INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL MONETARY FUND

REPUBLIC OF SOUTH SUDAN

Joint World Bank-IMF Debt Sustainability Analysis

March 2021

Prepared Jointly by the staffs of the International Development Association (IDA)

and the International Monetary Fund (IMF)

Approved by Marcello Estevão (IDA), Catherine Pattillo and Guillaume Chabert (IMF)

Republic of South Sudan: 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

Relative to the last assessment in November 2020, the baseline in this Debt Sustainability Analysis (DSA) has slightly higher oil prices and higher need for food imports due to severe flooding, which has destroyed food stocks and crops ahead of the main harvest season, but is otherwise broadly unchanged.

South Sudan's debt is assessed to be sustainable with a high risk of debt distress for both external and overall public debt.[1] Specifically, 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 policy adjustment needed to cap the deficit over the medium term together with increased concessional financing. South Sudan's external and overall debt are therefore assessed to be sustainable. Risks to this assessment are tilted to the downside, including in relation to the implementation of policy adjustment and limited access to concessional loans.

[1] South Sudan's debt-carrying capacity remains rated "weak" with composite indicator score of 1.20 according to the October 2020 vintage of World Economic Outlook and the World Bank's 2019 Country Policy and Institutional Assessment index.

BACKGROUND

Public Debt Coverage

1. **The DSA covers central government debt and debt issued by the central bank on behalf of the government.** 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.

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

[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.

in 2015 and 2016 under the Transitional Financial Arrangement (TFA) but cleared these arrears in 2018.[3] In July 2020, 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$150 million had been borrowed from China Exim Bank to upgrade the Juba International Airport. Debt to the QNB amounted 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 Afreximbank loans) are highly non-concessional. South Sudan has not requested to participate in 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. Slightly higher oil production and faster oil-price recovery relative to the projections in the 2020 DSA have modestly improved South Sudan's debt-servicing capacity. The latest oil production data from the authorities show slightly higher oil production of about 170 barrels per day (bpd) in February 2021 compared to the about 165 bpd for the same period assumed in the 2020 DSA. The latest WEO also projects higher oil prices in 2021 and the next few years; the projected average Brent oil prices

[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.

for 2021 and 2022 are 58.5 and 54.8, respectively in the February 2021 WEO compared to 43.8 and 45.6, respectively, in October 2020 WEO. As more than 90 percent of total exports and government revenue come from oil, these positive oil-sector developments 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 late 2017, 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. Following a Cabinet Resolution in October 2020, there has been no further monetary financing of the budget since September 2020. 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 months of salaries. 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 mid-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 and severe flooding, 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 macroeconomic stability, 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. Relative to the November 2020 DSA, the overall growth in FY20/21 is lower by about 0.6 percentage point, as the gain from slightly higher oil production based on latest data is insufficient to offset the adverse impact of the severe flooding, which has killed livestock and destroyed food stocks and crops ahead of the main harvest season.

9. The authorities remain committed not to contract oil advances and refrain from taking highly non-concessional loans. The authorities have almost entirely paid back the residual oil advances contracted in the past (around US$138 million remains in June 2020) and have not relied on such expensive and non-transparent financing since May 2020. Further, the November 2020 DSA assumed the authorities would access a US$30 million loan from IDA and a US$100 million loan from a Non-Paris Club (NPC) creditor in FY20/21 and FY21/22. However, these assumptions are unlikely to materialize, and in the absence of access to concessional financing, the authorities contracted a US$250 million facility from Afreximbank to alleviate the cash gap in the wake of the pandemic. US$70 million of the US$250 million facility was disbursed in FY20/21.[4] Although the Afreximbank loan is highly non-concessional compared to the IDA and NPC loans, the amount of disbursement is much smaller, US$70 million vs. US$130 million for FY20/21. As a result, the new Afreximloan does not lead to a significant change in South Sudan's debt sustainability. In light of the recent oil-price recovery, the authorities will consider cancelling the undisbursed amounts. In that case, the debt sustainability would improve since the current assessment assumes the remaining Afreximbank facility would be disbursed in FY21/22.[5]

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)						
2021 DSA	13.2	-4.2	2.2	2.6	4.7	6.4
2020 DSA	13.2	-3.6	0.0	2.5	5.5	6.4
Real oil GDP growth (annual percent change)						
2021 DSA	26.4	-3.0	3.1	1.2	1.7	5.0
2020 DSA	26.4	-5.9	0.0	3.1	6.1	5.0
Current Account Balance (percent of GDP)						
2021 DSA	-2.7	-6.6	-1.4	0.7	0.6	-1.3
2020 DSA	-2.7	-4.5	-2.3	0.7	-1.3	-2.7
Exports of goods and services (percent of GDP)						
2021 DSA	64.6	61.5	62.9	62.1	61.0	58.7
2020 DSA	64.6	59.6	61.1	61.7	61.8	59.6
Imports of goods and services (percent of GDP)						
2021 DSA	79.5	84.4	76.8	81.0	81.8	82.2
2020 DSA	79.5	80.4	79.0	83.0	85.6	84.8
Primary deficit (percent of GDP)						
2021 DSA	-5.1	-1.9	-1.0	1.2	1.4	0.6
2020 DSA	-5.1	-1.0	-0.1	2.7	2.4	0.5
Revenue and grants (percent of GDP)						
2021 DSA	29.7	24.6	31.2	31.3	30.9	31.7
2020 DSA	29.7	27.8	29.2	29.4	29.5	29.2
Primary expenditures (percent of GDP)						
2021 DSA	34.8	26.5	32.2	30.1	29.5	31.2
2020 DSA	34.8	28.8	29.3	26.7	27.1	28.8

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

[4] Relative to the previous Afreximbank loan, the financial terms of the new loan improve slightly.
[5] For FY21/22, this DSA assumes US$30 million disbursement from IDA but zero from an NPC creditor; the remaining Afreximbank facility would approximately replace the earlier assumption of US$ 100 million NPC loan.

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 4 percent of GDP) and the transfers to oil producing states (about 1 percent of GDP) are indexed to oil prices.

- 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 fiscal and BOP financing gaps in FY20/21 and FY21/22 after the first RCF disbursement will be closed with a combination of the second RCF disbursement, grants, concessional loans, and further consolidation if necessary. Specifically, about US$90 million of the US$177 million prospective RCF disbursement will be used to close around 64 percent of the fiscal financing gap in FY20/21 and US$87 million will be used to inject BOSS foreign reserves. The remaining some US$ 50 million fiscal financing gap is expected to be closed by a combination of concessional loans and FX profits from the RCF disbursement which will be auctioned by BOSS on behalf of the government (MEFP ¶11). 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, which are expected to start disbursing in FY21/22, will also be critical for alleviating the socio-economic impact of COVID-19 in target areas.

12. The realism tools flag some optimism on primary balance and pessimism on growth 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 1.2 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 the oil-price recovery and the expiration of the TFA agreement with Sudan (about 4 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. The baseline scenario predicts 2.1 percent real GDP growth in FY21/22, significantly lower than suggested by the realism tool (about 12 percent). Staff considers the realism tool to be overly overoptimistic on growth, as it is considerably affected by the exceptional recovery in oil production (about 25 percent) from June 2019 until the pandemic hit. This development is unlikely to repeat in the near future given the recent oil price collapsed and the depth of the current crisis.

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 1.20 based on the October 2020 WEO and 2019 CPIA. This classification remains unchanged from the assessment in the 2020 DSA.

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	Weak
	1.20	1.54

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 projected to remain below the 30 percent threshold, albeit marginally (Figure 1 and Table 1). The PV of debt-to-GDP ratio is projected to be at 28 percent in FY20/21, slightly below the indicative threshold of 30 percent, as oil prices were hit by the global shocks. The ratio gradually declines over the remaining projection period as oil prices recover and stabilize at about 25 percent in the medium term. The PV of debt-to-exports ratio is at 45 percent in FY20/21 under the baseline scenario, and expected to remain relatively stable over the projection period at this level, significantly below the respective threshold of 150 percent.

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 high debt service of commercial external debt (Figure 1 and Table 1). The debt service-to-revenue ratio exceeds the thresholds until FY23/24 mainly due to the collapse 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 be marginally below the threshold in FY20/21, improve over time, and stay well below the threshold from FY24/25 onwards.

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 combination of shocks), 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 scenario of further commodity price shock, 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 breaches its indicative threshold of 35 percent in FY21/22 and FY22/23 while it is expected to gradually decline below the threshold 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 16 percent in FY20/21. Public sector debt is expected to decline afterwards reflecting the authorities' commitment to fiscal discipline. In particular, the PV of public-debt-to-GDP ratio is expected to improve to around 37 percent, remain below the 35 percent threshold from FY23/34 onwards, and stabilize at around 25 percent in the medium-to-long term. 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

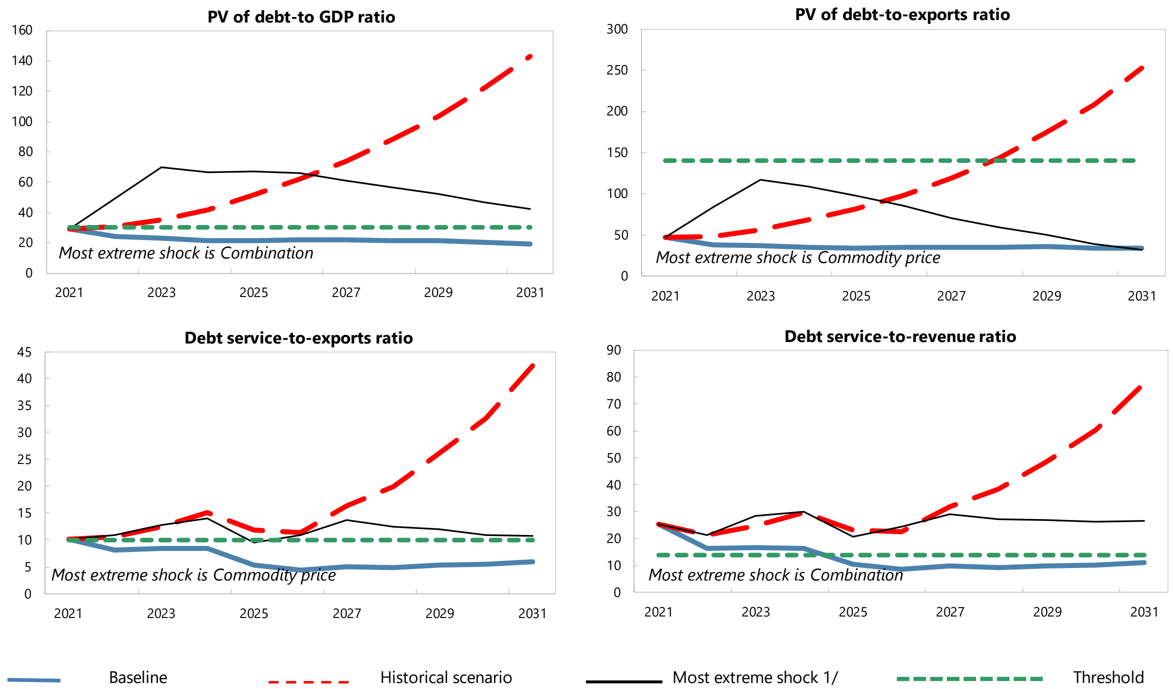
19. Staff assesses South Sudan's external and overall public debt to be sustainable with a high risk of debt distress for both external and domestic public debt. This assessment is subject to uncertainties as it critically hinges on the authorities' commitments to continue avoiding oil advances, adopt prudent monetary and fiscal policies, and continue PFM reforms. The sustained implementation of these commitments would open access to 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 external debt indicators are expected to be below the thresholds and the risk of external 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 extended lockdown measures, 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, FY2021–31[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	4.1%	4.1%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	12	12
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.

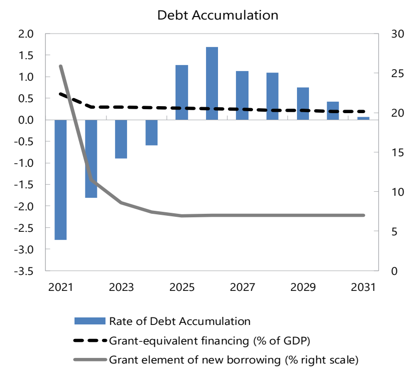
2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

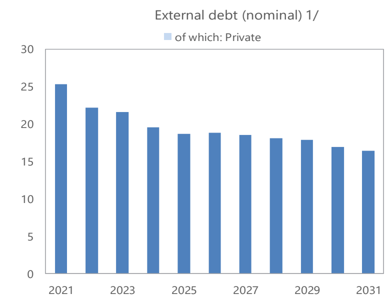
Table 1. Republic of South Sudan: External Debt Sustainability Framework, Baseline Scenario, FY2020–41

(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/	28.0	25.3	22.1	21.6	19.5	18.6	18.8	16.4	15.6	24.1	19.4
of which: public and publicly guaranteed (PPG)	28.0	25.3	22.1	21.6	19.5	18.6	18.8	16.4	15.6	24.1	19.4
Change in external debt	1.3	-2.7	-3.1	-0.6	-2.0	-0.9	0.2	-0.5	1.9		
Identified net debt-creating flows	4.0	6.8	0.1	-2.1	-3.5	-2.3	-0.9	-1.7	4.6	-1.6	-0.9
Non-interest current account deficit	3.3	5.2	0.6	-1.4	-1.2	1.3	1.8	3.1	4.7	2.9	1.2
Deficit in balance of goods and services	14.0	22.9	13.9	18.9	20.8	24.1	24.6	28.3	37.2	3.5	22.3
Exports	63.6	61.5	62.9	62.1	61.0	62.8	63.2	56.6	39.1		
Imports	77.6	84.4	76.8	81.0	81.8	86.9	87.8	84.9	76.3		
Net current transfers (negative = inflow)	-20.3	-25.9	-22.0	-29.0	-29.9	-30.1	-30.4	-30.2	-36.5	-20.5	-28.6
of which: official	0.0	0.0	-0.3	-0.5	-0.5	-0.5	-0.5	-0.4	0.0		
Other current account flows (negative = net inflow)	9.7	8.2	8.8	8.7	7.9	7.3	7.6	5.0	4.0	19.9	7.5
Net FDI (negative = inflow)	0.4	-1.0	-0.9	-0.8	-1.9	-3.0	-2.4	-4.8	0.0	0.8	-2.2
Endogenous debt dynamics 2/	0.3	2.6	0.4	0.1	-0.4	-0.6	-0.3	0.1	-0.1		
Contribution from nominal interest rate	1.6	1.4	0.8	0.7	0.6	0.6	0.6	0.8	0.7		
Contribution from real GDP growth	-3.3	1.2	-0.5	-0.6	-1.0	-1.1	-0.9	-0.7	-0.8		
Contribution from price and exchange rate changes	2.0	...	...	...	...	...	...	...	...		
Residual 3/	-2.6	-9.6	-3.2	1.5	1.5	1.4	1.1	1.2	-2.7	5.6	-0.2
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	31.4	29.3	23.9	23.0	21.2	21.5	22.2	19.3	18.4		
PV of PPG external debt-to-exports ratio	49.3	47.6	38.1	37.1	34.8	34.2	35.2	34.1	47.0		
PPG debt service-to-exports ratio	33.3	10.1	8.1	8.4	8.3	5.4	4.4	6.0	4.6		
PPG debt service-to-revenue ratio	71.8	25.2	16.4	16.6	16.5	10.6	8.7	11.0	7.7		
Gross external financing need (Million of U.S. dollars)	1221.8	498.6	265.3	165.8	113.3	101.4	138.9	142.4	906.2		
Key macroeconomic assumptions											
Real GDP growth (in percent)	13.2	-4.2	2.2	2.6	4.7	6.0	5.0	4.4	6.0	5.6	2.7
GDP deflator in US dollar terms (change in percent)	-7.0	1.9	12.3	-2.5	1.1	-1.2	-0.9	3.0	3.0	-4.8	1.8
Effective interest rate (percent) 4/	6.3	5.0	3.8	3.2	2.8	3.0	3.1	4.8	5.4	1.5	3.5
Growth of exports of G&S (US dollar terms, in percent)	-0.1	-5.7	17.4	-1.1	3.8	7.8	4.8	0.5	-15.3	207.4	4.5
Growth of imports of G&S (US dollar terms, in percent)	68.6	6.2	4.4	5.6	6.8	11.2	5.2	7.7	-3.2	5.6	6.6
Grant element of new public sector borrowing (in percent)	...	25.9	11.5	8.6	7.4	6.9	7.0	7.0	5.8	...	11.2
Government revenues (excluding grants, in percent of GDP)	29.5	24.6	31.2	31.3	30.9	31.8	32.1	30.9	23.6	32.2	30.3
Aid flows (in Million of US dollars) 5/	0.0	0.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0		
Grant-equivalent financing (in percent of GDP) 6/	...	0.6	0.3	0.3	0.3	0.3	0.3	0.2	0.1	...	0.3
Grant-equivalent financing (in percent of external financing) 6/	...	25.9	11.5	8.6	7.4	6.9	7.0	7.0	5.8	...	11.2
Nominal GDP (Million of US dollars)	4,906	4,790	5,498	5,500	5,821	6,093	6,345	8,527	13,866		
Nominal dollar GDP growth	5.2	-2.4	14.8	0.0	5.8	4.7	4.1	4.2	-7.5	-2.3	4.5
Memorandum items:											
PV of external debt 7/	31.4	29.3	23.9	23.0	21.2	21.5	22.2	19.3	18.4		
In percent of exports	49.3	47.6	38.1	37.1	34.8	34.2	35.2	34.1	47.0		
Total external debt service-to-exports ratio	33.3	10.1	8.1	8.4	8.3	5.4	4.4	6.0	4.6		
PV of PPG external debt (in Million of US dollars)	1540.0	1403.2	1316.4	1267.2	1234.3	1307.9	1410.8	1647.4	2548.7		
(PVt-PVt-1)/GDPt-1 (in percent)		-2.8	-1.8	-0.9	-0.6	1.3	1.7	0.1	0.9		
Non-interest current account deficit that stabilizes debt ratio	2.0	7.9	3.7	-0.8	0.8	2.1	1.7	3.6	2.8		

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.

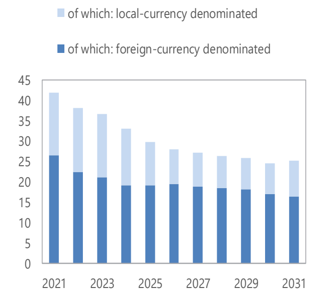
Table 2. Republic of South Sudan: Public Sector Debt Sustainability Framework, Baseline Scenario, FY2020–41

(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/	40.4	41.8	38.0	36.7	33.0	29.7	28.0	25.1	24.6	44.6	30.6
of which: external debt	28.0	25.3	22.1	21.6	19.5	18.6	18.8	16.4	15.6	14.3	19.4
Change in public sector debt	7.7	1.4	-3.8	-1.4	-3.7	-3.3	-1.7	0.6	2.3		
Identified debt-creating flows	7.2	-2.1	-6.6	-2.3	-3.8	-2.5	-1.3	0.1	2.1	-17.5	-2.1
Primary deficit	7.9	1.9	1.0	-1.2	-1.4	-0.7	-0.1	0.3	-0.7	-3.4	-0.1
Revenue and grants	29.5	24.6	31.2	31.3	30.9	31.8	32.1	30.9	23.6	37.5	30.9
of which: grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Primary (noninterest) expenditure	37.5	26.5	32.2	30.1	29.5	31.1	32.0	31.3	22.9	34.1	30.8
Automatic debt dynamics	-0.7	-4.0	-7.6	-1.1	-2.4	-1.8	-1.2	-0.2	2.8		
Contribution from interest rate/growth differential	-2.2	-1.2	-4.1	-1.8	-2.5	-2.2	-1.6	-0.6	0.5		
of which: contribution from average real interest rate	1.6	-3.0	-3.2	-0.8	-0.9	-0.4	-0.2	0.5	1.8		
of which: contribution from real GDP growth	-3.8	1.8	-0.9	-1.0	-1.6	-1.9	-1.4	-1.0	-1.3		
Contribution from real exchange rate depreciation	1.5	...	...	...	...	...	...	...	...		
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	0.5	0.7	-0.7	1.6	0.2	-0.3	0.1	0.9	2.5	16.6	0.4
Sustainability indicators											
PV of public debt-to-GDP ratio 2/	44.3	43.7	37.1	35.2	31.9	29.6	28.3	25.3	24.7		
PV of public debt-to-revenue and grants ratio	150.2	177.8	119.0	112.4	103.2	93.1	88.2	81.6	105.0		
Debt service-to-revenue and grants ratio 3/	72.2	25.9	18.2	19.1	18.9	18.2	18.7	16.9	18.7		
Gross financing need 4/	29.2	8.2	6.7	4.8	4.4	5.1	5.9	5.5	3.7		
Key macroeconomic and fiscal assumptions											
Real GDP growth (in percent)	13.2	-4.2	2.2	2.6	4.7	6.0	5.0	4.4	6.0	5.6	3.8
Average nominal interest rate on external debt (in percent)	6.5	5.1	3.6	2.8	2.4	2.6	2.7	4.1	4.6	3.2	3.4
Average real interest rate on domestic debt (in percent)	5.8	3.5	1.7	0.9	0.5	0.7	0.7	2.1	2.6	0.4	1.4
Real exchange rate depreciation (in percent, + indicates depreciation)	6.0	...	...	...	...	...	...	...	...	58.2	
Inflation rate (GDP deflator, in percent)	-1.9	47.8	37.7	13.1	13.4	10.4	10.0	7.8	-5.8	83.6	16.5
Growth of real primary spending (deflated by GDP deflator, in percent)	31.2	-32.3	24.1	-3.9	2.4	11.7	8.0	4.7	-1.2	109.1	3.0
Primary deficit that stabilizes the debt-to-GDP ratio 5/	0.2	0.5	4.8	0.2	2.3	2.5	1.5	-0.3	-3.0	10.5	1.3
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.

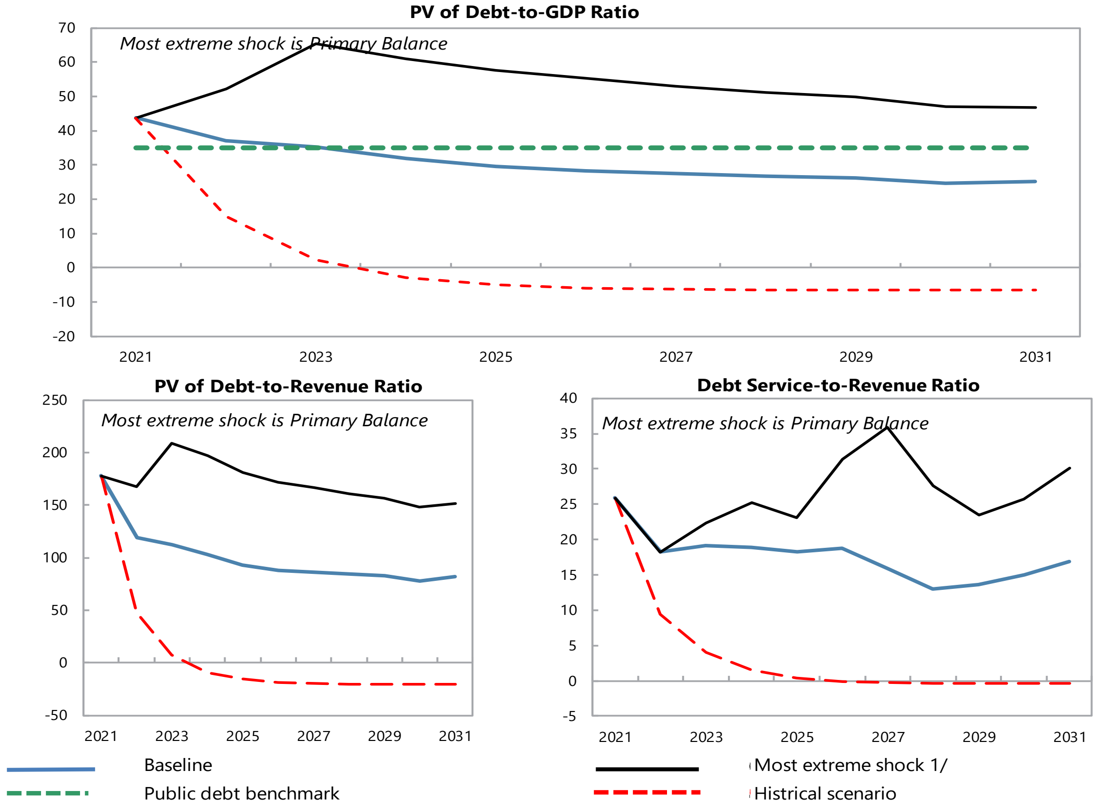
3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

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, FY2021–31



Borrowing Assumptions for Stress Tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	60%	60%
Domestic medium and long-term	40%	40%
Domestic short-term	0%	0%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	4.1%	4.1%
Avg. maturity (incl. grace period)	12	12
Avg. grace period	3	3
Domestic MLT debt		
Avg. real interest rate on new borrowing	-5.6%	-5.6%
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, FY2021–31

(in percent)

	Projections 1/										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
PV of debt-to GDP ratio											
Baseline	29.3	23.9	23.0	21.2	21.5	22.2	21.9	21.6	21.3	20.1	19.3
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	29.3	**30.6**	**35.0**	**41.8**	**51.5**	**62.1**	**73.7**	**87.7**	**103.5**	**122.1**	**143.2**
B. Bound Tests											
B1. Real GDP growth	29.3	**31.2**	**35.5**	**32.7**	**33.1**	**34.3**	**33.6**	**33.0**	**32.4**	**30.5**	29.1
B2. Primary balance	29.3	**32.9**	**41.6**	**39.9**	**40.3**	**41.9**	**42.4**	**41.8**	**40.7**	**38.3**	**37.2**
B3. Exports	29.3	28.0	**39.3**	**37.3**	**37.5**	**37.9**	**35.5**	**33.2**	**31.1**	28.1	25.7
B4. Other flows 3/	29.3	**32.4**	**40.4**	**38.3**	**38.6**	**38.6**	**36.0**	**33.6**	**31.4**	28.3	25.8
B5. One-time 30 percent nominal depreciation	29.3	**30.8**	25.5	23.2	23.5	24.5	24.5	24.5	24.4	23.3	22.6
B6. Combination of B1-B5	29.3	**49.3**	**69.6**	**66.5**	**66.9**	**66.1**	**61.2**	**56.6**	**52.4**	**46.8**	**42.3**
C. Tailored Tests											
C1. Combined contingent liabilities	29.3	27.9	27.2	25.4	25.6	26.8	26.8	26.4	26.1	24.8	24.1
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	29.3	**41.0**	**59.1**	**56.3**	**54.5**	**50.4**	**41.9**	**34.0**	27.5	21.1	16.2
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	**30**	**30**	**30**	**30**	**30**	**30**	**30**	**30**	**30**	**30**	**30**
PV of debt-to-exports ratio											
Baseline	47.6	38.1	37.1	34.8	34.2	35.2	35.3	35.4	35.9	34.2	34.1
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	47.6	48.7	56.4	68.6	82.0	98.3	118.8	**143.9**	**174.6**	**208.0**	**252.8**
B. Bound Tests											
B1. Real GDP growth	47.6	38.1	37.1	34.8	34.2	35.2	35.8	36.3	37.4	36.0	36.9
B2. Primary balance	47.6	52.3	66.9	65.5	64.3	66.3	68.3	68.6	68.7	65.2	65.7
B3. Exports	47.6	50.4	75.8	73.3	71.7	71.9	69.7	67.4	66.4	61.4	60.1
B4. Other flows 3/	47.6	51.6	64.9	62.9	61.5	61.1	59.0	57.0	55.9	51.5	50.3
B5. One-time 30 percent nominal depreciation	47.6	38.1	31.9	29.5	29.1	30.1	31.2	32.2	33.7	32.9	34.1
B6. Combination of B1-B5	47.6	65.7	72.8	86.2	84.2	82.7	79.3	75.8	73.8	67.4	65.1
C. Tailored Tests											
C1. Combined contingent liabilities	47.6	44.4	43.8	41.6	40.8	42.4	43.2	43.3	44.0	42.2	42.6
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	47.6	84.2	117.4	109.3	97.8	86.2	70.2	59.0	50.2	39.4	32.2
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	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**
Debt service-to-exports ratio											
Baseline	**10.1**	8.1	8.4	8.3	5.4	4.4	5.1	4.9	5.3	5.5	6.0
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	**10.1**	**10.6**	**12.4**	**15.1**	**11.8**	**11.4**	**16.3**	**20.0**	**26.2**	**32.7**	**42.5**
B. Bound Tests											
B1. Real GDP growth	**10.1**	8.1	8.4	8.3	5.4	4.4	5.1	4.9	5.3	5.5	6.1
B2. Primary balance	**10.1**	8.1	9.0	9.6	6.6	7.1	9.2	9.1	9.7	9.9	**11.1**
B3. Exports	**10.1**	8.9	**10.6**	**11.4**	7.8	7.6	**10.3**	9.9	**10.4**	**10.4**	**11.2**
B4. Other flows 3/	**10.1**	8.1	9.0	9.5	6.5	6.9	8.8	8.5	8.9	8.9	9.5
B5. One-time 30 percent nominal depreciation	**10.1**	8.1	8.4	8.1	5.2	4.2	4.4	4.2	4.7	4.9	5.5
B6. Combination of B1-B5	**10.1**	8.9	**11.4**	**12.0**	8.3	9.8	**11.9**	**11.5**	**12.0**	**11.9**	**12.7**
C. Tailored Tests											
C1. Combined contingent liabilities	**10.1**	8.1	8.7	8.6	5.6	4.7	5.4	5.2	5.6	5.8	6.3
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	**10.1**	**11.0**	**12.7**	**14.0**	9.5	**10.9**	**13.7**	**12.5**	**12.0**	**11.0**	**10.8**
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	**25.2**	**16.4**	**16.6**	**16.5**	10.6	8.7	9.9	9.4	9.9	10.1	11.0
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	**25.2**	**21.4**	**24.7**	**29.7**	**23.3**	**22.4**	**31.8**	**38.3**	**48.7**	**60.4**	**77.8**
B. Bound Tests											
B1. Real GDP growth	**25.2**	**21.4**	**25.6**	**25.4**	**16.3**	13.3	**15.0**	**14.0**	**14.5**	**14.7**	**15.7**
B2. Primary balance	**25.2**	**16.4**	**17.9**	**18.9**	13.0	13.9	**17.9**	**17.5**	**18.0**	**18.3**	**20.2**
B3. Exports	**25.2**	**15.8**	**17.6**	**18.8**	12.8	12.4	**16.5**	**15.4**	**15.4**	**15.1**	**15.5**
B4. Other flows 3/	**25.2**	**16.4**	**17.8**	**18.8**	12.8	13.5	**16.9**	**15.8**	**15.7**	**15.4**	**15.8**
B5. One-time 30 percent nominal depreciation	**25.2**	**21.1**	**21.4**	**20.7**	13.1	10.6	10.8	10.1	10.6	10.9	11.7
B6. Combination of B1-B5	**25.2**	**21.4**	**28.6**	**29.8**	**20.6**	**24.4**	**29.0**	**27.1**	**26.8**	**26.1**	**26.6**
C. Tailored Tests											
C1. Combined contingent liabilities	**25.2**	**16.4**	**17.2**	**17.0**	11.1	9.2	10.4	10.0	10.5	10.7	11.6
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	**25.2**	**18.9**	**22.5**	**25.7**	**17.8**	**20.8**	**26.2**	**22.6**	**20.7**	**18.5**	**17.4**
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	**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 FY2021–31

	Projections 1/										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
					PV of Debt-to-GDP Ratio						
Baseline	**44**	**37.1**	**35.2**	31.9	29.6	28.3	27.5	26.8	26.3	24.8	25.3
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	**44**	15	2	-3	-5	-6	-6	-6	-6	-6	-6
B. Bound Tests											
B1. Real GDP growth	**44**	**43**	**48**	**43**	**40**	**38**	**37**	**36**	**35**	34	34
B2. Primary balance	**44**	**52**	**65**	**61**	**58**	**55**	**53**	**51**	**50**	**47**	**47**
B3. Exports	**44**	**42**	**49**	**45**	**43**	**41**	**39**	**37**	**36**	33	33
B4. Other flows 3/	**44**	**45**	**50**	**47**	**44**	**42**	**40**	**38**	**36**	33	33
B5. One-time 30 percent nominal depreciation	**44**	**39**	34	29	25	22	19	16	13	10	8
B6. Combination of B1-B5	**44**	**47**	**50**	**45**	**45**	**45**	**46**	**46**	**47**	**46**	**47**
C. Tailored Tests											
C1. Combined contingent liabilities	**44**	**44**	**42**	**38**	**36**	34	33	32	31	30	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	**44**	**43**	**40**	**37**	35	33	32	31	30	28	29
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	177.8	119.0	112.4	103.2	93.1	88.2	86.4	84.3	82.5	78.1	81.6
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	178	48	8	-9	-16	-18	-20	-20	-20	-20	-21
B. Bound Tests											
B1. Real GDP growth	178	119	112	103	93	88	86	84	82	78	81
B2. Primary balance	178	168	209	197	181	172	167	161	156	148	151
B3. Exports	178	133	156	147	135	129	123	117	112	104	106
B4. Other flows 3/	178	143	161	151	140	132	126	120	114	106	107
B5. One-time 30 percent nominal depreciation	178	124	110	94	79	67	58	50	41	31	26
B6. Combination of B1-B5	178	152	161	145	140	140	144	146	148	144	152
C. Tailored Tests											
C1. Combined contingent liabilities	178	140	133	123	112	106	103	100	98	93	97
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	178	151	140	131	116	108	103	98	95	90	93
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	25.9	18.2	19.1	18.9	18.2	18.7	15.9	13.0	13.6	15.0	16.9
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2041 2/	26	9	4	2	0	0	0	0	0	0	0
B. Bound Tests											
B1. Real GDP growth	26	18	19	19	18	19	16	13	14	15	17
B2. Primary balance	26	18	22	25	23	31	36	28	23	26	30
B3. Exports	26	18	20	21	20	22	23	19	20	21	23
B4. Other flows 3/	26	18	20	21	20	24	23	20	20	21	23
B5. One-time 30 percent nominal depreciation	26	16	19	18	17	16	13	9	9	10	10
B6. Combination of B1-B5	26	19	23	22	22	23	20	18	21	23	25
C. Tailored Tests											
C1. Combined contingent liabilities	26	18	20	20	19	22	19	14	14	16	18
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	26	22	21	20	18	18	16	15	16	17	19
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.

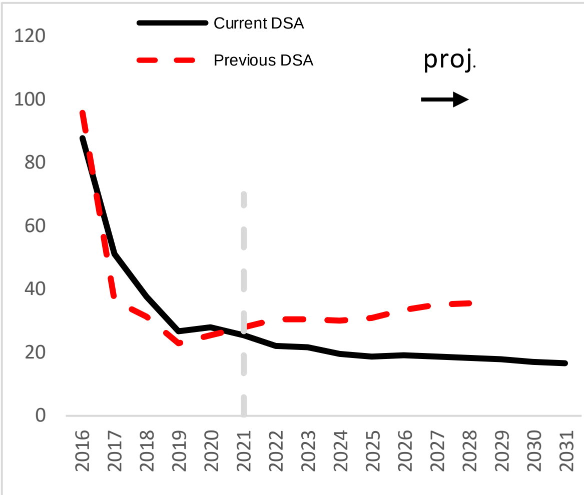
1/ A bold value indicates a breach of the benchmark.

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

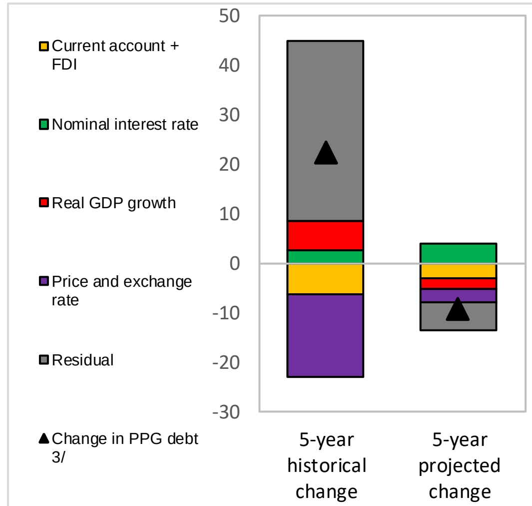
3/ Includes official and private transfers and FDI.

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

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

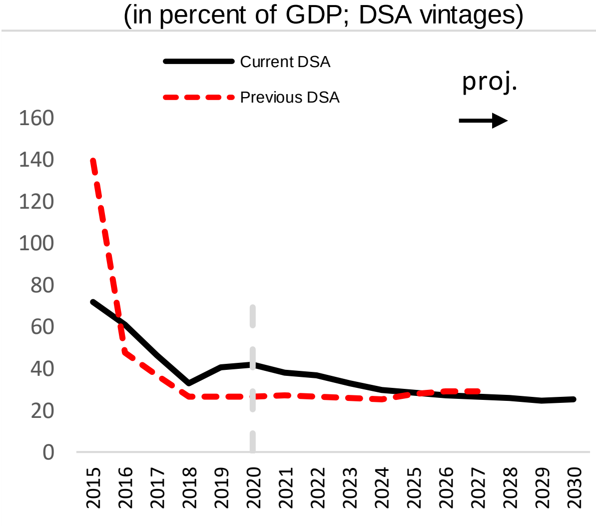


Debt-creating flows
(percent of GDP)

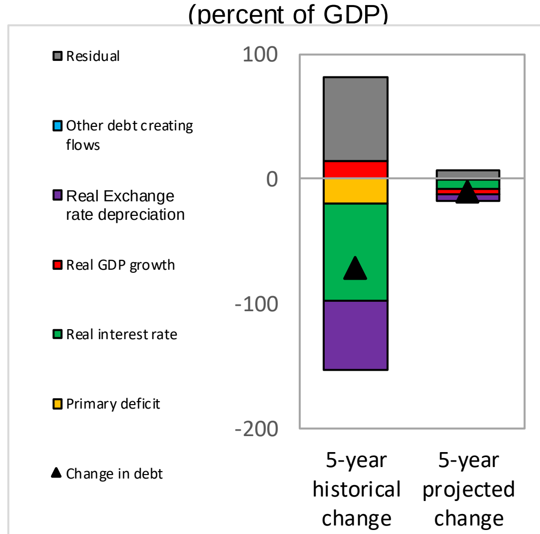


Public debt

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



Debt-creating flows
(percent of GDP)

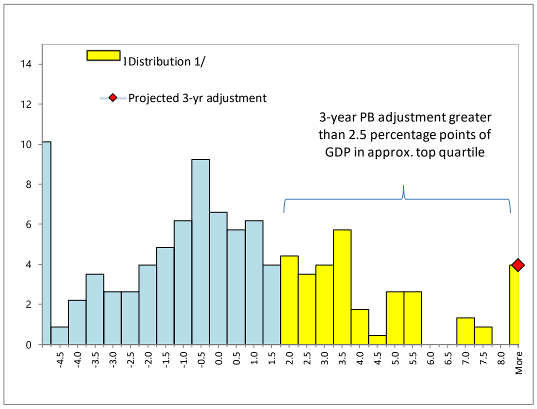


1/ Analyses on unexpected changes in debt are unavailable due to the lack of data.

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.

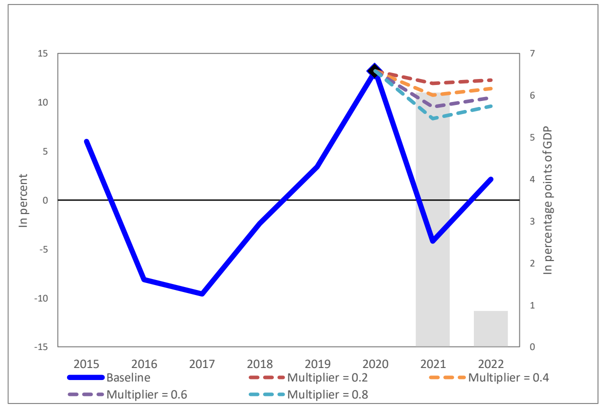
Figure 4. Republic of South Sudan: Realism Tools

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



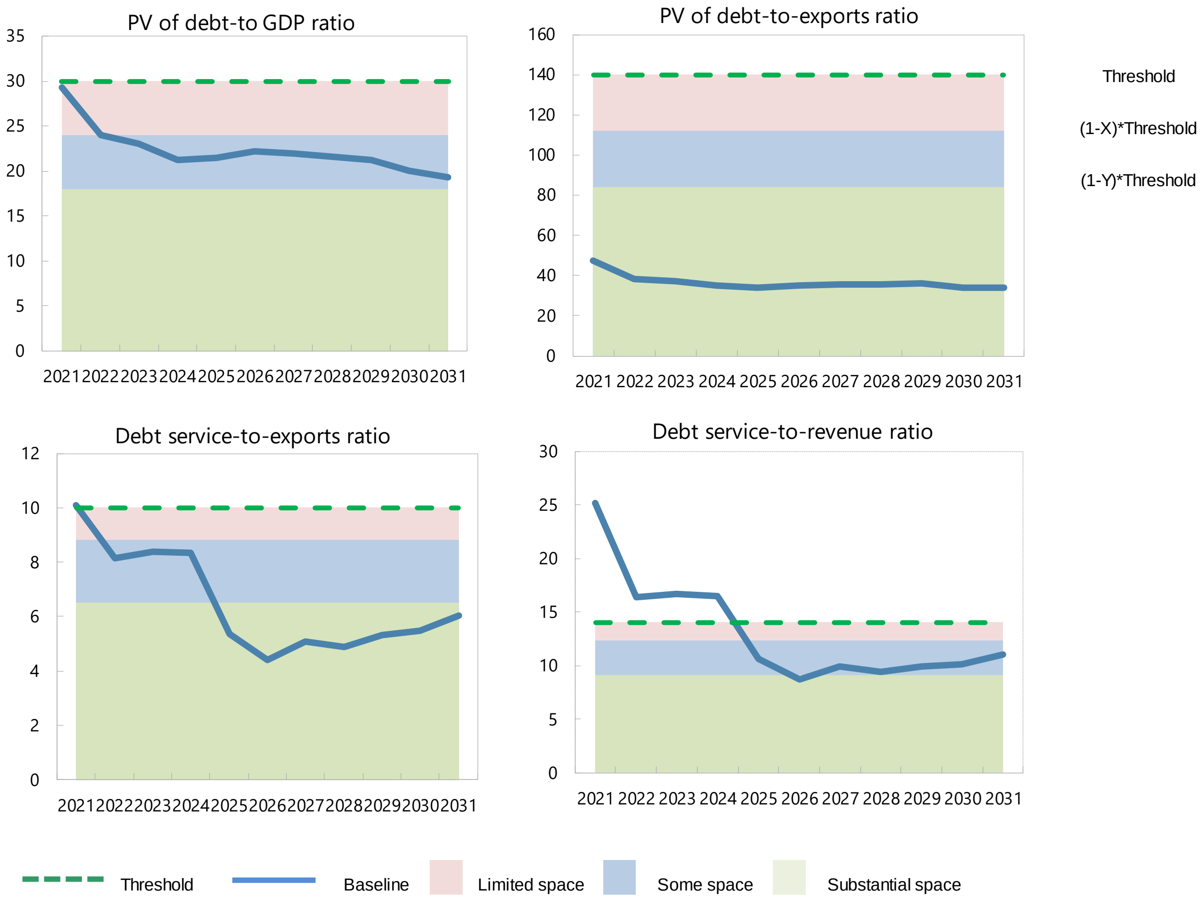
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/



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, FY2021–31[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.