10.7	4.1	
II. Sensitivity analysis																								
II.(a) Lower GDP growth 6/																								
NPV of debt-to-GDP ratio	17.7	18.8	18.2	17.6	16.7	16.2	15.7	14.6	13.4	12.9	12.5	12.1	12.0	12.0	11.9	11.8	11.7	11.5	11.3	11.0	10.7	15.9	11.6	
NPV of debt-to-exports ratio 3/ 4/	148.0	170.1	188.0	192.1	171.1	153.5	139.6	124.8	112.4	105.6	99.8	94.9	92.1	89.5	86.7	83.8	80.7	77.7	74.9	71.9	68.3	145.9	82.0	
NPV of debt-to-revenue ratio 5/	158.1	179.6	171.5	161.8	148.4	143.1	134.3	121.7	109.9	102.8	96.9	91.8	89.3	88.4	87.0	85.3	83.5	81.8	79.9	77.7	74.6	138.9	83.9	
Debt service-to-exports ratio	...	13.3	9.6	8.6	13.1	11.5	12.0	15.0	14.6	9.0	7.0	5.8	4.0	3.7	3.9	4.1	4.2	4.4	4.5	4.9	5.6	11.4	4.5	
Debt service-to-revenue ratio	...	11.5	8.6	8.1	12.9	12.1	12.6	15.8	15.4	9.4	7.3	6.1	4.1	4.0	4.2	4.5	4.7	4.9	5.2	5.6	6.6	11.4	5.0	
II.(b) Lower export growth 7/																								
NPV of debt-to-GDP ratio	17.7	18.8	18.2	17.4	16.3	15.4	14.6	13.3	12.0	11.3	10.8	10.3	10.1	10.0	9.8	9.6	9.4	9.1	8.9	8.6	8.2	15.1	9.4	
NPV of debt-to-exports ratio 3/ 4/	148.0	170.1	188.5	195.0	177.7	164.7	153.9	140.0	127.2	120.4	114.9	110.4	108.4	106.7	104.9	102.7	100.3	98.0	95.7	93.2	89.8	154.6	101.0	
NPV of debt-to-revenue ratio 5/	158.1	179.6	171.5	160.7	144.9	136.6	125.4	111.1	98.6	90.6	84.2	78.7	75.7	74.1	72.0	69.8	67.6	65.5	63.2	60.7	57.6	132.9	68.5	
Debt service-to-exports ratio	...	13.3	9.6	8.9	13.9	12.7	13.4	17.0	16.6	10.3	8.1	6.9	4.7	4.5	4.8	5.1	5.3	5.6	5.9	6.4	7.5	12.4	5.7	
Debt service-to-revenue ratio	...	11.5	8.6	8.0	12.6	11.6	11.8	14.4	13.8	8.3	6.4	5.2	3.5	3.3	3.5	3.7	3.8	4.0	4.1	4.4	5.1	10.7	4.1	
II.(c) Less grants 8/																								
NPV of debt-to-GDP ratio	17.7	18.8	19.6	19.9	19.7	19.7	19.8	19.3	18.9	19.0	19.2	19.6	20.2	20.7	21.1	21.4	21.6	21.7	21.8	21.6	19.2	21.1		
NPV of debt-to-exports ratio 3/ 4/	148.0	170.1	203.0	219.1	206.1	194.6	186.3	177.3	171.1	170.3	170.3	171.1	173.6	175.4	176.3	176.2	175.3	174.2	173.0	171.5	169.0	183.3	173.6	
NPV of debt-to-revenue ratio 5/	158.1	179.6	185.2	183.4	175.4	175.0	170.2	161.7	155.0	152.0	150.4	149.0	150.5	153.4	154.9	155.6	155.8	155.8	155.4	154.2	152.0	167.8	153.7	
Debt service-to-exports ratio	...	13.3	9.6	8.8	13.3	11.8	12.3	15.2	14.8	9.5	7.6	6.6	4.8	5.4	6.0	6.7	7.2	7.7	8.3	8.9	9.9	11.6	7.2	
Debt service-to-revenue ratio	...	11.5	8.6	8.3	12.9	12.1	12.4	15.1	14.6	9.2	7.3	6.2	4.5	5.1	5.7	6.4	6.9	7.5	8.0	8.6	9.6	11.2	6.8	

Sources: C.A.R. authorities; and IMF and World Bank staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed (PPG) debt and are defined after HIPC debt relief assumed delivered unconditionally at end-December 2008.

2/ The baseline scenario is described in Section III.

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 2006–08 for NPV of debt-to-exports ratio in 2008).

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

6/ Assumes lower GDP growth: real GDP growth is 3.1 percent on and after 2010.

7/ Assumes lower export growth: 30 percent reduction of exports of goods in volume on and after 2010.

8/ Assumes less grants: 50 percent reduction of program and project grants replaced by program and project loans respectively on and after 2010.

Table 11. Central African Republic: Status of Creditor Participation under the Enhanced HIPC Initiative 1/

	Debt relief in NPV terms (US\$ millions)	Percentage of total assistance	Modalities to deliver debt relief
IDA	207	35.8	Debt relief delivered through the clearance of arrears on grant terms in November 2006 and debt service reduction during the interim period amounts to US\$81.1 million in end-2006 NPV terms or 40 percent of total HIPC relief estimated at the decision point. IDA is assumed to provide the remaining amount of relief through a 63 percent reduction of C.A.R.'s debt service to IDA through September 2027.
AfDB Group	85	14.6	Debt relief amounting to US\$49.4 million or 58 percent of AfDB Group's total debt relief has been delivered through the clearance of arrears on grant terms in December 2006 and debt service reduction during the interim period. The reminder of the AfDB Group's HIPC relief is assumed to be delivered through a 80 percent reductions of C.A.R.'s debt service reduction until January 2021.
IMF	27	4.6	US\$10.3 million in NPV terms has been disbursed as of end-June 2009 in the form of interim assistance. At completion point, the IMF will provide the remaining HIPC assistance, amounting to US\$16.1 million in NPV terms.
IFAD	15	2.7	Assistance will be delivered at the completion point, through a reduction of debt service payments on eligible debt by up to 100 percent until the target in NPV terms is reached. IFAD is also expected to deliver debt relief through a concessional treatment of C.A.R.'s arrears.
BDEAC	9	1.5	Debt service payments have been suspended until the completion point. Full delivery of relief at completion point is not guaranteed at this time.
BADEA	9	1.5	BADEA agreed in November 2005 on an arrangement to reschedule outstanding arrears, which has been amended in October 2007. The rescheduling reduced the NPV of debt outstanding at decision point by US\$3 million.
OPEC Fund	6	1.1	The OPEC Fund has agreed to provide debt relief at the completion point.
EU/EIB	4	0.7	Interim assistance amounting to US\$1.8 million has been provided through the clearance of arrears on grant terms and 100 percent debt service reduction on selected loans during the interim period. The reminder of the HIPC assistance is assumed to be delivered through debt service reduction up to 100 percent on selected loans.
Others 2/	1	0.1	
<b>Total multilateral</b>	<b>362</b>	<b>62.7</b>	
Paris Club Creditors	33	5.6	Interim assistance will be delivered through a Cologne flow during the interim period. South Africa cancelled 100% of its debt in October 2006.
Non-Paris Club Creditors	154	26.6	
Algeria	0	0.0	
Argentina	23	3.92	The creditor in principle agreed to provide debt relief at completion point.
Benin	0	0.0	
Burkina Faso	0	0.01	The creditor in principle agreed to provide debt relief at completion point.
Cameroon	1	0.1	
China	17	2.9	In early January 2007, two loans representing 29% of the outstanding nominal stock were cancelled.
Congo, Rep of	0	0.06	The creditor in principle agreed to provide debt relief at completion point.
Cote d'Ivoire	0	0.1	
Equatorial Guinea	2	0.4	
Iraq	1	0.1	
Kenya	0	0.0	
Kuwait	13	2.21	The creditor in principle agreed to provide debt relief at completion point.
Libya	7	1.18	The creditor in principle agreed to provide debt relief at completion point.
Mali	1	0.12	The creditor in principle agreed to provide debt relief at completion point.
Mozambique	0	0.0	
Niger	0	0.01	The creditor in principle agreed to provide debt relief at completion point.
Saudi Arabia	11	1.92	The creditor in principle agreed to provide debt relief at completion point.
Senegal	0	0.0	
Taiwan Province of China	63	10.9	
Chad	0	0.1	
Former Serbia and Montenegro	14	2.45	The creditor in principle agreed to provide debt relief at completion point.
Zimbabwe	0	0.0	
Commercial creditors	30	5.1	Some commercial creditors in principle agreed to provide debt relief at completion point. The debt owed to these creditors is estimated at 3.1 percent of total HIPC-eligible debt.
<b>Total bilateral and commercial</b>	<b>216</b>	<b>37.3</b>	
<b>TOTAL</b>	<b>578</b>	<b>100.0</b>	

Sources: C.A.R. authorities; and IMF and World Bank staff estimates.

1/ The data are in end-2006 NPV terms as revised at completion point.

2/ Includes the Universal Postal Union and the Pan-African Postal Union, which are agencies, respectively, of the United Nations and the African Union. Also includes the International Postal Universities at Abidjan and Brazzaville, and the African Institute of Savings Institutions, which the authorities have reported to also be agencies of multilateral institutions.