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To: Members of the Executive Board

From: The Secretary

Subject: **Republic of South Sudan—Request for Disbursement Under the Rapid Credit Facility—Debt Sustainability Analysis**

Board Action:	Executive Directors' **consideration** (Formal)
Prepared by:	The staffs of the Fund and the International Development Association
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***The authorities have indicated that they consent to the Fund's publication of this paper.**

INTERNATIONAL MONETARY FUND

REPUBLIC OF SOUTH SUDAN

REQUEST FOR DISBURSEMENT UNDER THE RAPID CREDIT FACILITY—DEBT SUSTAINABILITY ANALYSIS

October 27, 2020

Approved By

David Owen (IMF, AFR), Gavin Gray (IMF, SPR), and Marcello Estevão (IDA)

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

Joint Bank-Fund Debt Sustainability Analysis	
Risk of external debt distress	High
Overall risk of debt distress	High
Granularity in the risk rating	Sustainable
Application of judgment	No

The new baseline in this Debt Sustainability Analysis (DSA) reflects notable developments since the last assessment in May 2019: a debt restructuring agreement with Qatar National Bank; the authorities' commitment to implement prudent fiscal and monetary policies, and stop engaging in oil advances and highly non-concessional debt going forward; higher oil production; and the adverse impact of the COVID-19 crisis. The pandemic predominantly affects South Sudan's economy through the collapse in oil prices which, in turn, gives rise to a large current account deficit and less favorable fiscal position, leading to larger financing needs.

South Sudan's debt is assessed to be sustainable on a forward-looking basis with a high risk of debt distress for both external and overall public debt.[1] Specifically, factoring in the adverse impact of the COVID-19 pandemic and fundamental changes discussed above, there are temporary breaches in two out of seven debt indicators under the baseline scenario (debt service-to-revenues ratio of external public debt and present value (PV) of debt-to-GDP ratio of overall public debt). These breaches suggest a high risk of external and overall public debt distress. However, all external and overall public debt indicators are expected to be below the respective thresholds from 2024/25 onwards, contingent on the authorities' commitment to cap the deficit in 2020/21 and undertake an ambitious, yet feasible, fiscal adjustment over the medium term. On this forward-looking basis, South Sudan's external and overall debt are assessed to be sustainable. Given the rapidly evolving nature of the COVID-19 pandemic, risks are heavily tilted to the downside. They include subdued oil prices, deadlock in implementing sustainable peace, and lack of political commitment to implement strong macroeconomic adjustment measures.

[1] South Sudan's debt-carrying capacity remains rated "weak" with composite indicator score of 1.54 according to the April 2020 vintage of World Economic Outlook and the 2018 Country Policy and Institutional Assessment index.

BACKGROUND

A. Public Debt Coverage

1. **The DSA covers central government debt.** South Sudan faces significant weaknesses with the availability of debt data. Complete information about SOE debt and government guarantees is unavailable, and this leads to the omission of SOEs in the DSA.[2] The size of government guarantees is negligible; thus, the contingent liability stress test includes only SOE debt and financial market shocks. The external debt is defined using the currency criterion.

Subsectors of the public sector	Sub-sectors covered
1 Central government	X
2 State and local government	
3 Other elements in the general government	
4 o/w: Social security fund	
5 o/w: Extra budgetary funds (EBFs)	
6 Guarantees (to other entities in the public and private sector, including to SOEs)	
7 Central bank (borrowed on behalf of the government)	X
8 Non-guaranteed SOE debt	

1 The country's coverage of public debt	The central government, central bank		
	Default	Used for the analysis	Reasons for deviations from the default settings
2 Other elements of the general government not captured in 1.	0 percent of GDP	0.0	
3 SoE's debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	2.0	
4 PPP	35 percent of PPP stock	0.0	
5 Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5.0	
Total (2+3+4+5) (in percent of GDP)		7.0	

1/ The default shock of 2% of GDP will be triggered for countries, whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0%.

2. **Access to data remains a constraint, despite the authorities' efforts to improve the availability of data**. The authorities are receiving technical assistance (TA) from both the IMF and the World Bank on Public Financial Management (PFM) reforms—including the relocation of the Loan Committee to the Ministry of Finance and Planning, which is expected to lead to improvements in the quality of public debt and fiscal data.

B. Debt Developments

3. **South Sudan has reached a debt restructuring agreement with Qatar National Bank (QNB), putting an end to external debt distress.** South Sudan was in debt distress, owing to external debt arrears, and its debt was assessed to be unsustainable in the 2019 DSA. A short-term trade facility provided by QNB fell into arrears in 2015. In addition, South Sudan fell behind on payments to Sudan in 2015 and 2016 under the Transitional Financial Arrangement (TFA) but cleared these arrears in 2018.[3] In July 2020,

[2] Addressing the lack of coverage of SOE will require significant efforts in terms of data gathering and possibly technical support to produce the information.

[3] Under the agreement signed with Sudan in 2012, the South Sudanese government agrees to deliver a payment-in-kind of 10 million barrels of oil per year until FY20/21. In FY 2015/16, South Sudan accumulated payment arrears on the TFA to Sudan of US$291 million. Note: the fiscal year in South Sudan runs from July to June.

the authorities reached a debt restructuring agreement with QNB, which resulted in a significant reduction of the net present value of the borrowing (42 percent). The government started servicing the loan in October 2020 and is now current on all its external debts.

4. **South Sudan's external public debt was estimated at US$1,355 million (41 percent of GDP) as of end-June 2020 (Text Table 1).** Debt to the World Bank amounted to US$79 million on IDA terms, while debt to the African Development Bank (AfDB) amounted to US$28 million. US$143 million had been borrowed from China Exim Bank to upgrade the Juba International Airport. The Bank of South Sudan (BSS) has an outstanding liability to the QNB, amounting to US$627 million. Oil-related short-term loans have declined significantly, from an estimated US$338 million in March 2019 to US$99 million in June 2020. As shown in Text Table 1, relatively few counterparties account for most of South Sudan's gross external debt. In FY19/20 around 81 percent of total loans (46 percent: QNB loans; 35 percent: oil advances and AFREXIM Bank loans) are highly non-concessional. South Sudan has not requested the benefit of the Debt Service Suspension Initiative.

Text Table 1. Republic of South Sudan: External Borrowing[1]

	2017/18		2018/19		2019/20	
	USD Million	Share	USD Million	Share	USD Million	Share
Multilateral						
IDA	53	4%	53	4%	79	6%
AfDB	28	2%	28	2%	28	2%
Bilateral						
China EXIM Bank	100	8%	150	13%	143	11%
Commercial						
QNB	627	52%	627	52%	627	46%
AFREXIM	108	9%	0	0%	379	28%
Oil advances	216	18%	338	28%	99	7%
Arrears to Sudan	70	6%	0	0%	0	0%
Total external debt outstanding	**1,202**	100%	**1,196**	100%	**1,355**	100%
External debt to GDP ratio	1,202	37.8	1,196	26.7	1,355	28.3
Domestic debt to GDP ratio	265	8.3	229	6.0	596	12.5
Total public debt to GDP ratio	1,466	46.1	1,424	32.7	1,952	40.8

Sources: South Sudanese authorities and IMF staff estimates and projections.

[1]Fiscal year runs from July to June.

5. **Higher historical oil production based on new oil data, combined with a large increase in oil production in the second half of 2019, improved South Sudan's debt-servicing capacity (Text Table 2).** The latest oil production data from the authorities show higher oil production than the numbers assumed in the 2019 DSA, with FY18/19 oil production 25 percent higher in the new data, and a large pickup in FY19/20 oil production (around 25 percent increase between June 2019 and February 2020), much higher than expected in the 2019 DSA. As more than 90 percent of total exports and government revenue are from oil, the higher oil production improved South Sudan's debt-servicing capacity.

6. **South Sudan's domestic debt had been low at below 10 percent of GDP prior to the COVID-19 crisis.** Domestic debt is mostly in the form of loans from the central bank. The government had stopped monetary financing since 2016, which helped lower inflation and stabilize the exchange rate. However, the

COVID-19 crisis had triggered some monetary financing, increasing domestic debt by around 5 percentage points in FY19/20. While there are no arrears on domestic debt instruments, the authorities have domestic arrears related to salaries and goods and services. The current estimate of salary arrears is 2 percent of GDP, or 5 to 6 months in arrears. The authorities' PFM reform strategy includes the review, verification and clearance of all other arrears.

7. **The Transitional Financial Arrangement (TFA) with Sudan (around 5 percent of GDP) puts significant pressure on the budget, but the agreement will end in June 2022 opening considerable fiscal space.** Financial transfers to Sudan accounted for around 20 percent of government's total expenditure, on average, in the past 4 years (18 percent in FY19/20). The forthcoming completion of the TFA will allow for smaller debt accumulation, a more robust debt profile, and thus lower borrowing cost in the relatively near future.

UNDERLYING ASSUMPTIONS

8. **Under the baseline scenario, some recovery is expected next year, and solid growth in oil and non-oil sectors are expected over the medium term (Text Table 2).** Assuming continued progress in peace agreement and PFM reforms, despite a slowdown in FY20/21 due to the COVID-19 pandemic, medium-to-long-term growth prospects remain favorable as South Sudan started from a very low base following the civil war. Progress in the peace agreement, improved PFM, and recovery in oil prices should support an overall growth of 6 percent in the medium to long term. Text Table 2 presents the main macro-framework assumptions in the current baseline scenario, as well as those of the previous DSA.

Text Table 2. Republic of South Sudan: Key Macroeconomic Assumptions Comparison with the Previous Debt Sustainability Analysis

	2019/20	2020/21	2021/22	2022/23	2023/24	2029/30
		Projection				
Real GDP growth (annual percent change)						
2020 DSA	13.2	-3.6	0.0	2.5	5.5	6.4
2019 DSA	8.1	6.6	5.5	5.6	7.5	-2.2
Real oil GDP growth (annual percent change)						
2020 DSA	26.4	-5.9	0.0	3.1	6.1	5.0
2019 DSA	17.6	10.5	4.4	3.8	4.2	-15.0
Current Account Balance (percent of GDP)						
2020 DSA	-2.7	-4.5	-2.3	0.7	-1.3	-2.7
2019 DSA	-1.8	-1.9	-1.9	-0.7	-4.2	-20.7
Exports of goods and services (percent of GDP)						
2020 DSA	64.6	59.6	61.1	61.7	61.8	59.6
2019 DSA	64.4	75.6	84.3	88.9	92.1	77.5
Imports of goods and services (percent of GDP)						
2020 DSA	79.5	80.4	79.0	83.0	85.6	84.8
2019 DSA	75.6	84.9	95.7	96.9	101.4	96.8
Primary deficit (percent of GDP)						
2020 DSA	-5.1	-1.0	-0.1	2.7	2.4	0.5
2019 DSA	-0.5	0.1	0.3	1.2	0.6	-1.1
Revenue and grants (percent of GDP)						
2020 DSA	29.7	27.8	29.2	29.4	29.5	29.2
2019 DSA	32.0	35.8	39.2	40.6	42.1	36.8
Primary expenditures (percent of GDP)						
2020 DSA	34.8	28.8	29.3	26.7	27.1	28.8
2019 DSA	32.6	35.8	38.9	33.6	41.6	38.0

Sources: South Sudanese authorities; and IMF staff estimations and projections.

9. The authorities are committed not to contract oil advances and refrain from taking highly non-concessional loans. As a result, the average marginal interest rate on the external debt under the new baseline declines relative to the previous DSA, from 4.6 percent to 4.3 percent. At the same time, the new baseline assumes a relatively shorter maturity and grace period of 14 years and 4 years, respectively, than the baseline in the previous DSA, 21 years and 5 years, respectively. The authorities have almost entirely paid back the residual oil advances contracted in the past (around US$99 million remains in June 2020) and have not relied on such short-term financing since May 2020.

10. The authorities' commitment to fiscal prudence, which underpins the DSA, is based on a combination of automatic adjustment and policy measures.

- The composition of public spending incorporates a mechanical adjustment mechanism, as the Transitional Financial Arrangement (TFA) payments to Sudan (about 5 percent of GDP) and the transfers to oil producing states (about 1.5 percent of GDP) are indexed onto oil prices.
- Further fiscal consolidation will come from cuts to investment expenditures, which are expected to decline from 3.2 percent of GDP in FY19/20 to 2 percent of GDP in FY20/21. The immediate growth impact of such cuts will be contained given the large import content of investment projects.
- The payment of wages, which suffers regular delays and arrears, will be prioritized, notably as it is the main poverty-reducing instrument currently available to the authorities, in the absence of budget-funded transfer mechanisms.

11. The financing gap in FY20/21 will be closed with a combination of concessional and semi-concessional loans. Specifically, a prospective IMF loan under the RCF (around US$52.2 million) is expected to close around 30 percent of the fiscal financing gap in FY20/21 (around US$172 million). The remaining financing gap is expected to be closed by a combination of non-concessional and semi-concessional loans of 5-percent interest rate, 5-year maturity, and 1-year grace period, a conservative assumption that is less concessional than existing official bilateral financing. In April 2020, the World Bank provided US$7.6 million in support for the South Sudan COVID-19 Response Plan, activating a Contingency Emergency Response Component (CERC) under the ongoing Provision of Essential Health Services Project (PHESP) (US$5 million) and reprogramming some remaining funds from the earlier activated Ebola CERC (US$2.6 million). The World Bank is processing additional financing of US$5 million under the COVID-19 Fast Track Facility to replenish the already activated CERC. In addition, an amount of US$1.58 million was approved and transferred to the WHO to support the procurement of personal protective equipment and diagnostics in the country. Project interventions under the Safety Net Project (US$40 million) and the Enhancing Community Resilience and Local Governance Project (US$45 million) projects will also be critical for alleviating the socio-economic impact of COVID-19 in target areas.

12. The realism tools flag some optimism compared to historical performance, but staff is of the view that the projections are reasonable. The baseline scenario implies an improvement of the primary balance from -5.1 percent of GDP in FY19/20 to 2.7 percent of GDP in FY22/23. Staff is of the view that this is realistic, as part of the adjustment stems from the mechanical impacts of (1) lower oil prices on government spending (a large share of which is indexed on oil prices), (2) the recovery of oil prices, and (3) the expiration of the TFA agreement with Sudan (about 5 percent of GDP). In addition, the recent revitalized peace agreement, ongoing progress in PFM reforms, and the authorities' commitment to prudent debt management and fiscal and monetary policies are expected to support the fiscal adjustment.

COUNTRY CLASSIFICATION AND DETERMINATION OF STRESS TESTS

13. **SSD's debt carrying capacity remains classified as weak (Text Table 3).** The classification of debt carrying capacity is guided by the composite indicator (CI) score, which is determined by the World Bank's Country Policy and Institutional Assessment (CPIA) and other variables, such as real GDP growth and import coverage of foreign exchange reserves. South Sudan's latest CI score is 1.54 based on the April 2020 WEO and 2018 CPIA. This classification remains unchanged from the assessment in the 2019 and 2016 DSAs.

14. **Given the importance of oil price developments, a tailored stress test for lower oil prices was conducted.** In addition to standard stress tests, the commodity price stress test has been applied. The commodity price stress test features one standard deviation decline in oil prices and 6-year period for closing the financing gap that arises.

Text Table 3. Republic of South Sudan: Debt Carrying Capacity and Thresholds

Country	South Sudan
Country Code	733

Debt Carrying Capacity	Weak

Final	Classification based on current vintage	Classification based on the previous vintage
Weak	Weak 1.54	Weak 1.42

Applicable Thresholds

APPLICABLE	
EXTERNAL debt burden thresholds	
PV of debt in % of	
Exports	140
GDP	30
Debt service in % of	
Exports	10
Revenue	14

APPLICABLE	
TOTAL public debt benchmark	
PV of total public debt in percent of GDP	35

New framework			
	Cut-off values		
Weak	CI <	2.69	
Medium	2.69	≤ CI ≤	3.05
Strong	CI >	3.05	

EXTERNAL DEBT SUSTAINABILITY ANALYSIS

15. Despite the COVID-19 shock, the PV of external-debt-to-GDP ratio under the baseline scenario is expected to remain below the 30 percent threshold, albeit marginally (Figure 1 and Table 1). The PV of debt-to-exports ratio is projected to be at 28.8 percent in FY20/21, marginally below the indicative threshold of 30 percent, as oil exports were hit by the global shocks. The ratio gradually declines over the remaining projection period as exports recover from the 2020 shocks. The ratio is expected to decline to 26 percent in FY22/23 and stabilize at around 20 percent from FY24/25 onwards.

16. The external debt liquidity indicators breach the threshold until FY23/24 under the baseline scenario due to the large impact of the pandemic on oil prices, and the service of commercial external debt (Figure 1 and Table 1). The debt service-to-revenue ratio exceeds its thresholds until FY23/24 by around 2 percentage points mainly due to the decline in oil prices combined with the repayment of commercial external debt. However, the ratio is projected to steadily improve and stay well below the thresholds from FY24/25 onwards. The external debt service-to-exports ratio is expected to only marginally breach the threshold in FY20/21 and stay well below the threshold henceforth.

17. Applying standard stress tests on top of the global shocks from COVID-19 results in longer breaches in the debt service-to-exports ratio (Figure 1 and Table 1). Specifically, under the most extreme shock scenario (i.e., a shock to export growth), the PV of debt-to-GDP and debt service-to-revenue ratios breach the threshold over the projection period, by a large amount for some years. Furthermore, under the same scenario, the debt service-to-exports ratio exceeds the threshold for multiple years. The PV of debt-to-exports ratio under all scenarios is below the threshold throughout the projection period.

PUBLIC DEBT SUSTAINABILITY ANALYSIS

18. Under the baseline scenario, total public debt as a share of GDP is expected to gradually decline and will be below 35 percent from FY23/24 onwards (Figure 2 and Table 2). Public sector debt is projected to increase from 33 percent in FY18/19 to 42 percent in FY20/21, during which domestic debt is projected to increase from 6 percent in FY18/19 to 12 percent in FY20/21. Public sector debt is expected to decline afterwards reflecting the authorities' commitment to fiscal discipline. Under the most extreme shock scenario, all debt indicators are expected to breach the threshold over the projection period by significant amount for some years.

RISK RATING AND VULNERABILITIES

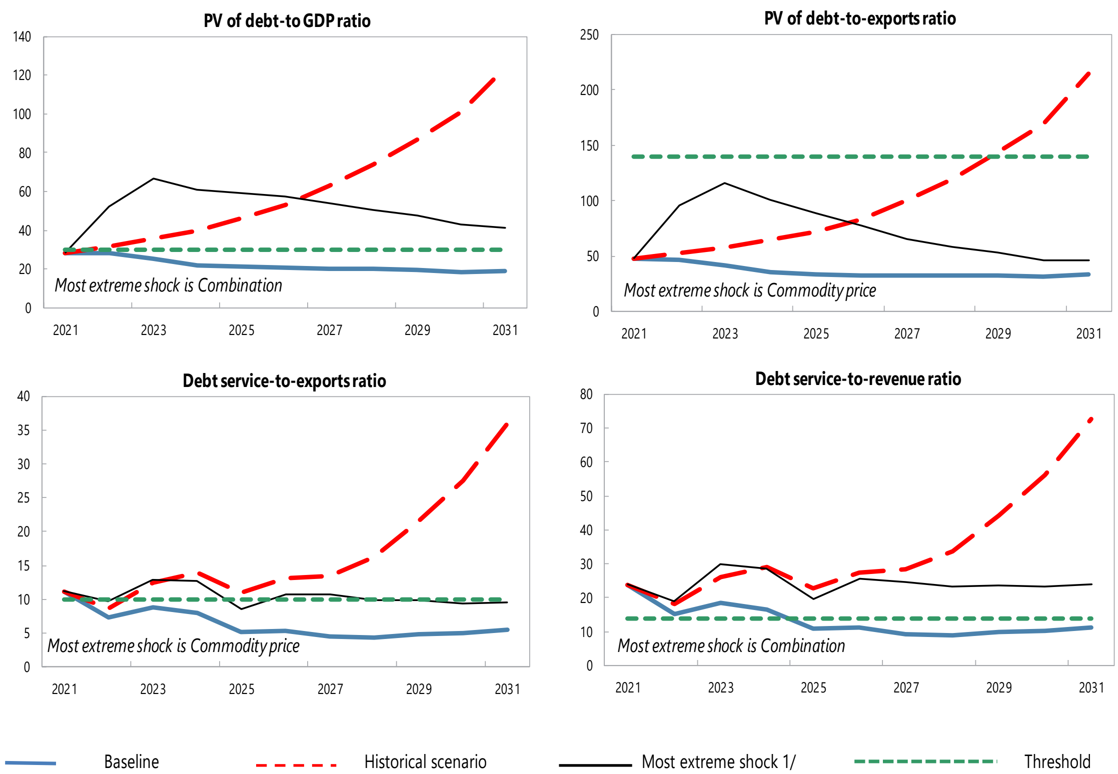
19. Staff assesses South Sudan's external and overall public debt to be sustainable on a forward-looking basis with a high risk of debt distress for both external and domestic public debt. This assessment is subject to uncertainties as it critically hinges on the authorities' commitments to continue avoiding oil advances, adopt prudent monetary and fiscal policies, and continue PFM reforms. These commitments would open access to affordable commercial and concessional loans and significantly higher amounts of grants, as well as lead to a more resilient economy—all important determinants of future debt sustainability. With these commitments, as shown in Figure 5, all public debt indicators are expected to be below the thresholds and the risk of debt distress is expected to be moderate starting from FY24/25. Total public debt indicators in the medium term mainly reflect the total external debt indicators since the domestic debt level is low and projected to remain relatively low given the extremely limited depth of the domestic financial market in South Sudan.

20. There are substantial downside risks to the baseline scenario. Besides subdued oil prices, the risks include deadlock in implementing sustainable peace, lack of political commitment to implement strong macroeconomic adjustment measures, suboptimal resource allocation, including insufficiently efficient public investment, and protracted rent seeking behavior and corruption. These risks of prolonged fragility underscore the importance of a commitment to internal peace, economic reforms, and close cooperation with the international community.

AUTHORITIES' VIEWS

21. The authorities agreed with the assessment of the DSA. They recognized the importance of remaining current on their debts, discontinuing oil advances, avoiding highly non-concessional borrowings, and the prudent fiscal and monetary policies discussed in the staff report to improve South Sudan's debt sustainability.

Figure 1. Republic of South Sudan: Indicators of Public and Publicly Guaranteed External Debt under Alternatives Scenarios, FY2021–2031[1]/



Customization of Default Settings		
	Size	Interactions
Tailored Tests		
Combined CLs	No	
Natural Disasters	n.a.	n.a.
Commodity Prices [2/]	Yes	No
Market Financing	n.a.	n.a.

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

Borrowing Assumptions for Stress Tests*		
	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	100%
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	4.3%	4.3%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	14	14
Avg. grace period	3	3

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2031. Stress tests with one-off breaches are also presented (if any), while these one-off breaches are deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

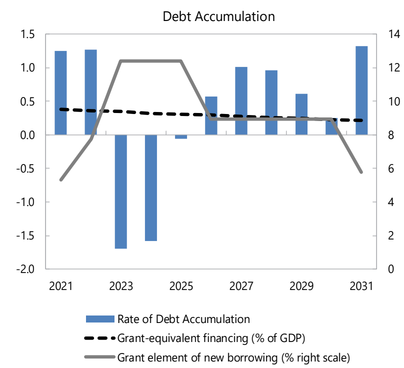
2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

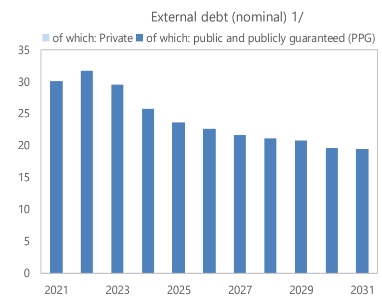
Table 1. Republic of South Sudan: External Debt Sustainability Framework, Baseline Scenario, FY2020–2041

(In percent of GDP, unless otherwise indicated)

	Actual	Projections								Average 8/	
	2020	2021	2022	2023	2024	2025	2026	2031	2041	Historical	Projections
External debt (nominal) 1/	**28.3**	**30.1**	**31.7**	**29.5**	**25.7**	**23.5**	**22.6**	**19.5**	**15.5**	**24.1**	**24.2**
of which: public and publicly guaranteed (PPG)	**28.3**	**30.1**	**31.7**	**29.5**	**25.7**	**23.5**	**22.6**	**19.5**	**15.5**	**24.1**	**24.6**
Change in external debt	1.7	1.7	1.6	-2.2	-3.8	-2.2	-1.0	0.0	-0.8		
Identified net debt-creating flows	**1.9**	**4.6**	**1.2**	**-2.4**	**-2.4**	**-1.3**	**0.0**	**-0.8**	**4.1**	**-1.8**	**-0.5**
Non-interest current account deficit	**1.1**	**3.5**	**1.3**	**-1.6**	**0.6**	**3.0**	**3.3**	**4.9**	**4.4**	**2.8**	**2.1**
Deficit in balance of goods and services	15.0	20.8	17.9	21.3	23.8	27.0	27.1	30.6	33.9	**3.6**	**24.4**
Exports	64.6	59.6	61.1	61.7	61.8	63.6	64.0	57.5	34.2		
Imports	79.5	80.4	79.0	83.0	85.6	90.6	91.0	88.2	68.1		
Net current transfers (negative = inflow)	-23.2	-23.3	-23.0	-29.4	-28.8	-29.0	-29.4	-28.9	-30.8	**-20.7**	**-27.7**
of which: official	0.0	0.0	-0.3	-0.6	-0.6	-0.6	-0.5	-0.4	0.0		
Other current account flows (negative = net inflow)	9.3	6.0	6.5	6.5	5.6	5.1	5.7	3.1	1.3	**19.9**	**5.5**
Net FDI (negative = inflow)	**0.4**	**-1.1**	**-1.1**	**-0.9**	**-2.2**	**-3.4**	**-2.8**	**-5.6**	**0.0**	**0.8**	**-2.5**
Endogenous debt dynamics 2/	**0.5**	**2.1**	**1.0**	**0.1**	**-0.8**	**-0.9**	**-0.5**	**-0.1**	**-0.3**		
Contribution from nominal interest rate	1.6	1.0	1.0	0.9	0.7	0.6	0.6	0.7	0.6		
Contribution from real GDP growth	-3.4	1.2	0.0	-0.8	-1.5	-1.5	-1.1	-0.8	-1.0		
Contribution from price and exchange rate changes	2.2	...	...	...	...	...	...	...	...		
Residual 3/	**-0.3**	**-2.8**	**0.4**	**0.2**	**-1.4**	**-1.0**	**-1.0**	**0.8**	**-4.9**	**5.8**	**-0.4**
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators											
PV of PPG external debt-to-GDP ratio	**23.7**	**28.6**	**28.5**	**25.5**	**22.2**	**21.1**	**20.8**	**19.0**	**14.9**		
PV of PPG external debt-to-exports ratio	**36.7**	**47.9**	**46.6**	**41.4**	**35.9**	**33.2**	**32.5**	**33.1**	**43.4**		
PPG debt service-to-exports ratio	**32.9**	**11.2**	**7.3**	**8.8**	**7.9**	**5.1**	**5.4**	**5.5**	**7.5**		
PPG debt service-to-revenue ratio	**71.5**	**23.9**	**15.2**	**18.4**	**16.6**	**10.8**	**11.3**	**11.2**	**11.0**		
Gross external financing need (Million of U.S. dollars)	1105.3	385.0	208.6	134.6	167.5	152.5	220.0	185.6	968.8		
Key macroeconomic assumptions											
Real GDP growth (in percent)	13.2	-3.6	0.0	2.5	5.5	6.0	5.0	4.4	6.6	**5.6**	**2.6**
GDP deflator in US dollar terms (change in percent)	-7.7	-9.4	4.8	2.3	2.2	-1.1	-0.7	3.0	3.0	**-4.9**	**-0.3**
Effective interest rate (percent) 4/	6.3	3.0	3.4	3.0	2.5	2.4	2.6	3.7	4.3	**1.5**	**2.8**
Growth of exports of G&S (US dollar terms, in percent)	0.6	-19.4	7.5	5.8	8.2	7.8	4.9	0.4	-16.7	**207.5**	**2.5**
Growth of imports of G&S (US dollar terms, in percent)	71.5	-11.8	3.0	10.2	11.3	10.9	4.8	8.2	-3.7	**5.9**	**4.7**
Grant element of new public sector borrowing (in percent)	...	5.3	7.8	12.4	12.4	12.4	8.9	5.8	5.8	**...**	**9.9**
Government revenues (excluding grants, in percent of GDP)	29.7	27.8	29.2	29.4	29.5	30.3	30.4	28.5	23.3	**32.2**	**29.4**
Aid flows (in Million of US dollars) 5/	0.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0		
Grant-equivalent financing (in percent of GDP) 6/	...	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.1	**...**	**0.3**
Grant-equivalent financing (in percent of external financing) 6/	...	5.3	7.8	12.4	12.4	12.4	8.9	5.8	5.8	**...**	**9.9**
Nominal GDP (Million of US dollars)	4,870	4,253	4,455	4,673	5,041	5,286	5,511	7,396	13,866		
Nominal dollar GDP growth	4.4	-12.7	4.8	4.9	7.9	4.9	4.3	4.1	6.3	**-2.4**	**2.3**
Memorandum items:											
PV of external debt 7/	23.7	28.6	28.5	25.5	22.2	21.1	20.8	19.0	14.9		
In percent of exports	36.7	47.9	46.6	41.4	35.9	33.2	32.5	33.1	43.4		
Total external debt service-to-exports ratio	32.9	11.2	7.3	8.8	7.9	5.1	5.4	5.5	7.5		
PV of PPG external debt (in Million of US dollars)	1153.9	1214.8	1268.9	1193.4	1119.4	1116.3	1146.1	1406.6	2060.5		
(PVt-PVt-1)/GDPt-1 (in percent)		1.3	1.3	-1.7	-1.6	-0.1	0.6	1.3	0.1		
Non-interest current account deficit that stabilizes debt ratio	-0.6	1.8	-0.3	0.6	4.4	5.2	4.3	4.9	5.3		

Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	No





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

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

6/ 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).

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

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

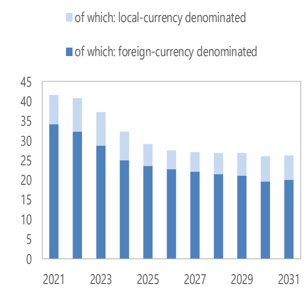
Table 2. Republic of South Sudan: Public Sector Debt Sustainability Framework, Baseline Scenario, FY2020–2041

(In percent of GDP, unless otherwise indicated)

	Actual	Projections								Average 6/	
	2020	2021	2022	2023	2024	2025	2026	2031	2041	Historical	Projections
Public sector debt 1/	40.8	41.7	40.9	37.2	32.2	29.2	27.6	26.3	24.0	44.6	31.5
of which: external debt	28.3	30.1	31.7	29.5	25.7	23.5	22.6	19.5	15.5	14.4	24.6
Change in public sector debt	8.1	0.9	-0.8	-3.7	-5.0	-3.0	-1.6	0.4	-0.7		
Identified debt-creating flows	4.6	5.0	-3.4	-5.1	-5.2	-2.5	-1.4	0.2	-1.1	-11.1	-1.8
Primary deficit	5.1	1.0	0.1	-2.7	-2.4	-0.9	-0.2	0.6	-0.5	5.0	-0.5
Revenue and grants	29.7	27.8	29.2	29.4	29.5	30.3	30.4	28.5	23.3	37.5	29.5
of which: grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Primary (noninterest) expenditure	34.8	28.8	29.3	26.7	27.1	29.4	30.2	29.1	22.8	42.5	29.0
Automatic debt dynamics	-0.5	4.0	-3.5	-2.4	-2.8	-1.6	-1.1	-0.3	-0.6		
Contribution from interest rate/growth differential	-2.2	0.2	-1.0	-1.8	-2.7	-2.2	-1.6	-0.8	-1.0		
of which: contribution from average real interest rate	1.6	-1.4	-1.0	-0.8	-0.7	-0.4	-0.2	0.3	0.6		
of which: contribution from real GDP growth	-3.8	1.5	0.0	-1.0	-2.0	-1.8	-1.4	-1.1	-1.5		
Contribution from real exchange rate depreciation	1.7	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	3.5	-0.3	0.0	0.9	0.1	0.1	0.2	0.6	0.7	10.3	0.5
Sustainability indicators											
PV of public debt-to-GDP ratio 2/	36.6	41.0	37.0	32.3	27.8	25.9	24.8	24.9	22.6		
PV of public debt-to-revenue and grants ratio	123.1	147.4	126.9	109.9	94.3	85.4	81.5	87.3	96.7		
Debt service-to-revenue and grants ratio 3/	71.8	24.7	16.0	19.0	17.2	11.8	12.4	14.3	19.4		
Gross financing need 4/	26.5	7.8	4.8	2.9	2.7	2.8	3.5	4.6	4.0		
Key macroeconomic and fiscal assumptions											
Real GDP growth (in percent)	13.2	-3.6	0.0	2.5	5.5	6.0	5.0	4.4	6.6	5.6	3.6
Average nominal interest rate on external debt (in percent)	6.5	3.1	3.5	3.0	2.4	2.4	2.5	3.5	4.1	3.2	2.9
Average real interest rate on domestic debt (in percent)	5.8	1.6	1.6	1.0	0.5	0.4	0.5	1.5	2.0	0.4	1.0
Real exchange rate depreciation (in percent, + indicates depreciation)	6.8	...	...	...	...	...	...	...	...	58.3	...
Inflation rate (GDP deflator, in percent)	-2.6	18.7	28.4	18.6	14.6	10.5	10.2	7.7	7.8	83.6	14.2
Growth of real primary spending (deflated by GDP deflator, in percent)	22.1	-20.4	1.9	-6.6	7.1	15.0	7.8	5.5	3.4	23.8	2.1
Primary deficit that stabilizes the debt-to-GDP ratio 5/	-3.0	0.1	1.0	1.0	2.6	2.1	1.4	0.2	0.2	9.5	1.0
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Definition of external/domestic debt	**Currency-based**
Is there a material difference between the two criteria?	**No**

Public sector debt 1/



Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government, central bank. Definition of external debt is Currency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

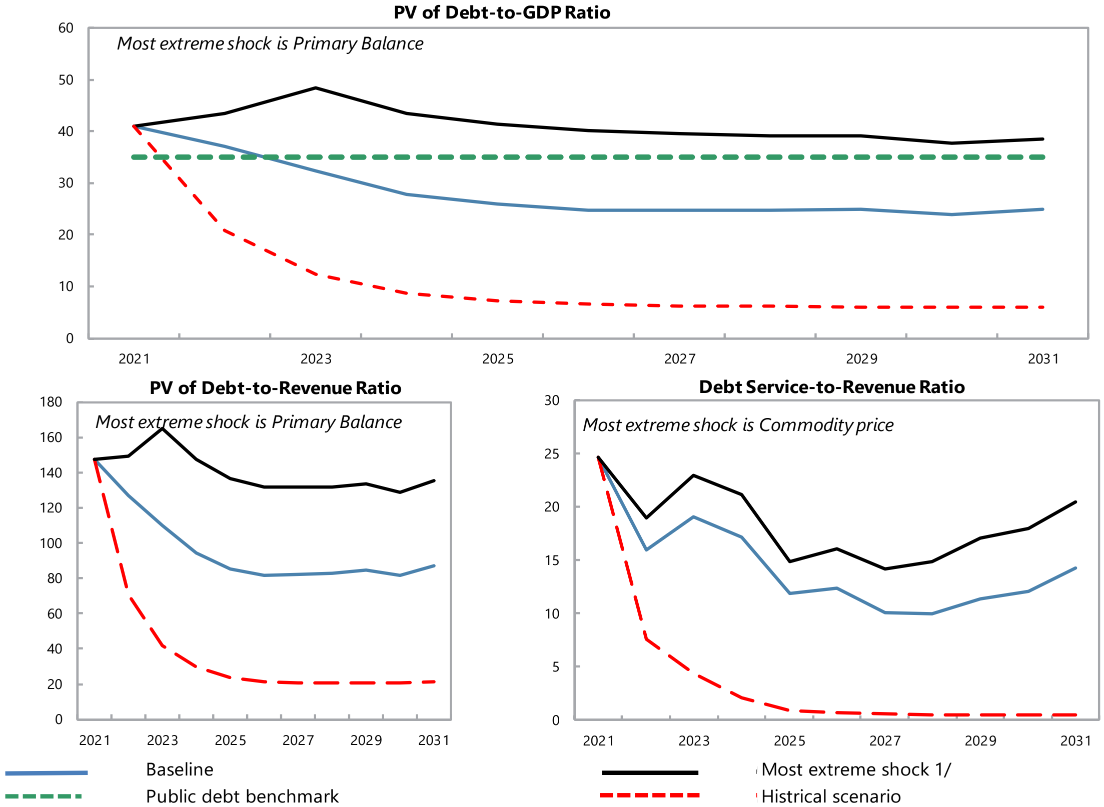
3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ 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 and other debt creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Figure 2. Republic of South Sudan: Indicators of Public Debt Under Alternative Scenarios, FY2021–2031



Borrowing Assumptions for Stress Tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	83%	83%
Domestic medium and long-term	17%	17%
Domestic short-term	0%	0%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	4.3%	4.3%
Avg. maturity (incl. grace period)	14	14
Avg. grace period	3	3
Domestic MLT debt		
Avg. real interest rate on new borrowing	-2.7%	-2.7%
Avg. maturity (incl. grace period)	5	5
Avg. grace period	3	3
Domestic short-term debt		
Avg. real interest rate	0%	0%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2031. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Table 3. Republic of South Sudan: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, FY2021–2031

(in percent)

	Projections 1/										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
PV of debt-to GDP ratio											
Baseline	28.6	28.5	25.5	22.2	21.1	20.8	20.5	20.1	19.7	18.5	19.0
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	28.6	**32.0**	**35.7**	**39.8**	**46.0**	**53.1**	**62.8**	**74.0**	**86.5**	**101.2**	**123.3**
B. Bound Tests											
B1. Real GDP growth	28.6	**35.7**	**37.7**	**32.8**	**31.2**	**30.7**	**30.2**	29.7	29.1	27.3	27.9
B2. Primary balance	28.6	**34.3**	**39.4**	**35.9**	**34.8**	**34.8**	**34.6**	**34.2**	**33.6**	**31.8**	**32.3**
B3. Exports	28.6	**34.3**	**42.7**	**38.8**	**37.7**	**37.0**	**34.9**	**32.9**	**31.1**	28.2	27.4
B4. Other flows 3/	28.6	**36.3**	**41.0**	**37.2**	**36.1**	**35.3**	**33.3**	**31.4**	29.7	27.0	26.2
B5. One-time 30 percent nominal depreciation	28.6	**35.6**	27.4	23.3	22.0	21.6	21.6	21.6	21.5	20.4	21.3
B6. Combination of B1-B5	28.6	**52.3**	**66.7**	**61.0**	**59.4**	**57.5**	**53.9**	**50.5**	**47.4**	**42.8**	**41.1**
C. Tailored Tests											
C1. Combined contingent liabilities	28.6	**34.0**	**31.1**	27.7	26.5	26.5	26.3	25.9	25.6	24.2	24.8
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	28.6	**44.8**	**57.7**	**52.7**	**49.8**	**45.8**	**39.7**	**34.2**	29.9	25.2	23.6
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	**30**	**30**	**30**	**30**	**30**	**30**	**30**	**30**	**30**	**30**	**30**
PV of debt-to-exports ratio											
Baseline	47.9	46.6	41.4	35.9	33.2	32.5	32.5	32.5	32.8	31.0	33.1
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	47.9	52.3	57.9	64.4	72.3	83.0	99.9	119.6	**143.7**	**169.6**	**214.2**
B. Bound Tests											
B1. Real GDP growth	47.9	46.6	41.4	35.9	33.2	32.5	33.1	33.6	34.6	33.1	36.3
B2. Primary balance	47.9	56.1	64.0	58.0	54.7	54.3	55.1	55.3	55.9	53.3	56.2
B3. Exports	47.9	61.1	81.8	74.1	69.9	68.2	66.6	64.9	64.3	59.8	62.1
B4. Other flows 3/	47.9	59.4	66.5	60.2	56.8	55.1	53.8	52.5	52.0	48.4	50.3
B5. One-time 30 percent nominal depreciation	47.9	46.6	35.5	30.2	27.6	27.0	27.9	28.9	30.2	29.3	32.8
B6. Combination of B1-B5	47.9	76.0	74.0	82.2	77.8	74.9	72.6	70.3	69.2	64.0	65.8
C. Tailored Tests											
C1. Combined contingent liabilities	47.9	55.6	50.5	44.7	41.7	41.4	41.8	41.9	42.5	40.5	43.1
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	47.9	95.8	116.3	101.0	88.3	77.4	65.7	58.5	53.6	46.3	46.4
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**
Debt service-to-exports ratio											
Baseline	**11.2**	7.3	8.8	7.9	5.1	5.4	4.5	4.3	4.8	5.0	5.5
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	**11.2**	8.7	**12.4**	**13.9**	**10.9**	**13.1**	**13.5**	**16.2**	**21.5**	**27.5**	**36.0**
B. Bound Tests											
B1. Real GDP growth	**11.2**	7.3	8.8	7.9	5.1	5.4	4.5	4.3	4.8	5.1	5.7
B2. Primary balance	**11.2**	7.3	9.2	8.9	6.1	7.0	7.1	7.0	7.5	7.7	8.6
B3. Exports	**11.2**	8.0	**11.1**	**11.0**	7.5	8.6	9.0	8.7	9.3	9.4	**10.2**
B4. Other flows 3/	**11.2**	7.3	9.3	9.0	6.2	7.3	7.3	7.1	7.5	7.6	8.3
B5. One-time 30 percent nominal depreciation	**11.2**	7.3	8.8	7.7	4.9	5.1	3.8	3.7	4.2	4.5	5.1
B6. Combination of B1-B5	**11.2**	8.0	**11.8**	**11.3**	7.9	**10.2**	9.9	9.6	**10.1**	**10.2**	**11.0**
C. Tailored Tests											
C1. Combined contingent liabilities	**11.2**	7.3	9.2	8.3	5.5	5.7	4.9	4.7	5.2	5.4	6.0
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	**11.2**	9.8	**12.9**	**12.7**	8.6	**10.6**	**10.7**	9.9	9.9	9.4	9.6
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
Debt service-to-revenue ratio											
Baseline	**23.9**	**15.2**	**18.4**	**16.6**	10.8	11.3	9.4	9.0	9.8	10.2	11.2
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	**23.9**	**18.2**	**25.9**	**29.1**	**22.9**	**27.5**	**28.3**	**33.7**	**44.2**	**56.0**	**72.6**
B. Bound Tests											
B1. Real GDP growth	**23.9**	**19.1**	**27.2**	**24.6**	**16.0**	**16.7**	13.6	12.9	13.9	**14.3**	**15.3**
B2. Primary balance	**23.9**	**15.2**	**19.2**	**18.6**	12.7	**14.7**	**14.8**	**14.5**	**15.4**	**15.8**	**17.3**
B3. Exports	**23.9**	**15.4**	**19.8**	**19.5**	13.4	**15.3**	**15.7**	**14.8**	**15.3**	**15.2**	**15.7**
B4. Other flows 3/	**23.9**	**15.2**	**19.5**	**18.8**	12.9	**15.4**	**15.0**	**14.2**	**14.7**	**14.6**	**15.1**
B5. One-time 30 percent nominal depreciation	**23.9**	**19.0**	**23.0**	**20.2**	12.9	13.5	9.8	9.3	10.2	10.7	11.6
B6. Combination of B1-B5	**23.9**	**18.9**	**29.8**	**28.5**	**19.8**	**25.6**	**24.5**	**23.1**	**23.7**	**23.4**	**24.1**
C. Tailored Tests											
C1. Combined contingent liabilities	**23.9**	**15.2**	**19.2**	**17.4**	11.6	12.1	10.2	9.8	10.6	11.0	12.0
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	**23.9**	**17.4**	**24.1**	**24.9**	**17.3**	**21.7**	**22.1**	**19.5**	**18.8**	**17.5**	**17.2**
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	**14**	**14**	**14**	**14**	**14**	**14**	**14**	**14**	**14**	**14**	**14**

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

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

3/ Includes official and private transfers and FDI.

Table 4. Republic of South Sudan: Sensitivity Analysis for Key Indicators of Public Debt FY2021–2031

	Projections 1/										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	PV of Debt-to-GDP Ratio										
Baseline	**41.0**	**37.0**	32.3	27.8	25.9	24.8	24.8	24.8	24.9	23.9	24.9
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	**41**	21	12	9	7	7	6	6	6	6	6
B. Bound Tests											
B1. Real GDP growth	**41**	**42**	**43**	**37**	35	33	33	33	34	32	34
B2. Primary balance	**41**	**44**	**48**	**43**	**41**	**40**	**40**	**39**	**39**	**38**	**39**
B3. Exports	**41**	**42**	**48**	**43**	**41**	**39**	**38**	**37**	**36**	34	35
B4. Other flows 3/	**41**	**45**	**47**	**42**	**40**	**39**	**37**	**36**	**36**	34	34
B5. One-time 30 percent nominal depreciation	**41**	**37**	31	25	21	18	17	15	13	11	10
B6. Combination of B1-B5	**41**	**45**	**47**	**39**	**38**	**37**	**38**	**39**	**39**	**38**	**39**
C. Tailored Tests											
C1. Combined contingent liabilities	**41**	**43**	**38**	34	32	31	30	30	30	29	30
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	**41**	**42**	**39**	**37**	**37**	**38**	**38**	**37**	**37**	**36**	**37**
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Public debt benchmark	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**
	PV of Debt-to-Revenue Ratio										
Baseline	147.4	126.9	109.9	94.3	85.4	81.5	82.3	83.1	84.9	81.7	87.3
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	147	71	42	30	24	21	21	21	21	21	21
B. Bound Tests											
B1. Real GDP growth	147	125	108	93	85	81	82	82	84	81	87
B2. Primary balance	147	149	165	147	137	132	132	131	134	129	135
B3. Exports	147	145	162	145	134	129	126	124	124	117	122
B4. Other flows 3/	147	153	161	143	133	127	125	122	122	115	120
B5. One-time 30 percent nominal depreciation	147	128	104	84	70	61	55	50	45	36	34
B6. Combination of B1-B5	147	153	159	131	124	123	127	130	134	130	138
C. Tailored Tests											
C1. Combined contingent liabilities	147	148	130	114	105	101	101	102	104	100	106
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	147	159	148	141	133	129	129	126	128	123	130
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Debt Service-to-Revenue Ratio										
Baseline	24.7	16.0	19.0	17.2	11.8	12.4	10.0	10.0	11.3	12.1	14.3
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	25	8	4	2	1	1	1	1	0	0	0
B. Bound Tests											
B1. Real GDP growth	25	16	19	17	12	12	10	10	11	12	14
B2. Primary balance	25	16	21	20	14	17	19	17	17	18	21
B3. Exports	25	16	20	19	14	16	16	16	17	18	20
B4. Other flows 3/	25	16	20	19	14	16	16	16	17	17	20
B5. One-time 30 percent nominal depreciation	25	15	19	17	12	11	8	7	8	8	10
B6. Combination of B1-B5	25	17	23	20	14	15	13	13	16	17	19
C. Tailored Tests											
C1. Combined contingent liabilities	25	16	20	18	13	14	12	11	12	13	15
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	25	19	23	21	15	16	14	15	17	18	20
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

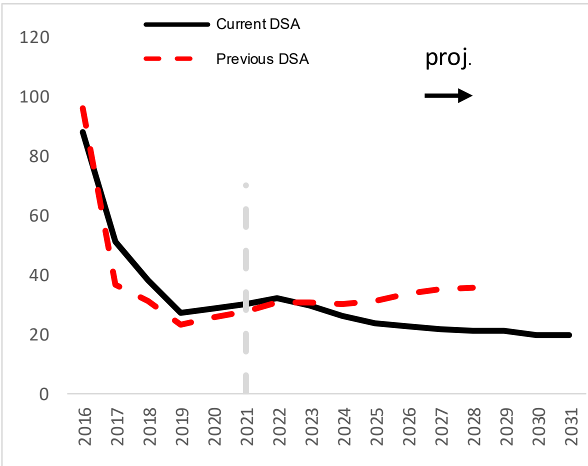
2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

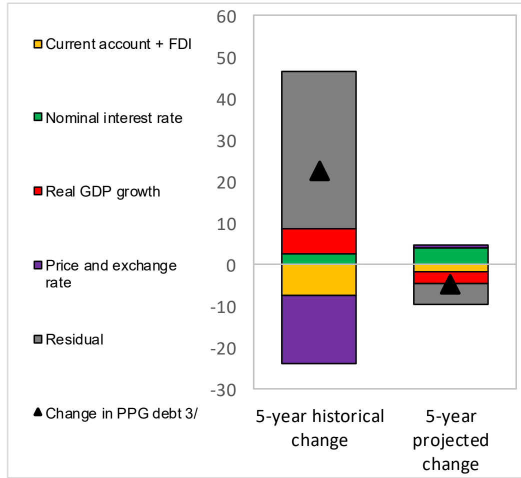
Figure 3. Republic of South Sudan: Drivers of Debt Dynamics—Baseline Scenario[1]/

External debt

Gross Nominal PPG External Debt 2/
(in percent of GDP; DSA vintages)

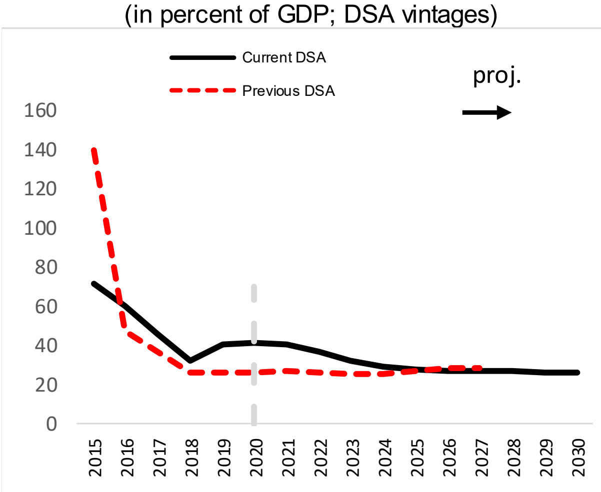


Debt-creating flows
(percent of GDP)

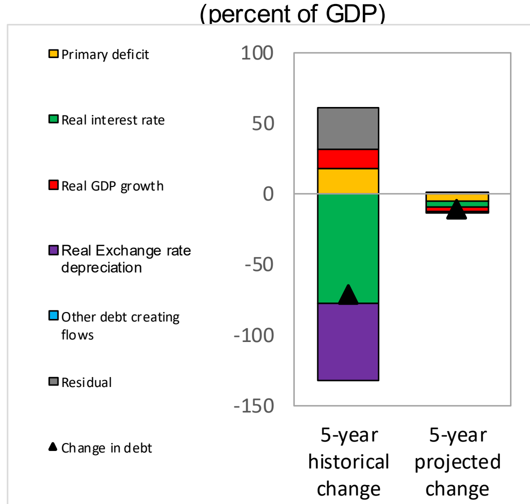


Public debt

Gross Nominal Public Debt 2/
(in percent of GDP; DSA vintages)



Debt-creating flows
(percent of GDP)



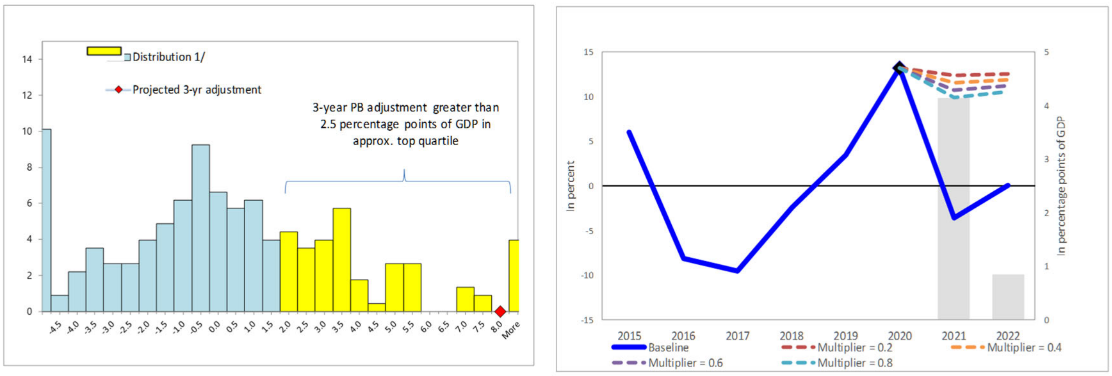
1/ Analyses on unexpected changes in debt are unavailable due to the lack of data.

2/ The current DSA assumes more external financing for peace process than the previous DSA, which makes its Gross Nominal PPG External Debt and Gross Nominal Public Debt larger than the previous DSA.

Figure 4. Republic of South Sudan: Realism Tools

3-Year Adjustment in Primary Balance
(Percentage points of GDP)

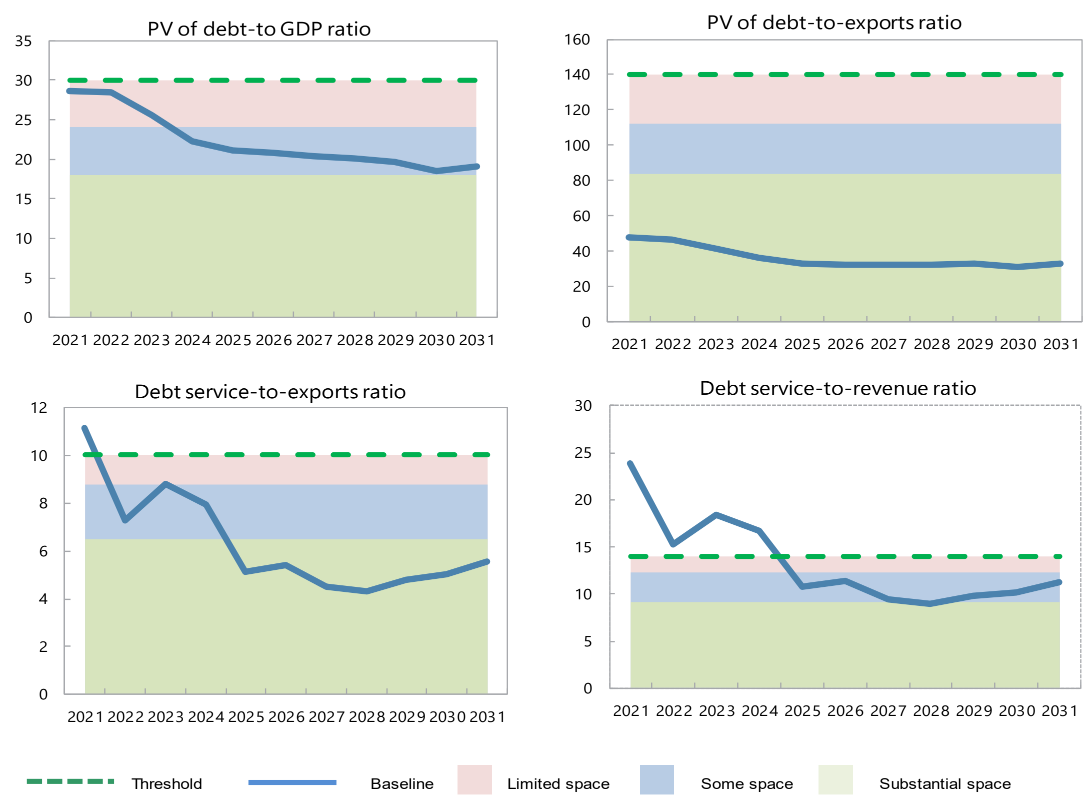
Fiscal Adjustment and Possible Growth Paths 1/



1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Figure 5. Republic of South Sudan: Qualification of the Moderate Category, FY2021–2031[1/]



Sources: Country authorities; and staff estimates and projections.

1/ For the PV debt/GDP and PV debt/exports thresholds, x is 20 percent and y is 40 percent. For debt service/Exports and debt service/revenue thresholds, x is 12 percent and y is 35 percent.