INTERNATIONAL DEVELOPMENT ASSOCIATION AND
THE INTERNATIONAL MONETARY FUND

REPUBLIC OF CHAD

Enhanced Heavily Indebted Poor Countries Initiative
Completion Point Document and Multilateral Debt Relief Initiative

Prepared by the Staffs of the International Development Association and the International Monetary Fund

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LIST OF ACRONYMS

AfDB/AfDF	African Development Bank/African Development Fund
BADEA	Arab Bank for Economic Development in Africa
CID	Public Expenditure Chain
DAO	Extraordinary Spending Procedures
DRA	Debt Relief Analysis
DTP3	Diphtheria, Tetanus and Pertussis
EU	European Union
ECF	Extended Credit Facility
EITI	Extractive Industries Transparency Initiative
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HIPC	Heavily Indebted Poor Country
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management and Information System
IMF	International Monetary Fund
IsDB	Islamic Development Bank
JSAN	Joint Staff Advisory Note
LIC-DSA	Low-Income Country Debt Sustainability Analysis
LOLF	Finance Organic Law
MDRI	Multilateral Debt Relief Initiative
MFB	Ministry of Finances and Budget
NDP	National Development Plan
NGO	Non-Governmental Organization
NOPD	Non-Oil Primary Deficit
ODA	Official Development Assistance
OFID	OPEC Fund for International Development
OPEC	Organization of the Petroleum Exporting Countries
PAP	Priority Action Plan
PFM	Public Financial Management
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
PTF	Technical and Financial Partners
PV	Present Value
RF	Results Framework
SIGASPE	Integrated Public Payroll Management System
SMP	Staff-Monitored Program

EXECUTIVE SUMMARY

1. **In May 2001, the Boards of Executive Directors of IDA and the IMF agreed that the Republic of Chad 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$170.1 million in end-2000 present value (PV) terms, calculated to reduce the PV of eligible external debt to 150 percent of exports at end-2000. This relief implied a common reduction factor of 30.0 percent.

2. **In the view of the staffs of IDA and the IMF, Chad has made satisfactory progress in meeting the requirements for reaching the floating completion point.** The key decisions, actions and measures required to fully fulfill all but four of the fifteen triggers have been taken, including the participatory preparation of a full Poverty Reduction Strategy Paper (PRSP) and its satisfactory implementation for at least one year; the continued maintenance of macroeconomic stability as evidenced by satisfactory implementation of the PRGF[1] supported program; the implementation of the computerized expenditure circuit for at least six months and a functional expenditure tracing system for primary education services; the adoption of a public procurement code and its application decrees, the quarterly publication of procurement bulletins, the completion of audits by internationally reputed firms for the five largest procurement contracts awarded in 2001, the nomination of the judges of the commercial courts of the five largest cities; the adoption and implementation for at least one year of a governance strategy; the operationalization of at least 75 percent of health centers and districts; DPT3 vaccination rates of at least 40 percent and assisted delivery rates of at least 20 percent; sales of at least 2.8 million condoms; a prevalence of syphilis among women of at most 4 percent; primary education enrolment rates of at least 61 percent for girls and 89 percent for boys; a national road network usable at least during 50 percent of the year; access to potable water for at least 32 percent of the population; and a number of water points for livestock holders of at least 1,252.

3. **The status of the four floating completion point triggers that are not considered attained is detailed below.** With the sharp decline in the number of declared cases of genital ulcers and purulent urethritis, related to increased use of condoms and success of sexually transmitted disease prevention campaigns, the numbers of treatments deemed necessary in 2001 became irrelevant. Yet, the trigger cannot be considered met, as the number of treatments was not observed. Authorities are requesting a waiver and staffs support this request since the objectives of addressing prevalence of genital ulcers and purulent urethritis have been satisfied.With regard to the proportion of agricultural families equipped with plows of at least 26 percent, most recent information date from 2009 and is considered outdated to conclude that the trigger was met, in spite of largely exceeding the target at that time. This situation is due to the change in policy since 2009, when the distribution of plows has been replaced with tractors. Authorities are requesting a waiver and staffs support this request since the objective of improved access to agricultural equipment and agricultural productivity was met. With regard to the timely adoption of budget settlement laws for the years 2000 and 2001 (before adoption of 2002 and 2003 budget laws respectively), delays were incurred given limited capacity. Authorities have since taken corrective actions to eliminate the backlog of budget settlement laws, and are requesting a waiver for not

[1] The Poverty Reduction and Growth Facility (PRGF) has been succeeded by the Extended Credit Facility (ECF).

having adopted such settlement laws in time. Staffs support this request since the broad objective of the trigger was achieved, and implementation has improved over time. With regard to a repeater rate of at most 22 percent in primary education, good progress was made too, though insufficient to meet the said target in light of the huge demographic pressure (including refugees and returnees) and related increased demand for education. Authorities are requesting a waiver for not having met the repeater rate target and staffs support this request in light of exogenous constraints faced by the country and corrective actions taken to redress the problem.

4. **The required HIPC assistance in end-2000 PV terms remains unchanged from the decision point estimates.** As a result of the debt reconciliation exercise for the completion point, the PV of external debt has been revised downwards by US$0.96 million to US$565.5million, while the three year backward looking average of exports has been revised upwards to US$287.2 million. Even with these revisions, the committed relief remains US$170.1 million in accordance with the IMF/World Bank Boards' policy that assistance committed at the decision point shall not be revised downwards due to (i) changes in macroeconomic data not related to information provided by or at the behest of the authorities or (ii) when debt data revisions are minimal and do not warrant the downwards adjustment.

5. **Chad does not qualify for topping-up under the Enhanced HIPC Initiative based on end-2013 debt data.**

6. **Creditors accounting for more than 87 percent of total HIPC eligible debt have given satisfactory assurances of their participation in the enhanced HIPC Initiative**. Nearly all multilateral creditors and Paris Club creditors have agreed to participate. The authorities are working toward obtaining participation of all the remaining creditors.

7. **Upon reaching the completion point under the Enhanced HIPC Initiative, Chad will also qualify for additional debt relief under the Multilateral Debt Relief Initiative (MDRI)**. Debt relief under the MDRI would cover most remaining debt service obligations to IDA and the African Development Fund (AfDF). MDRI relief would save Chad US$745 million in debt service over 39 years.

8. **Full delivery of HIPC, additional bilateral assistance beyond HIPC, and MDRI debt relief at the completion point would reduce Chad's external debt burden significantly**. The PV of debt-to-exports ratio would fall from 55.1 percent at end-2013 to 31.3 percent at end-2015. Thereafter, it is projected to fall further to 12.5 percent at end-2019. However, the future evolution of these indicators will be sensitive to the macroeconomic assumptions, particularly petroleum exports and the terms of new external financing, as well as government policy. In particular, sound macroeconomic management, further progress with export diversification, and strengthened debt management will be important for debt sustainability.

9. **The staffs recommend that the Executive Directors of IDA and the IMF approve the completion point for Chad under the Enhanced HIPC Initiative**.

I. INTRODUCTION

10. **This paper describes the Republic of Chad's progress towards reaching the floating completion point under the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative**. In the view of the staffs of the International Development Association (IDA) and the International Monetary Fund (IMF), Chad has satisfactorily implemented the completion point triggers as formulated in the May 2001 HIPC Decision Point document.[2] On the basis of the progress, the staffs recommend to their respective Boards the approval of the completion point for Chad under the Enhanced HIPC Initiative.

11. **The Executive Boards of IDA and the IMF declared Chad to be eligible for assistance under the Enhanced HIPC Initiative in May 2001**.[3] The Executive Boards of IDA and the IMF determined that Chad had reached the decision point for the Enhanced HIPC Initiative and agreed on the triggers for the floating completion point (Box 11, page 30 of the Decision Point Document). At the decision point, the present value (PV) of debt relief required to reduce the external public debt of Chad to sustainable levels was estimated at US$170.1 million calculated as of end-December 2000. Such relief represented an overall reduction of 30.0 percent of the PV of all public and publicly-guaranteed external debt as of end-December 2000 after the application of traditional debt relief. At the same time, the two Boards approved interim debt relief to Chad. IMF has provided 60 percent (or US$10.8 million in end 2000 PV terms) of total committed debt relief during the interim period by reducing Chad's debt service payments between 2001 and 2005. IDA has provided US$29.1 million in end 2000 PV terms as interim relief through debt service reduction between 2001 and 2007. Other multilateral creditors, i.e. European Union (EU), and Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development have already provided their full share of HIPC assistance during the interim period. Chad's progress towards meeting the requirements for the completion point was impeded by political instability, including a severe conflict with rebels from Darfur from 2006-8. Following the signature of a peace agreement with Sudan in 2010, Chad entered into an unprecedented period of political stability, and progressively restarted its efforts to meet the completion point triggers.

12. **The paper is organized as follows**. Section II assesses Chad's performance in meeting the requirements for reaching the floating completion point under the enhanced HIPC Initiative. Section III provides an updated debt relief analysis (DRA). Section IV summarizes the main conclusions and Section V presents issues for discussion.

II. ASSESSMENT OF REQUIREMENTS FOR REACHING THE FLOATING COMPLETION POINT

13. **In the view of the staffs of IDA and the IMF, Chad has made sufficient progress for reaching the floating completion point (Box 1)**. The key decisions, actions and measures required to fully fulfill all but four of the fifteen triggers have been taken (see Box 1), including

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[2] See "Republic of Chad: Decision Point Document for the Enhanced Initiative for Heavily Indebted Poor Country (HIPC) Initiative", May 4, 2001, IDA and IMF, Washington D.C.

[3] Chad is the last country that qualifies for assistance under the HIPC initiative. Eritrea, Somalia and Sudan are potentially eligible for HIPC assistance, but are yet to start the process for qualifying for debt relief under the HIPC initiative (i.e. they are pre-decision point countries).

the participatory preparation of a full Poverty Reduction Strategy Paper (PRSP) and its satisfactory implementation for at least one year (Trigger #1); the continued maintenance of macroeconomic stability as evidenced by satisfactory implementation of the PRGF supported program (Trigger #2); the implementation of the computerized expenditure circuit for at least six months and a functional expenditure tracing system for primary education services (Trigger #3); the adoption of a public procurement code and its application decrees, the quarterly publication of procurement bulletins, the completion of audits by internationally reputed firms for the five largest procurement contracts awarded in 2001, the nomination of the judges of the commercial courts of the five largest cities (Trigger #4); the adoption and implementation for at least one year of a governance strategy (Trigger #5); the operationalization of at least 75 percent of health centers and districts (Trigger #6); DPT3 vaccination rates of at least 40 percent and assisted delivery rates of at least 20 percent (Trigger #7); sales of at least 2.8 million condoms (Trigger #8); a prevalence of syphilis among women of at most 4 percent (Trigger #9); primary education enrolment rates of at least 61 percent for girls and 89 percent for boys (Trigger #10); a national road network usable at least during 50 percent of the year (Trigger #12); access to potable water for at least 32 percent of the population (Trigger #13); and a number of water points for livestock holders of at least 1,252 (Trigger #15).

14. **The status of the four floating completion point triggers that are not considered attained is detailed below.** With the sharp decline in the number of declared cases of genital ulcers and purulent urethritis, related to increased use of condoms and success of sexually transmitted disease prevention campaigns, the numbers of treatments deemed necessary in 2001 became irrelevant. Yet, the trigger cannot be considered met, as the number of treatments was not observed. Authorities are requesting a waiver and staffs support this request since the objectives of addressing prevalence of genital ulcers and purulent urethritis have been satisfied (Trigger #9). With regard to the proportion of agricultural families equipped with plows of at least 26 percent (Trigger #14), most recent information date from 2009 and is considered outdated to conclude that the trigger was met, in spite of largely exceeding the target at that time. This situation is due to the change in policy since 2009, when the distribution of plows has been replaced with tractors. Authorities are requesting a waiver and staffs support this request since the objective of improved access to agricultural equipment and agricultural productivity was met. With regard to the timely adoption of budget settlement laws for the years 2000 and 2001 (before adoption of 2002 and 2003 budget laws respectively), delays were incurred given limited capacity (Trigger #4). Authorities have since taken corrective actions to eliminate the backlog of budget settlement laws, and are requesting a waiver for not having adopted such settlement laws in time. Staffs support this request since the broad objective of the trigger was achieved, and implementation has improved over time. With regard to a repeater rate of at most 22 percent in primary education (Trigger #11), good progress was made too, though insufficient to meet the said target in light of the huge demographic pressure (including refugees and returnees) and related increased demand for education. Authorities are requesting a waiver for not having met the repeater rate target and staffs support this request in light of exogenous constraints faced by the country and corrective actions taken to redress the problem.

15. **Progress in meeting triggers was, nonetheless, much slower than initially anticipated.** At the decision point in 2001, the authorities were aiming to reach the completion point in 2004. However, repeated internal and regional conflicts prevented the satisfactory implementation of the two successive poverty reduction strategies for the periods 2003-6 and 2008-11 and the

maintenance of macroeconomic stability. In retrospect, the authorities identified the vulnerability of Chad to exogenous shocks, the difficulty to translate additional oil revenues into social progress, the weak absorptive capacity of investment projects, and the insufficient attention paid to monitoring and evaluation as major impediments to reaching earlier the HIPC completion point. The National Development Plan 2013-15 builds on these lessons to accelerate social progress and reach ambitious goals in terms of reduced poverty and vulnerability.

Box 1. Chad: Status of Floating Triggers (as of March 2015)

Triggers	Assessment
Poverty Reduction Strategy Paper	
1. Ensure that a fully participatory PRSP has been prepared and satisfactorily implemented for at least one year, as evidenced by the joint staff assessment of the country's annual progress report.	**Met.** The National Development Plan 2013-15 was prepared through a participatory approach. A full one-year monitoring report on the implementation of the said Plan was submitted to IDA and IMF in October 2014. A Joint Staff Advisory Note on the monitoring report confirming satisfactory implementation of the said Plan during 2013 is being presented to the Boards of the IDA and the IMF in parallel with this enhanced HIPC initiative completion point.
Macroeconomic stability	
2. Continue maintenance of macroeconomic stability and satisfactory implementation of the PRGF-supported program.	**Met.** Since 2013, the Government has established a strong track record under an IMF Staff-Monitored Program and under a program supported by the Extended Credit Facility for 2014-17 approved by the IMF Board on August 1, 2014. The report on the satisfactory first review of the ECF-supported program is being presented to the Board of the IMF in parallel with this enhanced HIPC initiative completion point.
Governance	
3. Make satisfactory progress in strengthening public expenditure management to facilitate the identification and tracking of poverty-related spending, as evidenced by the implementation for at least six months of the simplified and computerized expenditure circuit, and a functional expenditure tracing system for primary education services.	**Met**. The expenditure circuit is fully computerized, and has been able to instantaneously report the 4 successive budgetary phases (commitment, validation, authorization, payment) of budget execution for all major expenditure categories since September 2014. A functional system for tracking primary education expenditures until destination was put in place in 2003. An evaluation of the system was completed in February 2014 and its conclusions validated by the Ministry of Education. The evaluation revealed some shortcomings which are being addressed through corrective actions.
4. Adopt a new law on public procurement and its application decrees; publish a quarterly bulletin on public procurement; complete audits by internationally reputed firms for the five largest public procurement contracts granted in 2001; adopt the Budget Settlement Law for year 2000 before the adoption of the Budget Law for year 2002, and similarly, adopt the Budget Settlement Law for year 2001 before the adoption of the Budget Law for year 2003; and nominate the judges for the commercial courts in the five largest cities.	**Not completed, but satisfactory progress has been made**. A procurement code and its implementing regulations was adopted in 2003. The quarterly publication of procurement bulletin was resumed in January 2014. Since then, four bulletins, covering the four quarters of 2014 were published. The budget settlement laws for the years 2000 and 2001 were respectively not adopted by Government before the adoption of budget laws for the years 2002 and 2003. Audits by internationally reputed firms for the five largest public procurement contracts granted in 2001 were completed by

Triggers	Assessment
	2003. Judges for commercial courts in the five largest cities have been nominated and in place since 2005.
5. Adopt a governance strategy and action plan in consultation with IDA and the IMF and implement it for at least one year.	**Met.** In the absence of a second national governance strategy, the NDP serves as the framework for the design and implementation of governance reforms in Chad. As observed in the JSAN of the 2013 monitoring report of the NDP, progress was observed in the implementation of the governance reforms. In the area of PFM reforms, major achievements included the enactment of a new Organic Finance Law in conformity with the CEMAC directives, improvements in the computerized expenditure system, and the reduction in use of extraordinary expenditure procedures. Chad adhered to the African Peer Review Mechanisms (APRM), continued implementation of the Extractive Industries Transparency Initiative (EITI) in 2013 and was recognized EITI-compliant in 2014.
Priority Sectors: Health	
6. Ensure that at least 75 percent of all health districts and health centers across the country are operational, up from 68 percent in 2000.	**Met.** In 2013, 74/106 (70 percent) health districts and 1118/1307 (86 percent) of health centers were operational, a weighted average of 84 percent and an un-weighted average of 78 percent.
7. Achieve a DPT3 vaccination rate of at least 40 percent up from 35 percent in 2000, and an assisted delivery rate of at least 20 percent, up from 15 percent in 1998.	**Met.** In 2013, DPT3 vaccination rates (now Penta3) amounted to 82 percent, and the proportion of births attended by skilled health personnel stood at 28 percent.
Priority Sectors: HIV/AIDS and STIs	
8. Increase the sale of condoms through the social marketing project MASOCOT by at least 25 percent relative to about 2.239 million condoms sold in 2000.	**Met.** In 2013, the sale of condoms by AMASOT (successor to MASOCOT) exceeded 5.9 million.
9. Increase the treated cases of genital ulcers to at least 30,000 per year, up from 12,000 in 1998, and the treated cases of purulent urethritis to at least 40,000 per year, up from 21,000 in 1998. Decrease the prevalence of syphilis among pregnant women from 6 percent in 1998 to at most 4 percent.	**Not met with respect to initial targets, but staffs consider that the objective was largely satisfied.** Staffs consider that the objectives of addressing prevalence of genital ulcers and purulent urethritis have been satisfied. Initially selected targets are no longer relevant because of the sharp deceleration in the number of cases reported since 2001. The prevalence of syphilis among pregnant women was 3.3 percent in 2013.
Priority Sectors: Education	
10. Increase the gross enrollment rate to at least 61 percent for girls and 89 percent for boys, up from 50 and 85 percent, respectively, in 1998-99.	**Met.** In 2012-13, the gross enrollment rate in primary education was 119 percent for boys and 91 percent for girls.
11. Reduce the repeater rate from 26 percent in 1998-99 to at most 22 percent.	**Not completed and corrective actions are being implemented.** In 2012-13, the repeater rate in primary education was 24 percent.
Priority Sectors: Basic Infrastructure	
12. Ensure that at least 50 percent of the all-year road network can be used throughout the year whereas now 80 percent of the network cannot be	**Met.** In 2013, 86 percent of the permanent road network could be used all year long.

Triggers	Assessment
used for three to five months during the rainy season.	
Priority Sectors: Rural Development	
13. Increase access to potable water to at least 32 percent, up from 27 percent in 2000.	**Met.** In 2013, the proportion of people with access to potable water was 46 percent.
14. Increase the percentage of agricultural families equipped with plows from 24 in 2000 to at least 26.	**Not met in the absence of supportive up to date data, but staffs consider that the objective was largely satisfied.** The proportion of agricultural families equipped with plows established itself at 40 percent in 2009, and authorities stopped monitoring this indicator at this time as distributing tractors instead of plows per a new mechanization policy. Since, agricultural productivity significantly increased.
15. For livestock holders increase the number of water points by at least 10 percent, relative to 1138 water points in 2000.	**Met.** In 2013, the number of pastoral water points for livestock producers amounted to 1868.

A. Poverty Reduction Strategy Paper

Trigger #1: Ensure that a fully participatory PRSP has been prepared and satisfactorily implemented for at least one year, as evidenced by the joint staff assessment of the country's annual progress report.

16. **Staffs consider this trigger to have been met.**

17. **In 2012, the authorities prepared the National Development Plan (NDP) for the period 2013-15.** The NDP and an accompanying Joint Staff Advisory Note (JSAN) were submitted to the Boards of IDA and IMF in July 2013.[4] The NDP focuses on a sensible set of priorities, notably on the creation of new productive capacities and opportunities for decent jobs, human capital development, the fight against inequality, poverty and social exclusion, environmental protection and climate change adaptation, and improved governance. A Priority Action Plan (PAP) was annexed to the NDP. The PAP identified, for each policy area, a list of actions and indicators for monitoring their implementation. Each action was budgeted for each of the three years. The NDP was integrated within a robust macro-economic framework, and offered plausible poverty projections. The authorities consulted extensively with a wide range of stakeholders to ensure the widest possible buy-in for the NDP process. This consultation involved parliamentarians, elected officials from local governments, civil society and the private sector, and technical and financial partners (PTF) in 2012 and early 2013. In June 2014, a roundtable was organized in Paris, during which PTF pledged to cover the remaining financing gap to implement the NDP over the period 2014-15.

18. **A monitoring report on the implementation of the NDP in 2013 was completed in October 2014.** Progress in implementation builds on a solid Results Framework (RF), which retains 24 strategic indicators and 65 intermediary indicators, for which quantitative baselines and

[4] International Development Association and International Monetary Fund (2013), The Republic of Chad: Joint Staff Advisory Note on the National Development Plan 2013-15, Report #78692-TD, Washington D.C and EBD/13/50 issued to the Board on July 26, 2013.

targets were identified, though not necessarily for each of the three years of the NDP. The RF also monitors all floating completion point conditions retained for priority sectors under the Heavily Indebted Poor Countries (HIPC) initiative. A Joint Staff Advisory Note on the annual progress report confirming satisfactory implementation of the Plan during 2013 is being presented to the Boards of the IDA and the IMF in parallel with this enhanced HIPC initiative completion point report.[5]

19. **In staffs view, the NDP was overall satisfactorily implemented in 2013**. Such an achievement represents a major departure compared to non-implementation of the first two poverty reduction strategies, a development explained by a sharp improvement in security conditions and strong ownership resulting from the broad consultative process that supported the formulation of the NDP. By end 2013, around two thirds of strategic indicators and one half of intermediary indicators retained in the results framework did record progress in line with retained targets. In addition, the contribution of the 2013 national budget to the NDP implementation was close to initial plans, reflecting structural progress in terms of budget execution; and the adoption of a robust RF allowed the authorities to effectively monitor NDP implementation, in terms of inputs, outputs and outcomes. While a reliable poverty survey available in 2012 provided the analytical foundation to design the NDP, a new survey to be conducted in 2015-16 will allow assessing the impact of the NDP on poverty trends. A new demographic and health survey to be made available in 2015 will complement this picture.

20. **Continued implementation of the NDP nonetheless remains subject to several risks**. Chad's very high dependence on volatile oil revenue makes spending plans quite vulnerable to falls in oil prices and changes in oil production plans. The sharp fall in oil prices in late 2014 will force a reassessment of the PAP in terms of available resources and spending priorities, as well as with respect to the needs for further export diversification and stabilization buffers. Second, the complex and heightened regional security situation constitutes an ever-present risk for Chad that, as in recent years, could force a change in priorities away from the NDP's objectives. In January 2015, Chad sent troops to support Nigeria in its fight against *Boko Haram* around the Lake Chad, leading to increased security costs of FCFA 50 billion (0.9 percent of non-oil GDP).

B. Macroeconomic Stability

Trigger #2: Continue maintenance of macroeconomic stability and satisfactory implementation of the PRGF-supported program.

21. **Staffs consider this trigger to have been met**.

22. **Economic management has clearly improved in recent years.** Most of the period after achievement of the HIPC Decision Point back in 2001 was characterized by inconsistent policies, particularly following the start of oil exports in 2003 and the inception of recurrent civil conflicts lasting until 2009. This was reflected in off-track PRGF-supported programs over that period

[5] International Development Association and International Monetary Fund (2015), The Republic of Chad: Joint Staff Advisory Note on the Monitoring Report 2013 of the National Development Plan 2013-15, April, Washington D.C.

(three-year arrangements approved in January 2000[6] and in February 2005[7]) and failed attempts to reestablish satisfactory track records of policy implementation through staff-monitored programs in 2008 and 2009. Inability to implement a Fund-supported program over a sufficient period of time prevented Chad to attain the Completion Point. Nevertheless, consolidation of internal political stability since 2010 paved the way for gradual but sustained improvements in economic management and positive macroeconomic outcomes. A satisfactory track-record of policy performance includes the period covered by a staff monitored program (SMP) approved by Fund management in July 2013 and the ongoing three-year Extended Credit Facility (ECF)-supported program approved by the Executive Board in August 2014 (SDR 79.92 million or 120 percent of quota). The latter supports the government's medium-term economic program aimed at reinforcing economic growth and making it more inclusive, while maintaining macroeconomic stability and fiscal sustainability. The government's structural reform agenda focuses on strengthening public financial management and improving governance and the business climate.

23. **Enhanced fiscal management has resulted in a steady reduction in the non-oil primary deficit.** Over the last few years, fiscal policy has been anchored on achieving a downward trajectory in the non-oil primary deficit in order to smooth government spending and preserve long-term sustainability. The latter fell by about 3.8 percent of non-oil GDP over 2012-14. Such a reduction was achieved thanks to (i) a sizable increase on non-oil revenue (from 8.1 to 9.5 percent of non-oil GDP between 2012 and 2014), and (ii) a rationalization of domestically-financed investment spending. The sustained improvement in the fiscal stance has also been supported by ongoing PFM reforms detailed elsewhere in this report, including the computerization of the expenditure circuit and of payroll management (combined with a payroll audit), enhanced controls on the use of extraordinary spending procedures (DAOs), increased reliance on competitive bidding for public procurement, enhanced transparency (e.g., quarterly budget execution reports, public procurement bulletins), and an improved regulatory framework for public debt management.

24. **Macroeconomic developments have been broadly satisfactory in the last few years.** Between 2012 and 2014, real non-oil GDP growth expanded by more than 8 percent per year on average, largely driven by the sectors of commerce, transport and telecommunications, as well as agricultural production (which accounts for nearly 30 percent of total GDP). During that period, inflation has been under control and remained in single digits, despite some recent volatility reflecting the temporary closure of the border with Nigeria (linked to concerns about Ebola and Boko Haram) and disruptions in the Cameroonian port of Douala. The external current account deficit has been relatively stable, around 9 percent of GDP each year, with Foreign Direct Investments (FDI) inflows covering about half of it in 2012 and 2013 (in 2014, net FDI flows were negative as a result of the Chadian State's purchase of a 25 percent stake in ESSO, a consortium of oil companies operating in the country).

25. **The policy response in 2015 to the recent sharp and unexpected fall in oil prices has been strong**. The authorities submitted a revised budget that cuts domestic primary spending by

[6] Performance under this PRGF-supported program (SDR 36.4 million or 55 percent of quota) was assessed as weak and the sixth review could not be completed since Chad did not meet four quantitative performance criteria and the structural performance criterion.

[7] No review was completed under this arrangement (SDR 25.2 million or 45 percent of quota) due to large expenditure overruns and uncertainty about the fiscal outlook relating to oil revenue management.

6.4 percent of non-oil GDP in the face of an oil revenue loss of about 11 percent of non-oil GDP. Cuts have been focused on domestically-financed investment with the aim of minimizing the negative impact on priority social spending, with the latter's share of domestic primary spending slated to increase in 2015. The size of the fiscal adjustment—and the mobilization of residual financing— have been calibrated so as to achieve some expenditure smoothing over the medium-term in line with the projected increase in oil revenue following the recent doubling of oil export volumes. This response contrasts sharply with the previous one during the 2008-09 oil price shock, when the government maintained spending levels, leading to a deterioration in the fiscal policy stance and the accumulation of arrears.

26. **All in all, staffs consider that the program supported under the Extended Credit Facility has been satisfactorily implemented.** Regarding performance in the second half of 2014, and despite the difficult challenges created by the oil price collapse towards the end of the year, most end-December 2014 performance criteria were met. The ceiling on net domestic government financing was exceeded, but IMF staff supports the authorities' request for a waiver in light of corrective measures taken by the authorities to bring the 2015 budget back on track. Similarly, a request for a waiver on the floor for poverty-reducing social spending is supported by staff on grounds of corrective actions to ensure that priority spending will increase as a ratio to domestic primary spending in 2015 (compared with 2014). In addition all of the structural reform objectives were achieved in 2014, with three structural benchmarks—covering limits in the use of extraordinary spending procedures, improved budget transparency, and submission of a draft budget targeting a continued reduction in the non-oil primary deficit (NOPD)—having been met, while the one on debt management was not met as of its stated target date because of a couple of months delay in the issuance of supporting procedures. In addition, the strong fiscal policy response to the oil price shock in 2015 constitutes a critical element for maintaining macroeconomic stability and fiscal sustainability.

Table 1: Selected Economic and Financial Indicators, 2012-19

	2012	2013	2014	2015	2016	2017	2018	2019
			Prel.	Proj.			Proj.	
	(Annual percentage change, unless otherwise indicated)							
Real economy								
GDP at constant prices	8.9	5.7	6.9	7.6	4.9	8.3	5.0	5.1
Oil GDP	-4.0	-7.1	5.7	43.4	7.0	23.5	5.5	6.5
Non-oil GDP	11.6	8.0	7.1	2.1	4.4	4.9	4.9	4.8
Consumer price index (annual average)	7.7	0.2	1.7	3.2	2.9	3.0	3.0	3.0
Consumer price index (end of year)	2.1	0.9	3.7	2.0	3.0	3.0	3.0	3.0
Oil prices								
WEO (US$/barrel)[1]	105.0	104.1	96.2	58.1	65.7	69.7	71.8	73.1
Chadian price (US$/barrel)[2]	102.0	103.9	98.0	51.5	59.9	64.0	66.5	68.6
Oil production (millions of barrels)	41.2	36.3	38.5	57.3	61.7	77.5	82.2	87.9
Exchange rate CFAF per US$ (period average)	510.2	493.9	...	...	...	...	...	...
Money and credit[3]								
Net foreign assets	14.8	-2.6	-1.8	-4.5	8.2	8.8	23.6	10.2
Net domestic assets	-1.3	11.2	28.2	8.0	5.9	1.2	-20.5	-6.0
Of which : net claims on central government	-13.1	10.0	18.0	5.6	0.4	-3.0	-24.0	-11.0
Of which : credit to private sector	12.9	2.8	17.3	-4.5	1.0	1.3	2.7	5.0
Broad money	13.4	8.6	26.5	3.6	14.1	10.1	3.0	4.3
Income velocity (non-oil GDP/broad money)	5.6	5.5	4.8	4.8	4.5	4.5	4.7	4.8
External sector (valued in CFA francs)								
Exports of goods and services, f.o.b.	-4.1	-8.6	1.4	-16.8	21.6	29.9	11.2	8.4
Imports of goods and services, f.o.b.	3.8	-8.1	10.0	-13.7	10.0	13.2	4.3	3.9
Export volume	-2.9	-13.7	5.6	39.4	8.6	22.3	7.2	0.3
Import volume	3.2	-5.8	9.5	-11.1	9.5	12.4	3.6	3.3
Overall balance of payments (percent of GDP)	1.7	-0.2	-1.5	-0.8	-0.4	-0.2	3.1	1.2
Current account balance, including official transfers (percent of GDP)	-8.7	-9.0	-8.7	-10.0	-8.7	-5.8	-3.2	-2.5
Terms of trade	-1.9	8.5	-4.4	-38.5	11.4	5.4	3.0	7.4
External debt (percent of GDP)	20.1	21.2	30.8	25.5	22.6	19.6	18.1	15.9
NPV of external debt (percent of exports of goods and services)	39.1	33.5	66.5	74.5	58.0	42.6	36.9	31.0
	(Percent of non-oil GDP, unless otherwise indicated)							
Government finance								
Revenue and grants	35.0	27.8	23.3	21.5	23.5	25.2	33.4	35.1
Of which : non-oil	8.1	9.3	9.5	9.9	10.6	11.0	11.4	11.8
Expenditure	34.4	31.4	29.6	23.0	24.1	25.1	29.4	32.2
Current	16.5	17.7	16.7	14.4	13.5	13.9	15.4	16.1
Capital	17.9	13.7	12.9	8.6	10.5	11.2	14.0	16.0
Non-oil primary balance (commitment basis, excl. grants)[4]	-20.1	-18.2	-16.3	-8.4	-7.4	-8.0	-12.2	-14.6
Overall fiscal balance (incl. grants, commitments basis)	0.7	-3.6	-6.3	-1.5	-0.5	0.1	4.0	2.9
Overall fiscal balance (incl. grants, cash basis)	2.1	-6.6	-5.9	-2.7	-0.5	0.1	4.3	3.4
Total debt (in percent of GDP)[5]	28.2	30.1	38.2	33.2	30.4	26.5	24.4	21.7
Of which : domestic debt	8.1	8.9	7.4	7.8	7.8	6.9	6.3	5.8
Memorandum items:								
Nominal GDP (billions of CFA francs)	6,314	6,397	6,883	6,962	7,794	8,875	9,553	10,349
Of which: non-oil GDP	4,400	4,661	5,150	5,357	5,796	6,268	6,733	7,291

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

[1]WEO 2015 Spring Production.

[2]Chadian oil price is Brent price minus quality discount.

[3]Changes as a percent of broad money stock at the beginning of period.

[4]Defined as the total revenue excluding grants and oil revenue, minus total expenditure excluding net interest payments and foreign-financed investment.

[5]Central government, including government-guaranteed debt.

C. Governance

Trigger #3: Make satisfactory progress in strengthening public expenditure management to facilitate the identification and tracking of poverty-related spending, as evidenced by the implementation for at least six months of the simplified and computerized expenditure circuit, and a functional expenditure tracing system for primary education services.

27. **Staffs consider this trigger to have been met**.

28. **The expenditure circuit was fully computerized in 2014**, and able to instantaneously report the 4 successive budgetary phases (commitment, validation, authorization, payment) of budget execution for all major expenditure categories since September 2014. Such an achievement allows the Government to monitor on a real-time basis public expenditure, and to produce quarterly budget execution reports. Additional measures have been taken to further strengthening public expenditure management including: the creation of a computer center within the Ministry of Finance and Budget (MFB) and the expansion of the IT network within the Ministry of Finance and Budget and to other Ministries. A total of 17 sites have been interconnected including seven Ministries. The roll-out of a computerized file management system has also contributed to make expenditure management more efficient. The computerization of the payroll and its interconnection with the computerized expenditure circuit was also operationalized in 2014. Combined with a payroll audit, this resulted in salary savings of about FCFA 17 billion in 2014. Expenditure management is expected to improve further with the computerization of the accounting system in 2015 and 2016. A computerized oil revenue tracking software was instrumental in the achievement of EITI compliant status in 2014. Finally, the recent operationalization of a new tax management system is expected to contribute to increased efficiencies in the revenue management.

29. **A system for tracking primary education expenditures until destination was put in place in 2003**. An evaluation of the system was completed in February 2014 and its conclusions validated by the Ministry of Education. The evaluation revealed some shortcomings which are being addressed through corrective actions. According to the evaluation, key areas for improvement include the internal controls for monitoring of the education budget. The government is already taking some corrective actions including efforts to improve its human resource management system in the education sector, increase connectivity across regions for better data sharing and tracking, strengthen the deconcentration of responsibilities in the sector and improve textbooks distribution to schools. All those measures should improve the proportion of resources reaching the provider level. Further actions should be taken to make information available to the ultimate beneficiaries of the services to improve the scope for social accountability. To that extent, the government has agreed to implement school report cards on a pilot basis. Finally, the government also agreed to update the 2003 education expenditure tracking operational manual to reflect latest institutional, process, and technological changes.

Trigger #4: Adopt a new law on public procurement and its application decrees; publish a quarterly bulletin on public procurement; complete audits by internationally reputed firms for the five largest public procurement contracts granted in 2001; adopt the Budget Settlement Law for year 2000 before the adoption of the Budget Law for year 2002, and similarly, adopt

the Budget Settlement Law for year 2001 before the adoption of the Budget Law for year 2003; and nominate the judges for the commercial courts in the five largest cities.

30. **All actions and decisions to meet the trigger were fulfilled, but the adoption of the Budget Settlement Law for the year 2000 before the adoption of the Budget Law 2002 and the adoption of the Budget Settlement Law for the year 2001 before the adoption of the Budget Law 2003.** Both the 2000 and 2001 budget settlement laws were adopted by the Government and submitted to Parliament in 2004. Budget Settlement Law for the year 2002 was adopted and submitted to Parliament in 2003, and budget settlement laws for the years 2003-12 were adopted by the Government and submitted to Parliament in 2014. Limited capacity, institutional instability, and security crises led to the delays in the adoption and submission to Parliament of the Budget Settlement Laws. The 2014 Organic Budget Law in its article 66 stipulates that the Budget Settlement Law for N-1 must be submitted to Parliament before submitting the Budget Law of N+1. The Government has taken measures, including the establishment of a dedicated committee to prepare the Budget Settlement Law, to ensure their timely submission. The end of the catching-up period which required a significant effort in a limited capacity environment and the computerization of the expenditure chain are also expected to speed up the preparation of the Budget Settlement Laws. In 2014, the 2013 draft Budget Settlement law was prepared and submitted to the Court of Audits. The recent creation of the Court of Audits, previously a Section of Audits of the Supreme Court, is also expected to improve external control of public financial management. While external control and oversight of public financial management has been limited during this period, the Section of Audits of the Supreme Court has, despite limited human resources and budget, performed some control activities. The Section of Audits undertook controls on the use of petroleum revenues in 2000, 2004/05 and 2008, on the use of HIPC resources in 2004/5, of military expenses in 2002, of the accountants of the Treasurer in 2002 and of 11 municipalities in the period 2001-4. Furthermore, between 2002 and 2014, audits of (i) the Secretary General of the Government, (ii) the Ministry of Finance and Budget, the Ministry of Justice, (iii) the Ministry of Good Governance, (iv) the Police, (v) the College of control and surveillance of petroleum resources, and (vi) four state owned enterprises and agencies[8] were conducted. Finally, the Section of Audits started judicial control in 2011.

31. **A procurement code, and its regulations were adopted in 2003, while the publication of quarterly procurement bulletin was resumed in 2014.** Bulletins typically report recently awarded contracts, general expressions of interest, new tenders, and the list of firms not allowed to bid before regularizing their fiscal situation. The quarterly bulletins have improved in quality since their resumption. Annual reports on procurement for 2012 and 2013 were also published on the web page of the Ministry of Finance and Budget. The Government of Chad started a review process of the 2003 procurement code in 2014. This process is expected to result in the adoption of a new procurement code in 2015 incorporating international and regional best practice in public procurement.

[8] SOTEL (telecommunications), SONASUT (Sugar), ONASA (food security agency) and OTRT (telecommunications regulatory agency).

32. **Audits of the five largest public procurement contracts granted in 2001 were completed by internationally reputed firms.** The Section of Audits of the Supreme Court undertook additional audits of public procurement in 2003, 2004, 2005, and 2008.

33. **Judges for commercial courts in the five largest cities have been nominated.** Judges of the commercial courts of Abeche, Bongor, Mandoul, N'Djamena and Sarh have been nominated by decrees since 2005 and in place since. While this measure has been important to the functioning of the commercial courts, it has not been accompanied with more in-depth reforms to improve the business environment. The 2009 enterprise survey reported that 31 percent of firms believed the Court System in Chad was fair, impartial, and uncorrupted compared to an average of 43 percent in Sub-Saharan Africa. This is also reflected in the Doing Business indicators on the enforcement of contracts which has not improved since 2004 and which reports that it takes 743 days and 41 procedures to enforce a contract at a cost of 45.7 percent of the outstanding claim.

Trigger #5: Adopt a governance strategy and action plan in consultation with IDA and the IMF and implement it for at least one year.

34. **Staffs consider this trigger to have been met**.

35. **A first Governance Strategy was adopted in 2002, and its evaluation report was finalized in 2010[9], along with an action plan against corruption.** The said evaluation report and the PND 2013-15 acknowledge the limited progress recorded in the 2000s in the areas of political governance and business environment in particular. The authorities consider that the severe security conditions in that period did not provide the stable environment required for governance reforms. The signature of a peace agreement with Sudan in 2010, and the modernization of security services, combined with a demobilization and re-integration program, since 2010, have paved the way to accelerate governance reforms. In 2014, the Institute of Economics and Peace ranked Chad as the country "that had the greatest improvements in peace over the last six years". Chad's effective military intervention in Northern Mali in 2013 was praised by most nations of the region, and Chad's military apparatus is now seen as a strong contributor to regional stability, including through recent military interventions against the Boko Haram sect around the Lake Chad. The election of Chad at the United Nations Security Council in October 2013 testifies to its re-integration in the international community.

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[9] Chad adopted a National Good Governance Strategy in 2002. It was structured around nine axes: i) Public Administration; ii) Public Finances; iii) Governance in priority sectors (rural development, infrastructure, education, health, social protection and energy); iv) Decentralization; v) Justice; vi) Anti-Corruption; vii) Human Rights and Conflict Management; viii) Partnerships between the public and private sector – Civil Society; ix) Security. The Strategy, composed of 81 measures, was supposed to be implemented between 2002 and 2006 but its implementation was extended till 2010. An evaluation of the implementation of the National Good Governance Strategy commissioned by the Government of Chad in 2010 found that its implementation was very difficult because of institutional challenges and insufficient mobilization of resources. Nevertheless, the report found that a substantial amount of reforms had been implemented, although 31 of the 81 measures had not been implemented. Moreover, the reports recommends that additional reforms, in all the areas covered by the initial strategy, are implemented to further improve governance and formulates a set of specific measures to be implemented.

36. **The NDP 2013-15 includes an action plan for governance reforms**. Governance is an important aspect of the NDP and its strengthening is an important basis for a successful implementation of the NDP itself. The NDP focused on public sector reforms, public financial management, decentralization, and human rights. The 2013 Monitoring Report suggests a relatively strong implementation of the projects and programs promoting governance in 2013.

37. **Significant progress in the implementation of public financial management reforms was observed in 2013**. The following concrete actions can be highlighted: (i) enactment of the Organic Finance Law (LOLF) by the President of the Republic; (ii) creation of a computer center within the Ministry of Finance and Budget (MFB); (iii) computerization of the public expenditure chain (Circuit Intégré de la Dépense, CID) through the completion of network connections between different units of the MFB and seven other ministries as well as the interconnection between the Integrated Financial Management and Information System (IFMIS) and SIGASPE (Système Intégré de Gestion Administrative et Salariale du Personnel de l'Etat), and connection of the CID to the Treasury to cover the four phases of the spending cycle; (iv) operationalization of the payment systems SYSTAC and SYGMA; (v) establishment of and compliance with a calendar for budget preparation and approval; (vi) establishment of a macroeconomic framework model and the development of operating manuals; and (vii) initiation of efforts to fully computerize the accounting system. Public procurement was improved through increased reliance on competitive bidding and the publication of a public procurement bulletin for 2013 including information on the attribution of contracts. In terms of external control, the regularization of the budget settlement laws 2003-2012 was pursued. In 2014, the authorities undertook a payroll audit which resulted in savings of FCFA 17 billion. In addition, the government tightened controls on the use of extraordinary spending procedures (DAOs), which fell from 2012 levels to below 20 percent of domestically financed spending (excluding salaries, debt service, and security spending linked to the Mali military campaign in 2013-14). Despite these efforts, PFM systems need to be further reinforced to enhance the efficiency of public spending. The authorities have expressed their commitment to pursue reforms, in particular through the transposition of the remaining CEMAC directives (Governance and Transparency; General Regulations on Government Accounting; Budgetary Nomenclature; Government Financial Operations; Government Chart of Accounts) in 2015.

38. **Chad's adherence to the African Peer Review Mechanisms (APRM) and compliance to the EITI confirms the Government's commitment to improving governance and institutional quality**. Chad adhered to the APRM in January 2013, a welcome initiative which reflected the Government's commitment to pursue reforms to promote good governance. The country became an EITI candidate country in 2010 and conducted its first validation, the EITI's quality assurance mechanism, in May 2013. That report found that significant progress had been made, but alerted that further work was needed to achieve compliance to the EITI rules. Important efforts were made to establish a monitoring and evaluation system of oil receipts and to prepare the 2012 report which was published in March 2014. In the end, all outstanding issues were resolved and Chad was recognized as EITI-compliant in October 2014. Going forward, the recent significant changes in the oil sector in terms of higher government equity participation, increased reliance on production sharing contracts, and utilization of oil sales advances call for a revamping of the oil revenue transparency process to adapt to the new realities.

39. **Decentralization efforts were pursued during 2013.** During the year, all officials elected at the local level in the 2012 elections received training and other capacity building efforts included the validation of a guide for Municipal Development Plans. Despite these efforts, capacity to deliver public services at the municipal level, and associated financial and human resources transferred from the center, remain extremely limited.

40. **Corruption remains a significant challenge despite some efforts to reduce it.** During 2013, financial and performance audits (control missions) resulted in prosecution of 36 persons for embezzlement of public funds. A total of FCFA 6 billion was recovered as a consequence of those missions. However, Chad's ranking on Transparency International's Corruption Index remained low in 2013. The interactions between corruption, poverty reduction and growth are critical aspects to Chad's long-term development efforts.

D. Priority Sectors

Health

Trigger #6: Ensure that at least 75 percent of all health districts and health centers across the country are operational, up from 68 percent in 2000.

41. **Staffs consider this trigger to have been met: in 2013, 74/106 (70 percent) health districts and 1118/1307 (86 percent) of health centers were operational.** While averages, weighted or un-weighted, exceed the target of 75 percent, authorities are cognizant that additional efforts need to be undertaken to further improve the functionality of health facilities, which was hampered by the rapid administrative creation of new centers and districts which was not met with similar efforts in terms of construction, staffing, and equipment. In order to raise the proportion of operational centers and districts, authorities intend to limit the administrative creation of new structures, and accelerate construction, staffing and equipment of existing structures, including the redeployment of 60 doctors in emergency medicine and 1,000 nurses. About 10 districts are reported to be located in zones of insecurity: population then benefit from service delivery by NGOs as it is extremely difficult to post health personnel there. Overall, there needs to be continuous effort for health centers to be able to deliver the basic health care package, including ensuring both the availability and presence of skilled health personnel, know-how on the basic package and availability of a cold chain (in particular for immunizations). It is also important to note that the number of functional health centers increased from 645 in 2006 to 1118 in 2013, which represent a tremendous efforts from both central government, local authorities and communities to improve geographical access to health care.

Trigger #7: Achieve a DPT3 vaccination rate of at least 40 percent up from 35 percent in 2000, and an assisted delivery rate of at least 20 percent, up from 15 percent in 1998.

42. **Staffs consider this trigger to have been met.**

43. **In 2013, DPT3 vaccination rates (now Penta3) amounted to 82 percent.** This increase in immunization, reported by administrative data, is related to a significant immunization campaign launched over these last years. Notwithstanding this positive evolution expected to have positive implications for child mortality, overall immunization coverage has actually decreased over the last decade - the most significant decrease in immunization rate is related to poliomyelitis

vaccine, which almost halved between 2000 and 2010 (from 42 to 25 percent) - making it imperative for Chad to step-up its effort in this domain, including by supporting higher knowledge of mothers and caregivers about the benefits of immunization, improving the cold chain and supply chain, and ensure larger national vaccine stocks.

44. **In 2013, the proportion of births attended by skilled health personnel stood at 28 percent**. This proportion increased from 15 percent in 1998 marking a clear improvement. Such improvements are related to expansion of training and deployment of health personnel and utilization of mobile clinics, including strong involvement of non-governmental organizations and UNFPA. In 2010, half of the women in Chad (53 percent) received prenatal care as compared to 42 percent in 2004. These figures remain low compared to West African countries where over 80 percent receive prenatal care, but are at least indicative of a positive trend that needs to be sustained to support improvements in maternal mortality in Chad, which, at 1,084 deaths per 100,000, is the highest among Sub-Saharan African countries.

HIV/AIDS and STIs

Trigger #8: Increase the sale of condoms through the social marketing project MASOCOT by at least 25 percent relative to about 2.239 million condoms sold in 2000.

45. **Staffs consider this trigger to have been met: in 2013, the sale of condoms by AMASOT (successor to MASOCOT) exceeded 5.9 million**. This positive evolution is in line with the stabilization of HIV prevalence since 2005, although Chad still has a national adult HIV prevalence of 3.4 percent. Levels of infection are higher among young women (2.5 percent - increasing to 3 percent for pregnant women) than young men (1 percent), and generally higher in urban areas than rural areas, requiring a continuous prevention effort in those populations.

Trigger #9: Increase the treated cases of genital ulcers to at least 30,000 per year, up from 12,000 in 1998, and the treated cases of purulent urethritis to at least 40,000 per year, up from 21,000 in 1998. Decrease the prevalence of syphilis among pregnant women from 6 percent in 1998 to at most 4 percent.

46. **This trigger cannot be considered met with respect to initial targets, but staffs consider that the objectives of the trigger have been satisfied**.

47. **Initially selected targets are no longer relevant because of the sharp deceleration in the number of cases reported since 2001**. In 2012, 7019 declared cases of genital ulcers and 7074 declared cases of purulent urethritis were treated. The decrease is the result of both improved treatment at primary health care level an aggressive sexually transmitted diseases (STI) prevention campaign aimed at promoting adoption behavior that would prevent new infections. Its implementation is led by the Ministry of Health in partnership with civil society organizations and key sectors (transport, education, women affairs, and military). The campaign was partly funded through IDA grants and is being sustained through financing by The Global Fund against HIV/AIDS, Malaria and Tuberculosis and local authorities. Thus, the reduction in genital cases due to sensitization for STI prevention and increased condom use have made it impossible (and not even warranted) for the indicator of treating 70,000 of genital ulcers and purulent urethritis to be met. Authorities requested a waiver and staffs support this request, considering that the objectives of addressing prevalence of genital ulcers and purulent urethritis have been satisfied.

48. **The prevalence of syphilis among pregnant women was 3.3 percent in 2013.** It has been reduced following both a reduction of incidence of new cases and treatment of existing cases. It has been noted that the utilization of STI clinics has increased as well as the implementation of mobile service delivery strategy to reach communities who live beyond 15 km of the closest health centers.

49. **Overall, Chad recorded important progress in recent years, but major challenges remain**. Free access to selected health service for 350,000 persons in 2013 (against 240,000) in 2012, the rehabilitation and operationalization of 24 regional hospitals and 450 health centers, improved access to water sources (covering 46 percent of the population in 2013 against 37 percent in 2011) and sanitation (16 percent of population in 2013 against 12 percent in 2012), extended vaccination campaigns and the recruitment and deployment to rural areas of qualified health personnel altogether contributed to the following outcomes: significant declines in infant and neo-natal mortality, acute malnutrition, as well as in the prevalence of respiratory infections, syphilis, genital ulcers and purulent urethritis. Yet, under-5 mortality increased between 2012 and 2013 with persistent malaria prevalence and increased acute malnutrition for the children (in the Sahelian zone in particular, in contrast with the rest of the country where acute malnutrition has been in significant regression since 2007), as well as maternal mortality, which has actually increased by nearly 20 percent between 1990 and 2010. These trends require continuous effort to expand coverage of pre-natal care, utilization of child care (including diagnosis and treatment of malaria), immunization coverage, and the delivery of the basic health care package, in particular in rural and poor areas.

Education

Trigger #10: Increase the gross enrollment rate to at least 61 percent for girls and 89 percent for boys, up from 50 and 85 percent, respectively, in 1998-99.

50. **Staffs consider this trigger to have been met: in 2012-13, the gross enrollment rate in primary education was 119.2 percent for boys and 90.9 percent for girls.** Enrollment and the gross enrollment rate increased significantly in the last decades, from 68 in 1999-2000 to 105 percent in 2012-13. However, the average net enrollment rate is around 64 percent, indicating a large proportion of primary school age children are out-of-school and low internal inefficiency, and about 45 percent of the population between 6 and 24 years old were never enrolled in school. Finally, gender and regional disparities remain important. The parity index in primary education (based on gross enrollment rates) is 0.76 and most indicators are substantially better in the Southern regions.

Trigger #11: Reduce the repeater rate from 26 percent in 1998-99 to at most 22 percent.

51. **Staffs consider this trigger not to have been met: in 2012-13, the repeater rate in primary education stood at 24 percent.** The rapid demographic growth rate and increased enrollment rates in the last decade have rendered the objective of improving, or even maintaining, the quality of primary education extremely challenging. Thus, while a 19 percent annual increase in primary school enrollment is indicative of efforts to increase access, the repetition rate in primary education worsened in 20120-13 (from 22.4 percent in 2010-11, 21.6 in 2011-12 to 24.4 percent in 2012-13) and the primary completion rate which has stagnated at about 38 percent over these past 10 years has only recently increased slightly to 41.4 percent. Those developments

illustrate serious quality concerns. The authorities consider that such a continuously high repeater rate originates from several factors: (i) a school year calendar not necessarily adapted to the specifics of the various regions of Chad, leading to strong student and teacher absenteeism during labor-intensive agricultural periods, (ii) insufficient teachers' qualifications and training, (iii) excessively high pupil-teacher ratios, (iv) a rigid evaluation system, and (v) insufficient availability of textbooks. The authorities also consider that these structural factors affecting the quality of education and ability of students to pass exams have been exacerbated by the large inflows of refugees.[10] In the face of it, the Government decided (i) to examine ways and means to 'regionalize' the school year calendar, (ii) to strengthen the selection and training of community teachers, (iii) to build 4,500 new classrooms between 2013 and 2015, (iv) to recruit 3530 new teachers, (v) to eliminate the test required to enter in secondary schools and facilitate the passing of students to the next level of primary education, (vi) to acquire 3 million new textbooks, and (vii) to reinforce pedagogical inspection services. Actions were undertaken on all fronts to start implementing this plan, including the adoption of the Decree n°253 in December 2014 that officially puts in place the automatic promotion policy within sub-cycle. In 2014, the Government also re-deployed 250 teachers to areas hosting returnees and refugees from Central African Republic.

52. **Authorities requested a waiver and staffs support this request.** The poor quality of education is certainly a major deterrent to Chad's poverty reduction prospects, in rural areas in particular. Impact of poor quality of education is reflected in low labor productivity and high fertility rates, the latter adding strong pressure on the education system itself. In the face of it, authorities have been committed to improve the average quality of education while meeting an erratic and rapidly growing demand for education. Staffs of the IDA and the IMF support the authorities' request for a waiver for not meeting the repeater rate target in light of exogenous constraints faced by the country and significant actions taken to redress the problem.

Basic Infrastructure

Trigger #12: Ensure that at least 50 percent of the all-year road network can be used throughout the year whereas now 80 percent of the network cannot be used for three to five months during the rainy season.

53. **Staffs consider this trigger to have been met: in 2013, 86 percent of the permanent road network was paved and could be used all year long.** This reflects the major investments undertaken by authorities in the last decade to develop the permanent - or primary, road network (3,150 km in 2013), through the construction of new roads, and the rehabilitation and upgrade of secondary roads. Between 2004 and 2013, the primary network of paved roads grew from 347 to 2,733 kilometers. Preserving the quality of the network remains a permanent preoccupation in light of its rapid expansion.

[10] In 2014, Chad was hosting around 470,000 refugees including 367,000 Sudanese, 93,000 from CAR (many of Chadian descent) and around 10,000 from Nigeria. This is equivalent to over 4 percent of the population, the third highest level in the world according to UNHCR. In addition, around 90,000 people are still internally displaced from the conflict in 2007 and subsequent cross-border attacks from Darfur.

Rural Development

Trigger #13: Increase access to potable water to at least 32 percent, up from 27 percent in 2000.

54. **Staffs consider this trigger to have been met: in 2013, the proportion of people with access to potable water stood at 46 percent.** The ambitious objectives set in the 2003 National Water and Sanitation Master Plan boosted investments from both the Government and development partners. They translated in good progress in rural access to potable water through village wells, benefitting to date to more than half of rural population as defined by national sector standards (villages below 1,200 people). Due to population growth and lower pace of new investments and maintenance, access to potable water through water schemes in small cities and pipe networks in larger cities, especially in the service area of the new National Water Utility has also progressed beyond the trigger objective. However, it remains rather low (25 percent) for urban dwellers with private connections at home, with a decreasing quality of service and concerns on water quality. Innovative management models building on water user associations or small scale delegations of service operation could help decentralized local authorities to improve maintenance and sustainability of existing schemes. Strengthened capacities of the National Water Utility would help attract financing and sustain investments needed to rehabilitate and expand access to a better quality service. An important challenge ahead lies in improving access to improved sanitation facilities and hygiene. Developing onsite sanitation and better drainage in urban areas would contribute to reduce public health risks.

Trigger #14: Increase the percentage of agricultural families equipped with plows from 24 in 2000 to at least 26.

55. **Outdated data prevents staffs to consider this trigger to have been met; but staffs nonetheless consider that its objective was largely satisfied.** Last available data indicates that 40 percent of agricultural families were equipped with plows in 2009. Acknowledging in the Master Plan for Agriculture 2006-2015 that low mechanization was a major cause of low farm productivity, authorities undertook a modernization policy which led to the installation of a tractor assembly plant in 2009; and considered irrelevant to continue monitoring the distribution of plows, as distributing tractors instead. To date about 1,200 tractors were produced and delivered to the National Office for Rural Development who manages the tractor fleet. From -0.1% between 1990 and 2000, annual average growth in cereal yields (Kg per Ha) accelerated to 3.8% between 2000 and 2009 and to 6.7% between 2009 and 2013. Authorities requested a waiver and staffs support this request, in light of the facts that the trigger's objective of improved access to agricultural equipment and agricultural productivity was largely satisfied.

Trigger #15: For livestock holders increase the number of water points by at least 10 percent, relative to 1138 water points in 2000.

56. **Staffs consider this trigger to have been met: in 2013, the number of pastoral water points for livestock producers amounted to 1868**. The National Development Plan for Livestock (2009-16) clarifies roles and responsibilities of the different institutions (including the Government) and organizations involved in the livestock sector, which represents more than 10 percent of GDP, and the first source of exports receipts after oil in Chad. But public resources devoted to the sector (around 2 percent of national budget) remains low in comparison, and in light of the challenges faced by the sector, including improved access to veterinary services,

financial services, use of grazing lands and water resources, the development of collective ecological range management practices, and crisis preparedness and management.

III. Updated Debt Relief and Sustainability Analysis

A. Revision of Data Reconciliation as of the Decision Point

57. **The stock of HIPC-eligible external debt in present value (PV) terms at end-2000 was revised downward marginally from the decision point, following the debt reconciliation exercise against recent creditor information.** As a result, the nominal stock as of end-2000 has decreased by US$2.2 million from US$1066.5 million to US$1064.3 million (Figure A1 and Table A2); and the PV of debt after traditional debt relief has been revised downward by US$1.0 million, from US$566.4 million to US$565.5 million. This decrease is attributed to small revisions in the PV of debt owed to all creditor categories

- **Multilateral creditors**. At end-2000, the PV of debt has increased by US$0.9 million from US$446.6 million to US$447.5 million, mostly due to minor data corrections regarding arrears held at decision point.
- **Paris Club creditors**. The PV of debt to Paris Club creditors after traditional debt relief has been revised downward from US$48.6 million to US$47.8 million at end-2000, mainly due to revisions in loan details from France.[11]
- **Other official bilateral and commercial creditors**. The PV of debt after traditional relief to other official bilateral and commercial creditors has been revised downward to US$70.1 million from US$71.3 million due to updated information from Kuwait and Saudi Arabia.[12]
- **Estimates of the three year backward looking average of exports of goods and services used to evaluate HIPC assistance at the decision were slightly revised.** The three year backward looking (1998-00) average of goods and services has been revised upwards to US$287.2 million from US$264.2 million at the decision point.

B. Revision of HIPC Assistance and Status of Creditor Participation

58. **Revised PV of debt and export data in end-2000 do not justify the revision of the required HIPC assistance in end-2000 PV terms to reduce the PV of debt to exports to 150 percent.** Indeed, in accordance with the Board document approved in 2002,[13] ex post upward revision in export data at the decision point do not justify downward revision in the amount of HIPC assistance required to reduce the PV of debt to export data to 150 percent.

59. **At the completion point, Chad has received financing assurances of participation in the Enhanced HIPC Initiative from creditors accounting for more than eighty seven percent**

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[11] Austria was previously listed as creditor at the time of decision point. It has since been removed from the list of creditors after confirmation from the Paris Club and the authorities.

[12] Claims from Taiwan, China have been reclassified as commercial claims given that the creditor has now been privatized.

[13] "Information Reporting in the Context of HIPC Initiative Assistance", approved by the members of the Executive Boards of the IMF (EBS/02/36) and IDA (IDA/SecM2002-0131), March 4, 2002.

of the PV of HIPC assistance estimated at the Decision Point (Table A11). Multilateral creditors representing 79.1 percent and Paris Club creditors accounting for 8.5 percent of the PV of HIPC assistance have confirmed their participation. The authorities are working towards reaching agreements with other relevant creditors.

Multilateral creditors

60. **All multilateral creditors have committed to provide their full share of assistance to Chad under the Enhanced HIPC Initiative**.

61. **The International Development Association (IDA)**. Debt relief from IDA amounts to US$68.1 million in end-2000 PV terms at the decision point. Of this amount, IDA has provided US$29.1 million in end-2000 PV terms as interim relief in the form of a reduction in debt service between 2001 and 2007. At the completion point, IDA will provide the remaining amount of relief through a 60.5 percent reduction of Chad's debt service to IDA on debt disbursed and outstanding at the Decision Point through to December 2023, equivalent to annual average debt service savings of US$12.8 million.

62. **The International Monetary Fund (IMF)**. IMF has provided US$10.8 million in end-2000 PV terms as interim debt relief by reducing debt service payments on an ECF loan between 2001 and 2005. Upon reaching completion point, the remaining US$7.2 million in end-2000 PV terms will be delivered through a stock of debt operation applied on an ECF loan (SDR13.3 million) disbursed in 2014.

63. **The African Development Bank (AfDB) Group.** 40 percent of total committed debt relief was delivered during the interim period through 80 percent of debt service reduction between 2001 and 2006. This interim relief equals to US$14.8 million in 2000 PV terms or US$16.5 million in nominal terms. The remaining debt relief (US$22.1 million in 2000 PV terms) will be delivered following completion point through 90 percent of debt service reduction on debt outstanding at end-2000 until full relief has been given.

64. **The European Union (EU)**. The EU has fully delivered its share of HIPC relief of US$1.3 million through cancellations of selected debt service payments over the interim period.

65. **Assistance from other multilaterals**. The OPEC Fund for International Development (OFID) has fully delivered its share of HIPC relief of US$3.9 million during the interim period through a concessional rescheduling and the grant element of a new loan. HIPC relief from the Islamic Development Bank (IsDB) is US$2.6 million, of which US$2.2 million has been provided as interim relief through concessional rescheduling, with the remainder expected to be delivered at completion point. HIPC relief from the International Fund for Agricultural Development (IFAD) is estimated at US$1.6 million and will be delivered upon completion point. HIPC relief from Arab Bank for Economic Development in Africa (BADEA) is US$2.2 million to be delivered upon completion point.

Bilateral creditors

66. **Paris Club creditors.** Paris Club creditors have agreed in principle to provide their share of enhanced HIPC assistance of US$ 14.4 million in end-2000 PV terms (Tables A2 and A4).

Interim assistance has been provided through flow treatments on Cologne terms, agreed on June 12, 2001. Paris Club creditors have declared their readiness in principle to provide their full share of assistance at the completion point through a stock-of-debt reduction. Typically, Paris Club creditors also go beyond their HIPC effort and provide additional relief as per the modalities indicated in Table A12.

67. **Non-Paris Club official bilateral and commercial creditors.** These creditor groups are assumed to provide relief on HIPC-eligible debt on terms comparable to those of the Paris Club. Although agreements have not yet been reached, the authorities continue making "good faith" efforts to negotiate comparable treatment from relevant creditors. In 2007, China cancelled all claims that existed at the time of the decision point.

C. Considerations for Exceptional Topping-Up Assistance

68. **The debt relief analysis has been updated jointly by the authorities and the IMF and IDA staffs on the basis of loan-by-loan debt data, exchange rates, and discount rates as of end-2013** (Table A3). At end-2013, the nominal stock of Chad's external debt amounted to US$2833.4 million. Multilateral creditors accounted for US$1441.9 million or 50.9 percent of the total nominal debt, of which IDA, the IMF and the AfDB group accounted for 42.0 percent of total nominal debt. Paris Club creditors accounted for 2.5 percent of total outstanding nominal debt at end-2013, of which the main creditor remained France. Non-Paris Club bilateral and commercial creditors accounted for the remaining 46.6 percent of total nominal debt. New borrowing and financial arrangements with bilateral and commercial creditors were signed in the interim period with China, India, Kuwait, Libya, China National Petroleum Corporation, Glencore Energy, and Saudi Oger Ltd.

69. **The staffs are of the view that Chad does not meet the requirements for exceptional topping-up under the enhanced HIPC Initiative.** The enhanced HIPC Initiative framework allows for the provision, on an exceptional basis, of additional debt relief (or "topping-up") at the completion point. Additional debt relief is provided if a country's actual debt burden indicators have deteriorated compared to the decision point projection and this deterioration is primarily attributable to a fundamental change in a country's economic circumstances due to exogenous factors. Additional debt relief may in this case be provided to bring the PV of debt-to-exports ratio down to the 150 percent threshold at the completion point.[14] In the case of Chad, the PV of debt-to-exports ratio at end-2013—after full delivery of the HIPC assistance committed at the Decision Point—is now estimated at 50.9 percent, and declines further to 50.5 percent after full delivery of additional bilateral debt relief beyond the HIPC Initiative (Table A7). This is well below the HIPC threshold (150 percent) and also below the projection made (78.9 percent) at the Decision Point. The decrease of the ratio is mainly due to variations from assumptions regarding the length of the interim period and the mechanisms of debt relief made at the decision point. The large upward revisions to exports data between the decision point and the completion point also improved the projected the debt-to-export ratio (accounting for a 55 percentage point decrease).

[14] To date, six countries have received topping-up assistance under the enhanced HIPC Initiative: Burkina Faso, Ethiopia, Rwanda, Malawi, Niger, and Sao Tome and Principe.

Thus, with ratios well below the HIPC thresholds, Chad does not qualify for topping up (Text Table 2).

Text Table 2. Factors Affecting PV of Debt-to-Exports Ratio at End-December, 2013[1]

	Percentage points	Percent of total increase
PV of debt-to-exports ratio (as projected at Decision Point)	**78.9**	
PV of debt-to-exports ratio (actual)	**50.9**	
Total increase	**-28.1**	**100**
1. Due to changes in the parameters	**47.0**	**-168**
o/w due to changes in the discount rates	37.1	-132
o/w due to changes in the exchange rates	10.0	-36
2. Due to unanticipated new borrowing	**45.9**	**-164**
o/w due to higher than expected disbursements	0.7	-2
o/w due to lower concessionality of the loans	45.3	-161
3. Due to changes in exports	**-55.0**	**196**
4. Due to changes in HIPC relief	0.0	**0**
5. Other factors[2]	-66.1	**235**
PV of debt-to-exports ratio (actual)	50.9	
Bilateral debt relief beyond HIPC	0.4	
PV of debt-to-exports ratio after full delivery of HIPC assistance and bilateral debt relief beyond HIPC (actual)	50.5	

Sources: World Bank and IMF staff estimates and projections.

[1] PV of debt-to-exports ratio after full delivery of enhanced HIPC assistance.

[2] Due to revisions in the end-2000 database and changes in the timing and mechanisms of delivery of assistance compared to the assumptions in the decision point projections

D. Creditor Participation in the Multilateral Debt Relief Initiative

70. **Contingent upon agreement by the IMF and IDA Executive Directors that Chad has reached the completion point under the HIPC Initiative, Chad would qualify for additional debt relief from the Multilateral Debt Relief Initiative (MDRI) from IDA and the AfDB.** In addition, the EU Special Debt Relief Initiative will provide debt relief to Chad on qualifying loans that are still outstanding after HIPC assistance.

71. **Debt relief from IDA.** IDA would provide MDRI debt relief through a debt stock cancellation of debt disbursed before December 31, 2003 and still outstanding on July 1st, 2015 after the application of full HIPC assistance. MDRI debt cancellation from IDA would save Chad

average annual debt service (net of HIPC assistance) of US$17.6 million between 2015 and 2043. Total debt service savings from MDRI would amount to US$509 million.

72. **Debt relief from the AfDF**. AfDF would provide MDRI debt relief through a debt stock cancellation of debt disbursed before December 31, 2004, and still outstanding at the completion of the Initiative, after the application of full HIPC assistance. This would reduce what Chad owes to AfDF by US$236.0 million. MDRI debt cancellation from AfDF would save Chad average annual debt service (net of HIPC assistance) of US$6.0 million between 2015 and 2053.

73. **Debt relief from the IMF**. At the time of the HIPC completion point Chad had repaid all its MDRI-eligible debt and therefore will not qualify for MDRI assistance by the IMF.

74. **EU Special Debt Relief Initiative.** Through the Special Debt Relief Initiative, the EU will provide additional US$ 0.8 million in nominal terms as debt relief to Chad.

E. Debt Sustainability Outlook after HIPC and MDRI Assistance, 2014–33

75. **The debt sustainability outlook after HIPC and MDRI assistance is based on medium- and long-term macroeconomic assumptions that rely on a stable political and social situation and a sustained implementation of structural reforms in the fiscal and real sectors.** At the same time, however, macroeconomic assumptions are heavily influenced by the unfolding oil price shock in the short term and by exhausting oil resources barring new discoveries over the longer term. Long-term assumptions are based on the IMF's World Economic Outlook prices, recent trends, and information provided by the authorities on sectoral strategies. The projections are consistent with the medium-term macroeconomic framework under the ECF arrangement; the key assumptions are summarized in Box 2.

76. **After full delivery at the completion point of HIPC Initiative assistance, and additional bilateral assistance beyond HIPC and MDRI, Chad's external public debt would be considerably reduced and external debt indicators would improve (Table A7 and Figure A2)**. The staffs' projections indicate that the PV of debt-to-exports ratio remains well below the HIPC threshold of 150 percent over the entire projection period, reaching about 63.8 percent by 2033. Nominal debt service relief over the projected period would amount to US$ 1.0 billion, of which US$ 744.9 million would be related to the MDRI (Table A7).

77. **Chad's debt service ratios are projected to improve as well (Table A5 and Figure A2)**. After HIPC and MDRI assistance, the debt service-to-exports ratio is expected to drop from 19.0 percent at end-2014 to 9.0 percent at end-2015. It would subsequently rise to 12.9 percent by end-2017, before continuing on a downward trend, reaching 5.3 percent by the end of the projection period. Similarly, the debt service-to-revenue ratio is expected to decline from 34.2 percent at end-2014 to 18.6 percent at end-2015. By the end of the projection period, the debt service-to-revenue ratio is expected to reach 4.5 percent.

Box 2. Macroeconomic Assumptions for 2015–34

The baseline macroeconomic framework assumes a stable political and social situation and a sustained implementation of structural reforms in the fiscal and real sectors. At the same time, however, macroeconomic assumptions are heavily influenced by the unfolding oil price shock in the short term and by exhausting oil resources baring new discoveries over the longer term.

Real GDP growth. In the short term, real GDP growth rates are largely influenced by investments and production related to ongoing oil sector projects. It is important to stress that in the baseline scenario staffs only consider oil proven reserves and their associated investment and production plans. Despite significant potential for new discoveries, and consistent with the current oil price prospects, the assumption is that after peaking in 2019, oil production would fall steadily. Non-oil GDP growth will be negatively affected by a significant fiscal adjustment in 2015 and be limited to around 2 percent (versus almost 5 percent in previous projections). This slowdown is important, but non-oil GDP growth should remain positive, given that agriculture, which accounts for almost 30 percent of non-oil GDP, is expected to grow by around 5 percent in 2015 and that public expenditure cuts are focused on items (e.g., investment spending) with a high import content. Non-oil GDP growth will converge towards around 4.5 percent per year over the medium term, driven by agriculture, commerce, and public investment. Taken into account the decline in oil production, total real GDP growth would converge to around 3.8 percent over the medium term.

Inflation: In the context of a monetary union in the CEMAC region and a fixed exchange rate with the euro, the baseline scenario considers that the BEAC (regional central bank) has the means to keep inflation around its target of 3 percent per year.

Fiscal policy: Fiscal performance has continued to improve since the end of the internal conflict in 2010. Non-oil primary fiscal deficit (NOPD) declined from 20.1 percent of non-oil GDP in 2010 to 16.3 percent in 2014. The NOPD is projected to decline strongly over the next three years to an average of about 7.8 percent in response to the sharp oil price shock in 2014 and the corresponding fiscal adjustment. Over the medium term, the ongoing increase in oil production levels and some projected recovery in international oil prices should lead to important increases in oil-related income taxes, enabling the authorities to scale up public investment expenditure. The non-oil primary deficit would increase to about 14 percent of non-oil GDP over 2019-22, while allowing the accumulation of liquidity buffers amounting to about 3-4 months of domestically-financed spending. In fact, domestically-financed investment expenditure is projected to decline from 10.6 percent of GDP in 2010–14, to 4.8 percent of non-oil GDP in 2015, before gradually increasing to 12 percent of non-oil GDP by 2020. Current expenditure (excluding interest payments) would average 14 percent of non-oil GDP over 2015-20. The NOPD would gradually decline to 6 percent over the long term, reflecting both improvements in non-oil revenue performance and a decline in oil revenue driven investment expenditure.

External current account balance: The evolution of the external current account deficit will be driven by the current oil price shock. In that context, the current account is projected to deteriorate by 1.3 percent of GDP in 2015 to 10 percent of GDP. Thereafter, thanks to a steady increase in oil export volumes and values (averaging 30.2 percent of GDP over 2017-19), the external current account deficit would fall to an average of 3.8 percent of GDP over that period. After 2019, barring new oil discoveries, the external current account is projected to deteriorate steadily due to lower crude oil exports stabilizing at around 4.7 percent over the long run (2030-34). Non-oil sector imports are assumed to grow with non-oil GDP over the projection horizon, while oil sector imports would decrease over the medium to long-term in line with a declining foreign direct investment assumption.

External financing: In 2014, an oil sales advance loan of US$ 1.4 billion acquired by the national oil company SHT to finance the purchase of Chevron's 25 percent participation in Chad's largest oil sector consortium, resulted in a decline of the grant-element of new borrowing to -2.3 percent. This non-concessional loan arrangement, undertaken prior to the start of the ECF-supported program, was justified as a commercial operation to acquire a strategic income-generating asset. Under the ECF-supported program, external financing is assumed to be on concessional terms over the medium to long-terms mostly financed by disbursements from the IMF, WB, and AfDB and project agreements with the Islamic Development Bank, the European Union, and some non-traditional lenders such as Saudi Arabia.

Domestic financing: The domestic financing assumptions include a temporary suspension in reimbursements of BEAC's statutory advances in 2015 and a steady increase in the placement of domestic debt instruments from 2015 onwards, building on the successful introduction of treasury bills in late 2014.

Foreign direct investment: Due to the disinvestment by Chevron in 2014, foreign direct investments are estimated to have been negative in 2014 by as much as 5 percent of GDP. FDI is assumed to stabilize again in 2015-16 at around 5.6 percent of GDP amid planed drilling projects for which exportation licenses have been already obtained by oil sector participants such as CNPC and Glencore before they decline steadily to an average of 0.7 percent of GDP in 2024-34 in line with the assumption of maturing oil fields and amortized investments.

F. Sensitivity Analysis and Long-Term Debt Sustainability

78. **This section analyzes the impact on debt dynamics of two alternative scenarios: permanently lower price of oil; and lower reliance on grant financing** (Table A8 and Figure A3). Of the two shocks discussed at Decision Point the oil price shock is still relevant in the current lower oil price environment given that the Chadian economy is heavily dependent on oil exports. The oil price shock at the time of the Completion Point assumes a permanent 15 percent decline in oil prices from 2015 onwards throughout the end of the projection period (2034). Even with this lower oil price shock, which in turn translates to lower growth, government revenues and spending, the overall PV of debt-to-export ratio remains well below the HIPC threshold throughout the projection period gradually increasing to 103.3 percent in the outer years. The second shock scenario explores the sensitivity of the macro framework to a reduction in grant financing over the projection period. In this scenario, the reliance on grant financing is decreased over the time horizon reflecting an increase in both non-concessional and concessional financing across the projection period. The reliance on grant financing in the scenario (currently assumed at 78 percent under the baseline) is reduced to 60 percent in 2015 and reaching 45 percent (compared to 55 percent under the baseline) in the outer years. Even with this strong shock to the reliance on grant financing, the impact on the debt ratio's after the full delivery of HIPC, MDRI and beyond relief is minimal and the ratios remain steady and well below the HIPC thresholds till the end of the projection horizon.

79. **While debt sustainability will improve with debt relief, additional actions from the Government will further strengthen it.** The debt burden indicators deteriorate modestly under the shock scenarios compared to the baseline and stay below the HIPC thresholds for the entire projected period. The expected debt relief at the completion point strengthens the resilience of the country's debt indicators to shocks. However, it is still imperative that the government continues to strengthen debt management and maintains a conservative borrowing policy in addition to negotiating comparable relief from all relevant creditors. The government's commitment to maintain fiscal discipline and increase non-oil revenue, together with structural reform in key areas, would help to safeguard long-term debt sustainability. The LIC-DSA in Appendix II also considers further possible vulnerabilities from combined shocks to the macro framework.

IV. Conclusions

80. **In the view of the staffs of IDA and the IMF, Chad made satisfactory progress with meeting the requirements established in May 2001 for reaching the completion point under the enhanced HIPC Initiative**. Eleven of the fifteen triggers have been met, and another two satisfied the triggers' objectives. Notwithstanding capacity limitations and a fragile environment, good progress was made in achieving the objectives of the remaining two triggers. During the decade following the Decision Point, performance regarding the implementation of the PRSP was unsteady and PRGF-supported programs were never concluded. However, since the security situation improved in 2010, policy implementation has considerably improved. The PRSP has

been satisfactorily implemented in 2013. Macroeconomic stability has been restored and maintained, as evidenced by the satisfactory track record under the SMP in 2013 and the ECF-supported program during the second half of 2014, where most quantitative targets and performance criteria were met and there was good progress with structural reform.

81. **The required HIPC assistance in end-2000 PV terms remains unchanged from the decision point estimates.** As a result of the debt reconciliation exercise for the completion point, the PV of external debt has been revised downwards by US$ 0.96 million to US$565.5million, while the three year backward looking average of exports has been revised upwards to US$287.2 million. Even with these revisions, the committed relief remains US$170.1 million in accordance with the IMF/World Bank Boards' policy that assistance committed at the decision point shall not be revised downwards due to (i) changes in macroeconomic data not related to information provided by or at the behest of the authorities or (ii) when debt data revisions are minimal and do not warrant the downwards adjustment.

82. **The IDA and IMF staffs are of the view that Chad does not qualify for topping-up under the HIPC Initiative.**

83. **Full delivery of HIPC debt relief, additional bilateral assistance beyond HIPC, and MDRI, would considerably reduce Chad's external public debt.** Its risk of debt distress according to the Low-Income Country Debt Sustainability Analysis (LIC-DSA) will remain high though, with risks concentrated in the short run. Improvement in the quality of debt management, sound macroeconomic policies, improvements in the business environment, and export diversification will be crucial to achieving and maintaining a sustainable debt level.

84. **In light of the above, the staffs of IDA and IMF recommend that the Executive Directors determine that Chad has reached the completion point under the Enhanced HIPC Initiative.**

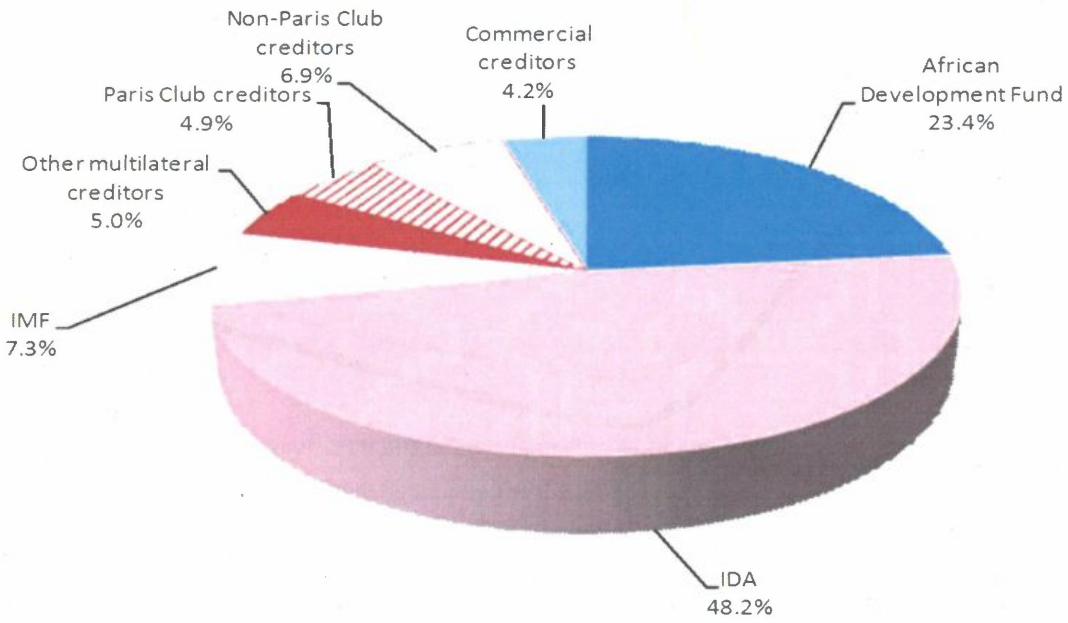
V. Issues for Discussions

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

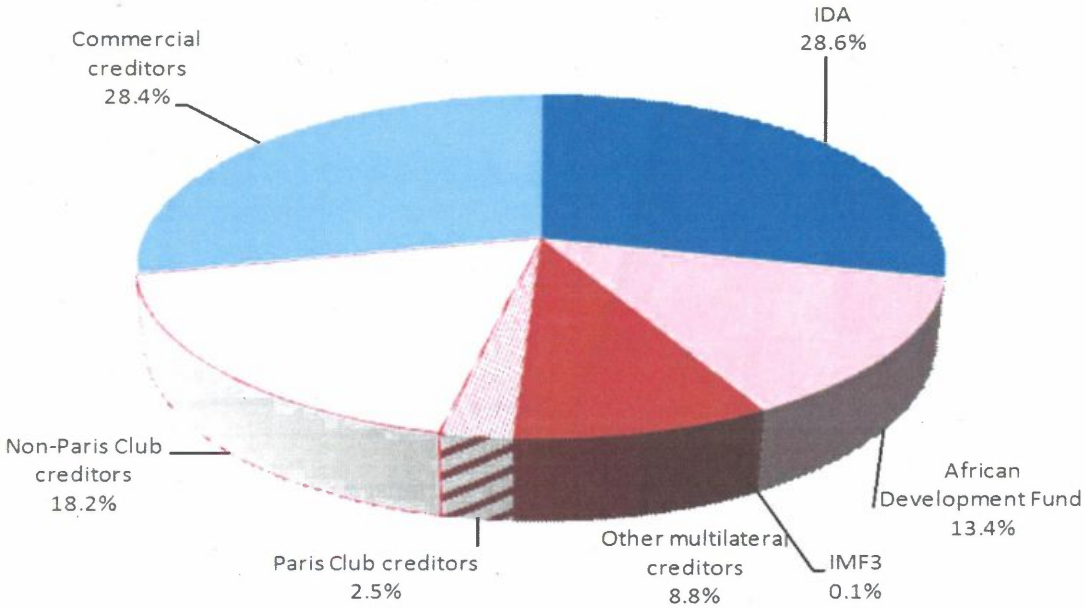
- **Completion point**. Do Directors agree that Chad has reached the completion point under the Enhanced HIPC Initiative?
- **Data Revision**. Do Directors agree with staffs' recommendation that the revised export data and the updated stock of debt in end-2000 PV terms do not warrant a revision in the proposed amount of HIPC assistance US$ 170.1 million in end-2000 PV terms?
- **HIPC assistance from the IMF**. Do IMF Directors agree that Chad qualifies for an amount of debt relief from the IMF equal to US$ 18.02 million or SDR 14.26 million in end-2000 PV terms?
- **Topping-up**. Do the Directors agree that Chad has not met the requirements for exceptional topping-up at the completion point?
- **Creditor Participation**. Do Directors agree that Chad's creditors have given sufficient assurances to irrevocably commit HIPC Initiative assistance to Chad?

Figure A1. Composition of External Debt by Creditor Groups, End-2000 and End-2013
(in percent of total)

(Nominal stock at end-2000: US$1064.3 million)

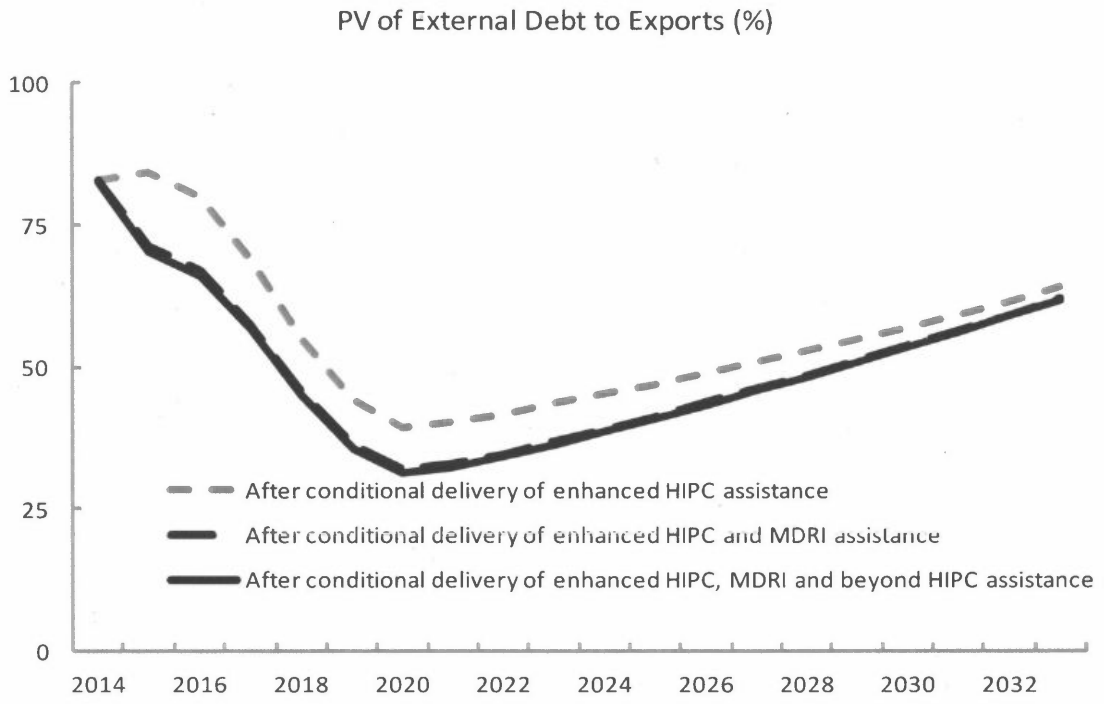


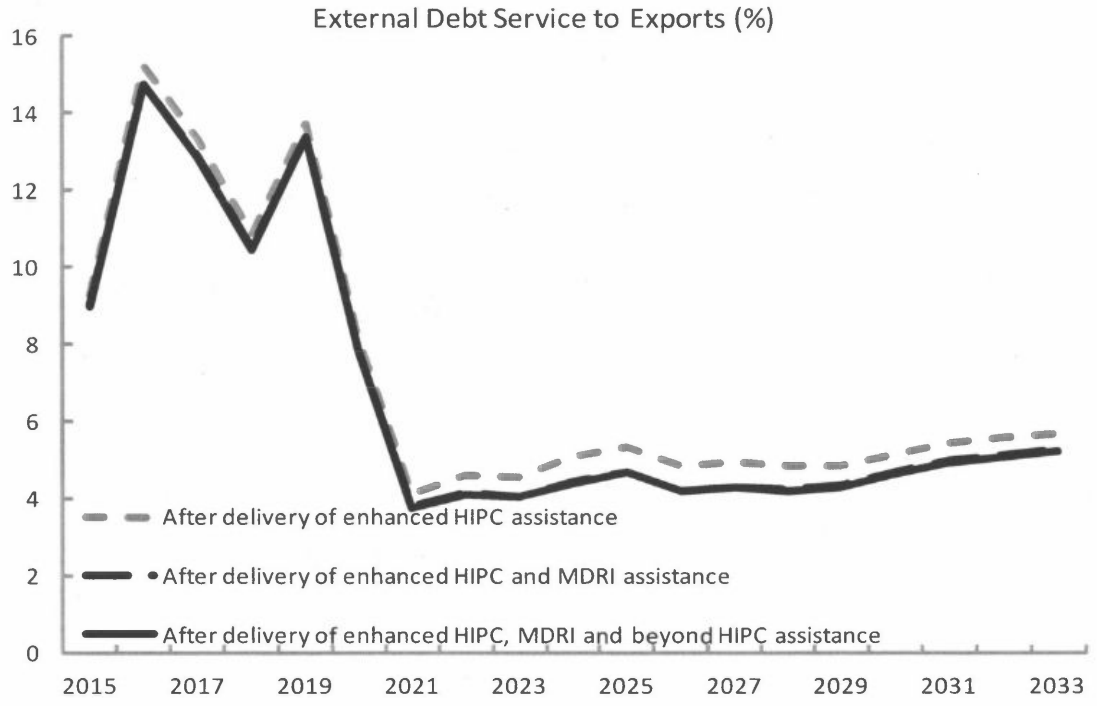
(Nominal stock at end-2013: US$2813.6 million)



Sources: Chadian authorities, and World Bank and IMF staff .

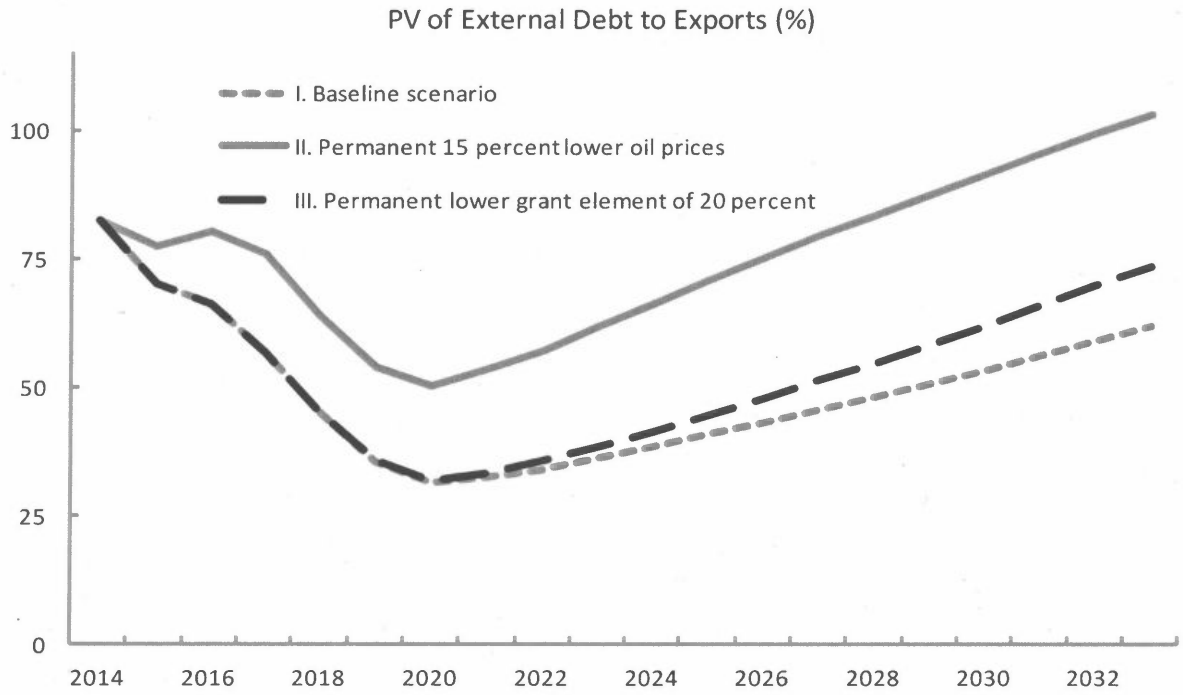
Figure A2. Chad: External Debt and Debt Service Indicators for Medium- and Long-Term Public Sector Debt, 2013–33

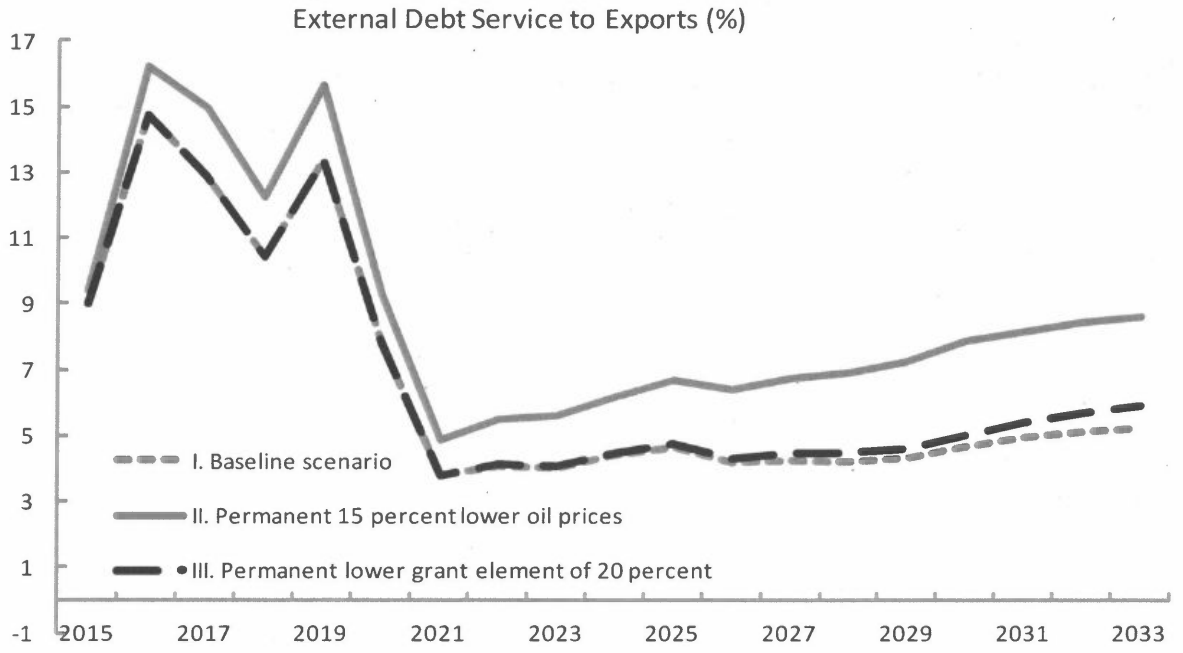




Sources: Chadian authorities, and World Bank and IMF staff estimates and projections.

Figure A3. Chad: Sensitivity of Long-Term Debt Sustainability after Shocks, 2013–33
(After full delivery of HIPC, MDRI and beyond HIPC relief)





Sources: Chadian authorities, and World Bank and IMF staff estimates and projections.

Table A1. Chad: Comparison of Discount Rate and Exchange Rate Assumptions

	2000		2013	
	Discount Rates[1] (in percent)	Exchange Rates[2] (currency per U.S. dollar)	Discount Rates[1] (in percent)	Exchange Rates[2] (currency per U.S. dollar)
Currency				
Austrian Shilling[4]	6.25	14.79	2.40	9.98
Canadian Dollar	7.00	1.50	3.06	1.06
CFA Franc[4]	6.25	704.95	2.40	475.64
Swiss Franc	5.33	1.64	1.69	0.89
Chinese Yuan[3]	6.09	8.28	2.60	6.10
Deutsche Mark[4]	6.25	2.10	2.40	1.42
Danish Krone	6.73	8.02	2.23	5.41
Spanish Peseta[4]	6.25	178.81	2.40	120.65
Euro	6.25	1.07	2.40	0.73
French Franc[4]	6.25	7.05	2.40	4.76
Great Britain Sterling	6.73	0.67	2.95	0.61
Italian Lira[4]	6.25	2,080.89	2.40	1,404.01
Japanese Yen	2.03	114.90	1.50	105.30
Kuwaiti Dinar[3]	6.09	0.31	2.60	0.28
Netherland Guilders[4]	6.25	2.37	2.40	1.60
Norwegian Krone	8.02	8.85	3.05	6.08
Special Drawing Rights	6.09	0.77	2.60	0.65
Saudi Riyal[3]	6.09	3.75	2.60	3.75
Swedish Krona	6.20	9.54	2.93	6.42
Russian Rouble[5]	7.19	0.60	2.90	0.60
United States Dollar	7.19	1.00	2.90	1.00

Source: European Central Bank; IMF, International Financial Statistics; OECD; and staff estimates.

[1] Average Commercial Interest Reference Rates for respective currencies over the six-month period prior to end-December 2000 and end December 2013 (i.e., the end of the period for which actual debt and export data are available).

[2] End-of-period exchange rates.

[3] Apply the discount rate for SDR.

[4] Apply the discount rate for EUR.

[5] Former Soviet Union Ruble. Apply the discount rate for USD.

Table A2. Chad: Revised Nominal Stocks and Net Present Value of Debt at Decision Point by Creditor Groups as of end-2000

	Nominal Debt Stock at End-2000				PV of Debt Before Rescheduling[2]				PV of Debt After Rescheduling[2]			
	At Decision Point		Revised At Completion Point		At Decision Point		Revised At Completion Point		At Decision Point		Revised At Completion Point	
	US$ million	Percent of total	US$ million	Percent of total	US$ million	Percent of total	US$ million	Percent of total	US$ million	Percent of total	US$ million	Percent of total
Total	1,066.5	100.0	1,064.3	100	587.3	100	583.7	100	566.4	100	565.5	100.0
Multilateral institutions	892.5	83.7	893.4	83.9	446.6	76.0	447.5	76.7	446.6	78.8	447.5	79.1
African Development Fund	248.7	23.3	248.6	23.4	122.8	20.9	122.8	21.0	122.8	21.7	122.8	21.7
BADEA	8.9	0.8	9.2	0.9	7.2	1.2	7.3	1.2	7.2	1.3	7.3	1.3
European Union	6.0	0.6	6.0	0.6	4.3	0.7	4.3	0.7	4.3	0.8	4.3	0.8
IDA	513.7	48.2	513.4	48.2	226.5	38.6	226.4	38.8	226.5	40.0	226.4	40.0
IFAD	10.9	1.0	10.9	1.0	5.0	0.9	5.2	0.9	5.0	0.9	5.2	0.9
IMF	78.1	7.3	78.1	7.3	59.9	10.2	59.9	10.3	59.9	10.6	59.9	10.6
Islamic Development Bank	10.6	1.0	11.6	1.1	8.1	1.4	8.7	1.5	8.1	1.4	8.7	1.5
OPEC Fund	15.6	1.5	15.5	1.5	12.8	2.2	13.0	2.2	12.8	2.3	13.0	2.3
Official bilateral and commercial	174.0	16.3	170.9	16.1	140.7	24.0	136.2	23.3	119.9	21.2	117.9	20.9
Paris Club	54.6	5.1	51.8	4.9	55.8	9.5	51.7	8.9	48.6	8.6	47.8	8.5
Post-cutoff date	14.4	1.3	14.4	1.3	11.7	2.0	11.3	1.9	11.7	2.1	11.3	2.0
Pre-cutoff date, *of which:*	40.3	3.8	37.4	3.5	44.2	7.5	40.4	6.9	37.0	6.5	36.5	6.5
ODA	-	-	-	-	-	-	-	-	-	-	-	-
Non-ODA	40.3	3.8	37.4	3.5	44.2	7.5	40.4	6.9	37.0	6.5	36.5	6.5
Of which:												
France	38.6	3.6	38.5	3.6	40.6	6.9	39.9	6.8	37.3	6.6	36.7	6.5
Germany	0.4	0.0	0.4	0.0	0.4	0.1	0.4	0.1	0.4	0.1	0.4	0.1
Italy	4.7	0.4	4.8	0.4	4.7	0.8	4.8	0.8	4.3	0.8	4.2	0.7
Netherlands	0.6	0.1	0.6	0.1	0.7	0.1	0.7	0.1	0.7	0.1	0.7	0.1
Russia	4.1	0.4	1.2	0.1	4.1	0.7	0.6	0.1	0.6	0.1	0.6	0.1
Spain	6.3	0.6	6.3	0.6	5.3	0.9	5.3	0.9	5.3	0.9	5.3	0.9
Non-Paris Club Official Bilateral	74.2	7.0	73.9	6.9	52.4	8.9	52.1	8.9	38.8	6.9	37.7	6.7
Of which:												
Cameroon	0.3	0.0	0.3	0.0	0.3	0.1	0.3	0.1	0.1	0.0	0.1	0.0
China	37.3	3.5	37.3	3.5	24.8	4.2	24.8	4.3	11.7	2.1	11.7	2.1
Cote D'Ivoire	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Israel	0.3	0.0	0.3	0.0	0.3	0.0	0.3	0.0	0.2	0.0	0.2	0.0
Kuwait	21.8	2.0	21.6	2.0	17.1	2.9	16.9	2.9	17.1	3.0	16.9	3.0
Saudi Arabia	14.2	1.3	14.2	1.3	9.7	1.6	9.6	1.6	9.7	1.7	8.8	1.6
Senegal	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Togo	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Commercial[3]	45.2	4.2	45.2	4.2	32.5	5.5	32.4	5.6	32.4	5.7	32.4	5.7

Sources: Chadian authorities, and World Bank and IMF staff estimates.

[1] Including arrears. Information based on latest data available at completion point.

[2] Stock of debt operation on Naples terms from official bilateral and commercial creditors.

[3] The increase in the commercial debt stock is due to the reclassification of debt from Taiwan, China as commercial debt.

Table A3. Chad: Nominal and Present Value of External Debt outstanding at End-December 2013

(In millions of $, unless otherwise indicated)

	Legal Situation[2]				Present Value of Debt[4]		
	Nominal Debt	Percent of total	PV of debt	Percent of total	After enhanced HIPC relief	After additional bilateral relief	After additional bilateral relief (In percent of total debt)
Total	2,833.4	100.0	2,642.8	100.0	2,403.4	2,360.1	100.0
Multilateral institutions	1,441.9	50.9	1,170.7	44.3	1,008.0	1,008.0	42.7
African Development Fund	379.2	13.4	305.4	11.6	250.9	250.9	10.6
BADEA	56.6	2.0	47.0	1.8	38.8	38.8	1.6
European Union	5.4	0.2	5.4	0.2	5.4	5.4	0.2
IDA	810.2	28.6	651.5	24.7	552.7	552.7	23.4
IFAD	30.1	1.1	23.9	0.9	18.1	18.1	0.8
IMF[3]	1.9	0.1	1.9	0.1	7.8	7.8	0.3
Islamic Development Bank	128.2	4.5	106.5	4.0	105.151	105.2	4.5
OPEC Fund	30.3	1.1	29.0	1.1	29.0	29.0	1.2
Official bilateral and commercial	1,391.6	49.1	1,472.1	55.7	1,395.5	1,352.1	57.3
Paris Club[5]	71.1	2.5	73.8	2.8	43.4	0.0	0.0
Post-cutoff date	3.5	0.1	3.4	0.1	...	...	...
Pre-cutoff date	67.9	2.4	70.3	2.7	...	...	...
ODA	0.3	0.0	0.0	0.0	...	...	...
Non-ODA	67.6	2.4	70.3	2.7	...	...	...
By country:							
France	65.3	2.3	67.6	2.6	...	...	...
Germany	0.3	0.0	0.4	0.0	...	...	...
Italy	3.6	0.1	4.0	0.1	...	...	...
Netherlands	0.5	0.0	0.6	0.0	...	...	...
Russia	1.2	0.0	1.2	0.0	...	...	...
Spain	0.1	0.0	0.1	0.0	...	...	...
Other official bilateral[6]	517.0	18.2	477.0	18.0	455.5	455.5	19.3
Cameroon	0.0	0.0	0.0	0.0	0.0	0.0	0.0
China	201.8	7.1	185.3	7.0	177.1	177.1	7.5
Cote D'Ivoire	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	38.4	1.4	35.8	1.4	35.8	35.8	1.5
Israel	0.3	0.0	0.3	0.0	0.0	0.0	0.0
Kuwait	10.4	0.4	9.9	0.4	0.0	0.0	0.0
Libya	262.5	9.3	242.6	9.2	242.6	242.6	10.3
Saudi Arabia	3.6	0.1	3.1	0.1	0.0	0.0	0.0
Senegal	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Togo	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial[7]	803.4	28.4	921.3	34.9	896.6	896.6	38.0

Sources: Chadian authorities, and World Bank and IMF staff estimates.

[1] Figures are based on data as of end-2013.

[2] Includes Cologne flow from the Paris Club and interim relief from non-Paris Club creditors.

[3] The remaining share of IMF enhance HIPC relief will be provided on the new ECF disbursement made in 2014, since the outstanding stock of debt as at end 2013 was smaller than the debt relief to be provided.

[4] Assumes full delivery of HIPC assistance as of end-2013.

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

[6] New loans were signed with China, India, Kuwait and Libya in the interim period. Some loans from India and Kuwait are yet to be disbursed and hence are not included as part of outstanding stock.

[7] Commercial debt includes new debt signed in the interim period with Glencore and CNPC.

Table A4. Chad: Revised Nominal and Present Value of Debt at Decision Point by Creditor Groups as of end-2000[1]

(In millions of U.S. dollars in end-June 2000 PV terms, unless otherwise indicated)[2]

	Debt Outstanding[3,4] (PV terms) end-2000 (A)		Debt Outstanding (PV terms) Post-HIPC (B)		Reduction of the PV of Debt due to HIPC (A-B)[5]	
	At decision point	Revised at completion point	At decision point	Revised at completion point	At decision point	Revised at completion point
Total	566.4	565.5	396.3	430.7	170.1	134.7
(as percent of exports)	214.4	196.9	150.0	150.0	64.4	46.9
of which:						
Multilateral	446.6	447.5	312.4	340.9	134.1	106.6
Bilateral and Commercial	119.9	117.9	83.9	89.8	36.0	28.1
Paris Club	48.6	47.8	34.0	36.4	14.6	11.4
Other Official Bilateral	38.8	37.7	27.2	28.7	11.7	9.0
Commercial	32.4	32.4	22.7	24.7	9.7	7.7
Memorandum Items:						
Common reduction factor (percent)[3]	30.0	23.8				
3-year exports average (millions of USD)[6]	264.2	287.2				

Sources: Chadian authorities, and World Bank and IMF staff estimates.

[1] Assumes proportional burden-sharing as described in "HIPC Initiative: Estimated Costs and Burden-Sharing Approaches" (EBS/97/127, 7/7/97, and IDA/SEC M97-306, 7/7/97), that is, after full application of traditional debt relief mechanisms.

[2] Using six-month backward-looking discount rates at end-December 2000, and end-2000 exchange rates.

[3] After a hypothetical stock-of-debt operation on Naples terms at end-2000.

[4] Based on the latest data available at the completion point after full application of tradi

[5] As the downward adjustment in the estimated debt relief mainly arises from the upward revision to exports data, the amount of HIPC relief determined at the decision point will be used with burden-sharing according to the shares of each creditor in the PV of debt determined at the completion point debt reconciliation. See "Information Reporting in the Context of the HIPC Initiative Assistance", IDA/SecM2002-0131 and EBS/02/36 (April 2002).

[6] Based on the latest annual data on the three-year average of exports of goods and nonfactor services at the Decision Point (1998–00).

Table A5. Chad: External Debt Service
(In millions of U.S. dollars, unless otherwise indicated)

	Projections									Annual Averages	
	2014	2015	2016	2017	2018	2023	2028	2033	2034	2014–23	2024-34
I. After traditional debt-relief mechanisms[1]											
Total	862.2	407.9	667.2	648.8	629.5	332.6	340.8	433.7	454.0	568.8	379.9
Existing debt	419.0	171.1	173.0	172.1	168.0	137.8	77.9	46.7	43.1	202.0	78.0
Multilateral	66.4	66.6	65.0	65.0	66.0	75.9	63.1	46.6	43.0	69.1	58.9
World Bank	33.4	35.0	35.5	35.9	36.1	41.9	38.2	28.9	26.1	37.1	35.4
IMF	1.3	0.6	0.0	0.0	0.0	4.1	0.0	0.0	0.0	1.9	0.4
AfDB Group	12.7	12.9	13.1	13.4	14.3	15.6	14.7	14.1	14.0	14.2	14.7
Other multilateral	19.0	18.0	16.4	15.6	15.7	14.3	10.2	3.5	2.8	16.0	8.4
Official bilateral	352.6	104.5	108.0	107.1	101.9	61.8	14.8	0.1	0.1	132.9	19.0
Paris Club	6.2	6.6	6.8	7.1	2.1	0.2	0.3	0.0	0.0	3.2	0.2
Other official bilateral	20.9	24.2	44.7	45.9	47.0	42.7	14.6	0.1	0.1	40.3	15.3
Commercial	325.6	73.7	56.5	54.2	52.8	18.9	0.0	0.0	0.0	89.4	3.6
New debt	443.2	236.7	494.2	476.7	461.5	194.8	262.9	387.0	410.9	366.7	302.0
Debt service-to-exports ratio	19.2	9.9	16.0	14.0	11.3	4.8	4.8	5.6	5.7	10.7	5.2
Debt service-to-revenue ratio	34.6	20.4	27.7	23.1	15.7	6.4	5.4	4.8	4.6	17.2	5.5
II. After enhanced HIPC assistance											
Total	853.3	383.8	635.9	616.8	601.9	315.4	342.7	437.2	458.1	544.8	381.3
Existing debt	410.1	147.0	141.8	140.1	140.3	120.6	79.8	50.2	47.2	178.0	79.3
Multilateral	66.4	50.6	42.0	41.5	41.9	59.4	62.7	45.9	42.5	49.5	58.2
World Bank	33.4	24.3	22.7	22.9	22.9	29.0	38.2	28.9	26.1	25.6	35.4
IMF[2]	1.3	0.6	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.8	0.1
AfDB Group	12.7	8.3	4.0	4.0	4.4	15.6	14.7	14.1	14.0	8.0	14.7
Other multilateral	19.0	17.3	15.4	14.6	14.6	13.3	9.8	2.9	2.3	15.1	7.9
Official bilateral	343.7	96.4	99.7	98.6	98.4	61.2	17.0	4.3	4.8	128.5	21.2
Paris Club	1.6	1.6	1.6	1.6	1.6	1.5	2.5	4.3	4.8	1.4	3.0
Other official bilateral	18.9	23.5	44.0	45.1	46.3	42.6	14.5	0.0	0.0	39.8	15.3
Commercial	323.2	71.4	54.1	51.9	50.6	17.1	0.0	0.0	0.0	87.3	2.9
New debt	443.2	236.7	494.2	476.7	461.5	194.8	262.9	387.0	410.9	366.7	302.0
Debt service-to-exports ratio	19.0	9.3	15.2	13.3	10.8	4.5	4.8	5.7	5.8	10.3	5.2
Debt service-to-revenue ratio	34.2	19.2	26.4	22.0	15.0	6.1	5.4	4.8	4.7	16.5	5.5
Reduction in debt service as a result of											
HIPC Initiative assistance[3]	8.9	24.1	31.3	32.0	27.6	17.2	...	...	...	24.0	2.6
III. After enhanced HIPC and MDRI assistance											
Total	853.3	373.7	616.0	597.1	581.9	282.9	302.5	406.6	430.2	525.1	344.0
Existing debt	410.1	136.9	121.9	120.4	120.4	88.1	39.6	19.5	19.3	158.3	42.0
Multilateral	66.4	40.5	22.2	21.7	22.0	27.0	22.6	15.2	14.6	29.8	20.9
World Bank	33.4	15.8	5.4	5.4	5.4	8.9	9.3	9.0	8.9	10.1	9.4
IMF	1.3	0.6	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.8	0.1
AfDB Group	12.7	7.2	1.8	1.7	2.0	3.2	3.5	3.4	3.4	3.9	3.4
Other multilateral[4]	19.0	16.9	15.0	14.6	14.6	13.3	9.8	2.9	2.3	15.0	7.9
Official bilateral	343.7	96.4	99.7	98.6	98.4	61.2	17.0	4.3	4.8	128.5	21.2
Paris Club	1.6	1.6	1.6	1.6	1.6	1.5	2.5	4.3	4.8	1.4	3.0
Other official bilateral	18.9	23.5	44.0	45.1	46.3	42.6	14.5	0.0	0.0	39.8	15.3
Commercial	323.2	71.4	54.1	51.9	50.6	17.1	0.0	0.0	0.0	87.3	2.9
New debt	443.2	236.7	494.2	476.7	461.5	194.8	262.9	387.0	410.9	366.7	302.0
Debt service-to-exports ratio	19.0	9.0	14.8	12.9	10.5	4.1	4.2	5.3	5.4	9.9	4.7
Debt service-to-revenue ratio	34.2	18.6	25.6	21.3	14.5	5.4	4.8	4.5	4.4	16.0	4.9
Reduction in debt service as a result of											
MDRI assistance[4]	0.0	10.1	19.9	19.7	19.9	32.4	40.1	30.7	27.9	19.7	37.3

Table A5 (continued). Chad: External Debt Service
(In millions of U.S. dollars, unless otherwise indicated)

	Projections									Annual Averages	
	2014	2015	2016	2017	2018	2023	2028	2033	2034	2014–23	2024-34
IV. After enhanced HIPC, MDRI and bilateral beyond HIPC assistance[5]											
Total	851.7	372.0	614.4	595.5	580.3	281.5	300.0	402.3	425.4	523.6	341.0
Existing debt	408.5	135.3	120.3	118.8	118.8	86.7	37.1	15.2	14.6	156.9	39.1
Multilateral	66.4	40.5	22.2	21.7	22.0	27.0	22.6	15.2	14.6	29.8	20.9
World Bank	33.4	15.8	5.4	5.4	5.4	8.9	9.3	9.0	8.9	10.1	9.4
IMF	1.3	0.6	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.8	0.1
AfDB Group	12.7	7.2	1.8	1.7	2.0	3.2	3.5	3.4	3.4	3.9	3.4
Other multilateral	19.0	16.9	15.0	14.6	14.6	13.3	9.8	2.9	2.3	15.0	7.9
Official bilateral	342.1	94.8	98.1	97.1	96.9	59.7	14.5	0.0	0.0	127.1	18.2
Paris Club	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other official bilateral	18.9	23.5	44.0	45.1	46.3	42.6	14.5	0.0	0.0	39.8	15.3
Commercial	323.2	71.3	54.1	51.9	50.6	17.1	0.0	0.0	0.0	87.3	2.9
New debt	443.2	236.7	494.2	476.7	461.5	194.8	262.9	387.0	410.9	366.7	302.0
Debt service-to-exports ratio	19.0	9.0	14.7	12.9	10.4	4.0	4.2	5.2	5.4	9.9	4.7
Debt service-to-revenue ratio	34.2	18.6	25.5	21.2	14.4	5.4	4.7	4.4	4.3	16.0	4.9
Memorandum items:											
Exports of goods & services (3-year mvg. avg.)[6]	4,492.7	4,132.1	4,170.3	4,631.4	5,553.9	6,962.6	7,126.3	7,732.6	7,912.9	5,712.3	7,292.5
Government revenue[7]	2,492.5	2,003.8	2,408.0	2,804.5	4,017.6	5,200.2	6,343.2	9,105.4	9,848.4	3,839.9	7,122.2

Sources: Chadian authorities, and World Bank and IMF staff estimates and projections.

[1] Assumes a stock-of-debt operation on Naples terms (67 percent PV reduction) as of end of 2013, and at least comparable action by other official bilateral and commercial creditors.

[2] IMF HIPC relief is partially provided on the new ECF loan disbursed in 2014. This shows as an increase in debt service payments after enhance HIPC assisstance.

[3] The reduction is measured as the difference between the projected debt service after full use of traditional debt relief and debt service after the application of HIPC relief.

[4] The reduction is measured as the difference between the projected debt service after application of HIPC relief and after application of MDRI relief and EU Special Debt Relief Initiative. All values are expressed in 2013 Completion Point terms.

[5] Includes additional debt relief provided on a voluntary basis by the Paris Club beyond the requirements of the enhanced HIPC framework as specified in Table 12A.

[6] As defined in IMF, Balance of Payments Manual, 5th edition, 1993.

[7] Revenue is defined as central government revenue, excluding grants.

Table A6. Chad: Present Value of External Debt[1]
(In millions of U.S. dollars, unless otherwise indicated)

		Projections									Annual Averages	
	2013	2014	2015	2016	2017	2018	2019	2024	2025	2033	2014–23	2024-33
I. After traditional debt-relief mechanisms[2]												
PV of total debt	2,559.3	3,691.7	3,665.0	3,482.7	3,316.6	3,171.3	2,910.2	3,122.2	3,233.0	4,940.0	3,173.3	3,912.3
PV of outstanding debt	2,559.3	2,160.9	2,047.6	1,929.3	1,808.7	1,689.0	1,421.6	834.6	727.4	272.2	1,554.3	504.7
Multilateral	1,187.1	1,150.7	1,113.1	1,076.2	1,038.4	998.5	957.2	693.1	639.3	269.5	965.8	468.6
World Bank	651.5	635.1	616.6	597.2	576.9	555.8	534.1	396.0	363.8	138.9	539.5	260.7
IMF	18.3	17.5	17.3	17.7	18.2	18.7	19.1	0.0	0.0	0.0	14.8	0.0
AfDB Group	305.4	299.5	293.2	286.6	279.6	271.5	262.9	213.9	203.1	116.0	265.1	165.4
Other multilateral	211.9	198.7	186.0	174.6	163.7	152.5	141.2	83.3	72.5	14.5	146.3	42.6
Official bilateral and commercial	1,372.2	1,010.2	934.5	853.1	770.3	690.5	464.4	141.4	88.0	2.7	588.6	36.1
Paris Club	30.6	25.1	19.1	12.7	6.0	4.0	2.1	1.4	1.2	0.0	7.6	0.5
Other official bilateral	462.3	454.4	443.0	410.8	376.5	340.2	304.2	119.9	83.7	2.6	318.1	33.0
Commercial	879.4	530.7	472.3	429.6	387.9	346.3	158.0	20.2	3.2	0.0	262.9	2.5
PV of new borrowing		1,530.8	1,617.3	1,553.4	1,507.9	1,482.3	1,488.6	2,287.6	2,505.6	4,667.8	1,619.0	3,407.7
II. After conditional delivery of enhanced HIPC assistance[3]												
PV of total debt	2,584.9	3,721.0	3,489.5	3,334.0	3,196.0	3,075.1	2,838.2	3,140.8	3,253.5	4,956.5	3,109.4	3,933.3
PV of outstanding debt	2,584.9	2,190.2	1,872.2	1,780.6	1,688.1	1,592.8	1,349.6	853.2	747.9	288.6	1,490.4	525.6
Multilateral	1,187.1	1,150.7	940.8	922.5	904.3	885.2	865.2	684.0	630.9	266.7	884.0	462.7
World Bank	651.5	635.1	523.2	514.2	504.8	495.0	484.9	396.0	363.8	138.9	496.2	260.7
IMF	18.3	17.5	6.3	6.4	6.6	6.8	6.9	0.0	0.0	0.0	6.5	0.0
AfDB Group	305.4	299.5	240.8	242.2	243.5	244.5	245.1	213.9	203.1	116.0	246.5	165.4
Other multilateral	211.9	198.7	170.5	159.7	149.4	138.9	128.3	74.1	64.0	11.8	134.8	36.7
Official bilateral and commercial	1,397.8	1,039.5	931.3	858.1	783.8	707.6	484.4	169.2	117.0	21.9	606.4	62.9
Paris Club	56.9	54.6	40.2	39.6	39.0	38.3	37.7	36.7	36.0	21.9	39.9	31.0
Other official bilateral	461.8	454.5	438.6	407.0	373.4	337.6	301.7	117.2	81.0	0.0	315.4	30.3
Commercial	879.1	530.4	452.5	411.5	371.5	331.6	145.0	15.4	0.0	0.0	251.1	1.5
PV of new borrowing		1,530.8	1,617.3	1,553.4	1,507.9	1,482.3	1,488.6	2,287.6	2,505.6	4,667.8	1,619.0	3,407.7
III. After unconditional delivery of enhanced HIPC assistance[4]												
PV of total debt	2,362.8	3,499.1	3,491.4	3,335.9	3,197.9	3,077.0	2,840.1	3,141.6	3,254.0	4,952.0	3,088.8	3,931.9
PV of outstanding debt	2,362.8	1,968.2	1,874.0	1,782.5	1,690.0	1,594.7	1,351.5	854.0	748.4	284.2	1,469.8	524.2
Multilateral	1,008.0	967.0	940.8	922.5	904.3	885.2	865.2	684.0	630.9	266.7	865.7	462.7
World Bank	552.7	533.7	523.2	514.2	504.8	495.0	484.9	396.0	363.8	138.9	486.1	260.7
IMF	7.8	6.7	6.3	6.4	6.6	6.8	6.9	0.0	0.0	0.0	5.4	0.0
AfDB Group	250.9	243.7	240.8	242.2	243.5	244.5	245.1	213.9	203.1	116.0	240.9	165.4
Others	196.6	182.9	170.5	159.7	149.4	138.9	128.3	74.1	64.0	11.8	133.3	36.7
Official bilateral and commercial	1,354.9	1,001.2	933.2	860.0	785.7	709.5	486.3	170.0	117.5	17.5	604.1	61.5
Paris Club	43.4	42.7	42.1	41.5	40.8	40.2	39.6	37.5	36.5	17.5	40.3	29.6
Other official bilateral	455.5	449.4	438.6	407.0	373.4	337.6	301.7	117.2	81.0	0.0	314.9	30.3
Commercial	856.0	509.1	452.5	411.5	371.5	331.6	145.0	15.4	0.0	0.0	249.0	1.5
PV of new borrowing		1,530.8	1,617.3	1,553.4	1,507.9	1,482.3	1,488.6	2,287.6	2,505.6	4,667.8	1,619.0	3,407.7
IV. After conditional delivery of enhanced HIPC and MDRI assistance												
PV of total debt	2,584.9	3,721.0	2,949.9	2,800.5	2,668.9	2,554.9	2,325.3	2,719.2	2,866.1	4,807.7	2,652.9	3,655.2
PV of outstanding debt	2,584.9	2,190.2	1,332.6	1,247.0	1,161.0	1,072.6	836.6	431.6	360.4	139.8	1,033.9	247.5
Multilateral	1,187.1	1,150.7	401.2	389.0	377.2	364.9	352.2	262.3	243.4	117.9	427.5	184.6
World Bank	651.5	635.1	151.4	149.9	148.4	146.9	145.3	123.8	117.0	61.5	192.5	93.2
IMF	18.3	17.5	6.3	6.4	6.6	6.8	6.9	0.0	0.0	0.0	6.5	0.0
AfDB Group	305.4	299.5	73.1	72.9	72.8	72.4	71.7	64.5	62.4	44.6	93.7	54.7
Others [6]	211.9	198.7	170.5	159.7	149.4	138.9	128.3	74.1	64.0	11.8	134.8	36.7
Official bilateral and commercial	1,397.8	1,039.5	931.3	858.1	783.8	707.6	484.4	169.2	117.0	21.9	606.4	62.9
Paris Club	56.9	54.6	40.2	39.6	39.0	38.3	37.7	36.7	36.0	21.9	39.9	31.0
Other official bilateral	461.8	454.5	438.6	407.0	373.4	337.6	301.7	117.2	81.0	0.0	315.4	30.3
Commercial	879.1	530.4	452.5	411.5	371.5	331.6	145.0	15.4	0.0	0.0	251.1	1.5
PV of new borrowing		1,530.8	1,617.3	1,553.4	1,507.9	1,482.3	1,488.6	2,287.6	2,505.6	4,667.8	1,619.0	3,407.7
V. After conditional delivery of enhanced HIPC and MDRI assistance and bilateral beyond HIPC assistance[5]												
PV of total debt	2,578.5	3,715.9	2,909.7	2,760.8	2,629.9	2,516.5	2,287.6	2,682.5	2,830.0	4,785.7	2,618.0	3,624.2
PV of outstanding debt	2,578.5	2,185.1	1,292.3	1,207.4	1,122.1	1,034.2	798.9	394.9	324.4	117.9	999.0	216.5
Multilateral	1,187.1	1,150.7	401.2	389.0	377.2	364.9	352.2	262.3	243.4	117.9	427.5	184.6
World Bank	651.5	635.1	151.4	149.9	148.4	146.9	145.3	123.8	117.0	61.5	192.5	93.2
IMF	18.3	17.5	6.3	6.4	6.6	6.8	6.9	0.0	0.0	0.0	6.5	0.0
AfDB Group	305.4	299.5	73.1	72.9	72.8	72.4	71.7	64.5	62.4	44.6	93.7	54.7
Others	211.9	198.7	170.1	159.7	149.4	138.9	128.3	74.1	64.0	11.8	134.8	36.7
Official bilateral and commercial	1,391.4	1,034.4	891.1	818.5	744.8	669.3	446.7	132.6	81.0	0.0	571.4	31.9
Paris Club	56.9	54.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.5	0.0
Other official bilateral	455.5	449.4	438.6	407.0	373.4	337.6	301.7	117.2	81.0	0.0	314.9	30.3
Commercial	879.1	530.4	452.5	411.5	371.5	331.6	145.0	15.4	0.0	0.0	251.1	1.5
PV of new borrowing		1,530.8	1,617.3	1,553.4	1,507.9	1,482.3	1,488.6	2,287.6	2,505.6	4,667.8	1,619.0	3,407.7

Table A6 (continued). Chad: Present Value of External Debt[1]
(In millions of U.S. dollars, unless otherwise indicated)

		Projections									Annual Averages	
	2013	2014	2015	2016	2017	2018	2019	2024	2025	2033	2014–23	2024-33
V. After conditional delivery of enhanced HIPC and MDRI assistance and bilateral beyond HIPC assistance[5]												
PV of total debt	2,578.5	3,715.9	2,909.7	2,760.8	2,629.9	2,516.5	2,287.6	2,682.5	2,830.0	4,785.7	2,618.0	3,624.2
PV of outstanding debt	2,578.5	2,185.1	1,292.3	1,207.4	1,122.1	1,034.2	798.9	394.9	324.4	117.9	999.0	216.5
Multilateral	1,187.1	1,150.7	401.2	389.0	377.2	364.9	352.2	262.3	243.4	117.9	427.5	184.6
World Bank	651.5	635.1	151.4	149.9	148.4	146.9	145.3	123.8	117.0	61.5	192.5	93.2
IMF	18.3	17.5	6.3	6.4	6.6	6.8	6.9	0.0	0.0	0.0	6.5	0.0
AfDB Group	305.4	299.5	73.1	72.9	72.8	72.4	71.7	64.5	62.4	44.6	93.7	54.7
Others	211.9	198.7	170.1	159.7	149.4	138.9	128.3	74.1	64.0	11.8	134.8	36.7
Official bilateral and commercial	1,391.4	1,034.4	891.1	818.5	744.8	669.3	446.7	132.6	81.0	0.0	571.4	31.9
Paris Club	56.9	54.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.5	0.0
Other official bilateral	455.5	449.4	438.6	407.0	373.4	337.6	301.7	117.2	81.0	0.0	314.9	30.3
Commercial	879.1	530.4	452.5	411.5	371.5	331.6	145.0	15.4	0.0	0.0	251.1	1.5
PV of new borrowing		1,530.8	1,617.3	1,553.4	1,507.9	1,482.3	1,488.6	2,287.6	2,505.6	4,667.8	1,619.0	3,407.7
Memorandum items:												
VI. After unconditional delivery of enhanced HIPC and bilateral beyond HIPC assistance												
PV of total debt	2,319.5	3,456.3	3,449.3	3,294.4	3,157.0	3,036.8	2,800.5	3,104.2	3,217.5	4,934.6	3,048.5	3,902.3
PV of outstanding debt	2,319.5	1,925.5	1,831.9	1,741.0	1,649.2	1,554.5	1,311.9	816.5	711.9	266.7	1,429.5	494.6
Multilateral	1,008.0	967.0	940.8	922.5	904.3	885.2	865.2	684.0	630.9	266.7	865.7	462.7
Official bilateral and commercial	1,311.5	958.5	891.1	818.5	744.8	669.3	446.7	132.6	81.0	0.0	563.8	31.9
Paris Club	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other official bilateral	455.5	449.4	438.6	407.0	373.4	337.6	301.7	117.2	81.0	0.0	314.9	30.3
Commercial	856.0	509.1	452.5	411.5	371.5	331.6	145.0	15.4	0.0	0.0	249.0	1.5
PV of new borrowing		1,530.8	1,617.3	1,553.4	1,507.9	1,482.3	1,488.6	2,287.6	2,505.6	4,667.8	1,619.0	3,407.7

Sources: Chadian authorities, and World Bank and IMF staff estimates and projections.

[1] Refers to public and publicly guaranteed external debt only and is discounted on the basis of the average commercial interest reference rate for the respective currency, derived over the six-month period prior to the latest date for which actual data are available (December 2013, see Table A1).

[2] Assumes a stock-of-debt operation on Naples terms (67 percent PV reduction) as of end-2013, and at least comparable action by other official bilateral and commercial creditors.

[3] Assumes interim relief under the enhanced HIPC Initiative from December 2000 to December 2013 and full delivery of assistance at Completion Point.

[4] Assumes full delivery of estimated HIPC initiative debt relief.

[5] Includes additional debt relief provided on a voluntary basis by the Paris Club beyond the requirements of the enhanced HIPC framework as specified on Table A12.

[6] Includes additional debt relief provided by the EU Special Debt Relief Initiative.

Table A7. Chad: Key External Debt Indicators, 2013–33
(In millions of U.S. dollars, unless otherwise indicated)

		Projections									Annual Averages	
	2013	2014	2015	2016	2017	2018	2019	2024	2029	2033	2014–23	2024-33
I. After traditional debt-relief mechanisms												
PV of debt-to-GDP ratio	19.8	26.5	30.5	25.9	21.5	18.8	15.7	13.1	12.4	12.2	18.8	12.4
PV of debt-to-exports ratio[1]	54.7	82.2	88.7	83.5	71.6	57.1	45.5	44.9	54.5	63.9	58.1	54.9
PV of debt-to-exports ratio (existing debt only)[1]	54.7	48.1	49.6	46.3	39.1	30.4	22.2	12.0	6.2	3.5	28.4	6.5
PV of debt-to-revenue ratio[2]	95.0	148.1	182.9	144.6	118.3	78.9	63.0	57.6	58.0	54.3	93.0	57.4
Debt service-to-exports ratio[1]	...	19.2	9.9	16.0	14.0	11.3	14.1	5.1	4.8	5.6	10.2	5.1
Debt service-to-revenue ratio[2]	...	34.6	20.4	27.7	23.1	15.7	19.6	6.6	5.1	4.8	16.3	5.4
II. After conditional delivery of enhanced HIPC assistance												
PV of debt-to-GDP ratio	20.0	26.7	29.0	24.8	20.7	18.2	15.3	13.2	12.5	12.2	18.4	12.5
PV of debt-to-exports ratio[1]	55.3	82.8	84.4	79.9	69.0	55.4	44.4	45.2	54.9	64.1	56.9	55.2
PV of debt-to-exports ratio (existing debt only)[1]	55.3	48.8	45.3	42.7	36.4	28.7	21.1	12.3	6.5	3.7	27.2	6.8
PV of debt-to-revenue ratio[2]	95.9	149.3	174.1	138.5	114.0	76.5	61.4	57.9	58.4	54.4	90.9	57.7
Debt service-to-exports ratio[1]	...	19.0	9.3	15.2	13.3	10.8	13.7	5.1	4.8	5.7	9.8	5.2
Debt service-to-revenue ratio[2]	...	34.2	19.2	26.4	22.0	15.0	19.0	6.5	5.1	4.8	15.6	5.4
III. After unconditional delivery of enhanced HIPC assistance												
PV of debt-to-GDP ratio	18.2	25.1	29.1	24.8	20.7	18.2	15.4	13.2	12.5	12.2	18.3	12.5
PV of debt-to-exports ratio[1]	50.5	77.9	84.5	80.0	69.0	55.4	44.4	45.2	54.8	64.0	56.5	55.2
PV of debt-to-exports ratio (existing debt only)[1]	50.5	43.8	45.4	42.7	36.5	28.7	21.1	12.3	6.5	3.7	26.8	6.8
PV of debt-to-revenue ratio[2]	87.7	140.4	174.2	138.5	114.0	76.6	61.5	57.9	58.3	54.4	90.1	57.7
Debt service-to-exports ratio[1]	...	19.0	9.3	15.2	13.3	10.8	13.7	5.1	4.8	5.7	9.8	5.2
Debt service-to-revenue ratio[2]	...	34.2	19.2	26.4	22.0	15.0	19.0	6.5	5.1	4.8	15.6	5.4
IV. After conditional delivery of enhanced HIPC and MDRI assistance												
PV of debt-to-GDP ratio	20.0	26.7	24.6	20.8	17.3	15.2	12.6	11.4	11.7	11.9	15.8	11.6
PV of debt-to-exports ratio[1]	55.3	82.8	71.4	67.2	57.6	46.0	36.4	39.1	51.3	62.2	48.9	51.5
PV of debt-to-exports ratio (existing debt only)[1]	55.3	48.8	32.2	29.9	25.1	19.3	13.1	6.2	2.9	1.8	19.2	3.2
PV of debt-to-revenue ratio[2]	95.9	149.3	147.2	116.3	95.2	63.6	50.3	50.2	54.6	52.8	78.3	53.7
Debt service-to-exports ratio[1]	...	19.0	9.0	14.8	12.9	10.5	13.4	4.4	4.3	5.3	9.4	4.6
Debt service-to-revenue ratio[2]	...	34.2	18.6	25.6	21.3	14.5	18.6	5.7	4.6	4.5	15.1	4.9
V. After conditional delivery of enhanced HIPC and MDRI assistance and bilateral beyond HIPC assistance [3]												
PV of debt-to-GDP ratio	19.9	26.6	24.2	20.5	17.0	14.9	12.4	11.3	11.6	11.8	15.6	11.5
PV of debt-to-exports ratio[1]	55.1	82.7	70.4	66.2	56.8	45.3	35.8	38.6	50.9	61.9	48.2	51.1
PV of debt-to-exports ratio (existing debt only)[1]	55.1	48.6	31.3	29.0	24.2	18.6	12.5	5.7	2.5	1.5	18.5	2.7
PV of debt-to-revenue ratio[2]	95.7	149.1	145.2	114.7	93.8	62.6	49.5	49.5	54.1	52.6	77.4	53.2
Debt service-to-exports ratio[1]	...	19.0	9.0	14.7	12.9	10.4	13.4	4.4	4.3	5.2	9.4	4.6
Debt service-to-revenue ratio[2]	...	34.2	18.6	25.5	21.2	14.4	18.5	5.6	4.6	4.4	15.0	4.8
Memorandum items:												
VI. After unconditional delivery of enhanced HIPC and bilateral beyond HIPC assistance [4]												
					(in percent)							
PV of debt-to-GDP ratio	17.9	24.8	28.7	24.5	20.4	18.0	15.1	13.0	12.4	12.2	18.0	12.4
PV of debt-to-exports ratio[1]	49.6	76.9	83.5	79.0	68.2	54.7	43.8	44.7	54.4	63.8	55.8	54.8
PV of debt-to-exports ratio (existing debt only)[1]	49.6	42.9	44.3	41.7	35.6	28.0	20.5	11.7	6.1	3.4	26.1	6.4
PV of debt-to-revenue ratio[2]	86.1	138.7	172.1	136.8	112.6	75.6	60.6	57.3	57.9	54.2	89.0	57.2
					(in millions of U.S. dollars)							
GDP	12,951.5	13,947.4	12,015.8	13,464.7	15,459.8	16,862.8	18,492.8	23,830.1	31,785.7	40,520.1	18,009.1	32,223.9
Exports of goods and services[1]	4,336.1	4,398.2	3,662.0	4,450.6	5,781.5	6,429.5	6,970.6	6,911.6	7,339.3	7,904.0	6,046.1	7,365.8
Exports of goods and services (3-year mvg. avg.)[1]	4,675.8	4,492.7	4,132.1	4,170.3	4,631.4	5,553.9	6,393.9	6,950.1	7,234.6	7,732.6	5,824.8	7,261.6
Government revenue[2]	2,695.0	2,492.5	2,003.8	2,408.0	2,804.5	4,017.6	4,620.2	5,421.3	6,800.7	9,105.4	3,983.7	7,008.3

Sources: Chadian authorities, and World Bank and IMF staff estimates and projections.

[1] As defined in IMF, Balance of Payments Manual, 5th edition, 1993.

[2] Revenue is defined as central government revenue, excluding grants.

[3] The ratios for the key external debt indicators vary from those presented in the LIC DSA (Table 1a) given the different methodologies (Appendix II - Paragraph 1) in computing these figures for these two DSAs.

[4] The PV of debt-to-exports ratio after unconditional delivery of enhanced HIPC and additional bilateral beyond HIPC assistance is the base for assessing whether topping-up assistance is warranted. The ratio at end-2013 also appears in text Table 2.

Table A8. Chad: Sensitivity Analysis, 2013–33[1]
(In percent, unless otherwise indicated)

		Projections									Annual Averages	
	2013	2014	2015	2016	2017	2018	2019	2024	2029	2033	2014–23	2024-33
I. Baseline scenario												
PV of debt-to-GDP ratio	19.9	26.6	24.2	20.5	17.0	14.9	12.4	11.3	11.6	11.8	16.0	11.5
PV of debt-to-exports ratio[2]	55.1	82.7	70.4	66.2	56.8	45.3	35.8	38.6	50.9	61.9	49.2	49.9
PV of debt-to-revenue ratio[3]	95.7	149.1	145.2	114.7	93.8	62.6	49.5	49.5	54.1	52.6	80.1	52.8
Debt service-to-exports ratio[2]	...	19.0	9.0	14.7	12.9	10.4	13.4	4.4	4.3	5.2	9.9	4.6
Debt service-to-revenue ratio[3]	...	34.2	18.6	25.5	21.2	14.4	18.5	5.6	4.6	4.4	16.0	4.9
II. Permanent 15 percent lower oil prices												
PV of debt-to-GDP ratio	19.9	26.6	26.8	23.8	20.9	19.3	17.1	17.7	18.5	18.5	20.2	18.3
PV of debt-to-exports ratio[2]	55.1	82.7	77.7	80.3	76.3	64.2	54.1	66.4	87.7	103.3	65.9	85.4
PV of debt-to-revenue ratio[3]	95.7	149.1	170.4	139.2	118.2	81.3	67.6	77.9	86.7	82.4	100.7	84.1
Debt service-to-exports ratio[2]	...	19.0	9.4	16.2	15.0	12.3	15.7	6.2	7.3	8.7	11.3	7.3
Debt service-to-revenue ratio[3]	...	34.2	20.6	28.1	23.3	15.5	19.6	7.3	7.2	6.9	17.3	7.3
III. Permanent lower grant element of 20 percent												
PV of debt-to-GDP ratio	19.9	26.6	24.2	20.5	17.0	15.0	12.4	12.0	13.3	14.1	16.2	13.1
PV of debt-to-exports ratio[2]	55.1	82.7	70.4	66.3	56.9	45.4	35.9	41.3	58.5	73.7	49.8	57.0
PV of debt-to-revenue ratio[3]	95.7	149.1	145.2	114.9	94.1	62.9	49.8	53.6	63.4	63.8	81.2	61.3
Debt service-to-exports ratio[2]	...	19.0	9.0	14.7	12.9	10.5	13.4	4.5	4.6	5.9	9.9	4.9
Debt service-to-revenue ratio[3]	...	34.2	18.6	25.6	21.3	14.5	18.5	5.8	5.0	5.1	16.0	5.3

Sources: Chadian authorities, and World Bank and IMF staff estimates and projections.

[1] All debt indicators are defined after conditional delivery of enhanced HIPC and MDRI assistance and bilateral beyond HIPC assistance (item V of Table A7)

[2] Based on a three-year moving average of exports of goods and services, as defined in IMF, Balance of Payments Manual, 5th edition, 1993.

[3] Revenue is defined as central government revenue, excluding grants.

Table A9. Chad: Delivery of IDA Assistance under the Enhanced HIPC Initiative and the MDRI, 2014–2047[1]

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

	2014	2015 Jan-Jun	2015 Jul-Dec	2016	2017	2018	2019	2020	2021	2026	2036	2046	2047	Cumulative 2014-25	Cumulative 2026-47
I. Relief under the Enhanced HIPC Initiative															
Debt service before HIPC assistance 1/	33.4	17.4	17.6	35.5	35.9	36.1	36.3	37.3	39.1	42.0	21.0	0.0	0.0	455.7	433.5
of which principal	27.4	14.5	14.7	29.9	30.6	30.9	31.4	32.6	34.7	39.0	20.2	0.0	0.0	398.8	411.4
of which interest	6.0	2.9	2.9	5.6	5.4	5.1	4.9	4.7	4.4	3.0	0.8	0.0	0.0	56.9	22.1
Debt service after HIPC assistance 1/	33.4	13.1	11.3	22.7	22.9	22.9	23.1	24.0	25.9	42.0	21.0	0.0	0.0	340.2	433.5
of which principal	27.4	10.6	9.2	18.5	18.9	19.1	19.4	20.5	22.5	39.0	20.2	0.0	0.0	294.0	411.4
of which interest	6.0	2.5	2.1	4.1	4.0	3.8	3.7	3.5	3.4	3.0	0.8	0.0	0.0	46.2	22.1
Savings on debt service to IDA 2/	0.0	4.4	6.3	12.8	13.1	13.2	13.2	13.3	13.2	0.0	0.0	0.0	0.0	115.5	0.0
of which principal	0.0	3.9	5.6	11.3	11.7	11.9	12.0	12.2	12.1	0.0	0.0	0.0	0.0	104.8	0.0
of which interest	0.0	0.5	0.8	1.5	1.4	1.3	1.2	1.1	1.0	0.0	0.0	0.0	0.0	10.7	0.0
II. Relief under the MDRI 3/															
Projected stock of IDA credits outstanding at implementation date 4/			768.3												
Remaining IDA credits after MDRI			194.4												
Debt stock reduction on eligible credits 3/ 5/			573.9												
Due to HIPC relief 6/			100.9												
Due to MDRI			473.0												
Debt service due after HIPC relief and the MDRI	33.4	13.1	2.7	5.4	5.4	5.4	5.4	5.9	7.3	9.8	8.2	0.0	0.0	120.3	144.4
Memorandum item:															
Debt service to IDA covered by HIPC assistance (in percent) 7/	-	25.0	36.0	36.2	36.4	36.6	36.4	35.7	33.7	-	-	-	-	25.3	-
Debt service to IDA covered by HIPC assistance and MDRI (in percent) 8/	-	25.0	84.7	84.8	85.0	85.0	85.2	84.3	81.2	76.6	60.8	-	-	73.6	66.7
IDA debt service relief under the MDRI (in SDR) 9/	-	-	5.7	11.4	11.6	11.6	11.7	12.0	12.3	21.3	8.5	-	-	145.9	191.8

Source: IDA staff estimates.

1/ Principal and interest due to IDA correspond to prorated projections on disbursed and outstanding debt as of end-December 2013, converted to U.S. dollar.
2/ Enhanced HIPC assistance from May 2015 to December 2023.
3/ Stock of debt and debt service denominated in SDRs are converted into U.S. dollar by applying the end-2013 exchange rate.
4/ Stock of debt outstanding at end-June, 2015.
5/ Debt disbursed as of December, 31 2003 and still outstanding at the end-June 2015.
6/ HIPC relief is assumed to proportionally reduce repayments of principal and charges on IDA credits disbursed as of end-December 2003 and still outstanding as of end-June, 2015.
7/ Based on debt disbursed and outstanding as of end-2000.
8/ Based on debt disbursed and outstanding as of end-2003.
9/ For SDR denominated credits, debt relief under the MDRI is estimated as debt service on SDR denominated credits minus USD-based H PC debt relief on these credits. HIPC debt relief is converted into SDR equivalent amounts, by applying the IDA17 foreign exchange reference rate of 1.50718 U.S. dollars per SDR. For USD denominated credits, debt relief under the MDRI is estimated as debt service on USD denominated credits minus USD-based HIPC debt relief on these credits. The resulting MDRI debt relief amounts are converted into SDR equivalent amounts by applying the IDA17 foreign exchange reference rate.

Table A10. Chad: Possible Delivery of IMF Assistance under the Enhanced HIPC Initiative and the MDRI, 2015–24[1]

(In millions of SDRs, unless otherwise indicated)

	2015		2016	2017	2018	2019	2020	2021	2022	2023	2024
	Jan-Apr	May-Dec									
I. Total debt relief under the HIPC Initiative 2/											
HIPC-eligible debt service due on IMF obligations 3/	0.42	-	-	-	-	0.03	2.69	2.68	2.68	2.67	2.66
Principal	0.42	-	-	-	-	-	2.66	2.66	2.66	2.66	2.66
Interest 4/	-	-	-	-	-	0.03	0.03	0.02	0.02	0.01	0.00
HIPC assistance--deposits into member's Umbrella Account											
Interim assistance	-										
Completion point disbursement 5/	8.49										
Completion point assistance	5.71										
Completion point interest 6/	2.78										
IMF assistance--drawdown schedule from member's Umbrella Account	-	-	-	-	-	-	1.77	1.73	1.78	1.74	1.70
IMF assistance without interest	-	-	-	-	-	-	1.72	1.66	1.71	1.70	1.70
Estimated interest earnings 6/	-	-	-	-	-	-	0.05	0.07	0.07	0.05	-
Debt service due on IMF obligations after IMF assistance	0.42	-	-	-	-	0.03	0.92	0.96	0.90	0.93	0.97
Delivery schedule of IMF assistance (in percent of the total assistance; on a flow basis)	-	-	-	-	-	-	12.06	11.64	12.01	11.90	11.90
Share of debt service due on IMF obligations covered by HIPC assistance (in percent)	-	-	-	-	-	-	65.68	64.31	66.48	65.30	63.71
Proportion (in percent) of each repayment falling due during the period to be paid by HIPC assistance from the principal deposited in Umbrella Account	-	-	-	-	-	-	64.61	62.36	64.32	63.76	63.76
II. Delivery of the remaining debt relief under the HIPC Initiatives at completion point	**8.49**										
Delivery of remaining HIPC assistance (on stock basis)	8.49										
Completion point disbursement	8.47										
Umbrella account balance	0.01										
III. Debt service due to the IMF after HIPC debt relief 7/	0.42	-	-	-	-	0.01	0.98	0.97	0.97	0.97	0.97
Principal	0.42	-	-	-	-	-	0.96	0.96	0.96	0.96	0.96
Interest	-	-	-	-	-	0.01	0.01	0.01	0.01	0.00	0.00

Source: Fund staff estimates and projections.

1/ Total IMF assistance under the enhanced HIPC Initiative amounts to SDR 14.26 million (equivalent to US$18.02 million using exchange rate on 5/16/2001) in end-December 2000 NPV terms, somewhat higher than the amount calculated at the decision point (SDR 14.25 million or US$18.00 million) owing to data revisions. This amount excludes interest earned in Chad's Umbrella account and on committed but undisbursed amounts as described in footnote 6. Completion point (CP) is assumed on April 28, 2015. Chad has fully repaid its MDRI-eligible debt by end-July 2013.

2/ Estimated delivery of HIPC assistance.

3/ Data are actual through February 2015. Forthcoming obligations from March 2015 are based on schedules in effect as of end-February 2015. Interest obligations exclude net SDR charges and assessments.

4/ On December 10, 2014 the IMF Executive Board extended through December 31, 2016, the interest waiver for concessional loans that was introduced on January 7, 2010. The following rates are assumed beyond 2016: projected interest charges between 2017 and 2018 are based on 0/0/0.25/0.25 percent per annum for the ECF, RCF, SCF, and ESF, respectively, and beyond 2018 0.25/0.25/0.5/0.25 percent per annum. The Executive Board will review the interest rates for all PRGT facilities by end-2016 and every two years thereafter.

5/ A final amount of SDR 8.49 million will be deposited into Chad's Umbrella Account at CP expected in end-April 2015.

6/ Includes estimated interest earnings on: (a) amounts held in Chad's Umbrella Account; and (b) amounts committed but not yet disbursed and held in PRG-HIPC Trust until completion point. The projected interest earnings are estimated based on assumed interest rates which are gradually rising to 4.5 percent in 2021 and beyond; actual interest earnings may be higher or lower.

7/ Data prior to CP represent actual debt service paid and projected debt service as of end-April 2015. Debt service data after CP include repayments of ECF aprroved on August 1, 2014. Interest obligations exclude net SDR charges and assessments.

Table A11. Chad: Status of Creditor Participation under the Enhanced HIPC Initiative[1]

	Debt Relief in NPV Terms (US$ million)[2]	Percentage of Total Assistance	Satisfactory Reply to Participate in Initiative	Modalities to Deliver Debt Relief
African Development Fund	36.9	21.7	Yes	40 percent of total committed debt relief was delivered during the interim period through 80 percent of debt service reduction between 2001-2006. This interim relief equals to US$ 14.8 million in 2000 PV terms or US$16.5 million in nominal terms. The remaining debt relief (US$22.1 million in 2000 PV terms) will be delivered following completion point through 90 percent of debt service reduction on debt outstanding at end -2000 until full relief has been given.
BADEA	2.2	1.3	Yes	BADEA will provide full relief following completion point.
European Union	1.3	0.8	Yes	The European Union has fully delivered HIPC debt relief through cancellation of selected debt service payments between 2002-2008.
IDA	68.1	40.0	Yes	Debt relief of US$29.1 million in PV terms has been provided through debt service reduction during the interim period. The remaining debt relief will be provided following completion point through debt service reduction between 2015-2023
IFAD	1.6	0.9	Yes	IFAD will provide full debt relief following the completion point.
IMF	18.0	10.6	Yes	IMF has provided US$ 10.8 million in end 2000 PV as interim debt relief by reducing debt service payments on an ECF loan between 2001-2005. Upon reaching completion point, the remaining US$ 7.2 million in end 2000 PV terms will be delivered through a stock of debt operation applied on an ECF loan (SDR 13.3 million) disbursed in 2014.
Islamic Development Bank	2.6	1.5	Yes	IsDB has delivered US$2.2 million of US$2.6 million HIPC debt relief during the interim period through rescheduling of debt service payments. The remainder will be provided at completion point.
OPEC Fund	3.9	2.3	Yes	The OPEC Fund has fully delivered HIPC debt relief through rescheduling and the grant element of new concessional lending during the interim period.
Total multilateral	**134.6**	**79.1**		
Paris Club creditors	14.4	8.5	Yes	Paris Club creditors will provide relief based on Cologne terms.
Non-Paris Club creditors	11.4	6.7		
Cameroon	0.0	0.0	No	No agreement has been signed
China	3.5	2.1	Some	In 2007, cancelled all claims that existed as of decision point. As all relief is assessed in decision point PV terms, this cancellation does not provide the full relief as assessed at the time of the decision point.
Cote D'Ivoire	0.0	0.0	No	No agreement has been signed
Israel	0.1	0.0	No	No agreement has been signed
Kuwait	5.1	3.0	No	No agreement has been signed
Saudi Arabia	2.6	1.6	No	No agreement has been signed
Senegal	0.0	0.0	No	No agreement has been signed
Togo	0.0	0.0	No	No agreement has been signed
Commercial creditors	9.7	5.7	No	No agreement has been signed
Total bilateral and commercial	**35.5**	**20.9**		
Total	**170.1**	**100.0**		

Sources: Chadian authorities, and World Bank and IMF staff estimates.

[1] Based on the latest data available at the completion point after full application of traditional debt relief mechanisms.

[2] As the adjustment in the estimated debt relief needed to reduce the PV of debt to 150 percent of exports as of end-2009 of US$0.6 million is less than 1 percent of the targeted PV of debt after HIPC relief at the Decision Point of US$112.6 (Table A4), the amount of HIPC relief determined at the decision point will be used with burden-sharing according to the shares of each creditor in the PV of debt determined at the completion point debt reconciliation. See "Information Reporting in the Context of the HIPC Initiative Assistance", IDA/SecM2002-0131 and EBS/02/36 (April 2002).

Table A12. Paris Club Creditors' Delivery of Debt Relief under Bilateral Initiatives beyond the HIPC Initiative[1]

Countries Covered		ODA (In percent)		Non-ODA (In percent)		Provision of Relief	
		Pre-cutoff Date Debt	Post-cutoff Date Debt	Pre-cutoff Date Debt	Post-cutoff Date Debt	Decision Point (In percent)	Completion Point
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Australia	HIPCs	100	100	100	100 2/	2/	2/
Austria	HIPCs	100	-	100	-	Case-by-case, flow	Stock
Belgium	HIPCs	100	100 3/	100	-	100 flow	Stock
Canada	HIPCs	100	100	100	100	100 flow	Stock
Denmark	HIPCs	100	100 4/	100	100 4/	100 flow	Stock
France	HIPCs	100	100	100	-	100 flow 5/	Stock
Finland	HIPCs	100	- 6/	100	- 6/	-	-
Germany	HIPCs	100	100	100	100 7/	100 flow	Stock
Ireland	-	-	-	-	-	-	-
Italy	HIPCs	100	100 8/	100	100 8/	100 flow	Stock
Japan	HIPCs	100	100	100	-	-	Stock
Netherlands, the	HIPCs	100 9/	100	100	-	90-100 flow 9/	Stock
Norway	HIPCs	10/	10/	11/	11/	-	-
Russia	HIPCS	- 12/	- 12/	100 19/	100 19/20/	-	Stock
Spain	HIPCs	100	100 13/	100	100 13/	-	Stock
Sweden	HIPCs	-	- 14/	100	-	-	Stock
Switzerland	HIPCs	- 15/	- 15/	100 16/	-	100 flow 16/	Stock
United Kingdom	HIPCs	100	100	100	100 17/	100 flow 17/	Stock
United States 18/	HIPCs	100	100	100	100	100 flow	Stock

Source: Paris Club Secretariat.

1/ Columns (1) to (7) describe the additional debt relief provided following a specific methodology under bilateral initiatives and need to be read as a whole for each creditor. In column (1), "HIPCs" stands for eligible countries effectively qualifying for the HIPC process. A "100 percent" mention in the table indicates that the debt relief provided under the enhanced HIPC Initiative framework will be topped up to 100 percent through a bilateral initiative.

2/ Australia: Australia cancelled all HIPC claims.

3/ Belgium: cancellation at completion point 100 percent of ODA loans contracted before December 31, 2000.

4/ Denmark provides 100 percent cancellation of ODA loans and non-ODA credits contracted and disbursed before September 27, 1999.

5/ France: cancellation of 100 percent of debt service on pre-cutoff date commercial claims on the government as they fall due starting at decision point. Once countries have reached completion point, debt relief on ODA claims on the government will go to a special account and will be used for specific development projects.

6/ Finland: no post-Cutoff date claims

7/ If not treated in the Agreed Minutes at Completion Point, debt cancellation of 100 % only on a case by case basis.

8/ Italy: cancellation of 100 percent of all debts (pre- and post-cutoff date, ODA and non-ODA) incurred before June 20,1999 (the Cologne Summit). At decision point, cancellation of accrued arrears and maturities falling due in the interim period. At completion point, cancellation of the stock of remaining debt.

9/ The Netherlands: 100 percent ODA (pre- and post-cutoff date debt will be cancelled at decision point); for non-ODA: in some particular cases (Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, Nicaragua, Rwanda, Tanzania, Uganda and Zambia), the Netherlands will write off 100 percent of the consolidated amounts on the flow at decision point; all other HIPCs will receive interim relief up to 90 percent reduction of the consolidated amounts. At completion point, all HIPCs will receive 100 per cent cancellation of the remaining stock of the pre-cutoff date debt.

10/ Norway has cancelled all ODA claims.

11/ Due to the current World Bank/IMF methodology for recalculating debt reduction needs at HIPC completion point, Norway has postponed the decisions on whether or not to grant 100% debt reduction until after HIPCs' completion point.

12/ Russia has no ODA claims

13/ Spain provides 100 percent cancellation of ODA and non-ODA claims contracted before January 1, 2004

14/ Sweden has no ODA claims.

15/ Switzerland has cancelled all ODA claims.

16/ Switzerland usually writes off 100 percent of government-owned claims of the remaining debt stock at Completion Point and provides at least full HIPC debt of claims held by the ECA (100% cancellation of all remaining claims with the exception of Honduras and Cameroon).

17/ United Kingdom: "beyond 100 percent" full write-off of all debts of HIPCs as of their decision points, and reimbursement at decision point of any debt service paid before the decision point.

18/ United States: cancellation of 100 percent of all debts (pre- and post-cutoff date, ODA and non-ODA) incurred before June 20, 1999 (the Cologne Summit). At decision point, cancellation of accrued arrears and maturities falling due in the interim period. At completion point, cancellation of the stock of remaining eligible debt.

19/ 100% debt relief provides for countries reached Completion Point before December 31, 2006 as of December 21, 2006 and for countries reached Completion Point after December 31, 2006 as of date of Completion Point. No payments are expected from debtors from those dates.

20/ Exception is short term debt category

Table A13. HIPC Initiative: Status of Country Cases Considered Under the Initiative, June 30, 2012

Country	Decision Point	Completion Point	Target NPV of Debt-to- Exports (in percent)	Target NPV of Debt-to- Gov. revenue (in percent)	Assistance Levels[1] (In millions of U.S. dollars, present value) Total	Bilateral and commercial	Multilateral Total	Multilateral IMF	Multilateral World Bank	Percentage Reduction in NPV of Debt[2]
Completion point reached under enhanced framework (35)										
Afghanistan	Jul. 07	Jan. 10	150		582	446	136	-	76	51
Benin	Jul. 00	Mar. 03	150		265	77	189	24	84	31
Bolivia					1,302	425	876	84	194	
original framework	Sep. 97	Sep. 98	225		448	157	291	29	54	14
enhanced framework	Feb. 00	Jun. 01	150		854	268	585	55	140	30
Burkina Faso					553	83	469	57	231	
original framework	Sep. 97	Jul. 00	205		229	32	196	22	91	27
enhanced framework	Jul. 00	Apr. 02	150		195	35	161	22	79	30
topping-up	...	Apr. 02	150		129	16	112	14	61	24
Burundi	Aug. 05	Jan. 09	150		833	127	706	28	425	92
Cameroon	Oct. 00	Apr. 06	150		1,267	879	322	37	176	27
Central African Rep.	Sept. 07	Jun. 09	150		578	186	362	27	207	68
Comoros	Jun. 10	Dec. 12	150		145	34	111	4	45	56
Congo Rep. of	Mar. 06	Jan. 10		250	1,575	1,462	113	8	47	31
Congo, Democratic Rep. of	Jul. 03	Jul. 10	150		7,252	4,618	2,633	471	854	82
Cote d'Ivoire	Mar. 09	Jun. 12		250	3,109	2,398	711	39	413	24
Ethiopia					1,982	637	1,315	60	832	
enhanced framework	Nov. 01	Apr. 04	150		1,275	482	763	34	463	47
topping-up	...	Apr. 04	150		707	155	552	26	369	31
Gambia, The	Dec. 00	Dec. 07	150		67	17	49	2	22	27
Ghana	Feb. 02	Jul. 04	144	250	2,186	1,084	1,102	112	781	56
Guinea	Dec. 00	Sep. 12	150		639	256	383	36	174	36
Guinea-Bissau					554	279	275	12	139	
enhanced framework	Dec. 00	Dec. 10	150		422	218	204	12	93	86
topping-up	...	Dec. 10	150		133	61	71	-	46	40
Guyana					591	223	367	75	68	
original framework	Dec. 97	May 99	107	280	256	91	165	35	27	24
enhanced framework	Nov. 00	Dec. 03	150	250	335	132	202	40	41	40
Haiti	Nov. 06	Jun. 09	150		140	20	120	3	53	15
Honduras	Jul. 00	Mar. 05	110	250	556	215	340	30	98	18
Liberia	Mar. 08	Jun. 10	150		2,739	954	1,421	730	374	90
Madagascar	Dec. 00	Oct. 04	150		836	474	362	19	252	40
Malawi					1,057	171	886	45	622	
enhanced framework	Dec. 00	Aug. 06	150		646	164	482	30	333	44
topping-up	...	Aug. 06	150		411	7	404	15	289	35
Mali					539	169	370	59	185	
original framework	Sep. 98	Sep. 00	200		121	37	84	14	43	9
enhanced framework	Sep. 00	Mar. 03	150		417	132	285	45	143	29
Mauritania	Feb. 00	Jun. 02	137	250	622	261	361	47	100	50
Mozambique					2,023	1,270	753	143	443	
original framework	Apr. 98	Jun. 99	200		1,717	1,076	641	125	381	63
enhanced framework	Apr. 00	Sep. 01	150		306	194	112	18	62	27
Nicaragua	Dec. 00	Jan. 04	150		3,308	2,175	1,134	82	191	73
Niger					663	235	428	42	240	
enhanced framework	Dec. 00	Apr. 04	150		521	211	309	28	170	53
topping-up	...	Apr. 04	150		143	23	119	14	70	25
Rwanda					696	65	631	63	383	
enhanced framework	Dec. 00	Apr. 05	150		452	56	397	44	228	71
topping-up	...	Apr. 05	150		243	9	235	20	154	53
São Tomé and Príncipe					124	31	93	1	47	128
enhanced framework	Dec. 00	Mar. 07	150		99	29	70	-	24	83
topping-up	...	Mar. 07	150		25	2	23	1	23	45
Senegal	Jun. 00	Apr. 04	133	250	488	212	276	45	124	19
Sierra Leone	Mar. 02	Dec. 06	150		675	335	340	125	123	81
Tanzania	Apr. 00	Nov. 01	150		2,026	1,006	1,020	120	695	54
Togo	Nov. 08	Dec. 10		250	282	127	155	0.3	102	20
Uganda					1,003	183	820	160	517	
original framework	Apr. 97	Apr. 98	202		347	73	274	69	160	20
enhanced framework	Feb. 00	May 00	150		656	110	546	91	357	37
Zambia	Dec. 00	Apr. 05	150		2,499	1,168	1,331	602	493	63
Decision point reached under enhanced framework (1)										
Chad	May. 01	Floating	150		170	35	134	18	68	30

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

1/ Assistance levels are at countries' respective decision or completion points, as applicable.

2/ In percent of the net present value of debt at the decision or completion point (as applicable), after the full use of traditional debt-relief mechanisms.

3/ Equivalent to SDR 2181.98 million at an SDR/USD exchange rate of 0.640563, as of January 27, 2010.

APPENDIX I—CHAD: DEBT MANAGEMENT[1]

1. **Chad's legal framework for debt management is adequate.** Under the Constitution, the President is responsible for ratifying all loan agreements after the approval of Parliament. The legal framework also provides clear delegation from the President to the Minister of Planning, Economy, and International Cooperation for negotiating and contracting external borrowing. The Minister of Finance and Budget is responsible for managing domestic and external debt. In practice, the Ministry of Finance and Budget (MFB) is responsible for mobilizing budget support from creditors and domestic resources in local currency from the regional capital market.

2. **The institutional structure for debt management is fragmented but debt committees have been created to coordinate debt management activities.** Front office activities regarding external debt are conducted by the Ministry of Planning, Economy and International Cooperation[2] which is responsible for mobilizing external resources. Middle and back office functions are the responsibilities of the Debt Department (Direction de la Dette or DD) of the MFB. DD is in charge of elaborating a debt management strategy, recording and reporting on public debt (both domestic and external), and initiating debt service payments. Some front office activities are also performed by the DD such as debt restructuring negotiations. The Treasury Department of the MFB plays the leading role in managing domestic debt, including the issuance of government securities.

3. **Created in 2004, the National Committee on Debt Analysis (Commission Nationale de l'Analyse de la Dette or CONAD) is responsible for elaborating a debt management strategy, coordinating debt policies with budgetary policies, and approving new borrowings**. The committee is led by the MFB. A Debt Sustainability Analysis Technical Team (Equipe Technique d'Analyse de la Viabilité de la Dette or ETAVID) was established to provide technical assistance to CONAD. These committees meet to review and approve new borrowing, but some loans are signed prior to consideration by the committees.[3] Both committees would benefit from technical assistance to undertake independent debt sustainability analysis (DSA) and to assess the impact of new borrowings.

4. **The future borrowing should be based on a medium term debt management strategy.** HIPC and MDRI debt relief at the completion point will significantly reduce the stock of external debt and provide a clean slate for the country. At the same time, a reduced debt burden may eventually lead to a gradual easing of limits to less-concessional financing. Therefore, going forward, it is important to base new borrowings on the medium term debt management strategy. At present, the only explicit external debt management goal is to contract external borrowing only on concessional terms with a minimum grant element of 35

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[1] Chad received a World Bank Debt Management Performance Assessment (DeMPA) in 2013.

[2] General Directorate of International Cooperation within the Ministry of Planning, Economy and International Cooperation.

[3] However, the state-owned oil company (SHT) has contracted commercial borrowing (to be repaid against crude oil shipments). This type of financing mechanism was not analyzed by the debt management committees.

percent as indicated in the ECF-supported program, which the committees check during new loan negotiations.

5. **Debt recording systems are improving, but still weak.** The DD maintains a database of the loan records. However, the database is neither up-to-date nor exhaustive. A key weakness is limited information sharing between the Ministry of Economy, Planning and International Cooperation, Project Implementation Units within the technical ministries, and the DD on loan disbursements. Absence of centralized disbursement information makes it difficult to precisely estimate future debt service payments.[4] Furthermore, only one staff has been fully trained in the use of the software, increasing operational risks. No debt reports or statistical bulletins are produced by the DD.

6. **Strengthened debt management processes and practices should therefore be prioritized in several areas.** Chad would benefit from better information sharing between DD, involved ministries and implementing units as well as from strengthening the work of debt committees. Staff capacity should be enhanced, particularly in the middle and back office functions in order to develop a Medium Term Debt Strategy, to conduct debt sustainability analysis and to produce annual activity and debt reports. Investment in hardware is also needed to make sure that DMFAS is used in real time to record all external and domestic debt. Training more staff to use the software should also be a priority. The World Bank and UNCTAD are currently working to assist the government in several of these areas.

[4] Projections of debt service payments are developed on the basis of commitments rather than actual disbursements, leading to exaggerated debt service estimates.

APPENDIX II— CHAD: JOINT BANK-FUND DEBT SUSTAINABILITY ANALYSIS UNDER THE DEBT SUSTAINABILITY FRAMEWORK FOR LOW-INCOME COUNTRIES[19]

Despite substantial reductions in debt levels after HIPC, MDRI and beyond-HIPC debt relief, the debt sustainability analysis (LIC-DSA) shows that Chad will remain at high risk of debt distress in the short term. After reaching the Completion Point, all but one external debt indicators are estimated to be below their thresholds under the baseline scenario: debt service-to-revenue show small breaches (i.e. within the 10 percent band) at the beginning of the projection period. The breach is caused by the substantial revision in government revenue after the recent oil price shock and high debt service payments falling due in 2016. The DSA confirms that Chad is susceptible to external macroeconomic shock with impacts on government revenue such as the recent oil price shock, especially in the first half of the projection horizon. Against this backdrop, maintaining prudent fiscal and debt management policies and diversifying its economy away from the oil-sector is critical to improve Chad's debt sustainability situation over the medium term.

BACKGROUND

1. **This debt sustainability analysis (LIC-DSA) assesses Chad's external and public debt risk using the forward-looking debt sustainability framework (DSF) for low-income countries.** The LIC-DSA and the HIPC Initiative Debt Relief Analysis (HIPC-DRA) share the same macroeconomic assumptions for the baseline scenario, but they differ methodologically. The LIC-DSA compares the evolution over the projection period of debt burden indicators against policy-dependent indicative thresholds. In contrast, under the HIPC-DRA, the historical debt burden indicators are compared to uniform thresholds in order to calculate the amount of HIPC debt relief that Chad qualifies for under the HIPC Initiative. In addition, the LIC-DSA uses uniform discount rate and exchange rate projections, and same-year exports to calculate debt ratios, whereas the HIPC-DRA uses currency-specific discount rates, base-year exchange rates, and three-year average exports.

2. **The last LIC-DSA considered by the Executive Board of the IMF in August 2014 for Chad's ECF request resulted in a high risk of debt distress rating.[20]** Consistent with guidelines in the DSF, the baseline scenario did not reflect the full delivery of HIPC and MDRI assistance following achievement of the HIPC Initiative Completion Point. The high risk rating

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[19] The DSA was prepared jointly by the staffs of the International Monetary Fund and the World Bank, in collaboration with the authorities of Chad using the Debt Sustainability Framework (DSF) for Low Income Countries. The country was at high risk of debt distress prior to reaching the HIPC Initiative Completion Point. Chads' quality of policies and institutions, as measured by the average World Bank's Country Policy and Institutional Assessment (CPIA) for the period 2011–13, although improved still places it as a weak performer. The corresponding indicative thresholds for the external debt indicators are 30 percent for the PV of debt-to-GDP ratio, 100 percent of the PV of debt-to-exports ratio, 200 percent for PV of debt-to-revenue ratio, 15 percent for the debt service-to-exports ratio, and 18 percent for the debt service-to-revenue ratio. The fiscal year in Chad is January 1 to December 31.

[20] See Supplement of Chad's IMF Country Report No. 14/282: Debt Sustainability Analysis, IDA and IMF, July 24, 2014, Washington D.C.: http://www.imf.org/external/pubs/cat/longres.aspx?sk=41919.0"

was caused by a temporary breach of the debt service-to-revenue ratio under the baseline scenario.

3. **This updated LIC-DSA incorporates three new elements.** First, the baseline scenario assumes HIPC, MDRI and Paris Club debt relief following the achievement of the completion point under the HIPC Initiative in April 2015. Second, the DSA uses a reconciled debt database that was updated as of December 2013 for the HIPC-DRA.[21] Hence, the quality of the data improved. Finally, the repayment profiles for the two non-concessional oil sales' advance operations (US$ 600 million in 2013 to cover budget shortfalls and US$ 1.4 billion contracted by the state-owned company, SHT, in June 2014 to finance the purchase of income-generating equity shares in the largest oil consortium operating in Chad) changes substantially after authorities agreed with lender to reschedule debt service payments.

4. **Chad's public and publicly guaranteed external debt stood at US$ 2,833.4 million or 21.2** percent of 2013 GDP. The debt-to-GDP ratio has been broadly stable in the past five years, averaging 22.8 percent. More than 50 percent of Chad's debt is owed to multilateral creditors, less than 20 percent is owed to non-Paris Club creditors, about 2.5 percent to Paris Club creditors while the rest is commercial and guaranteed debt.

I. Baseline Assumptions

5. **The macroeconomic assumptions of the LIC-DSA are broadly consistent with projections of the HIPC-DRA (see Box 2 above) but differ substantially with those of the August 2014 LIC-DSA due to a sharp decline in oil prices**. At the time of the ECF request in August 2014, staffs worked with a Chadian oil price assumption of US$ 98 per barrel for 2015. Since then prices dropped by more than 45 percent leading to revised projections of US$ 51 per barrel and US$ 61 over the medium term. This new reality caused not only a substantial revision of oil sector production and export profile projections leading to higher current account deficits, but also to substantial downward adjustments in fiscal revenue and expenditure projections as well as non-oil GDP growth. In addition, the baseline scenario takes into account available HIPC, MDRI, and beyond-HIPC assistance following the HIPC Completion Point.

II. External Debt Sustainability Analysis

6. **The evolution of external debt is driven by a reasonable volume of project and budget support loans from both traditional and non-traditional donors.** There is no external private debt in Chad. Under Chad's supported ECF program, external financing is assumed to be on concessional terms over the medium to long-term mostly financed by disbursements from multilaterals (47 percent) such as the IMF, WB, AfDB, Islamic Development Bank, and the European Union and other non-traditional donors (48 percent) such as Saudi Arabia or Kuwait. This leads to a grant element of an average of 37.2 percent over the projection period (Figure 1).

[21] An IMF and WB mission conducted a debt reconciliation exercise in N'Djamena in January 2015.

Baseline

7. **Under the baseline scenario, all but one external debt indicators remain below their relevant indicative thresholds throughout the projection period** (Table 2, Figure 1). The debt service-to-revenue ratio (in 2014 and 2016) shows a small breach of its indicative thresholds (i.e. within the 10 percent band of the threshold). The small breach is due to substantial downward revisions of government oil revenue and high debt service payments falling due in 2016 for the second non-concessional loans contracted in 2014. Nevertheless, it should be noted that the breach is temporary and very small and that with improvements of Chad's macroeconomic outlook the debt rating could soon change to moderate as this indicator falls steadily and remains substantially below its threshold like the other indicators.

Alternative Scenarios and Stress Tests

8. **Under alternative scenarios Chad's external debt risk outlook improves to moderate.** However, stress tests confirm that external debt is susceptible to shocks related to the external sector especially over the short term (Table 2, Figure 1). If main economic variables remain at their historical averages, all debt indicators will remain below their indicative thresholds resulting in a moderate risk rating. Stress tests reveal, however, that Chad is most vulnerable to external shocks such as a one-time depreciation shock (a 30 percent nominal depreciation in 2015) and an export shock (a hypothetical assumption of export growth at historical averages minus a one-standard deviation in 2015-16). These shocks have the potential to raise all debt indicators above their indicative threshold over the medium term. For instance, the PV of debt service-to-revenue and the debt-service-to revenue indicator thresholds are breached under a one-time depreciation shock. The PV of debt-to-GDP, PV of debt-to-exports ratio and the debt-service-to-exports ratio are more sensitive to lower export growth, underscoring the need for greater diversification of the economy (Table 2a & 2b).

9. **In light of the results from the baseline and alternative scenarios as well as the stress tests, IDA and IMF staffs conclude that Chad is at a high risk of debt distress in the short term** (Figure 1). However, as the country improves its policy environment in the medium term and as suggested under the alternative scenario, the indicative thresholds could be soon relaxed and the assessment of the debt sustainability could improve further to moderate.

III. Public Sector Debt Sustainability

Baseline

10. **The inclusion of domestic debt in the analysis does not fundamentally alter the assessment of Chad's debt sustainability (Table 3, Figure 2).** Given the moderate size of Chad's domestic debt, public debt indicators are driven mainly by the external debt component. The domestic debt component would fall from 8.9 percent of GDP in 2013 to 5.8 percent of GDP in 2019 and will continue to steady decline until it reaches about 1.9 percent of GDP in 2034. Altogether, the public debt stock decreases to 21.6 percent of GDP in 2019 until it stabilizes around an average of 18.7 percent of GDP in 2020-34.

Alternative Scenarios and Stress Tests

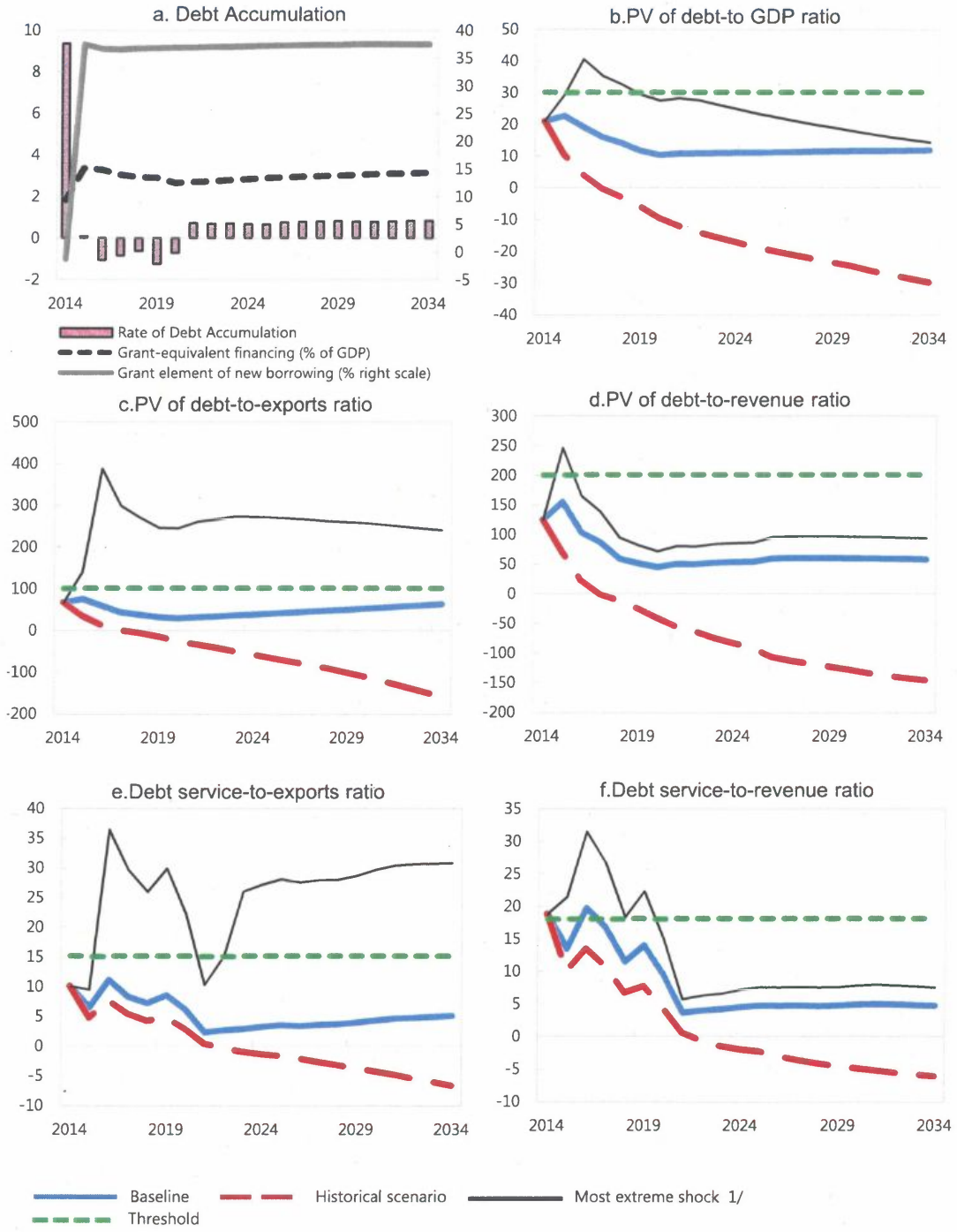
11. **Despite its relatively low debt stock, standard stress tests indicate some sustainability risks in Chad (Table 4, Figure2).** In particular, they reflect the narrow base of an economy highly dependent on volatile oil and agriculture. Stress tests show that an external shock such as a one-time nominal devaluation (by 30 percent in 2015), could impair public debt sustainability (Most Extreme Shock in Figure 2 and Bound Test B4 in Table 4).

IV. CONCLUSION

12. **In staffs' assessment, achieving the Completion Point of the HIPC initiative has improved the external debt outlook for Chad.** The inclusion of Chad's domestic debt in the analysis reinforces the conclusions of the external DSA. On account of substantially lower oil revenues, Chad shows a small temporary breach of one indicator under the baseline scenario at the beginning of the projection period, while over the long term all indicators are substantially below their thresholds. Reaching the Completion Point of the HIPC initiative noticeably improves the debt outlook compared to previous DSAs. Without the oil price shock, Chad's debt rating would have even improved to a solid moderate as suggested under the alternative scenario. Nevertheless, the DSA analysis points to significant debt risks coming from external shocks, making sustained fiscal adjustment a necessary but not sufficient condition for minimizing the risk of debt distress. Amid the exhaustibility and volatility of oil revenues, fiscal adjustment needs to be complemented by strengthened public financial and debt management, a prudent external borrowing policy, and further progress in diversifying the economy.

13. **The assumptions and conclusions of the DSA were discussed with the authorities, who broadly concurred with staffs' assessment.** The authorities acknowledged potential concerns on debt sustainability and highlighted the decision to cancel the MFA with Eximbank China and their commitment to non-concessional borrowing under the ECF supported program as a signal of the importance that they attach to this issue and to the need for concessional long-term financing. They expect that ongoing reform progress will be reflected in an improvement of the CPIA score, a related increase in external debt burden thresholds and their debt risk rating. With reaching the Completion Point, the authorities also expect more budget support from traditional donors to help keep debt on a sustainable path.

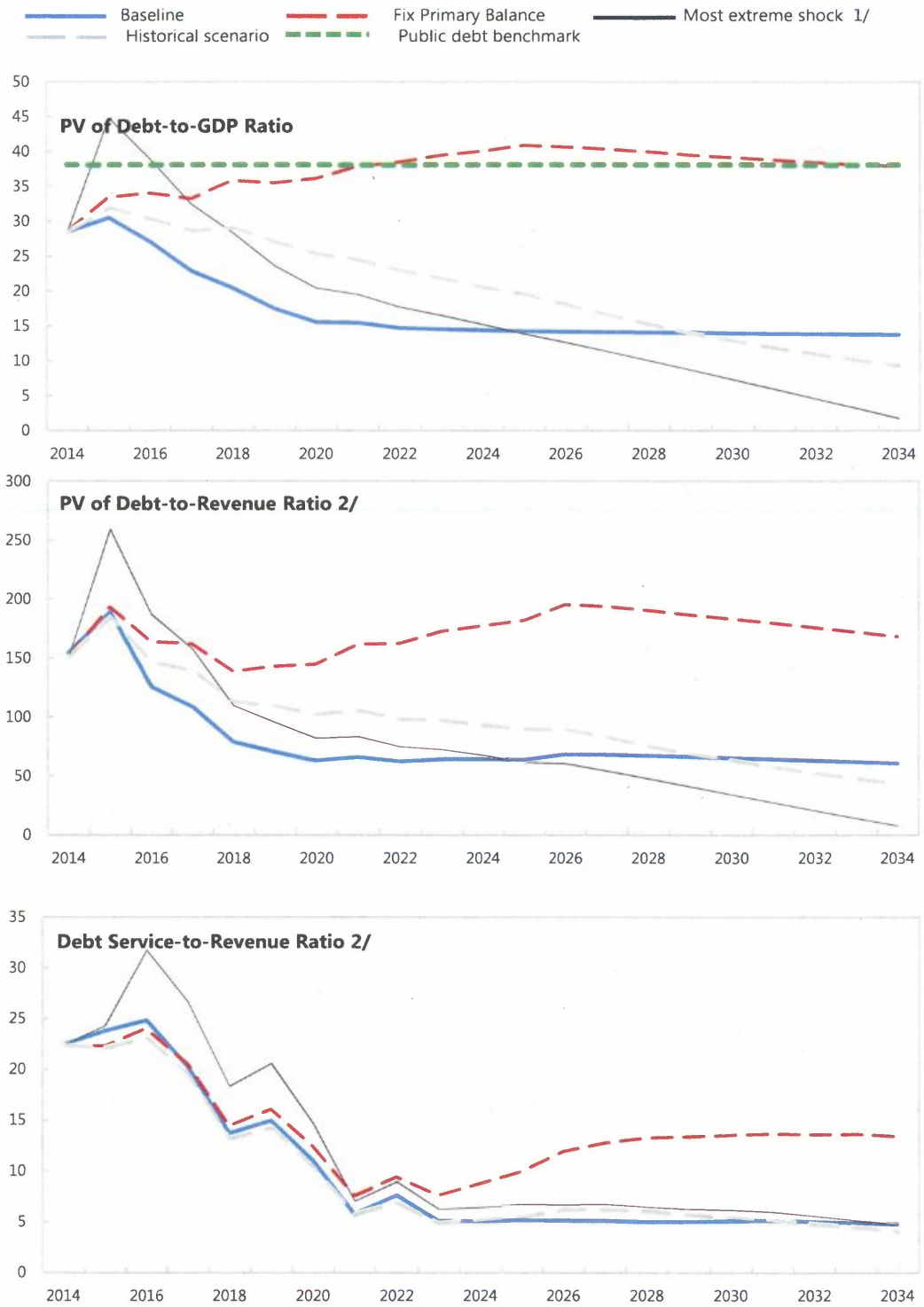
Figure 1. Chad: Indicators of Public and Publicly Guaranteed External Debt under Alternatives Scenarios, 2014-2034 1/



Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio on or before 2024. In figure b. it corresponds to a Exports shock; in c. to a Exports shock; in d. to a One-time depreciation shock; in e. to a Exports shock and in figure f. to a One-time depreciation shock

Figure 2. Chad: Indicators of Public Debt Under Alternative Scenarios, 2014-2034 1/



Sources: Country authorities; and staff estimates and projections.
1/ The most extreme stress test is the test that yields the highest ratio on or before 2024.
2/ Revenues are defined inclusive of grants.

Table 1 .Chad: External Debt Sustainability Framework, Baseline Scenario, 2011-2034 1/

(In percent of GDP, unless otherwise indicated)

	Actual											Historical Average 6/	Standard Deviation 6/	Projections									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013			2014	2015	2016	2017	2018	2019	2014-2019 Average	2024	2034	2020-203 Average
External debt (nominal) 1/	**41.0**	**30.2**	**25.6**	**23.1**	**19.2**	**16.9**	**26.2**	**24.7**	**21.8**	**20.1**	**21.2**			**30.8**	**25.5**	**22.6**	**19.6**	**18.1**	**15.9**		**15.4**	**16.9**	
of which: public and publicly guaranteed (PPG)	41.0	30.2	25.6	23.1	19.2	16.9	26.2	24.7	21.8	20.1	21.2			30.8	25.5	22.6	19.6	18.1	15.9		15.4	16.9	
Change in external debt	...	-10.8	-4.6	-2.5	-3.9	-2.3	9.3	-1.5	-2.9	-1.7	1.1			9.6	-5.3	-2.9	-2.9	-1.5	-2.2		0.1	0.1	
Identified net debt-creating flows	...	-13.5	-24.6	-14.9	-11.5	-12.7	4.7	0.3	-1.9	3.7	4.1			12.2	1.6	2.1	0.1	-1.0	-0.6		2.4	4.8	
Non-interest current account deficit	**43.2**	**14.9**	**-1.3**	**-4.8**	**-8.4**	**-3.9**	**8.9**	**8.8**	**5.2**	**8.0**	**8.4**	**3.6**	**7.6**	**8.2**	**8.8**	**7.7**	**5.0**	**2.6**	**2.0**		**3.8**	**5.8**	4.6
Deficit in balance of goods and services	32.5	7.7	-10.1	1.2	-3.2	-1.8	12.5	11.3	7.3	10.7	9.6			12.4	13.5	10.1	5.1	2.5	0.8		3.4	6.8	
Exports	21.5	45.6	48.0	47.6	44.5	42.7	35.4	37.9	40.7	38.3	33.5			31.5	30.4	33.1	37.4	38.1	37.7		29.0	18.8	
Imports	54.0	53.3	37.9	48.8	41.3	40.8	47.9	49.1	48.0	49.0	43.0			43.9	43.9	43.2	42.6	40.7	38.5		32.5	25.6	
Net current transfers (negative = inflow)	-3.2	-4.4	-5.0	-2.9	-6.8	-4.5	-7.5	-5.6	-4.3	-4.4	-5.1	-5.1	1.3	-7.9	-5.6	-4.9	-4.4	-4.3	-4.1		-3.7	-2.8	-3.4
of which: official	-2.4	-2.8	-1.6	-0.8	-0.8	-0.8	-0.8	-0.4	-0.3	-0.9	-1.5			-4.4	-1.9	-1.6	-1.4	-1.4	-1.3		-1.3	-1.4	
Other current account flows (negative = net inflow)	13.9	11.6	13.9	-3.1	1.6	2.4	3.9	3.2	2.2	1.7	3.9			3.7	0.9	2.5	4.3	4.3	5.2		4.1	1.9	
Net FDI (negative = inflow)	**-32.8**	**-13.1**	**-16.1**	**-7.7**	**0.0**	**-5.8**	**-6.6**	**-5.2**	**-4.5**	**-4.7**	**-4.0**	**-6.8**	**4.6**	**4.9**	**-5.8**	**-5.4**	**-4.0**	**-3.2**	**-2.2**		**-1.1**	**-0.6**	-1.1
Endogenous debt dynamics 2/	**...**	**-15.3**	**-7.3**	**-2.4**	**-3.1**	**-3.1**	**2.3**	**-3.3**	**-2.6**	**0.4**	**-0.3**			**-0.8**	**-1.4**	**-0.2**	**-0.9**	**-0.4**	**-0.5**		**-0.3**	**-0.4**	
Contribution from nominal interest rate	...	0.2	0.2	0.3	0.2	0.2	0.3	0.1	0.4	0.7	0.6			0.5	1.3	1.0	0.7	0.5	0.4		0.2	0.2	
Contribution from real GDP growth	...	-8.6	-1.8	-0.1	-0.6	-0.5	-0.8	-3.1	0.0	-1.9	-1.1			-1.4	-2.7	-1.1	-1.6	-0.9	-0.8		-0.5	-0.6	
Contribution from price and exchange rate changes	...	-7.0	-5.7	-2.5	-2.6	-2.7	2.8	-0.4	-3.0	1.5	0.2			...	...	...	...	...	...		...	...	
Residual (3-4) 3/	**...**	**2.7**	**20.1**	**12.4**	**7.6**	**10.4**	**4.7**	**-1.9**	**-1.0**	**-5.4**	**-3.0**			**-2.6**	**-6.9**	**-5.0**	**-3.1**	**-0.5**	**-1.6**		**-2.3**	**-4.6**	
of which: exceptional financing	...	-0.2	0.0	0.3	-0.5	0.1	0.0	0.0	0.0	0.0	0.0			0.0	-0.6	-0.6	-0.5	0.0	0.0		0.0	0.0	
PV of external debt 4/	...	...	...	...	...	...	...	...	...	...	11.2			21.0	22.7	19.2	15.9	14.1	11.7		11.0	11.8	
In percent of exports	...	...	...	...	...	...	...	...	...	...	33.5			66.5	74.5	58.0	42.6	36.9	30.9		37.8	62.6	
PV of PPG external debt	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**11.2**			**21.0**	**22.7**	**19.2**	**15.9**	**14.1**	**11.7**		**11.0**	**11.8**	
In percent of exports	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**33.5**			**66.5**	**74.5**	**58.0**	**42.6**	**36.9**	**30.9**		**37.8**	**62.6**	
In percent of government revenues	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**60.4**			**124.2**	**155.1**	**102.9**	**86.2**	**59.0**	**50.9**		**53.4**	**57.7**	
Debt service-to-exports ratio (in percent)	**8.0**	**2.0**	**1.8**	**2.0**	**1.5**	**3.5**	**2.0**	**1.5**	**2.2**	**3.2**	**4.0**			**10.1**	**6.5**	**11.1**	**8.2**	**7.2**	**8.5**		**3.2**	**5.1**	
PPG debt service-to-exports ratio (in percent)	**8.0**	**2.0**	**1.8**	**2.0**	**1.5**	**3.5**	**2.0**	**1.5**	**2.2**	**3.2**	**4.0**			**10.1**	**6.5**	**11.1**	**8.2**	**7.2**	**8.5**		**3.2**	**5.1**	
PPG debt service-to-revenue ratio (in percent)	**12.5**	**12.2**	**10.4**	**6.6**	**3.5**	**7.1**	**5.7**	**3.1**	**3.9**	**5.7**	**7.1**			**18.8**	**13.5**	**19.7**	**16.7**	**11.5**	**14.0**		**4.5**	**4.7**	
Total gross financing need (Billions of U.S. dollars)	...	...	...	...	-0.7	-0.8	0.3	0.5	0.2	0.6	0.7			2.3	0.6	0.8	0.6	0.3	0.6		0.9	2.6	
Non-interest current account deficit that stabilizes debt ratio	...	25.7	3.3	-2.3	-4.5	-1.6	-0.4	10.3	8.1	9.7	7.3			-1.4	14.1	10.6	7.9	4.1	4.2		3.7	5.7	
Key macroeconomic assumptions																							
Real GDP growth (in percent)	14.7	33.6	7.9	0.6	3.3	3.1	4.2	13.5	0.1	8.9	5.7	8.1	9.8	6.9	7.6	4.9	8.3	5.0	5.1	6.3	3.3	3.8	3.4
GDP deflator in US dollar terms (change in percent)	19.8	20.7	23.3	10.9	12.8	16.7	-14.4	1.4	13.9	-6.6	-1.0	7.7	12.4	0.7	-19.9	6.8	6.0	3.9	4.3	0.3	2.1	2.6	2.3
Effective interest rate (percent) 5/	1.4	0.9	0.9	1.1	0.9	1.0	1.4	0.6	1.8	3.5	3.3	1.6	1.0	2.8	3.6	4.2	3.6	3.0	2.4	3.2	1.3	1.3	1.3
Growth of exports of G&S (US dollar terms, in percent)	164.4	241.5	40.0	10.7	8.9	15.3	-26.1	23.3	22.3	-4.1	-8.6	32.3	75.8	1.4	-16.9	21.8	29.9	11.2	8.4	9.3	0.2	2.6	1.0
Growth of imports of G&S (US dollar terms, in percent)	-23.1	59.0	-5.4	43.6	-1.3	18.9	4.5	18.1	11.3	3.8	-8.1	14.5	21.7	10.0	-13.9	10.1	13.2	4.3	3.9	4.6	1.6	5.1	3.0
Grant element of new public sector borrowing (in percent)		...	...	...	...	...	...	...	...	...	...	...	...	-1.2	37.5	36.6	36.5	36.7	36.8	30.5	37.1	37.5	37.3
Government revenues (excluding grants, in percent of GDP)	13.7	7.5	8.3	14.4	18.5	21.3	12.3	18.9	23.2	21.8	18.5			16.9	14.6	18.6	18.5	23.9	22.9		20.5	20.4	20.2
Aid flows (in Billions of US dollars) 7/	0.0	0.1	0.2	0.1	0.2	0.2	0.4	0.3	0.3	0.5	0.4			0.3	0.4	0.5	0.5	0.5	0.6		0.7	1.4	
of which: Grants	0.0	0.1	0.2	0.1	0.1	0.1	0.2	0.1	0.2	0.3	0.3			0.3	0.4	0.3	0.3	0.4	0.4		0.5	1.0	
of which: Concessional loans	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1			0.1	0.1	0.1	0.2	0.2	0.2		0.2	0.4	
Grant-equivalent financing (in percent of GDP) 8/	...	...	...	...	...	...	...	...	...	...	...			1.8	3.6	3.3	3.0	2.9	2.9		2.8	3.1	2.9
Grant-equivalent financing (in percent of external financing) 8/	...	...	...	...	...	...	...	...	...	...	...			14.4	79.3	65.7	66.5	67.0	67.1		73.2	72.4	72.9
Memorandum items:																							
Nominal GDP (Billions of US dollars)	3.1	5.0	6.7	7.4	8.7	10.4	9.3	10.7	12.2	12.4	13.0			13.9	12.0	13.5	15.5	16.9	18.5		23.8	43.1	
Nominal dollar GDP growth	...	61.2	33.1	11.6	16.5	20.2	-10.8	15.1	14.0	1.7	4.7			7.7	-13.8	12.1	14.8	9.1	9.7	6.6	5.5	6.5	5.8
PV of PPG external debt (in Billions of US dollars)											1.5			2.7	2.7	2.6	2.5	2.4	2.2		2.6	5.1	
(PVt-PVt-1)/GDPt-1 (in percent)														9.4	0.1	-1.1	-0.8	-0.6	-1.3	0.9	0.7	0.8	0.7
Gross workers' remittances (Billions of US dollars)	...	...	...	...	...	...	...	...	...	...	...			...	...	...	...	...	...		...	...	
PV of PPG external debt (in percent of GDP + remittances)									...	...	11.2			21.0	22.7	19.2	15.9	14.1	11.7		11.0	11.8	
PV of PPG external debt (in percent of exports + remittances)									...	...	33.5			66.5	74.5	58.0	42.6	36.9	30.9		37.8	62.6	
Debt service of PPG external debt (in percent of exports + remittances)									...	...	4.0			10.1	6.5	11.1	8.2	7.2	8.5		3.2	5.1	

Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and ρ = growth rate of GDP deflator in U.S. dollar terms.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Assumes that PV of private sector debt is equivalent to its face value.

5/ Current-year interest payments divided by previous period debt stock.

6/ Historical averages and standard deviations are generally derived over the past 10 years, subject to data availability.

7/ Defined as grants, concessional loans, and debt relief.

8/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

Table 2a. Chad: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2014-2034

(In percent)

	Projections							
	2014	2015	2016	2017	2018	2019	**2024**	2034
PV of debt-to GDP ratio								
Baseline	21	23	19	16	14	12	**11**	12
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2014-2034 1/	21	10	4	0	-3	-6	**-17**	-30
A2. New public sector loans on less favorable terms in 2014-2034 2	21	23	21	18	17	15	**16**	21
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2015-2016	21	25	22	19	16	14	**13**	14
B2. Export value growth at historical average minus one standard deviation in 2015-2016 3/	21	29	40	35	33	29	**25**	14
B3. US dollar GDP deflator at historical average minus one standard deviation in 2015-2016	21	19	18	15	13	11	**10**	11
B4. Net non-debt creating flows at historical average minus one standard deviation in 2015-2016 4/	21	26	25	22	20	17	**15**	13
B5. Combination of B1-B4 using one-half standard deviation shocks	21	17	17	14	13	11	**10**	11
B6. One-time 30 percent nominal depreciation relative to the baseline in 2015 5/	21	36	31	26	23	19	**18**	19
PV of debt-to-exports ratio								
Baseline	66	74	58	43	37	31	**38**	63
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2014-2034 1/	66	34	12	-1	-8	-16	**-60**	-159
A2. New public sector loans on less favorable terms in 2014-2034 2	66	75	62	48	44	40	**57**	110
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2015-2016	66	74	58	43	37	31	**38**	63
B2. Export value growth at historical average minus one standard deviation in 2015-2016 3/	66	141	388	299	271	246	**272**	240
B3. US dollar GDP deflator at historical average minus one standard deviation in 2015-2016	66	74	58	43	37	31	**38**	63
B4. Net non debt creating flows at historical average minus one standard deviation in 2015-2016 4/	66	86	77	58	51	45	**52**	67
B5. Combination of B1-B4 using one-half standard deviation shocks	66	58	68	50	43	37	**45**	72
B6. One-time 30 percent nominal depreciation relative to the baseline in 2015 5/	66	74	58	43	37	31	**38**	63
PV of debt-to-revenue ratio								
Baseline	124	154	103	86	59	51	**53**	58
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2014-2034 1/	124	71	22	-2	-13	-26	**-84**	-147
A2. New public sector loans on less favorable terms in 2014-2034 2	124	156	110	98	71	66	**80**	102
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2015-2016	124	168	120	101	69	60	**63**	68
B2. Export value growth at historical average minus one standard deviation in 2015-2016 3/	124	199	217	191	137	128	**121**	70
B3. US dollar GDP deflator at historical average minus one standard deviation in 2015-2016	124	129	97	81	56	48	**50**	55
B4. Net non-debt creating flows at historical average minus one standard deviation in 2015-2016 4/	124	178	137	117	82	74	**73**	61
B5. Combination of B1-B4 using one-half standard deviation shocks	124	113	93	78	54	47	**49**	52
B6. One-time 30 percent nominal depreciation relative to the baseline in 2015 5/	124	246	165	138	94	82	**86**	93

Table 2b. Chad: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2014-2034 (continued)

(In percent)

Debt service-to-exports ratio

Baseline	10	6	11	8	7	8	**3**	5
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2014-2034 1/	10	5	8	5	4	5	**-1**	-7
A2. New public sector loans on less favorable terms in 2014-2034 2	10	6	3	2	2	4	**2**	4
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2015-2016	10	6	11	8	7	8	**3**	5
B2. Export value growth at historical average minus one standard deviation in 2015-2016 3/	10	10	36	30	26	30	**27**	31
B3. US dollar GDP deflator at historical average minus one standard deviation in 2015-2016	10	6	11	8	7	8	**3**	5
B4. Net non-debt creating flows at historical average minus one standard deviation in 2015-2016 4/	10	6	11	9	7	9	**5**	6
B5. Combination of B1-B4 using one-half standard deviation shocks	10	6	12	9	8	10	**4**	6
B6. One-time 30 percent nominal depreciation relative to the baseline in 2015 5/	10	6	11	8	7	8	**3**	5

Debt service-to-revenue ratio

Baseline	18.8	13.4	19.7	16.7	11.5	14.0	**4.5**	4.7
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2014-2034 1/	19	10	13	11	7	8	**-2**	-6
A2. New public sector loans on less favorable terms in 2014-2034 2	19	13	5	4	3	6	**3**	4
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2015-2016	19	15	23	19	13	16	**5**	5
B2. Export value growth at historical average minus one standard deviation in 2015-2016 3/	19	13	20	19	13	16	**12**	9
B3. US dollar GDP deflator at historical average minus one standard deviation in 2015-2016	19	11	19	16	11	13	**4**	4
B4. Net non-debt creating flows at historical average minus one standard deviation in 2015-2016 4/	19	13	20	17	12	14	**7**	6
B5. Combination of B1-B4 using one-half standard deviation shocks	19	11	17	15	10	12	**4**	4
B6. One-time 30 percent nominal depreciation relative to the baseline in 2015 5/	19	21	31	27	18	22	**7**	7
Memorandum item:								
Grant element assumed on residual financing (i.e., financing required above baseline) 6/	33	33	33	33	33	33	**33**	33

Sources: Country authorities; and staff estimates and projections.

1/ Variables include real GDP growth, growth of GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

2/ Assumes that the interest rate on new borrowing is by 2 percentage points higher than in the baseline., while grace and maturity periods are the same as in the baseline.

3/ Exports values are assumed to remain permanently at the lower level, but the current account as a share of GDP is assumed to return to its baseline level after the shock (implicitly a an offsetting adjustment in import levels).

4/ Includes official and private transfers and FDI.

5/ Depreciation is defined as percentage decline in dollar/local currency rate, such that it never exceeds 100 percent.

6/ Applies to all stress scenarios except for A2 (less favorable financing) in which the terms on all new financing are as specified in footnote 2.

Table 3. Chad: Public Sector Debt Sustainability Framework, Baseline Scenario, 2011-2034

(In percent of GDP, unless otherwise indicated)

	Actual					Estimate	Projections								
	2011	2012	2013	Average 5/	Standard Deviation 5/	2014	2015	2016	2017	2018	2019	2014-19 Average	2024	2034	2020-34 Average
Public sector debt 1/	29.5	28.2	30.1			38.2	33.2	30.4	26.5	24.4	21.7	29.1	18.8	18.7	18.7
of which: foreign-currency denominated	21.3	20.1	21.2			30.8	25.5	22.6	19.6	18.1	15.9		15.4	16.9	
Change in public sector debt	-0.5	-1.3	2.0			8.1	-5.0	-2.8	-3.9	-2.1	-2.8		-0.1	0.0	
Identified debt-creating flows	-3.1	-1.7	-0.3			-1.9	-2.3	-6.2	-6.6	-7.6	-4.8		-0.7	-0.1	
Primary deficit	-2.3	-1.5	1.1	0.3	3.9	2.3	-1.9	-4.4	-4.0	-6.1	-3.0	-2.8	0.2	0.9	0.4
Revenue and grants	24.3	24.4	20.8			18.9	17.6	20.9	20.6	26.0	25.0		22.7	22.8	
of which: grants	1.5	2.7	2.3			2.0	3.0	2.3	2.1	2.1	2.1		2.2	2.4	
Primary (noninterest) expenditure	22.0	22.9	21.9			21.1	15.8	16.5	16.7	19.9	22.0		23.0	23.7	
Automatic debt dynamics	-0.3	-0.1	-0.9			0.3	0.7	-1.4	-2.3	-1.2	-1.5		-0.8	-0.9	
Contribution from interest rate/growth differential	-0.5	-2.9	1.1			-1.4	-4.2	-1.9	-2.3	-0.7	-1.0		-0.6	-0.8	
of which: contribution from average real interest rate	-0.5	-0.4	2.6			0.5	-1.5	-0.4	0.0	0.5	0.2		0.0	-0.2	
of which: contribution from real GDP growth	0.0	-2.4	-1.5			-1.9	-2.7	-1.5	-2.3	-1.3	-1.2		-0.6	-0.7	
Contribution from real exchange rate depreciation	0.3	2.8	-2.0			1.7	4.9	0.5	0.0	-0.5	-0.5		...	...	
Other identified debt-creating flows	0.0	-0.1	-0.5			-4.4	-1.1	-0.4	-0.3	-0.3	-0.3		-0.2	-0.1	
Privatization receipts (negative)	0.0	-0.1	0.0			-4.0	-0.9	0.0	0.0	0.0	0.0		0.0	0.0	
Recognition of implicit or contingent liabilities	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
Debt relief (HIPC and other)	0.0	0.0	-0.5			-0.4	-0.3	-0.4	-0.3	-0.3	-0.3		-0.2	-0.1	
Other (specify, e.g. bank recapitalization)	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
Residual, including asset changes	2.4	0.3	2.3			9.9	-2.7	3.3	2.7	5.5	2.0		0.6	0.1	
Other Sustainability Indicators															
PV of public sector debt	...	...	20.1			28.4	30.5	27.0	22.8	20.4	17.4		14.4	13.7	
of which: foreign-currency denominated	...	...	11.2			21.0	22.7	19.2	15.9	14.1	11.7		11.0	11.8	
of which: external	...	...	11.2			21.0	22.7	19.2	15.9	14.1	11.7		11.0	11.8	
PV of contingent liabilities (not included in public sector debt)	...	...	...			...	...	...	...	...	...		...	...	
Gross financing need 2/	-1.3	0.5	3.8			6.5	2.3	0.8	0.2	-2.6	0.7		1.3	2.0	
PV of public sector debt-to-revenue and grants ratio (in percent)	...	...	96.8			150.5	172.7	129.1	110.6	78.5	69.8		63.1	59.8	
PV of public sector debt-to-revenue ratio (in percent)	...	...	108.6			168.1	208.2	145.0	123.4	85.4	76.1		69.9	66.9	
of which: external 3/	...	...	60.4			124.2	155.1	102.9	86.2	59.0	50.9		53.4	57.7	
Debt service-to-revenue and grants ratio (in percent) 4/	3.5	8.1	12.9			22.4	23.5	24.8	20.2	13.7	14.9		4.9	4.6	
Debt service-to-revenue ratio (in percent) 4/	3.3	9.0	14.5			25.0	28.4	27.8	22.5	14.8	16.2		5.5	5.2	
Primary deficit that stabilizes the debt-to-GDP ratio	-2.2	-0.2	-0.8			-5.8	3.1	-1.6	-0.1	-4.0	-0.3		0.3	0.9	
Key macroeconomic and fiscal assumptions															
Real GDP growth (in percent)	0.1	8.9	5.7	8.1	9.8	6.9	7.6	4.9	8.3	5.0	5.1	6.3	3.3	3.8	3.4
Average nominal interest rate on forex debt (in percent)	1.3	3.5	3.3	1.6	1.0	2.8	3.6	4.2	3.6	3.0	2.4	3.2	1.3	1.3	1.3
Average real interest rate on domestic debt (in percent)	...	9.1	5.8	7.4	2.3	1.3	4.2	2.6	2.3	2.9	1.8	2.5	2.6	2.7	2.5
Real exchange rate depreciation (in percent, + indicates depreciation)	1.3	14.6	-9.4	8.3	31.4	8.4	...	...	...	...	...	...	...	...	...
Inflation rate (GDP deflator, in percent)	2.5	-4.0	-1.9	-1.9	9.3	3.2	1.9	3.6	3.1	2.4	3.3	2.9	2.9	3.0	2.9
Growth of real primary spending (deflated by GDP deflator, in percent)	-3.3	19.5	-1.1	1.6	6.4	0.5	-25.9	13.1	11.4	25.3	16.0	6.7	3.1	4.4	3.4
Grant element of new external borrowing (in percent)	...	...	...	...	...	-1.2	37.5	36.6	36.5	36.7	36.8	30.5	37.1	37.5	...

Sources: Country authorities; and staff estimates and projections.

1/ [Indicate coverage of public sector, e.g., general government or nonfinancial public sector. Also whether net or gross debt is used.]

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

3/ Revenues excluding grants.

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

5/ Historical averages and standard deviations are generally derived over the past 10 years, subject to data availability.

Table 4. Chad: Sensitivity Analysis for Key Indicators of Public Debt 2014-2034

	Projections							
	2014	2015	2016	2017	2018	2019	2024	2034
PV of Debt-to-GDP Ratio								
Baseline	28	30	27	23	20	17	14	14
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	28	32	30	29	29	27	21	9
A2. Primary balance is unchanged from 2014	28	33	34	33	36	35	40	38
A3. Permanently lower GDP growth 1/	28	31	28	24	23	21	28	61
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviations in 2015-2016	28	34	34	30	29	28	31	32
B2. Primary balance is at historical average minus one standard deviations in 2015-2016	28	35	36	31	28	24	17	4
B3. Combination of B1-B2 using one half standard deviation shocks	28	35	36	31	29	26	22	14
B4. One-time 30 percent real depreciation in 2015	28	45	39	32	28	24	15	2
B5. 10 percent of GDP increase in other debt-creating flows in 2015	28	37	32	27	24	21	14	2
PV of Debt-to-Revenue Ratio 2/								
Baseline	154	189	125	108	78	70	64	60
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	151	185	146	139	113	109	93	44
A2. Primary balance is unchanged from 2014	151	193	163	161	138	142	177	167
A3. Permanently lower GDP growth 1/	151	180	134	118	89	85	123	259
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviations in 2015-2016	151	195	159	144	112	109	135	138
B2. Primary balance is at historical average minus one standard deviations in 2015-2016	151	200	175	151	107	96	74	17
B3. Combination of B1-B2 using one half standard deviation shocks	151	200	171	150	110	102	97	61
B4. One-time 30 percent real depreciation in 2015	151	260	187	158	109	95	67	8
B5. 10 percent of GDP increase in other debt-creating flows in 2015	151	213	156	133	94	83	61	9
Debt Service-to-Revenue Ratio 2/								
Baseline	22	24	25	20	14	15	5	5
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	22	22	23	20	13	14	5	4
A2. Primary balance is unchanged from 2014	22	22	24	20	14	16	9	13
A3. Permanently lower GDP growth 1/	22	23	24	21	14	16	6	14
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviations in 2015-2016	22	24	27	23	16	17	7	10
B2. Primary balance is at historical average minus one standard deviations in 2015-2016	22	22	24	21	14	15	7	4
B3. Combination of B1-B2 using one half standard deviation shocks	22	23	25	22	15	16	7	6
B4. One-time 30 percent real depreciation in 2015	22	24	32	27	18	21	6	5
B5. 10 percent of GDP increase in other debt-creating flows in 2015	22	22	24	21	14	15	6	3

Sources: Country authorities; and staff estimates and projections.

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

2/ Revenues are defined inclusive of grants.