



CÔTE D'IVOIRE

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STAFF REPORT FOR THE 2021 ARTICLE IV CONSULTATION— DEBT SUSTAINABILITY ANALYSIS¹

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Prepared by the International Monetary Fund
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Côte d'Ivoire remains at moderate risk of external debt distress. Despite the COVID-19 shock, all the projected external debt burden indicators are below their thresholds under the baseline, but several indicators exceed their thresholds in the case of the most severe standard shocks. In addition, the debt service-to-revenue ratio remains below but close to its threshold throughout the medium-term under the baseline scenario. The space to absorb shocks is therefore limited. The overall risk of public debt distress is also moderate, with public debt expected to remain generally stable over the projection horizon.

Côte d'Ivoire: Joint Bank-Fund Debt Sustainability Analysis	
Risk of external debt distress	Moderate
Overall risk of debt distress	Moderate
Granularity in the risk rating	Limited space to absorb shocks
Application of judgement	No

¹Under the revised Debt Sustainability Framework for Low-Income Countries, Côte d'Ivoire's Composite Indicator is 2.92 based on the April 2021 WEO and the 2019 CPIA, corresponding to a medium debt carrying capacity.

PUBLIC DEBT COVERAGE

1. Public debt covers both the debt of the central government, as well as the guarantees provided by the central government, including those guarantees that pertain to state-owned enterprises (SOEs) debt (Text Table 1). The DSA classifies external and domestic debt based on the currency criterion, given data constraints that prevent the use of the residency criterion.² The debt of local governments is excluded from the DSA coverage. Local governments are authorized to borrow within limits and under conditions set by decree. There is no available information on this debt. On SOE debt, the authorities have made progress in collecting further financial information and improving monitoring in past years. At end-2020, SOE guaranteed and non-guaranteed commercial debt amounted to respectively 2.1 and 1.1 percent of GDP. In the context of the current DSA, the following approach is taken:

- All *guaranteed* SOE debt and *on-lent* debt is included in the debt stock in the baseline.
- *Non-guaranteed* SOE debt is captured as a contingent liability shock – this shock is set at the default 2 percent of GDP.³

Text Table 1. Côte d'Ivoire: Coverage of Public Sector Debt

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	X
5 o/w: Extra budgetary funds (EBFs)	
6 Guarantees (to other entities in the public and private sector, including to SOEs)	X
7 Central bank (borrowed on behalf of the government)	X
8 Non-guaranteed SOE debt	

2. Efforts to step up the government's capacity to record and monitor public debt and contingent liabilities continue. Further work is needed to enhance data coverage of SOEs in the DSA baseline, including consolidating the general government fiscal accounts with the financial statements of the SOEs (both on the revenue and expenditure sides). The authorities see this consolidation as a prerequisite for incorporating SOE debt into total debt (in the baseline) and have received technical assistance (TA) to advance this task.

3. The magnitude of the shock in the contingent liability stress test applied in the sensitivity analysis reflects potential additional liabilities. The LIC-DSF default settings are applied for the contingent liabilities shock. They could emanate from SOE debt not captured in the

²The debt owed to the West-African Development Bank (BOAD), which is denominated in Franc CFA, is classified as domestic. Compared to the previous DSA (IMF Country Report No. 20/321), this DSA excludes external private debt from external debt due to limited information on the outstanding stock of external private debt and related payments.

³Non-guaranteed SOE debt is not included in the baseline because of limited information.

data coverage, public-private partnership agreements, and the financial sector. Total contingent liabilities for the CL test are estimated at 9.3 percent of GDP (Text Table 2). The stock of public private partnerships represents about 6.6 percent of GDP, with a large share of investment commitments in the energy sector.

Text Table 2. Côte d'Ivoire: Magnitude of the Contingent Liability Stress Test

1 The country's coverage of public debt	The central government plus social security, central bank, government-guaranteed debt		
	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	2.3	
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)		9.3	

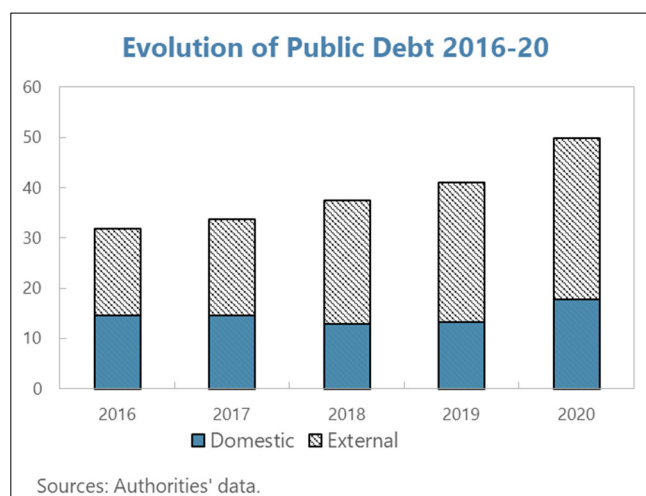
1/ The default shock of 2% of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed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

DEBT BACKGROUND

4. Public debt increased significantly over the last few years with external debt growing as a share of total debt.⁴

The increase in indebtedness over 2016-2019 was driven by higher recourse to external debt including to finance an increase in investment and social spending in the context of the National Development Plan 2015-2020. The medium-term debt strategy 2019-2023 initially envisaged that 70 percent of new financing would come from external sources, with an increase in commercial borrowing. A large share of external

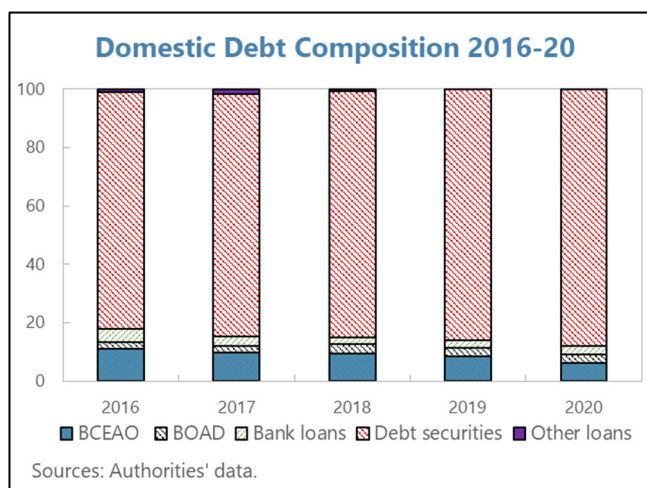
borrowing is denominated in euros to limit the exchange rate risk. Public debt stood at 49.8 percent of GDP at end-2020, compared with 31.8 percent in 2016. External debt stood at 32.1 percent of GDP, compared to 17.2 in 2016—representing 64 percent of total debt in end-2020 as opposed to 54 percent in 2016.



⁴In this DSA, Public and Publicly Guaranteed external debt excludes claims under Debt Reduction-Development Contract (C2D), which were cancelled in the context of HIPC debt relief. The C2D is a debt restructuring tool under which Côte d'Ivoire continues to service its bilateral debts to France and Spain until repayment, but the amounts are transferred back to the country as grants to finance poverty reduction programs. Flows associated with the C2D process are included by IMF staff in the external and fiscal accounts to capture gross cash flows (debt service and grants). See IMF Country Report no14/358 and Supp.1, 11/21/2014 for a detailed discussion.

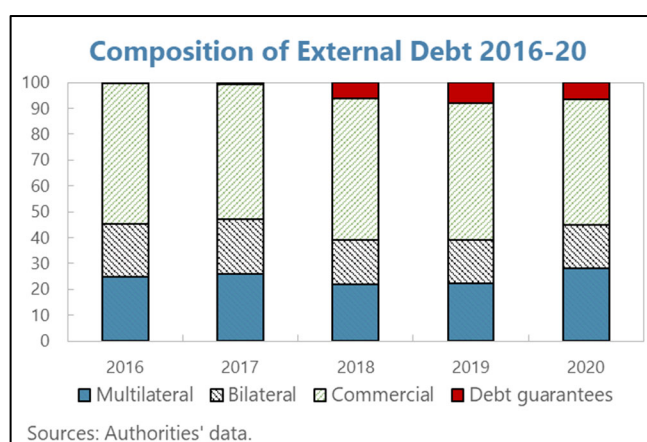
5. Most of the domestic debt is in the form of CFAF-denominated securities.

Those securities have a maturity between 3 months and 15 years and are held by domestic and other WAEMU investors. The authorities are mindful of the fact that an excessive recourse to the regional market would run the risk of a tightening of financing constraints and a crowding-out of private sector credit, given the financing needs across WAEMU countries.



6. Within external debt (excluding guarantees), commercial creditors hold more than half of the external debt stock.

Close to 90 percent of commercial debt is in the form of Eurobonds. The authorities undertook a liability management operation in 2020 to reduce exchange rate risks and lengthen maturity. Multilateral creditors have increased their share of debt and represented 28 percent of external debt in 2020, as Côte d'Ivoire mobilized substantial concessional external financing to fund its response to the pandemic. The IMF and the World Bank jointly satisfied close to 25 percent of the country's financing needs in 2020. On the other hand, the share of bilateral creditors has decreased since 2016, accounting for 17 percent of the external debt stock at end-2020 compared to 21 percent in 2016. The remaining share (52 percent) is associated with commercial creditors.



7. The authorities joined the Debt Service Suspension Initiative (DSSI) in 2020. The authorities sent formal letters to the Paris Club. Nevertheless, since a significant share of external debt falling due in 2020 and 2021 has been forgiven by bilateral creditors under the C2D (see footnote 4), the benefit of DSSI is limited. Suspended payments amounted to around 0.2 percent of GDP, or 4.5 percent of total debt service (including C2D) in 2020. For 2021, debt service payments that could be suspended under the DSSI extension amount to 0.3 percent of GDP.

RECENT DEVELOPMENT AND UNDERLYING ASSUMPTIONS

8. Côte d'Ivoire had shown strong resilience to the pandemic. Growth in 2020 is estimated at about 2 percent, which is higher than in most Sub-Saharan African frontier market economies.

This economic performance was underpinned by strong pre-crisis fundamentals, a rapid policy response, and a relatively lower dependency on sectors most vulnerable to the pandemic. The country experienced a moderate second wave of COVID-19 in January 2021 (with a peak of 400 cases per day), but in April the number of cases again fell below 100 cases per day, with low mortality (a total of slightly more than 300 COVID-related deaths since February 2020). Vaccination began in March 2021 and adoption rate of the vaccine by the population has picked up, after a slow start. As of mid-June 2021, the authorities received about 830,000 doses, of which about 84 percent have been utilized. The population's demand for vaccination is steadily growing, which helps to reduce the likelihood of a new COVID wave. The economy appears to have started rebounding already in the second semester of 2020. The current account deficit is expected to have widened to 3.5 percent of GDP in 2020, from 2.3 percent in 2019, mainly reflecting reduced global demand.

9. The assumptions in the baseline scenario are consistent with the macroeconomic framework outlined below (Text Tables 2 and 3). These include a slightly lower growth trajectory than projected at the time of the seventh and eighth review (December 2020), subdued inflation in the medium term thanks to the exchange rate peg to the Euro, a gradual improvement in the external position, and a gradual fiscal consolidation to reach the 3 percent of GDP regional fiscal deficit norm by 2024. Projections also assume a balanced recourse to domestic and external debt.

- **Lower GDP growth trajectory in 2021 onward.** Real GDP is projected to recover from 2 percent in 2020 to 6.0 percent in 2021 as global conditions improve and domestic demand recovers from the COVID shock, despite short-term electricity shortages. Over the medium term, growth is projected to peak at 6.5 percent in 2022 and gradually revert to its potential of 6 percent by 2026, compared to a medium-term potential growth of 6.5 percent projected in the seventh and eighth review. The implementation of a strong reform agenda to be defined under the umbrella of the incoming National Development Plan (NDP) could however catalyze stronger confidence and investment and further lift productivity and growth.
- **Subdued inflation in the medium term.** Annual average inflation is projected to temporarily pick up to 2.5 percent in 2021, reflecting supply chain disruptions following containment measures and border closures along with the impact of electricity rationing in some sectors. However, it is expected to remain subdued at around 2 percent in the medium term, benefiting from the exchange rate peg to the euro.
- **Wider budget deficits in the short term.** The need for a decisive policy response to counter the pandemic led to a widening of the primary and overall fiscal deficits to respectively 3.7 and 5.6 percent of GDP in 2020. The authorities plan to delay fiscal consolidation and keep the overall fiscal deficit in 2021 at 5.6 percent of GDP as in 2020, to account for temporary needs associated with delayed investment spending, greater needs for security spending, and lower-than-expected fiscal revenue following the transitory electricity shortages. As the authorities expect higher security spending needs to persist over the next two years and envisage a significant multi-year public investment plan, they

plan to converge to the 3percent of GDP regional target by 2024 at the latest instead of 2023.

- **Similar tax revenue projections.** The tax revenue projection is broadly similar to the previous DSA, which takes into consideration the relatively weak revenue mobilization. Tax revenue is assumed to increase from 12.4 percent of GDP in 2020 to 13 percent in 2026.
- **A narrowing current account deficit.** The external current account deficit is expected to moderately narrow from 4.3 percent of GDP in 2021 to 3½ percent of GDP in 2026. Import assumptions were revised upward since the previous DSA including to account for higher expected imports of equipment goods following the rise of investment in the context of the NDP. Along with a downward revision in exports in the medium term to reflect updated cocoa production and price forecasts, this implied a downward revision to the current account balance. These assumptions are subject to downside risks including from possible unfavorable terms-of-trade shocks and weaker-than-expected global growth in the context of the pandemic and rising protectionism.

Text Table 3. Côte d'Ivoire: LIC DSA Macroeconomic Assumptions

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Est.				Projections					
(Annual percentage changes, unless otherwise indicated)										
National income										
GDP at constant prices	7.4	6.9	6.2	2.0	6.0	6.5	6.4	6.3	6.1	6.0
GDP deflator	-1.8	0.6	0.2	0.6	1.0	1.0	1.3	1.4	1.6	1.6
External sector (on the basis of CFA francs)										
Exports of goods, f.o.b., at current prices	-5.9	-11.0	20.5	-4.6	8.9	4.3	6.0	7.9	6.6	6.5
Imports of goods, f.o.b., at current prices	-3.6	1.4	10.9	-0.1	15.7	2.2	2.7	5.4	5.8	6.5
Export volume	13.5	-2.2	16.7	-3.3	2.0	6.1	9.4	9.3	7.0	6.7
Import volume	10.3	2.3	-1.8	7.3	3.3	5.7	5.8	6.3	6.3	6.9
(Percent of GDP unless otherwise indicated)										
Central government operations										
Total revenue and grants	15.1	14.8	15.0	15.0	14.7	15.3	15.4	15.4	15.3	15.1
Total revenue	14.2	14.0	14.2	14.5	14.1	14.7	14.9	15.0	15.0	15.0
Total expenditure	18.4	17.7	17.3	20.6	20.3	19.9	19.2	18.4	18.3	18.1
Primary expenditure	17.2	16.4	15.8	18.7	18.2	18.0	17.2	16.4	16.2	16.1
Primary balance	-2.1	-1.6	-0.8	-3.7	-3.6	-2.7	-1.8	-0.9	-0.9	-1.0
Overall balance, incl. grants, payment order basis	-3.3	-2.9	-2.3	-5.6	-5.6	-4.7	-3.8	-3.0	-3.0	-3.0
External Sector										
Current account balance	-2.0	-3.9	-2.3	-3.5	-4.3	-4.2	-3.9	-3.7	-3.6	-3.5
Non-interest current account balance	-1.4	-3.2	-1.4	-2.3	-3.1	-3.2	-2.9	-2.7	-2.7	-2.6

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

10. The authorities' debt management strategy aims to meet gross financing needs while ensuring debt sustainability, based on a balanced mix of external and domestic financing instruments. Consistent with the authorities' medium-term debt management strategy, Côte d'Ivoire's financing needs are expected to be met by relying on a mix of sources in domestic and foreign currencies in 2021. The authorities communicated they aim to limit external borrowing to covering external debt service. To reflect this, the level of external commercial borrowing is set close to projected external commercial debt service. Multilateral and bilateral financing is projected

to gradually decline from 2.9 percent of GDP in 2021 to 1.2 percent in 2041. Those numbers account for the most recent IDA disbursement projections, whose share of total multilateral financing is projected to increase in the short run from 59 percent in 2021 to 78 percent in 2025, before declining to 32 percent in 2041. In the short term, the government is expected to rely on both concessional and non-concessional lending to meet its financing needs. The authorities also intend to carefully balance the recourse to the international and regional markets given the potential crowding-out effect at the regional level. Domestic financing is assumed to rely on issuances of CFAF securities with the following maturities: less than one-year (12 percent of issuances), one to three years (8 percent), three to seven years (46 percent) and more than seven years (34 percent).⁵ The authorities are continuing to strengthen processes related to debt management, with World Bank support.

11. The realism of the macroeconomic framework is broadly plausible (Figure 4). The projected medium-term debt-creating flows are below those observed in the past five years which were driven by a sizable residual. The 6.3 percent of GDP residual calculated for 2020 mostly reflects a different recording of project loan disbursements in the fiscal accounts and the debt statistics, as well as the non-integration in the fiscal accounts of the flows associated with new debt contracted by the government and on-lent to SOEs, which is included in public debt. The projected fiscal adjustment for the next three years is at the bottom of the top quartile of the distribution of approved Fund-supported programs for LICs since 1990. The difference in 2021-22 between the expected fiscal impulse and the baseline growth projection can be explained by the unwinding of exceptional COVID-19 expenditures and decrease in security spending in 2022 which will have limited effect on activity.

	Previous DSA			Current DSA		
	2021-2026	2027-2031	2032-2040	2021-2026	2027-2031	2032-2040
Nominal GDP (USD Billion)	86.7	129.5	214.3	88.0	134.4	224.7
Real GDP (y/y % change)	6.4	5.6	5.6	6.2	5.9	5.7
Fiscal (central government)						
Revenue and grants	15.3	15.5	16.0	15.2	15.2	15.5
of which grants	0.3	0.0	0.0	0.4	0.0	0.0
Primary expenditure	16.8	16.8	17.4	16.9	16.2	16.5
Primary balance	-1.5	-1.3	-1.5	-1.7	-1.0	-1.0
Balance of payments						
Exports of goods and services	21.1	22.8	22.0	21.4	20.4	19.6
Imports of goods and services	19.5	19.1	18.3	21.3	20.2	19.3
Non-interest current account balance	-1.5	0.8	0.8	-2.8	-2.7	-2.6
Current account balance	-2.5	0.0	0.3	-3.8	-3.6	-3.3
New foreign direct investment (net inflows)	1.83	2.37	3.07	2.32	2.86	3.58

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

⁵The projected increase in domestic financing would require significant purchases of Ivorian securities by WAEMU residents, with potential crowding out of smaller borrowers. If those purchases were not to happen, external commercial financing would have to increase to fill the gap. Domestic borrowing assumptions hinge on Côte d'Ivoire's capacity to double the volume of domestic issuances with the next 3 years (from FCFA billion 1,559 projected in 2021 to 2,980 in 2023) at the current yields.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

12. Côte d'Ivoire is assessed to have medium debt carrying capacity. Based on the April 2021 WEO macroeconomic framework and the World Bank's 2019 CPIA index, Côte d'Ivoire's composite indicator is 2.92 (above the lower cut-off of 2.69 but below the strong capacity cut-off value of 3.05) confirming the medium debt carrying capacity assessment used in previous DSA.⁶ The relevant thresholds are used to assess debt risk rating.

Debt Carrying Capacity		Medium		
Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintage	
Medium	Medium 2.92	Medium 2.87	Medium 2.97	
APPLICABLE		APPLICABLE		
EXTERNAL debt burden thresholds		TOTAL public debt benchmark		
PV of debt in % of Exports	180	PV of total public debt in percent of GDP		55
GDP	40			
Debt service in % of Exports	15			
Revenue	18			

13. Given Côte d'Ivoire's reliance on global capital markets, a tailored test for international market financing was conducted. Côte d'Ivoire issued sizeable Eurobonds both in 2020 and early 2021 (for about US\$1.2bn and US\$1bn respectively), and used about half of the 2020 issuance to buy back bonds with shorter maturities and reduce the currency risk. Its debt management strategy aims at leveraging global capital markets to finance part of the country's gross financing needs over the next five years. A tailored test for market financing assumes a temporary increase in the cost of new commercial external borrowing by 400 basis points combined with a nominal depreciation of 15 percent of the CFAF vis-à-vis the US\$ and a shortening of maturities and of grace periods.⁷

14. A contingent liability tailored shock was conducted to capture potential fiscal risks arising from SOEs, PPPs, and the financial market. This tailored stress test includes the

⁶The other variables from the macroeconomic framework consist of five variables: real GDP growth, remittances, import coverage of reserves, the square of import coverage of reserves, and world economic growth. The CI uses ten years of data (5 years of history and 5 years of projections) to smooth out economic cycles.

⁷The share of USD denominated debt is estimated to be decreasing over time. The considered shortening of maturities of commercial external borrowing are as follows: If the original maturity is greater than 5 years, the new maturity is set to 5 years. If the original maturity is less than 5 years, the new maturity is shortened by 2/3.

standardized 2 percent of GDP for risks related to SOEs, a 2.3 percent of GDP shock to accommodate potential fiscal risks on 35 percent of the PPP capital stock, and a financial sector shock of 5 percent of GDP.

15. Standard stress tests on real GDP growth, primary balance, exports, current transfers, foreign exchange (FX) depreciation, and a tailored test on commodity prices have also been applied. The first four shocks set each of the above variables to the lower of its historical average minus one standard deviation, or its baseline projection minus one standard deviation. The FX depreciation considers a nominal depreciation of 30 percent of the CFA franc vis-à-vis the US\$ in the first year of the projection. The commodity price shock captures the impact of a sudden one standard deviation decline in commodity prices.

EXTERNAL DEBT SUSTAINABILITY ANALYSIS

16. The external DSA assessment indicates that all PPG debt indicators are below their corresponding thresholds for the next ten years in the baseline scenario. The PV of external debt-to-GDP is expected to decrease from 28.4 percent in 2020 to 21.9 percent in 2031 (Table 1 and Figure 1), well below the relevant threshold of 40.⁸ However, the debt-service-to-revenue ratio is now projected to come just short of its threshold in 2024 and remain just below it throughout the following years. The trajectory of the debt-service-to-revenue ratio underscores the criticality of improving domestic revenue mobilization to provide the authorities with a sustainable source of funding for their important development needs and to provide buffers on debt service.

17. Exports and market financing shocks would have a significant negative impact on Côte d'Ivoire's external debt sustainability. An exports shock would cause the PV of external debt-to-export ratio and debt service-to-export ratio to breach the threshold while most shocks would cause the debt-service-to-revenue indicator to breach the threshold starting in 2023 and 2024. The market financing risk analysis suggests that GFN and EMBI spread remain below the benchmark, while the debt service-to-revenue indicator would breach the threshold for prolonged periods should market financing risk materialize (Figure 6). These results underscore downside risks for debt sustainability from potential exports shocks or rollover risks that could result from a deterioration in global risk sentiment or from a shortening of maturities of new external commercial borrowing.

PUBLIC DEBT SUSTAINABILITY ANALYSIS

18. Under the baseline scenario, the PV of public debt-to-GDP ratio is below its threshold of 55 percent (Figure 4). The PV of public debt-to-GDP is expected to gradually decline over the projection period, to around 43½ percent by 2031. Meanwhile, the PV of debt-to-revenue ratio

⁸The November 2020 liability management operation, which involved the buy-back of USD 486 million dollar-denominated bonds maturing in 2028 and 2032 and EUR 85 million euro-denominated bonds maturing in 2025, led to a small improvement in liquidity indicators.

would decline marginally from 294.9 percent in 2020 to 283.5 percent in 2031. Finally, the debt service-to-revenue ratio, at 32.9 in 2020, is projected to increase and reach 55.2 in 2031. This again underscores the importance of strengthening domestic revenue mobilization.

19. Stress tests highlight that Côte d'Ivoire's most extreme public debt vulnerability would emerge from a shock to commodity prices (Figure 2 and Table 4). Under the standard commodity price stress test, the PV of public debt-to-GDP would breach its corresponding threshold of 55 percent starting in 2024 and would continue growing afterwards. This shock would lead to an explosive pattern of the three debt and debt service indicators. A contingent liability shock would trigger a temporary breach of the PV of debt-to-GDP threshold for three years.

RISK RATING AND VULNERABILITIES

20. The debt sustainability analysis under the new DSA indicates that Côte d'Ivoire remains at moderate risk of external debt distress as in the December 2020 DSA, but with limited capacity to absorb shocks. While none of the external debt indicators breaches their corresponding threshold under the baseline scenario, standard stress tests show that the PV of external debt-to-exports ratio, debt service-to-export ratio, and debt service-to-revenue ratio would cross the threshold in the most extreme shock scenarios. Moreover, the granularity analysis suggests limited space to absorb shocks with the external debt-service-to-revenue ratio remaining below but very close to the threshold (Figure 5). This reinforces the need to intensify revenue mobilization and diversify the export base through structural transformation over the medium term. It is also crucial to have a prudent external borrowing strategy aimed at balancing the costs and risks of new loans to preserve Côte d'Ivoire's borrowing space and medium-term debt sustainability.

21. This DSA also indicates that the overall risk of debt distress remains moderate, but stress tests highlight high vulnerabilities of external and total debt to shocks. While the overall debt sustainability risk is moderate, the PV of public debt-to-GDP breaches its threshold of 55 percent starting in 2023 under the most extreme shock (growth) arising from the standard stress tests. Three out of four external debt indicators would breach their threshold under the most extreme shock (exports and market financing). Risks have been exacerbated by the COVID environment, as the global growth recovery, and hence that of Ivorian exports, could prove more protracted than currently projected.

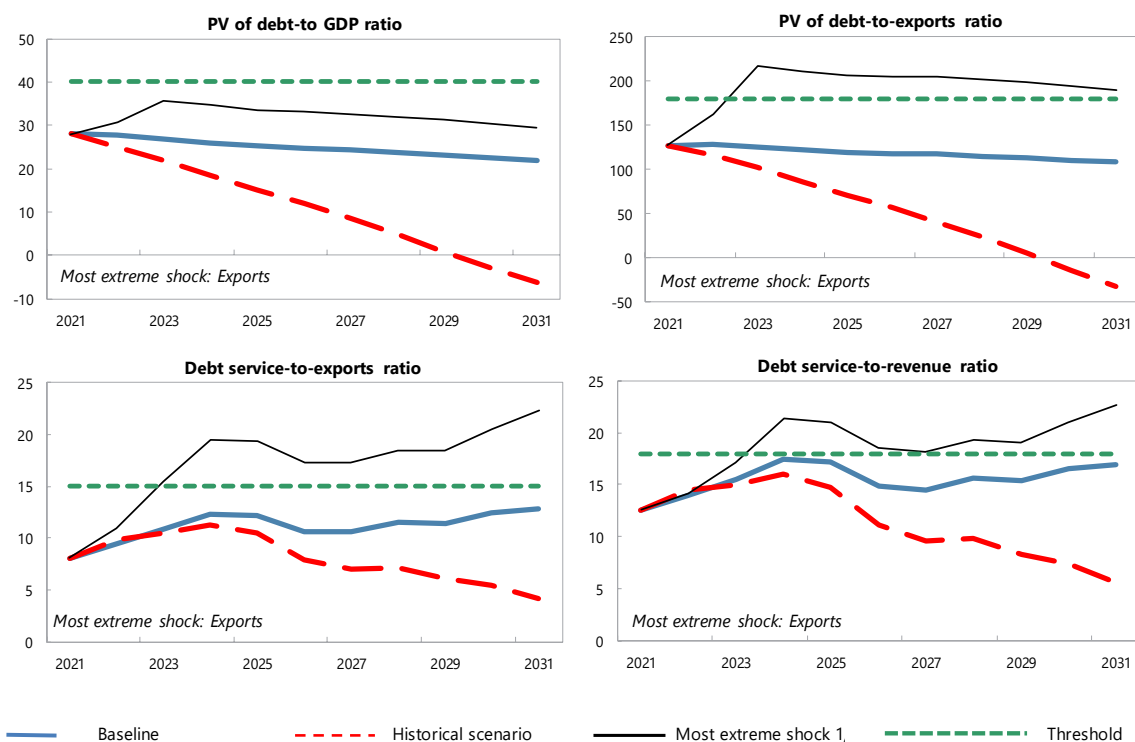
22. The authorities need to build resilience against shocks to debt sustainability. The DSA results highlight the need to carefully monitor debt indicators, conduct prudent GDP growth projections, create fiscal space, implement judicious policies to preserve macroeconomic stability and have full oversight of SOE debt contracting. Within this context, the authorities should work toward fully integrating SOE debt in their debt sustainability assessment. To create fiscal space, the authorities also critically need to accelerate efforts to mobilize domestic revenue while remaining committed to containing medium-term public expenditure.

AUTHORITIES' VIEWS

23. The authorities agreed that Côte d'Ivoire remains at moderate risk of debt distress.

They are cognizant of the importance of mobilizing more revenue, notably to improve their ability to weather shocks. They recognized the need of deepening the regional market and reiterated their commitment to lift productivity and growth via critical structural reforms. They highlighted the generally sound sovereign rating that allowed successful Eurobond issuances following the pandemic shock. They indicated that their medium-term debt strategy aims at reducing the refinancing and exchange rate risks while lengthening maturities and achieving a balanced portfolio structure in terms of external and domestic debt.

Figure 1. Côte d'Ivoire: Indicators of Public and Publicly Guaranteed External Debt under Alternative Scenarios, 2021–31^{1/}



Customization of Default Settings			Borrowing assumptions on additional financing needs resulting from the stress tests*		
	Size	Interactions		Default	User defined
Tailored Stress			Shares of marginal debt		
Combined CL	No		External PPG MLT debt	100%	
Natural disaster	n.a.	n.a.	Terms of marginal debt		
Commodity price	No	No	Avg. nominal interest rate on new borrowing in USD	3.5%	7.0%
Market financing	No	No	USD Discount rate	5.0%	5.0%
			Avg. maturity (incl. grace period)	20	20
			Avg. grace period	7	7

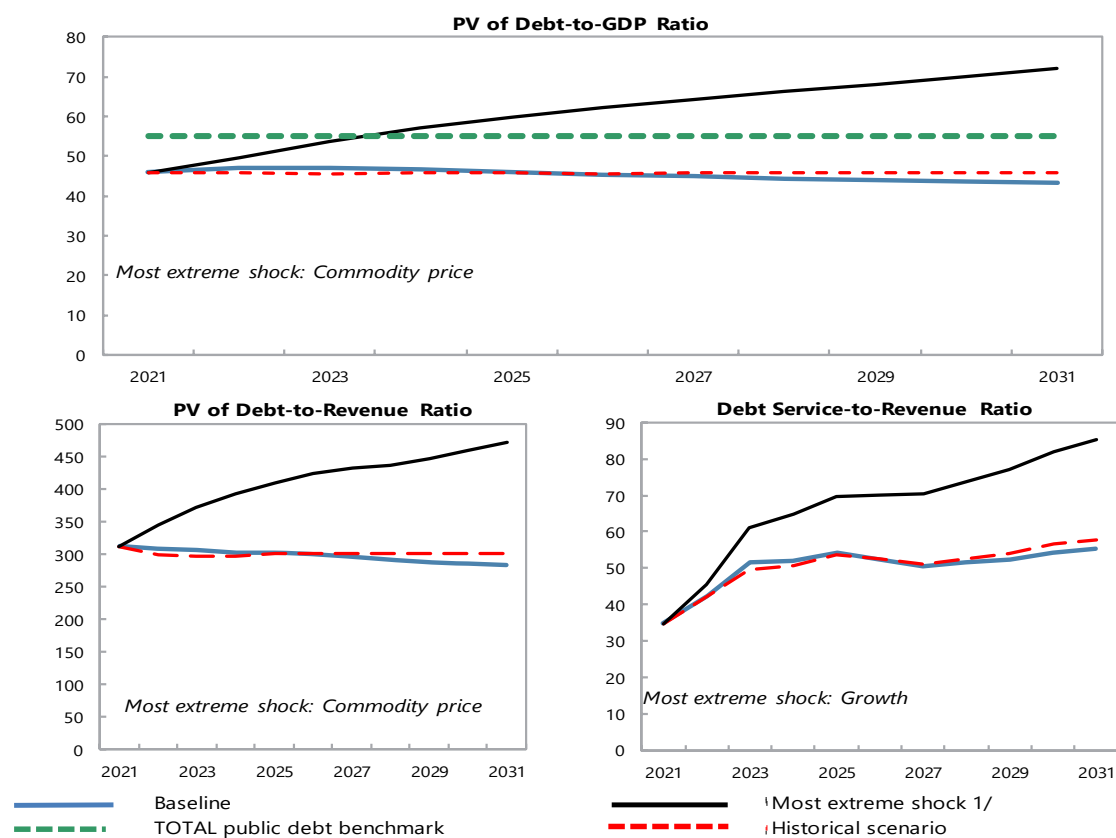
Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

* 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. 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 extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Figure 2. Côte d'Ivoire: Indicators of Public Debt Under Alternative Scenarios, 2021–31



Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	34%	46%
Domestic medium and long-term	57%	42%
Domestic short-term	8%	12%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	3.5%	7.0%
Avg. maturity (incl. grace period)	20	20
Avg. grace period	7	7
Domestic MLT debt		
Avg. real interest rate on new borrowing	4.3%	4.3%
Avg. maturity (incl. grace period)	7	7
Avg. grace period	0	0
Domestic short-term debt		
Avg. real interest rate	4.2%	4.2%

* 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 extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Figure 3. Côte d'Ivoire: Drivers of Debt Dynamics – Baseline Scenario

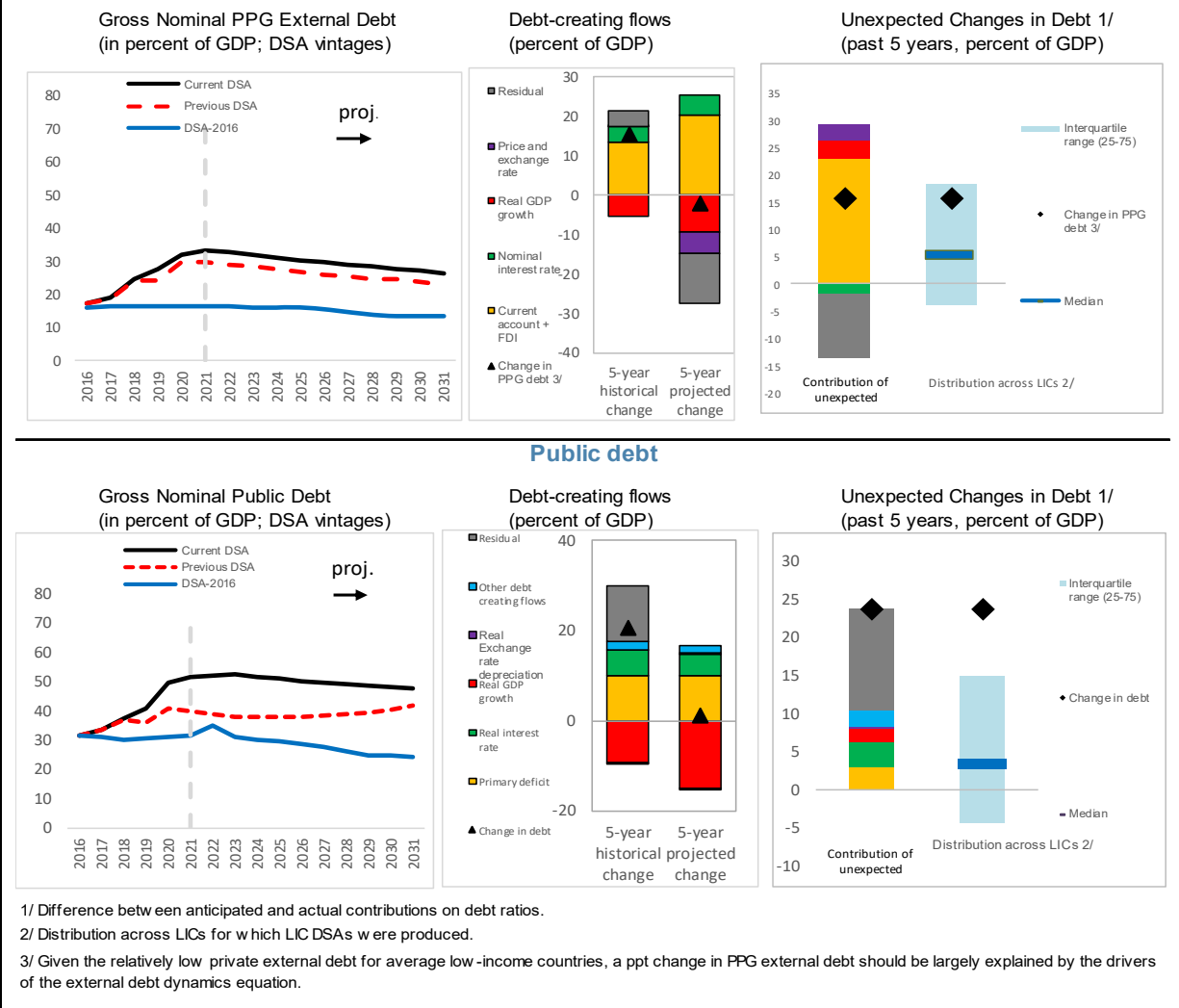
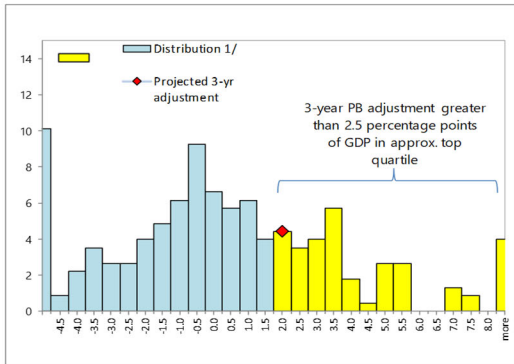


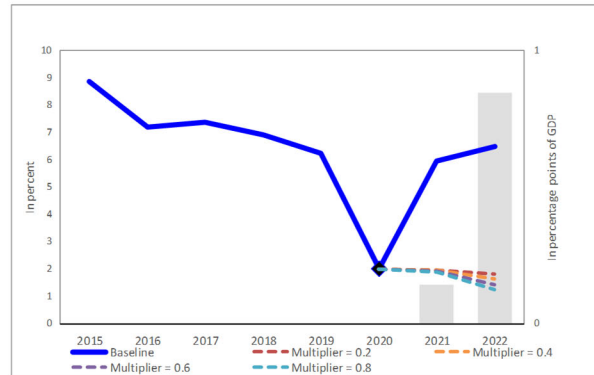
Figure 4. Côte d'Ivoire: Realism Tools

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



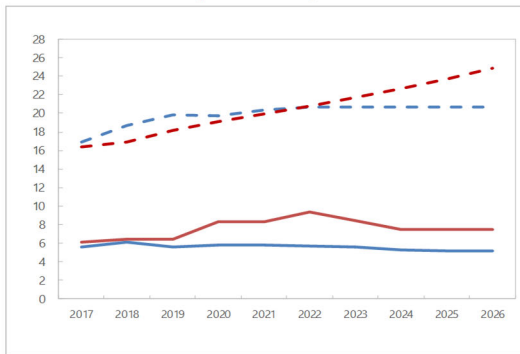
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/



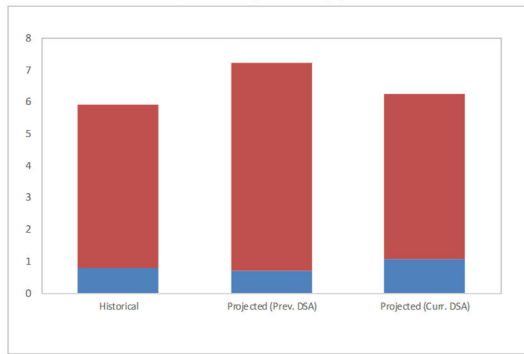
1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates
(percent of GDP)



— Gov. Invest. - Prev. DSA — Gov. Invest. - Curr. DSA
- - - Priv. Invest. - Prev. DSA - - - Priv. Invest. - Curr. DSA

Contribution to Real GDP growth
(percent, 5-year average)



■ Contribution of other factors
■ Contribution of government capital

Figure 5. Côte d'Ivoire: Qualification of the Moderate Category, 2021-31^{1/}



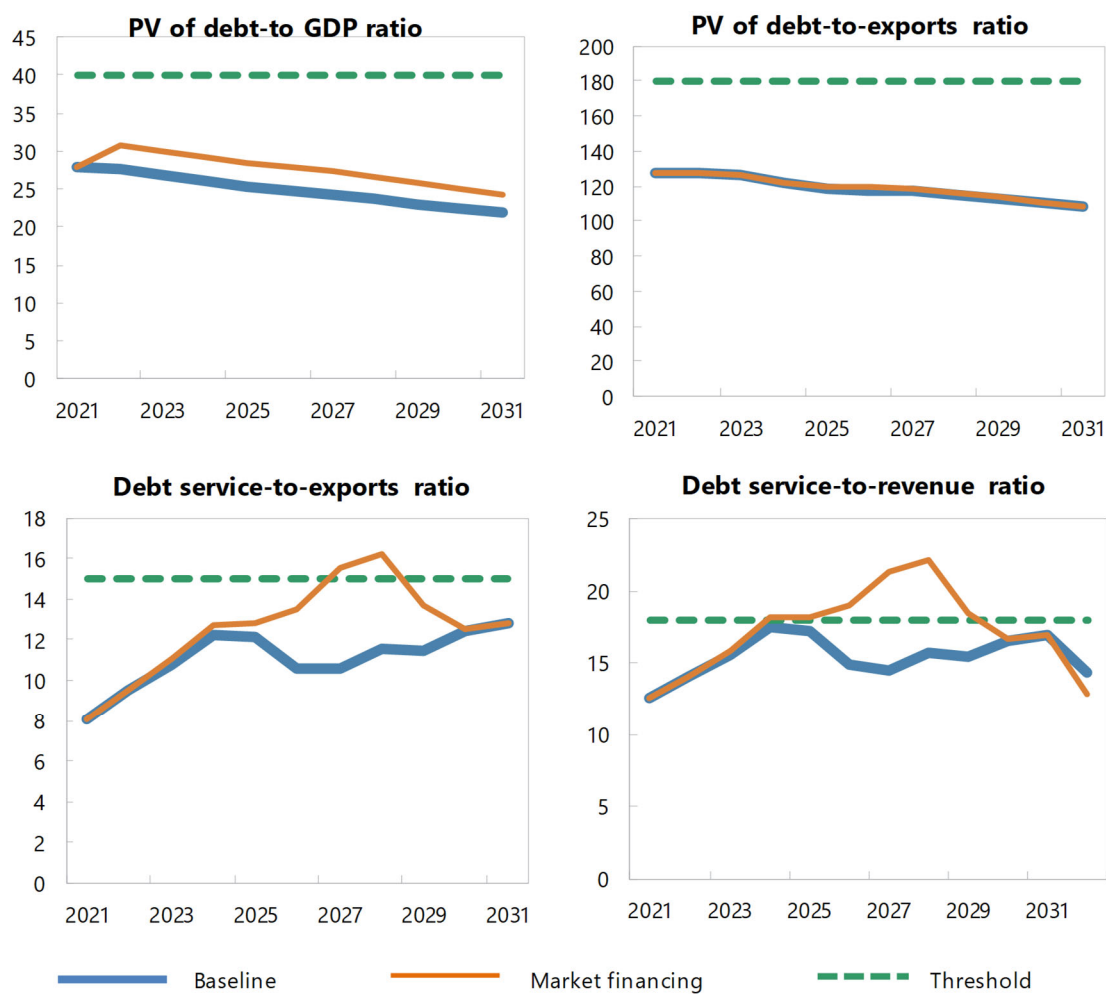
Sources: Country authorities; and staff estimates and projections.

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.

Figure 6. Côte d'Ivoire: Market-Financing Risk Indicators

	GFN ^{1/}	EMBI ^{2/}
Benchmarks	14	570
Values	10	350
Breach of benchmark	No	No
Potential heightened liquidity needs	Low	

1/ Maximum gross financing needs (GFN) over 3-year baseline projection horizon.
2/ EMBI spreads correspond to the latest available data.



Sources: Country authorities; and staff estimates and projections.

Table 1. Côte d'Ivoire: External Debt Sustainability Framework, Baseline Scenario, 2018–41

(Percent of GDP; unless otherwise indicated)

	Actual			Projections								Average 8/	
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031	2041	Historical	Projections
External debt (nominal) 1/	24.8	27.7	32.1	33.2	32.7	32.0	31.0	30.1	29.6	26.3	18.7	21.3	29.7
of which: public and publicly guaranteed (PPG)	24.8	27.7	32.1	33.2	32.7	32.0	31.0	30.1	29.6	26.3	18.7	21.3	29.7
Change in external debt	5.8	3.0	4.4	1.1	-0.4	-0.7	-1.0	-0.9	-0.5	-0.7	-0.8		
Identified net debt-creating flows	2.7	3.3	3.3	3.7	3.5	3.1	3.0	3.1	3.2	3.6	4.1	0.5	3.3
Non-interest current account deficit	3.2	1.4	2.4	3.4	3.2	2.8	2.7	2.6	2.6	2.7	2.4	-0.1	2.8
Deficit in balance of goods and services	0.2	-1.6	-0.3	0.4	0.2	-0.1	-0.3	-0.4	-0.3	-0.2	-0.4	-2.9	-0.1
Exports	22.6	23.6	21.3	22.0	21.6	21.4	21.4	21.2	20.9	20.2	19.3		
Imports	22.7	22.0	21.0	22.4	21.8	21.2	21.1	20.8	20.6	20.0	18.8		
Net current transfers (negative = inflow)	1.0	1.0	0.9	1.1	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.0	1.1
of which: official	-0.3	-0.3	-0.3	-0.2	-0.4	-0.4	-0.4	-0.4	-0.2	-0.1	0.0		
Other current account flows (negative = net inflow)	2.1	2.0	1.8	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Net FDI (negative = inflow)	0.8	1.3	1.0	1.1	1.2	1.2	1.2	1.2	1.3	1.6	2.1	0.9	1.3
Endogenous debt dynamics 2/	-1.4	0.6	-0.1	-0.8	-0.9	-0.9	-0.8	-0.7	-0.7	-0.6	-0.4	-0.7	-0.9
Contribution from nominal interest rate	0.7	0.9	1.1	0.9	1.0	1.0	1.0	1.0	1.0	0.9	0.6		
Contribution from real GDP growth	-1.2	-1.5	-0.5	-1.7	-2.0	-1.9	-1.9	-1.7	-1.7	-1.5	-1.0		
Contribution from price and exchange rate changes	-0.9	1.3	-0.7	...	...	...	...	...	...	...	...
Residual 3/	3.1	-0.4	1.1	-2.6	-3.9	-3.9	-4.0	-3.9	-3.7	-4.3	-4.9	-0.7	-3.9
of which: exceptional financing	0.0	0.0	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	...	...	28.4	28.0	27.6	26.9	26.0	25.2	24.7	21.9	15.4		
PV of PPG external debt-to-exports ratio	...	...	133.3	127.2	127.7	126.0	121.6	118.9	117.9	108.3	80.0		
PPG debt service-to-exports ratio	6.1	6.9	8.3	8.1	9.5	10.8	12.3	12.2	10.6	12.8	8.6		
PPG debt service-to-revenue ratio	9.8	11.4	12.3	12.6	14.0	15.6	17.5	17.2	14.8	16.9	10.7		
Gross external financing need (Million of U.S. dollars)	3146.6	2528.7	3145.6	4376.8	4926.7	5325.2	5918.6	6316.5	6518.9	10486.7	19359.5		
Key macroeconomic assumptions													
Real GDP growth (in percent)	6.9	6.2	2.0	6.0	6.5	6.4	6.3	6.1	6.0	5.8	5.6	6.3	6.1
GDP deflator in US dollar terms (change in percent)	5.2	-5.0	2.6	7.6	3.3	2.7	2.3	2.2	2.1	1.6	1.6	0.0	2.6
Effective interest rate (percent) 4/	4.2	3.6	4.2	3.2	3.5	3.5	3.5	3.5	3.5	3.5	3.3	3.6	3.5
Growth of exports of G&S (US dollar terms, in percent)	1.8	5.4	-5.6	18.0	7.9	8.1	8.9	7.3	7.1	6.8	7.0	0.5	8.3
Growth of imports of G&S (US dollar terms, in percent)	11.3	-2.3	-0.4	22.1	6.9	6.5	8.0	7.0	7.3	6.8	6.7	2.3	8.4
Grant element of new public sector borrowing (in percent)	...	...	...	17.0	16.0	16.4	16.9	17.4	17.8	14.2	17.3	...	16.4
Government revenues (excluding grants, in percent of GDP)	14.0	14.2	14.5	14.1	14.7	14.9	15.0	15.0	15.0	15.2	15.6	13.3	15.0
Aid flows (in Million of US dollars) 5/	443.2	469.2	336.3	1086.9	1122.7	1168.7	1243.1	1190.4	1155.3	707.8	711.7		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	1.3	1.2	1.0	1.0	0.8	0.7	0.4	0.3	...	0.8
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	26.1	28.5	27.8	27.4	24.5	22.0	14.4	17.6	...	21.6
Nominal GDP (Million of US dollars)	58,011	58,539	61,231	69,826	76,817	83,967	91,310	99,045	107,156	154,658	314,351		
Nominal dollar GDP growth	12.5	0.9	4.6	14.0	10.0	9.3	8.7	8.5	8.2	7.5	7.3	6.1	8.8
Memorandum items:													
PV of external debt 7/	...	...	28.4	28.0	27.6	26.9	26.0	25.2	24.7	21.9	15.4		
In percent of exports	...	...	133.3	127.2	127.7	126.0	121.6	118.9	117.9	108.3	80.0		
Total external debt service-to-exports ratio	6.1	6.9	8.3	8.1	9.5	10.8	12.3	12.2	10.6	12.8	8.6		
PV of PPG external debt (in Million of US dollars)	...	...	17362.2	19553.1	21187.1	22599.9	23748.7	24922.5	26450.1	33803.2	48449.5		
(PVt-PVt-1)/GDPt-1 (in percent)	...	...	...	3.6	2.3	1.8	1.4	1.3	1.5	1.1	0.5		
Non-interest current account deficit that stabilizes debt ratio	-2.5	-1.5	-2.0	2.3	3.6	3.6	3.6	3.5	3.1	3.3	3.2		

Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as $[r - g - p(1+g)] / (1+g+p+g)$ times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and p = 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.

Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	Yes

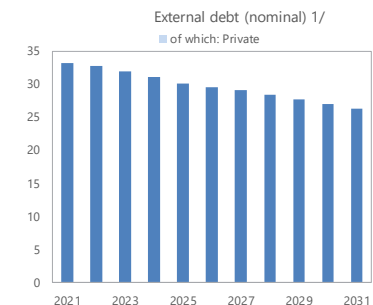
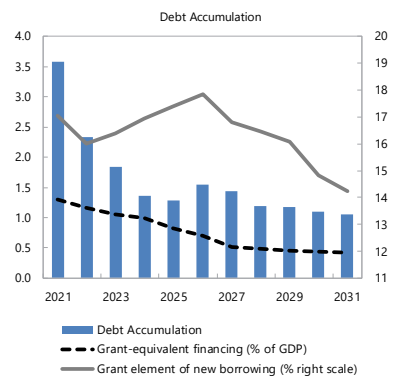


Table 2. Côte d'Ivoire: Public Sector Debt Sustainability Framework, Baseline Scenario, 2018–41
(Percent of GDP; unless otherwise indicated)

	Actual			Projections								Average 6/	
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031	2041	Historical	Projections
Public sector debt 1/	37.6	41.0	49.8	51.4	52.3	52.4	51.7	51.1	50.3	47.8	45.6	34.9	50.2
of which: external debt	24.8	27.7	32.1	33.2	32.7	32.0	31.0	30.1	29.6	26.3	18.7	21.3	29.7
Change in public sector debt	3.9	3.5	8.8	1.5	1.0	0.1	-0.7	-0.6	-0.8	-0.4	-0.1	0.7	-0.2
Identified debt-creating flows	1.9	1.0	2.5	1.5	1.0	0.1	-0.7	-0.6	-0.8	-0.5	-0.2	0.7	-0.2
Primary deficit	1.6	0.8	3.7	3.6	2.7	1.8	0.9	0.9	1.0	1.0	1.0	1.5	1.4
Revenue and grants	14.8	15.0	15.0	14.7	15.3	15.4	15.4	15.3	15.1	15.3	15.6	14.1	15.2
of which: grants	0.8	0.8	0.5	0.5	0.6	0.5	0.5	0.3	0.2	0.0	0.0		
Primary (noninterest) expenditure	16.4	15.8	18.7	18.2	18.0	17.2	16.4	16.2	16.1	16.2	16.6	15.6	16.6
Automatic debt dynamics	-0.5	0.1	-1.3	-2.2	-2.2	-2.1	-2.0	-1.8	-1.7	-1.5	-1.2	15.6	16.6
Contribution from interest rate/growth differential	-1.3	-1.2	0.7	-2.2	-2.2	-2.1	-2.0	-1.8	-1.7	-1.5	-1.2		
of which: contribution from average real interest rate	0.8	1.0	1.5	0.6	1.0	1.1	1.1	1.1	1.2	1.2	1.2		
of which: contribution from real GDP growth	-2.2	-2.2	-0.8	-2.8	-3.1	-3.2	-3.1	-3.0	-2.9	-2.6	-2.4		
Contribution from real exchange rate depreciation	0.8	1.3	-2.0	...	...	...	...	...	...	...	...
Other identified debt-creating flows	0.8	0.2	0.1	0.2	0.4	0.4	0.4	0.3	0.0	0.0	0.0	0.1	0.2
Privatization receipts (negative)	0.0	0.0	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	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	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.8	0.2	0.1	0.2	0.4	0.4	0.4	0.3	0.0	0.0	0.0		
Residual	2.0	2.4	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	-0.3	0.0
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	44.3	45.9	47.0	47.2	46.6	46.1	45.4	43.3	42.3		
PV of public debt-to-revenue and grants ratio	...	...	294.9	312.8	307.9	306.9	301.8	302.0	299.8	283.5	270.9		
Debt service-to-revenue and grants ratio 3/	29.1	30.7	32.9	34.9	42.3	51.5	52.1	54.2	52.3	55.2	57.6		
Gross financing need 4/	6.7	5.5	8.7	8.8	9.6	10.1	9.3	9.5	8.9	9.4	10.0		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	6.9	6.2	2.0	6.0	6.5	6.4	6.3	6.1	6.0	5.8	5.6	6.3	6.1
Average nominal interest rate on external debt (in percent)	3.9	3.6	4.2	3.0	3.4	3.4	3.4	3.5	3.5	3.5	3.3	3.6	3.4
Average real interest rate on domestic debt (in percent)	4.0	5.2	5.4	3.9	4.5	4.1	4.1	3.9	3.9	4.0	4.1	3.6	4.0
Real exchange rate depreciation (in percent, + indicates depreciation)	4.7	5.4	-7.1	...	...	...	...	...	...	...	...	1.6	...
Inflation rate (GDP deflator, in percent)	0.6	0.2	0.6	1.0	1.0	1.3	1.4	1.6	1.6	1.6	1.6	1.3	1.4
Growth of real primary spending (deflated by GDP deflator, in percent)	1.9	2.6	20.8	3.1	5.0	1.6	1.4	5.0	5.3	6.3	5.7	10.5	4.7
Primary deficit that stabilizes the debt-to-GDP ratio 5/	-2.3	-2.7	-5.1	2.0	1.8	1.7	1.6	1.5	1.7	1.4	1.1	-3.4	1.6
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	0.0	0.0		

Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government plus social security, central bank, government-guaranteed debt. 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 stabilize 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.

Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	Yes

Public sector debt 1/

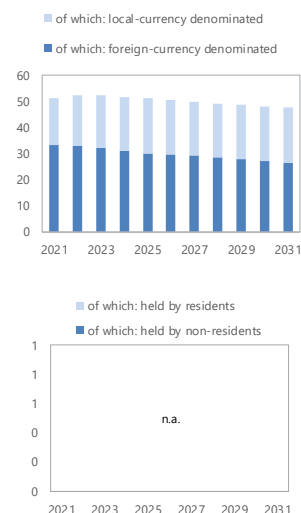


Table 3. Côte d'Ivoire: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2021–31
(Percent)

	Projections 1/										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
PV of debt-to-GDP ratio											
Baseline	28.0	27.6	27	26	25	25	24	24	23	22	21.9
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2031 2/	28	25	22	18	15	12	8	5	1	-3	-6
B. Bound Tests											
B1. Real GDP growth	28	30	31	30	29	29	28	27	27	26	25
B2. Primary balance	28	28	28	27	27	26	26	25	24	24	23
B3. Exports	28	31	36	35	34	33	33	32	31	30	29
B4. Other flows 3/	28	28	28	27	26	26	25	25	24	23	23
B5. Depreciation	28	35	31	30	28	28	27	27	26	25	25
B6. Combination of B1-B5	28	33	31	30	29	28	28	27	27	26	25
C. Tailored Tests											
C1. Combined contingent liabilities	28	32	32	31	30	30	30	30	29	29	28
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	28	28	27	26	26	25	25	24	23	23
C4. Market Financing	28	31	30	29	28	28	27	27	26	25	24
Threshold	40	40	40	40	40	40	40	40	40	40	40
PV of debt-to-exports ratio											
Baseline	127	128	126	122	119	118	117	115	113	110	108
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2031 2/	127	116	102	86	71	57	41	23	5	-14	-32
B. Bound Tests											
B1. Real GDP growth	127	128	126	122	119	118	117	115	113	110	108
B2. Primary balance	127	130	132	128	125	124	124	122	120	118	116
B3. Exports	127	162	217	210	207	205	205	201	199	195	190
B4. Other flows 3/	127	130	130	126	123	122	121	119	117	115	112
B5. Depreciation	127	128	114	110	107	106	105	103	101	99	97
B6. Combination of B1-B5	127	153	127	152	149	147	147	144	141	138	135
C. Tailored Tests											
C1. Combined contingent liabilities	127	148	149	145	144	144	145	144	143	142	140
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	127	129	129	126	124	123	122	120	118	116	113
C4. Market Financing	127	128	126	122	120	120	119	116	113	111	108
Threshold	180	180	180	180	180	180	180	180	180	180	180
Debt service-to-exports ratio											
Baseline	8	9	11	12	12	11	11	12	11	12	13
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2031 2/	8	10	10	11	10	8	7	7	6	6	4
B. Bound Tests											
B1. Real GDP growth	8	9	11	12	12	11	11	12	11	12	13
B2. Primary balance	8	9	11	13	13	11	11	12	12	13	13
B3. Exports	8	11	15	19	19	17	17	18	18	20	22
B4. Other flows 3/	8	9	11	13	12	11	11	12	12	13	13
B5. Depreciation	8	9	11	11	11	10	10	11	11	12	11
B6. Combination of B1-B5	8	11	14	15	15	13	13	14	14	16	16
C. Tailored Tests											
C1. Combined contingent liabilities	8	9	12	14	14	12	12	13	13	14	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	8	10	11	13	13	11	11	12	12	13	13
C4. Market Financing	8	9	11	13	13	14	16	16	14	13	13
Threshold	15	15	15	15	15	15	15	15	15	15	15
Debt service-to-revenue ratio											
Baseline	12.6	14.0	15.6	17.5	17.2	14.8	14.5	15.7	15.4	16.6	16.9
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2031 2/	13	14	15	16	15	11	10	10	8	7	6
B. Bound Tests											
B1. Real GDP growth	13	15	18	20	20	17	17	18	18	19	20
B2. Primary balance	13	14	16	18	18	15	15	16	16	17	18
B3. Exports	13	14	17	21	21	19	18	19	19	21	23
B4. Other flows 3/	13	14	16	18	18	15	15	16	16	17	18
B5. Depreciation	13	18	20	21	20	17	17	18	18	20	19
B6. Combination of B1-B5	13	15	19	20	20	17	17	18	18	20	19
C. Tailored Tests											
C1. Combined contingent liabilities	13	14	17	20	19	17	17	18	18	19	20
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	13	15	17	19	19	16	15	16	16	17	18
C4. Market Financing	13	14	16	18	18	19	21	22	18	17	17
Threshold	18	18	18	18	18	18	18	18	18	18	18

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. Côte d'Ivoire: Sensitivity Analysis for Key Indicators of Public Debt, 2021–31
(Percent)

	Projections 1/										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
PV of Debt-to-GDP Ratio											
Baseline	46	47	47	47	46	45	45	44	44	44	43
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2031 2/	46	46	46	46	46	46	46	46	46	46	46
B. Bound Tests											
B1. Real GDP growth	46	52	58	60	62	63	65	67	68	70	72
B2. Primary balance	46	48	49	49	48	47	47	46	46	46	45
B3. Exports	46	50	55	54	54	53	53	52	51	51	50
B4. Other flows 3/	46	47	48	48	47	46	46	45	45	44	44
B5. Depreciation	46	53	51	49	47	45	43	42	40	38	37
B6. Combination of B1-B5	46	47	48	48	47	47	46	46	45	45	45
C. Tailored Tests											
C1. Combined contingent liabilities	46	56	56	56	55	54	53	53	52	52	52
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	46	50	54	57	60	62	64	66	68	70	72
C4. Market Financing	46	47	47	47	46	46	45	45	44	44	43
TOTAL public debt benchmark	55	55	55	55	55	55	55	55	55	55	55
PV of Debt-to-Revenue Ratio											
Baseline	313	308	307	302	302	300	297	292	289	286	284
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2031 2/	313	300	297	296	300	302	302	301	301	301	301
B. Bound Tests											
B1. Real GDP growth	313	338	377	387	403	417	429	439	449	461	473
B2. Primary balance	313	314	321	316	316	314	310	306	302	299	297
B3. Exports	313	326	359	353	353	351	347	342	338	335	330
B4. Other flows 3/	313	311	313	308	308	306	302	298	294	291	289
B5. Depreciation	313	349	336	320	310	298	286	274	262	252	242
B6. Combination of B1-B5	313	305	315	310	310	309	306	302	298	296	294
C. Tailored Tests											
C1. Combined contingent liabilities	313	369	366	360	360	357	354	349	344	341	338
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	313	345	372	392	411	424	432	437	448	460	473
C4. Market Financing	313	308	307	303	304	302	299	294	290	286	283
Debt Service-to-Revenue Ratio											
Baseline	35	42	52	52	54	52	51	52	52	54	55
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2021-2031 2/	35	42	50	51	54	52	51	53	54	56	58
B. Bound Tests											
B1. Real GDP growth	35	45	61	65	70	70	71	74	77	82	85
B2. Primary balance	35	42	53	55	56	54	53	54	55	57	57
B3. Exports	35	42	53	55	58	56	54	55	56	58	61
B4. Other flows 3/	35	42	52	52	55	53	51	52	53	55	56
B5. Depreciation	35	42	53	54	56	53	51	52	53	55	55
B6. Combination of B1-B5	35	42	52	53	55	53	52	53	54	56	57
C. Tailored Tests											
C1. Combined contingent liabilities	35	42	65	61	63	61	60	61	62	62	62
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	35	45	59	65	70	70	70	73	76	81	84
C4. Market Financing	35	42	52	53	55	56	58	58	55	55	55

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.