

The Gambia: Joint Bank-Fund Debt Sustainability Analysis

1. **This debt sustainability analysis (DSA), prepared jointly by the staffs of the International Monetary Fund and the World Bank, uses the standard Debt Sustainability Framework (DSF) for low-income countries.**¹ The external and domestic debt data underlying this DSA are from the authorities. A full reconciliation of external debt will be conducted before The Gambia reaches the Heavily Indebted Poor Country (HIPC) completion point, expected to occur in 2007, an assumption that is factored into the DSA baseline scenario. The analysis also assesses the impact of the Multilateral Debt Relief Initiative (MDRI), which would likely be delivered within three months of the completion point.

2. **Without the full delivery of both HIPC and MDRI debt relief, The Gambia is deemed to be in debt distress.**

The baseline framework, which assumes delivery of HIPC completion point relief, indicates a significant and sustained breach of the relevant policy-dependent thresholds.² Only with the assumed delivery of MDRI relief do the debt indicators fall below the relevant thresholds. However, these thresholds are again breached under stress testing, indicating that the risk of debt distress remains moderate even after the delivery of MDRI relief.

	External Debt Indicators	
	Indicative Threshold 1/	2005
NPV of debt in percent of GDP	30	83.7
Exports	100	312.3
Debt service ratio	15	21.1

1/Policy indicative thresholds for a poor policy performer in the joint IMF-World Bank low-income country DSA

I. EVOLUTION OF THE GAMBIA'S PUBLIC DEBT SINCE THE HIPC DECISION POINT

3. **The Gambia reached the Decision Point under the Enhanced HIPC Initiative in December 2000.** Based on external debt data at the end of 1999, the Boards of the International Development Association (IDA) and the IMF approved debt relief worth US\$66.6 million in NPV terms assuming the participation of all creditors. Interim relief in the form of debt service reductions was provided by IDA,³ the IMF,⁴ and the African

¹ The last DSA was prepared solely by Fund staff in the context of the 2005 Article IV consultation.

² According to the latest World Bank's Country Policy and Institutional Assessment, which summarizes the quality of a country's policies, The Gambia is a "poor performer." The relevant indicative thresholds for the category are 30 percent for the net present value (NPV) of the debt-to-GDP ratio, 100 percent for the NPV of debt-to-exports ratio, 200 percent for the NPV of debt-to-revenues ratio, 15 percent for the debt service-to-exports ratio, and 25 percent for the debt service-to-revenues ratio. These ratios are applicable to public and publicly guaranteed external debt.

³ IDA interim relief in the amount US\$31.8 million was delivered through a 50 percent reduction on debt service obligations until the one-third prescribed limit was reached. The IDA guidelines on interim relief stipulate that "cumulative interim relief in net present value terms should not exceed one-third of the total NPV

(continued)

Development Bank (AfDB). Reaching the HIPC completion point, originally expected at around the end of 2002, was delayed by serious policy slippages, which derailed the program supported by the IMF's Poverty Reduction and Growth Facility (PRGF).

4. **At the end of 2005, the latest date for which comprehensive data are available, the stock of external public debt stood at US\$628 million (136 percent of GDP), with an NPV of US\$385.7 million.** Four-fifths of this debt was owed to multilateral creditors, and the remainder to bilateral creditors. The total external debt stock has increased 36 percent since the end of 1999, the base year of the HIPC decision point, through 2005. Most of this increase can be attributed to new disbursements, estimated at about US\$217 million, from the World Bank, AfDB, the Islamic Development Bank, and other multilateral donors.

The Gambia: Debt Outstanding at End-2005

Creditor	US\$ Million	Percent
Multilateral, of which:	525.2	83.6
IDA	254.9	40.5
AfDB	168.4	26.8
IMF	14.6	2.3
Bilateral	103.1	16.4
Commercial	0	0
Total	628.2	100.0

Sources: Gambian authorities and IMF staff estimates.

5. **The stock of gross domestic debt stood at 35.5 percent of GDP at the end of 2005, up 8.5 percentage points from its level at the end of 1999.** Large extrabudgetary spending was responsible for raising domestic debt from 31.5 percent of GDP in 2000 to just over 38 percent in 2001. After declining to 27.5 percent of GDP in 2003, owing to an inflation-driven spike in nominal GDP, the stock of domestic debt grew more than 7 percentage points between 2003 and 2005, largely on account of the central bank's sale of government debt to sterilize the impact of capital inflows.

II. METHODOLOGY AND KEY ASSUMPTIONS

6. **The baseline DSA assumes that The Gambia will reach the HIPC completion point in mid-2007.** The DSA incorporates a simulation of debt relief consistent with the formulations agreed to in the HIPC decision point document. The impact of the delivery of

debt relief committed by IDA" (*Enhanced HIPC Initiative: Provision of Interim HIPC Debt Relief on IBRD Loans and IDA Credits*, August 25, 2004).

⁴ The Fund's interim assistance amounted to SDR 0.8 million, covering 9.6 percent of each repayment obligation falling due until 31 December 2001 (2002 Article IV report, 26 June 2002).

stock debt relief under the MDRI is also estimated⁵. These estimates are provided for illustrative purposes only and are subject to changes to the assumed completion point timing and/or exchange rate assumptions and revisions pending full reconciliation of the debt data.

7. **The key macroeconomic assumptions in the DSA are presented in Box 1.** For the reasons given in the decision point document for The Gambia,⁶ re-exports are excluded from the export and import projections. The service-related costs of the re-export trade (i.e., transportation and insurance rendered by enterprises in The Gambia) as well as traders' estimated profit margins are included in nonfactor services receipts.⁷

Key Macroeconomic Assumptions (Percent, unless otherwise stated)			
Period averages	2001–05	2006–10	2011–26
Real GDP growth	4.3	4.9	5.0
Inflation	9.5	3.2	3.0
Growth in exports of goods and services	3.5	9.3	8.2
Current account deficit (in percent of GDP) ^{1/}	6.2	9.2	4.5
Overall fiscal balance (in percent of GDP) ^{1/}	-6.5	-1.0	-1.5
^{1/} Including official transfers and grants			

III. EXTERNAL DEBT SUSTAINABILITY

8. **The Gambia's NPV of debt-to-exports ratio, estimated at 312 percent in 2005, is well above the relevant policy-based indicative threshold of 100 percent.** Under the baseline projections (Tables 1 and 2 and Figure 1), which assumes that HIPC completion point relief is secured in mid-2007, this ratio declines steadily to 184.7 percent by 2011, and falls below the indicative threshold by 2021. The NPV of debt-to-GDP is estimated at 83.7 percent in 2005 and is expected to continue to breach the indicative threshold (30 percent) for most of the projection period. The debt service-to-export ratio, estimated at 21.2 percent in 2005, falls below the threshold (15 percent) in 2011. Thus The Gambia would remain in debt distress even after the delivery of HIPC debt relief at completion point.

9. **Only the delivery of MDRI relief from IDA and the AfDB would substantially improve The Gambia's debt sustainability outlook.** Under the MDRI scenario, which assumes delivery of MDRI relief within three months of the HIPC completion point, the NPV of the debt to exports ratio would plummet to 93 percent in 2007 (Table 3 and Figure 2), below the 100 percent threshold. The NPV of debt to GDP would also fall below the

⁵ The relevant cut-off dates are end-2003 for IDA and end-2004 for AfDB debt.

⁶ See Box 5, page 21, "The Gambia: Enhanced Heavily Indebted Poor Countries (HIPC) Initiative Decision Point Document," November 28, 2000.

⁷ The current account data used in the DSA differ from those presented in the 2006 Article IV staff report; trade data in the latter include re-exports.

30 percent threshold, reaching 27 percent in 2007. The application of stress tests, however, once again pushes the debt indicators above the thresholds, indicating that the risk of debt distress would remain moderate.

Box 1: Macroeconomic Assumptions 2006–26

The medium-term assumptions in the baseline scenario for 2006–2026 are consistent with the framework presented in the IMF staff report on the 2006 Article IV consultation. Key macroeconomic assumptions include the maintenance of sustained real GDP growth and a stable macroeconomic environment.

- **Real GDP growth is projected to average 5 percent per year**, with business climate improvements and foreign direct investment (FDI) inflows further boosting agricultural-related production and tourism activity. Nonetheless, the economy remains vulnerable to weather shocks. Under the fiscal and monetary policy assumptions, annual inflation would stay at about 3 percent, and the real exchange rate would remain stable.
- **Exports of goods and services are projected to recover, growing by an average of close to 8 percent a year.** The projections are relatively optimistic compared to previous years, based on the assumption that the authorities will continue to implement market reforms in support of private sector development. In addition, the higher growth reflects a recovery following relatively poor performance in recent years, including a slump in tourism activity in 2001 and declines in groundnut exports both in 2003 (owing to a drought) and in 2005 (owing to marketing problems). While clearly subject to risk, including the effect of severe weather, the projections assume that the groundnut sector resolves its problems, prompting an initial export rebound in 2006, followed by modest production increases (3 percent per year). Growth in exports is supported by increased export diversification, including through agribusiness development, and a projected decline in the re-export trade as a share of total exports. After growing a robust 22 percent in 2005, growth in tourist arrivals moderates to an average of about 5–6 percent a year over the medium term, supported by further tourism investments and improved services.
- **After deteriorating in 2006, owing to higher oil prices and lower groundnut prices, the terms of trade are projected to improve steadily.** The current account deficit (including transfers) is assumed to remain relatively high in the first few years, reflecting strong FDI-financed imports, before declining to less than 5 percent of GDP. Reserves are projected to stay at 4.0–5.5 months of import cover.
- **External support is projected to rise moderately following the completion point**, as donors step in to support both the Poverty Reduction Strategy Paper (PRSP) and progress toward the Millennium Development Goals. Efforts to enhance the investment climate and boost external competitiveness are expected to yield sustained FDI inflows. While strong, current inflows mainly support tourism and agricultural projects.
- **Reflecting new measures implemented in the 2006 budget, revenues are expected to increase from roughly 20.0 percent of GDP in 2005 to 21.5 percent of GDP in 2006, though they decline slightly over the projection period.** Average interest rates on government debt are projected to decline steadily, from 16 percent in 2006 to about 10 percent in 2010 and 9.5 percent in 2026.

10. **Stress tests indicate that even with MDRI relief, The Gambia’s debt sustainability is highly sensitive to (i) export growth assumptions, (ii) projections of non-debt-creating inflows,⁸ and (iii) the terms of new borrowing.** Under these stress tests, the DSA results exceed the relevant indicative debt thresholds. Moreover, the baseline and MDRI scenarios hinge on the avoidance of the types of policy mistakes that weakened macroeconomic performances in recent years. Indeed, under a “historical scenario” that assumes similar policy missteps, the path of the debt indicators deteriorates markedly (Alternative scenario A1, Table 3).

IV. PUBLIC DEBT SUSTAINABILITY

11. **The outcome of the public debt analysis is driven principally by the external debt assumptions, as external debt accounts for the major share of total public debt.** Under the baseline scenario (Tables 4 and 5 and Figure 3), the primary balance is projected to increase from near-balance in 2005 to a surplus of 1.9 percent of GDP in 2006, reflecting enhanced revenues, and a surplus of 5.4 percent in 2007, reflecting a marked shift in the composition of external financing from loans to grants (assumes grants from AfDB and other donors, and HIPC relief from multilateral creditors at completion point). The primary balance surplus is then projected to shrink steadily to about 1 percent of GDP in 2014, and to stay near that level through 2026. The decline in the primary balance mainly stems from a steady increase in noninterest domestic spending, which partly offsets somewhat lower external financing inflows (and is partly offset by a decrease in interest payments). Accordingly, the overall position (including grants) is projected to be fairly stable from 2007 to 2026, ranging from near-balance to a deficit of 2 percent of GDP.

12. **The NPV of public debt is projected to decline from about 120 percent of GDP in 2005 to close to 77 percent of GDP in 2011 and to 46 percent of GDP in 2026, mostly reflecting the decline in external debt (Table 4).** As a ratio of domestic revenues, the NPV of public debt is projected to fall from about 564 percent in 2005 to just over 206 percent at the end of the projection period.

13. **Under the MDRI scenario (Table 6 and Figure 4), all additional relief after the first three years would be spent on poverty-reduction; in the first three years, a small fraction of the relief would be used to pay down domestic debt more quickly.** Thus, from 2010 on, the stock of domestic debt matches that in the baseline scenario, so that the difference between the stock of debt in the two scenarios stems solely from differences in external debt. Thus, the NPV of the public debt-to-GDP ratio drops sharply, to about 74 percent of GDP in 2006 and to 38 percent in 2026. In terms of public revenue, the NPV of public debt is projected to decline to 170 percent at the end of the projection period.

⁸ Such inflows comprise official and private transfers and foreign direct investment.

V. CONCLUSION

14. **As shown by the DSA results, without the delivery of HIPC and MDRI debt relief—supported by grant financing and a reduction in the level of domestic debt—The Gambia will remain in debt distress.** After the delivery of MDRI relief, a shift in the composition of external financing from concessional loans to grants, combined with lower domestic debt, is necessary to keep debt to sustainable levels and provide room for poverty-reducing development expenditures. Given the continuing risks, development of a comprehensive public debt management strategy that includes public enterprise and contingent liabilities should be a priority.

Table 1. Country: External Debt Sustainability Framework, Baseline Scenario, 2006-26 ¹
(Percent of GDP, unless otherwise indicated)

	Actual						Historical Average ⁶	Standard Deviation ⁶	Projections									
	2000	2001	2002	2003	2004	2005			2006	2007	2008	2009	2010	2011	2006-11 Average	2016	2026	2012-26 Average
External debt (nominal) ¹	107.9	109.7	130.1	144.9	144.9	136.3			127.9	112.3	104.6	97.6	90.9	84.9		59.7	31.4	
Of which: public and publicly guaranteed (PPG)	107.9	109.7	130.1	144.9	144.9	136.3			127.9	112.3	104.6	97.6	90.9	84.9		59.7	31.4	
Change in external debt	3.3	1.7	20.5	14.8	-0.1	-8.6			-8.3	-15.6	-7.7	-7.0	-6.7	-6.1		-4.1	-2.0	
Identified net debt-creating flows	5.8	0.2	18.4	7.6	-17.9	-14.5			-3.0	-3.6	-7.2	-5.4	-5.0	-4.4		-4.6	-3.4	
Non interest current account deficit	3.5	1.3	5.0	3.4	10.0	12.5	4.2	4.3	9.9	9.8	5.4	6.9	7.3	7.9		4.7	1.9	3.7
Deficit in balance of goods and services	9.7	6.2	9.3	10.6	20.0	22.0			19.7	18.3	17.4	15.8	14.6	12.1		5.9	-2.1	
Exports	25.3	24.8	29.5	28.8	30.6	26.8			29.0	29.2	29.3	29.1	28.8	28.7		28.9	28.9	
Imports	35.0	31.0	38.8	39.3	50.7	48.7			48.7	47.5	46.7	44.9	43.4	40.7		34.8	26.8	
Net current transfers (negative = inflow)	-9.9	-8.3	-11.6	-9.6	-10.9	-9.5	-9.4	1.3	-8.7	-13.7	-12.6	-11.7	-10.9	-10.1		-7.5	-3.9	-6.5
Other current account flows (negative = net inflow)	3.7	3.4	7.3	2.4	0.8	0.0			-1.1	5.3	0.5	2.7	3.7	6.0		6.2	7.9	
Net FDI (negative = inflow)	-1.6	-3.1	-2.1	-3.6	-12.4	-10.1	-4.4	4.1	-8.7	-8.8	-8.6	-8.5	-8.8	-9.0		-6.9	-4.0	-6.0
Endogenous debt dynamics ²	3.9	1.9	15.5	7.8	-15.5	-16.9			-4.2	-4.6	-4.0	-3.7	-3.5	-3.3		-2.4	-1.3	
Contribution from nominal interest rate	1.2	1.2	1.2	1.7	1.8	2.0			1.4	1.3	1.2	1.1	1.0	0.9		0.6	0.3	
Contribution from real GDP growth	-5.9	-6.3	4.0	-9.4	-6.5	-6.3			-5.6	-5.9	-5.2	-4.9	-4.5	-4.2		-3.0	-1.5	
Contribution from price and exchange rate changes	8.7	7.0	10.3	15.5	-10.8	-12.7			...	...	...	...	...	...		...	...
Residual (3-4) ³	-2.5	1.6	2.1	7.2	17.9	5.9			-5.3	-12.0	-0.5	-1.6	-1.7	-1.6		0.5	1.4	
Of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0			-0.3	0.0	-1.0	-0.9	-0.8	-0.6		-0.3	0.0	
NPV of external debt ⁴	...	...	...	...	...	83.7			77.1	61.9	59.5	57.2	55.0	53.0		40.0	19.6	
percent of exports	...	...	...	...	...	312.3			266.2	211.8	203.3	196.8	190.9	184.7		138.1	67.8	
NPV of PPG external debt	...	...	...	...	...	83.7			77.1	61.9	59.5	57.2	55.0	53.0		40.0	19.6	
percent of exports	...	...	...	...	...	312.3			266.2	211.8	203.3	196.8	190.9	184.7		138.1	67.8	
Debt service-to-exports ratio (percent)	20.8	17.1	24.3	12.7	23.9	21.2			18.7	18.5	18.3	17.2	16.0	14.4		9.2	5.5	
PPG debt service-to-exports ratio (percent)	20.8	17.1	24.3	12.7	23.9	21.2			18.7	18.5	18.3	17.2	16.0	14.4		9.2	5.5	
Total gross financing need (billions of U.S. dollars)	0.0	0.0	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
Non-interest current account deficit that stabilizes debt ratio	0.2	-0.4	-15.5	-11.4	10.0	21.1			18.3	25.4	13.1	13.8	14.0	13.9		8.8	3.9	
Macroeconomic assumptions																		
Real GDP growth (percent)	5.5	5.8	-3.2	6.9	5.1	5.0	3.9	3.3	4.5	5.0	5.0	5.0	5.0	5.0	4.9	5.0	5.0	5.0
GDP deflator in US dollar terms (percent change)	-7.7	-6.1	-8.6	-10.7	8.1	9.6	-1.5	7.6	4.9	2.5	2.5	2.5	2.5	2.5	2.9	3.0	3.0	3.0
Effective interest rate (percent) ⁵	1.1	1.1	1.0	1.2	1.4	1.6	1.2	0.2	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.0	0.9	1.0
Growth of exports of G&S (US dollar terms; percent)	-8.9	-2.7	5.4	-7.0	21.0	0.6	3.5	11.3	18.6	8.6	7.7	6.9	6.7	7.1	9.3	9.4	5.0	8.2
Growth of imports of G&S (US dollar terms; percent)	0.9	-12.0	10.8	-3.3	46.3	10.7	10.5	18.5	9.6	4.9	5.8	3.5	4.0	1.1	4.8	3.3	5.0	5.2
Grant element of new public sector borrowing (percent)	...	...	...	...	...	...	...	...	55.1	55.3	54.2	54.2	53.9	54.5	47.1	54.3	56.9	54.3
<i>Memorandum item:</i>																		
Nominal GDP (millions of US dollars)	420.9	417.9	369.7	353.0	400.8	461.0			505.6	544.0	585.3	629.8	677.7	729.4		1079.7	2366.1	

Source: IMF Staff simulations.

¹ Includes both public and private sector external debt.

² Derived as $[r - g - r(1+g)] / (1+g+r+gr)$ times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and r = 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. Projections also include contribution from price and exchange rate changes.

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

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

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

Table 2. The Gambia: Sensitivity Analyses for Key Indicators of Public and Publicly Guaranteed External Debt, 2006-26
(Percent)

	Projections							
	2006	2007	2008	2009	2010	2011	2016	2026
NPV of debt-to-GDP ratio								
Baseline	77	62	59	57	55	53	40	20
A#. Alternative Scenarios								
A1. Assuming that the HIPC completion point is not reached	80	76	71	67	62	59	42	20
A2. Key variables at their historical averages in 2007-26 ¹	77	64	66	67	68	68	72	65
A3. New public sector loans on less favorable terms in 2007-26 ²	77	64	63	62	60	59	49	29
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2007-08	77	64	64	61	59	57	43	21
B2. Export value growth at historical average minus one standard deviation in 2007-08 ³	77	64	65	63	60	58	44	21
B3. US dollar GDP deflator at historical average minus one standard deviation in 2007-08	77	70	76	73	70	67	51	25
B4. Net nondebt-creating flows at historical average minus one standard deviation in 2007-08 ⁴	77	69	72	69	67	64	49	23
B5. Combination of B1-B4 using one-half standard deviation shocks	77	73	83	80	77	74	57	27
B6. One-time 30 percent nominal depreciation relative to the baseline in 2007 ⁵	77	88	84	81	78	75	57	28
NPV of debt-to-exports ratio								
Baseline	266	212	203	197	191	185	138	68
A. Alternative Scenarios								
A1. Assuming that the HIPC Completion Point is not reached	275	260	243	230	217	204	145	70
A2. Key variables at their historical averages in 2007-26 ¹	266	220	225	230	235	239	248	226
A3. New public sector loans on less favorable terms in 2007-26 ²	266	219	215	212	210	206	168	102
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2007-08	266	212	203	197	191	185	138	68
B2. Export value growth at historical average minus one standard deviation in 2007-08 ³	266	258	307	298	289	280	210	101
B3. US dollar GDP deflator at historical average minus one standard deviation in 2007-08	266	212	203	197	191	185	138	68
B4. Net nondebt-creating flows at historical average minus one standard deviation in 2007-08 ⁴	266	234	246	238	231	224	169	80
B5. Combination of B1-B4 using one-half standard deviation shocks	266	251	286	277	269	261	197	94
B6. One-time 30 percent nominal depreciation relative to the baseline in 2007 ⁵	266	212	203	197	191	185	138	68
Debt service ratio								
Baseline	19	19	18	17	16	14	9	5
A. Alternative Scenarios								
A1. Assuming that the HIPC completion point is not reached	19	17	17	16	15	13	8	3
A2. Key variables at their historical averages in 2007-26 ¹	19	19	20	20	19	18	15	16
A3. New public sector loans on less favorable terms in 2007-26 ²	19	19	19	18	17	15	11	7
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2007-08	19	19	18	17	16	14	9	5
B2. Export value growth at historical average minus one standard deviation in 2007-08 ³	19	22	25	24	22	20	13	8
B3. US dollar GDP deflator at historical average minus one standard deviation in 2007-08	19	19	18	17	16	14	9	5
B4. Net nondebt-creating flows at historical average minus one standard deviation in 2007-08 ⁴	19	19	19	18	17	15	10	6
B5. Combination of B1-B4 using one-half standard deviation shocks	19	21	23	22	20	18	12	8
B6. One-time 30 percent nominal depreciation relative to the baseline in 2007 ⁵	19	19	18	17	16	14	9	5
<i>Memorandum item:</i>								
Grant element assumed on residual financing (i.e., financing required above baseline) ⁶	53	53	53	53	53	53	53	53

Source: Staff projections and simulations.

¹ Variables include real GDP growth, growth of GDP deflator (in U.S. dollar terms), noninterest current account as percent of GDP, and nondebt-creating flows.² Assumes that the interest rate on new borrowing is 2 percentage points higher than in the baseline, while grace and maturity periods are the same as in the baseline.³ Exports values are assumed to remain permanently at the lower level, but the current account as a share of GDP is assumed to return to its baseline level after the shock (implicitly assuming an offsetting adjustment in import levels).⁴ Includes official and private transfers and FDI.⁵ Depreciation is defined as percentage decline in dollar/local currency rate, such that it never exceeds 100 percent.⁶ Applies to all stress scenarios except for A2 (less favorable financing), in which the terms on all new financing are as specified in footnote 2.

Table 3. The Gambia: MDRI Scenario Sensitivity Analyses for Key Indicators of Public and Publicly Guaranteed External Debt, 2006-26 (Percent)

	Projections							
	2006	2007	2008	2009	2010	2011	2016	2026
NPV of debt-to-GDP ratio								
Baseline MDRI	41	27	27	27	27	27	24	15
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2007-26 ¹	41	29	32	33	35	37	46	49
A2. New public sector loans on less favorable terms in 2007-26 ²	41	29	30	31	32	33	33	69
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2007-08	41	28	29	29	28	28	26	17
B2. Export value growth at historical average minus one standard deviation in 2007-08 ³	41	29	33	33	32	32	28	17
B3. US dollar GDP deflator at historical average minus one standard deviation in 2007-08	41	31	34	34	34	34	30	20
B4. Net nondebt-creating flows at historical average minus one standard deviation in 2007-08 ⁴	41	34	40	39	39	38	33	19
B5. Combination of B1-B4 using one-half standard deviation shocks	41	35	44	43	43	43	37	22
B6. One-time 30 percent nominal depreciation relative to the baseline in 2007 ⁵	41	38	38	38	38	38	34	22
NPV of debt-to-exports ratio								
Baseline	142	93	92	92	92	93	82	54
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2007-26 ¹	142	100	108	115	122	128	158	171
A2. New public sector loans on less favorable terms in 2007-26 ²	142	100	103	107	111	114	113	241
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2007-08	142	93	92	92	92	93	82	54
B2. Export value growth at historical average minus one standard deviation in 2007-08 ³	142	118	155	154	154	154	135	82
B3. US dollar GDP deflator at historical average minus one standard deviation in 2007-08	142	93	92	92	92	93	82	54
B4. Net nondebt-creating flows at historical average minus one standard deviation in 2007-08 ⁴	142	116	136	135	134	133	115	66
B5. Combination of B1-B4 using one-half standard deviation shocks	142	119	151	150	150	149	130	77
B6. One-time 30 percent nominal depreciation relative to the baseline in 2007 ⁵	142	93	92	92	92	93	82	54
Debt service ratio								
Baseline	19	17.3	13.7	13	11	10	5	3
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2007-26 ¹	19	18	15	14	13	12	8	11
A2. New public sector loans on less favorable terms in 2007-26 ²	19	17	14	13	12	11	6	5
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2007-08	19	17	14	13	11	10	5	3
B2. Export value growth at historical average minus one standard deviation in 2007-08 ³	19	20	19	18	16	14	7	5
B3. US dollar GDP deflator at historical average minus one standard deviation in 2007-08	19	17	14	13	11	10	5	3
B4. Net nondebt-creating flows at historical average minus one standard deviation in 2007-08 ⁴	19	17	14	13	12	11	6	4
B5. Combination of B1-B4 using one-half standard deviation shocks	19	19	17	16	14	13	7	5
B6. One-time 30 percent nominal depreciation relative to the baseline in 2007 ⁵	19	17	14	13	11	10	5	3
<i>Memorandum item:</i>								
Grant element assumed on residual financing (i.e., financing required above baseline) ⁶	51	51	51	51	51	51	51	51

Source: Staff projections and simulations.

¹ Variables include real GDP growth, growth of GDP deflator (in U.S. dollar terms), noninterest current account as percent of GDP, and nondebt-creating flows.² Assumes that the interest rate on new borrowing is 2 percentage points higher than in the baseline, while grace and maturity periods are the same as in the baseline.³ Export values are assumed to remain permanently at the lower level, but the current account as a share of GDP is assumed to return to its baseline level after the shock (implicitly assuming an offsetting adjustment in import levels).⁴ Includes official and private transfers and FDI.⁵ Depreciation is defined as percentage decline in dollar/local currency rate, such that it never exceeds 100 percent.⁶ Applies to all stress scenarios except for A2 (less favorable financing), in which the terms on all new financing are as specified in footnote 2.

Table 4. The Gambia: Public Sector Debt Sustainability Framework, Baseline Scenario, 2006-2026
(Percent of GDP, unless otherwise indicated)

	Actual						Historical Average 5/ Standard Deviation 5/	Standard Deviation 5/	Estimate					Projections				
	2000	2001	2002	2003	2004	2005			2006	2007	2008	2009	2010	2011	2006-11 Average	2016	2026	2012-26 Average
HIPC																		
Public sector debt¹	157.1	156.4	189.4	185.5	176.0	173.7			161.7	144.3	134.6	125.1	116.5	109.0		83.9	55.9	
<i>Of which: foreign-currency denominated</i>	125.7	118.4	152.8	158.0	143.2	138.2			128.9	112.9	104.9	97.9	91.1	85.1		62.4	36.2	
Change in public sector debt	24.1	-0.7	33.0	-3.9	-9.5	-2.3			-12.0	-17.4	-9.7	-9.5	-8.6	-7.5		-3.6	-2.4	
Identified debt-creating flows	16.1	0.1	27.8	-8.9	-30.8	-13.9			-6.9	-11.0	-10.2	-10.2	-9.1	-8.0		-3.9	-3.1	
Primary deficit	-3.2	9.4	-0.6	-1.3	-1.5	0.1	0.5	3.9	-1.9	-5.4	-4.7	-4.1	-3.4	-2.7	-3.7	-0.7	-1.2	
Revenue and grants	20.8	17.2	20.8	18.2	25.5	21.4			23.0	28.3	27.4	26.9	26.5	26.0		23.6	22.2	
<i>Of which: grants</i>	2.3	2.1	4.4	2.5	4.5	1.7			1.5	7.0	6.2	5.8	5.4	5.0		2.8	1.4	
Primary (noninterest) expenditure	17.6	26.6	20.1	16.8	23.9	21.5			21.1	22.9	22.7	22.9	23.1	23.4		22.9	21.0	
Automatic debt dynamics	19.3	-9.3	28.5	-7.4	-29.3	-13.6			-5.4	-6.5	-6.0	-5.8	-5.4	-5.1		-3.4	-1.9	
Contribution from interest rate/growth differential	-7.0	-10.1	3.1	-15.3	-7.5	-3.5			-4.9	-5.4	-5.1	-5.2	-4.9	-4.6		-2.2	-1.2	
<i>Of which: contribution from average real interest rate</i>	2.3	-1.6	-2.2	-3.1	1.5	4.9			2.6	2.3	1.7	1.2	1.1	1.0		2.1	1.6	
<i>Of which: contribution from real GDP growth</i>	-7.0	-8.5	5.2	-12.2	-8.9	-8.3			-7.6	-7.6	-6.9	-6.4	-6.0	-5.6		-4.2	-2.8	
Contribution from real exchange rate depreciation	26.3	0.8	25.4	7.9	-21.9	-10.1			-0.5	-1.1	-0.9	-0.6	-0.5	-0.5		...	...
Other identified debt-creating flows	0.0	0.0	-0.1	-0.1	0.0	-0.4			0.4	0.8	0.6	-0.4	-0.2	-0.2		0.2	0.0	
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	-0.4			-1.2	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
Recognition of implicit or contingent liabilities	0.0	0.0	0.0	0.0	0.0	0.0			1.0	1.3	1.1	0.0	0.0	0.0		0.0	0.0	
Debt relief (HIPC and other)	0.0	0.0	-0.1	-0.1	0.0	0.0			0.0	-1.0	-0.9	-0.8	-0.7	-0.5		0.0	0.0	
Other (specify, e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0			0.5	0.6	0.5	0.5	0.4	0.3		0.2	0.0	
Residual, including asset changes	8.0	-0.8	5.2	5.0	21.3	11.5			-5.1	-6.4	0.5	0.7	0.4	0.5		0.2	0.7	
NPV of public sector debt	31.5	38.1	36.6	...	130.4	120.8			112.1	92.6	88.9	84.4	80.9	77.6		65.8	45.8	
<i>Of which: foreign-currency-denominated</i>	0.0	0.0	0.0	...	97.5	85.3			79.2	61.2	59.1	57.2	55.6	53.7		44.3	26.0	
<i>Of which: external</i>	...	...	...	...	97.5	85.3			79.2	61.2	59.1	57.2	55.6	53.7		44.3	26.0
NPV of contingent liabilities (not included in public sector debt)	...	...	...	...	...	...			...	...	...	...	...	...		...	...
Gross financing need ²	6.1	17.2	11.4	...	11.2	12.4			8.8	4.4	4.0	3.7	3.7	3.8		4.1	2.5	
NPV of public sector debt-to-revenue ratio (percent) ³	151.6	221.7	176.2	...	512.1	563.8			488.0	327.7	324.3	313.8	305.1	298.1		278.8	206.4	
<i>without external</i>	...	...	...	...	383.0	398.2			345.0	216.5	215.7	212.5	209.6	206.2		187.7	117.3
Debt service-to-revenue ratio (percent) ^{3,4}	45.0	45.4	57.9	...	49.8	57.6			46.5	34.5	32.0	28.8	26.9	24.9		20.3	16.7	
Primary deficit that stabilizes the debt-to-GDP ratio	...	...	...	...	8.0	2.4			10.1	12.0	5.0	5.5	5.2	4.8		3.0	1.2
Key macroeconomic and fiscal assumptions																		
Real GDP growth (in percent)	5.5	5.8	-3.2	6.9	5.1	5.0	4.2	3.1	4.5	5.0	5.0	5.0	5.0	5.0	4.9	5.0	5.0	
Average nominal interest rate on forex debt (percent)	1.2	1.0	1.1	1.5	1.5	1.4	1.3	0.2	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.1	0.9	
Average real interest rate on domestic currency debt (percent)	10.1	-1.6	-4.0	-8.6	7.6	17.4	8.1	9.9	11.6	10.2	8.2	6.8	6.8	6.8	8.4	6.8	6.9	
Real exchange rate depreciation (percent, + indicates depreciation)	26.2	0.7	20.9	5.6	-14.6	-7.4	4.7	11.9	-0.4	...	...	...	...	...	...	...	...
Inflation rate (GDP deflator, in percent)	3.6	15.2	16.1	27.4	14.3	4.3	9.0	8.9	4.0	3.8	3.2	3.0	3.0	3.0	3.3	3.0	2.9	
Growth of real primary spending (deflated by GDP deflator, percent)	4.8	60.2	-26.7	-10.8	49.7	-5.9	5.4	28.5	2.7	14.0	3.8	5.9	6.2	6.1	6.5	2.9	4.1	
Grant element of new external borrowing (percent)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.0	0.6	0.6	0.6	0.6	0.6	0.6	0.6	...	...

Sources: Gambia authorities; Fund staff estimates and projections.

¹ Pertains to the central bank government accounts. Gross debt is used.

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

³ Revenues including grants.

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

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

Table 5. The Gambia: Sensitivity Analysis for Key Indicators of Public Debt 2006-2026

	Estimate	Projections						
	2006	2007	2008	2009	2010	2011	2016	2026
NPV of Debt-to-GDP Ratio								
Baseline	112	93	89	84	81	78	66	46
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	112	99	100	101	101	101	97	87
A2. Primary balance is unchanged from 2006	112	96	95	92	90	87	70	41
A3. Permanently lower GDP growth ¹	112	93	90	87	84	82	77	77
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviations in 2007-2008	112	97	98	95	92	90	84	73
B2. Primary balance is at historical average minus one standard deviations in 2007-2008	112	102	106	101	97	93	80	56
B3. Combination of B1-B2 using one-half standard deviation shocks	112	102	107	102	98	94	79	55
B4. One-time 30 percent real depreciation in 2007	112	123	118	113	109	105	88	59
B5. 10 percent of GDP increase in other debt-creating flows in 2007	112	101	97	93	89	85	73	51
NPV of Debt-to-Revenue Ratio ²								
Baseline	488	328	324	314	305	298	279	206
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	488	349	365	372	378	384	406	388
A2. Primary balance is unchanged from 2006	488	339	345	342	338	334	299	185
A3. Permanently lower GDP growth ¹	488	330	329	322	316	314	324	345
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviations in 2007-2008	488	340	352	346	343	341	352	325
B2. Primary balance is at historical average minus one standard deviations in 2007-2008	488	360	387	375	366	358	337	253
B3. Combination of B1-B2 using one-half standard deviation shocks	488	359	387	375	365	357	335	249
B4. One-time 30 percent real depreciation in 2007	488	435	432	421	411	403	375	267
B5. 10 percent of GDP increase in other debt-creating flows in 2007	488	359	355	344	335	328	308	230
Debt Service-to-Revenue Ratio ²								
Baseline	46	35	32	29	27	25	20	17
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	46	35	39	39	37	36	30	40
A2. Primary balance is unchanged from 2006	46	35	36	34	32	29	20	16
A3. Permanently lower GDP growth ¹	46	35	32	30	28	27	25	32
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviations in 2007-2008	46	35	35	33	32	30	27	30
B2. Primary balance is at historical average minus one standard deviations in 2007-2008	46	35	44	45	34	29	24	24
B3. Combination of B1-B2 using one-half standard deviation shocks	46	35	43	43	34	29	24	23
B4. One-time 30 percent real depreciation in 2007	46	35	34	31	29	27	23	20
B5. 10 percent of GDP increase in other debt-creating flows in 2007	46	35	44	34	30	27	22	21

Sources: Country authorities; Fund staff estimates and projections.

¹ Assumes that real GDP growth is at baseline minus one standard deviation divided by the square root of 20 (i.e., the length of the projection period).

² Revenues are defined inclusive of grants.

³ Definition of revenues includes grants; debt service is commitment based.

Table 6. The Gambia: Public Sector Debt Sustainability Framework, Baseline Scenario, 2006-2026
(Percent of GDP, unless otherwise indicated)

	Actual						Historical Average ⁵	Standard Deviation ⁵	Estimate					Projections				
	2000	2001	2002	2003	2004	2005			2006	2007	2008	2009	2010	2011	2006-11 Average	2016	2026	2012-26 Average
HIPC-MDRI																		
Public sector debt¹	157.1	156.4	189.4	185.5	176.0	173.7			161.7	74.7	71.1	67.7	64.7	62.1		56.5	48.6	
<i>Of which: foreign-currency denominated</i>	125.7	118.4	152.8	158.0	143.2	138.2			128.9	44.0	42.2	40.8	39.4	38.2		35.1	28.9	
Change in public sector debt	24.1	-0.7	33.0	-3.9	-9.5	-2.3			-12.0	-87.0	-3.6	-3.5	-3.0	-2.6		-0.4	-1.2	
Identified debt-creating flows	16.1	0.1	27.8	-8.9	-30.8	-13.9			-6.9	-11.0	-3.7	-4.2	-3.2	-3.0		-0.5	-1.8	
Primary deficit	-3.2	9.4	-0.6	-1.3	-1.5	0.1	0.5	3.9	-1.9	-4.1	-2.1	-1.3	-0.6	-0.4	-1.7	1.3	-0.2	0.8
Revenue and grants	20.8	17.2	20.8	18.2	25.5	21.4			23.0	28.3	27.4	26.9	26.5	26.0		23.6	22.2	
<i>Of which: grants</i>	2.3	2.1	4.4	2.5	4.5	1.7			1.5	7.0	6.2	5.8	5.4	5.0		2.8	1.4	
Primary (noninterest) expenditure	17.6	26.6	20.1	16.8	23.9	21.5			21.1	24.2	25.3	25.6	25.9	25.6		24.9	22.0	
Automatic debt dynamics	19.3	-9.3	28.5	-7.4	-29.3	-13.6			-5.4	-7.7	-2.3	-2.5	-2.4	-2.4		-2.0	-1.6	
Contribution from interest rate/growth differential	-7.0	-10.1	3.1	-15.3	-7.5	-3.5			-4.9	-6.7	-1.9	-2.2	-2.2	-2.2		-1.3	-1.1	
<i>Of which: contribution from average real interest rate</i>	2.3	-1.6	-2.2	-3.1	1.5	4.9			2.6	1.0	1.6	1.1	1.0	0.9		1.4	1.3	
<i>Of which: contribution from real GDP growth</i>	-7.0	-8.5	5.2	-12.2	-8.9	-8.3			-7.6	-7.6	-3.5	-3.4	-3.2	-3.1		-2.7	-2.4	
Contribution from real exchange rate depreciation	26.3	0.8	25.4	7.9	-21.9	-10.1			-0.5	-1.1	-0.4	-0.2	-0.2	-0.2		...	...
Other identified debt-creating flows	0.0	0.0	-0.1	-0.1	0.0	-0.4			0.4	0.8	0.6	-0.4	-0.2	-0.2		0.2	0.0	
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	-0.4			-1.2	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
Recognition of implicit or contingent liabilities	0.0	0.0	0.0	0.0	0.0	0.0			1.0	1.3	1.1	0.0	0.0	0.0		0.0	0.0	
Debt relief (HIPC and other)	0.0	0.0	-0.1	-0.1	0.0	0.0			0.0	-1.0	-0.9	-0.8	-0.7	-0.5		0.0	0.0	
Other (specify, e.g. bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0			0.5	0.6	0.5	0.5	0.4	0.3		0.2	0.0	
Residual, including asset changes	8.0	-0.8	5.2	5.0	21.3	11.6			-5.1	-76.0	0.2	0.7	0.3	0.4		0.1	0.6	
NPV of public sector debt	...	...	...	...	...	81.4			73.9	57.8	55.7	53.5	51.9	50.5		46.4	37.6
<i>Of which: foreign-currency-denominated</i>	...	...	...	...	...	46.0			41.0	27.1	26.8	26.7	26.6	26.6		25.0	17.8
<i>Of which: external</i>	...	...	...	...	...	46.0			41.0	27.1	26.8	26.7	26.6	26.6		25.0	17.8
NPV of contingent liabilities (not included in public sector debt)	...	...	...	...	...	...			...	...	...	...	...	...		...	...
Gross financing need ²	6.1	17.2	11.4	6.8	11.2	12.4			8.8	4.1	2.8	2.5	2.5	2.6		2.9	1.9	
NPV of public sector debt-to-revenue ratio (percent) ³	...	...	...	...	...	380.2			321.7	204.5	203.5	198.9	195.7	194.0		196.9	169.4
<i>Of which: external</i>	...	...	...	...	...	214.6			178.6	95.8	97.8	99.1	100.2	102.1		105.9	80.3
Debt service-to-revenue ratio (percent) ^{3,4}	45.0	45.4	57.9	45.1	49.8	57.6			46.5	28.9	22.7	19.9	18.2	16.7		12.3	12.5	
Primary deficit that stabilizes the debt-to-GDP ratio	...	...	...	...	...	8.0			10.1	82.9	1.5	2.1	2.4	2.2		1.7	1.0
Macroeconomic and fiscal assumptions																		
Real GDP growth (percent)	5.5	5.8	-3.2	6.9	5.1	5.0	4.2	3.1	4.5	5.0	5.0	5.0	5.0	5.0	4.9	5.0	5.0	5.0
Average nominal interest rate on forex debt (percent)	1.2	1.0	1.1	1.5	1.5	1.4	1.3	0.2	1.1	1.1	3.0	2.8	2.7	2.6	2.2	2.0	1.2	1.8
Average real interest rate on domestic currency debt (percent)	10.1	-1.6	-4.0	-8.6	7.6	17.4	8.1	9.9	11.6	6.1	3.9	2.8	2.8	2.9	5.0	3.6	5.2	4.1
Real exchange rate depreciation (percent, + indicates depreciation)	26.2	0.7	20.9	5.6	-14.6	-7.4	4.7	11.9	-0.4
Inflation rate (GDP deflator, percent)	3.6	15.2	16.1	27.4	14.3	4.3	9.0	8.9	4.0	3.8	3.2	3.0	3.0	3.0	3.3	3.0	2.9	3.0
Growth of real primary spending (deflated by GDP deflator, percent)	4.8	60.2	-26.7	-10.8	49.7	-5.9	5.4	28.5	2.7	20.4	10.0	6.1	6.3	3.7	8.2	2.5	3.7	4.0
Grant element of new external borrowing (percent)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.0	0.6	0.6	0.6	0.6	0.6	0.6	0.6

Sources: Gambia authorities; and Fund staff estimates and projections.

¹ Pertains to the central government accounts. Gross debt is used.

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

³ Revenues including grants.

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

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

Table 7. The Gambia: Sensitivity Analysis for Key Indicators of Public Debt, 2006-2026

	Estimate	Projections						
	2006	2007	2008	2009	2010	2011	2016	2026
NPV of Debt-to-GDP Ratio								
Baseline	74	58	56	54	52	50	46	38
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	74	62	63	63	62	62	57	53
A2. Primary balance is unchanged from 2006	74	60	58	55	52	49	34	12
A3. Permanently lower GDP growth ¹	74	58	57	55	54	54	58	74
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviation in 2007-2008	74	61	62	61	61	61	64	69
B2. Primary balance is at historical average minus one standard deviation in 2007-2008	74	66	69	66	64	63	58	51
B3. Combination of B1-B2 using one-half standard deviation shock	74	65	68	66	63	61	57	49
B4. One-time 30 percent real depreciation in 2007	74	103	98	93	89	86	73	55
B5. 10 percent of GDP increase in other debt-creating flows in 2007	74	67	64	62	60	58	54	48
NPV of Debt-to-Revenue Ratio ²								
Baseline	322	204	203	199	196	194	197	169
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	322	221	229	231	233	236	239	236
A2. Primary balance is unchanged from 2006	322	212	211	204	196	190	142	54
A3. Permanently lower GDP growth ¹	322	206	207	204	204	206	242	329
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviation in 2007-2008	322	213	223	224	226	230	269	310
B2. Primary balance is at historical average minus one standard deviation in 2007-2008	322	232	253	247	243	241	248	229
B3. Combination of B1-B2 using one-half standard deviation shock	322	230	247	241	237	234	238	219
B4. One-time 30 percent real depreciation in 2007	322	366	359	347	337	330	309	248
B5. 10 percent of GDP increase in other debt-creating flows in 2007	322	235	234	229	225	223	231	216
Debt Service-to-Revenue Ratio ²								
Baseline	46	29	23	20	18	17	12	12
A. Alternative scenarios								
A1. Real GDP growth and primary balance are at historical averages	46	29	28	27	26	25	18	28
A2. Primary balance is unchanged from 2006	46	29	25	23	21	19	9	6
A3. Permanently lower GDP growth ¹	46	29	23	22	22	22	22	37
B. Bound tests								
B1. Real GDP growth is at historical average minus one standard deviation in 2007-2008	46	30	25	25	25	25	24	35
B2. Primary balance is at historical average minus one standard deviation in 2007-2008	46	29	33	33	26	24	20	27
B3. Combination of B1-B2 using one-half standard deviation shock	46	29	31	31	25	23	19	26
B4. One-time 30 percent real depreciation in 2007	46	30	25	24	23	23	20	24
B5. 10 percent of GDP increase in other debt-creating flows in 2007	46	29	35	26	24	22	19	25

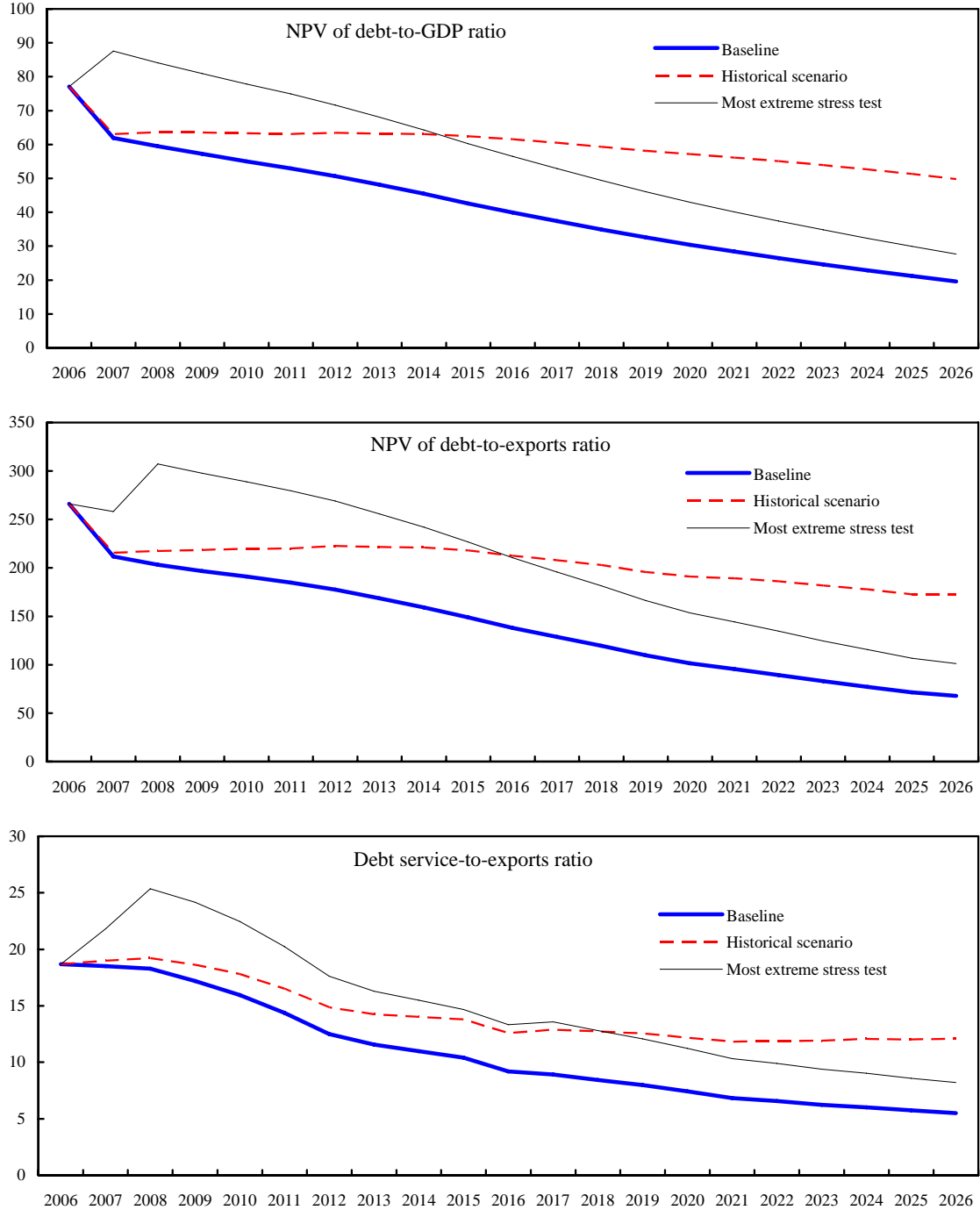
Sources: Country authorities; and Fund staff estimates and projections.

1/ Assumes that real GDP growth is at baseline minus one standard deviation divided by the square root of 20 (i.e., the length of the projection period).

2/ Revenues are defined inclusive of grants.

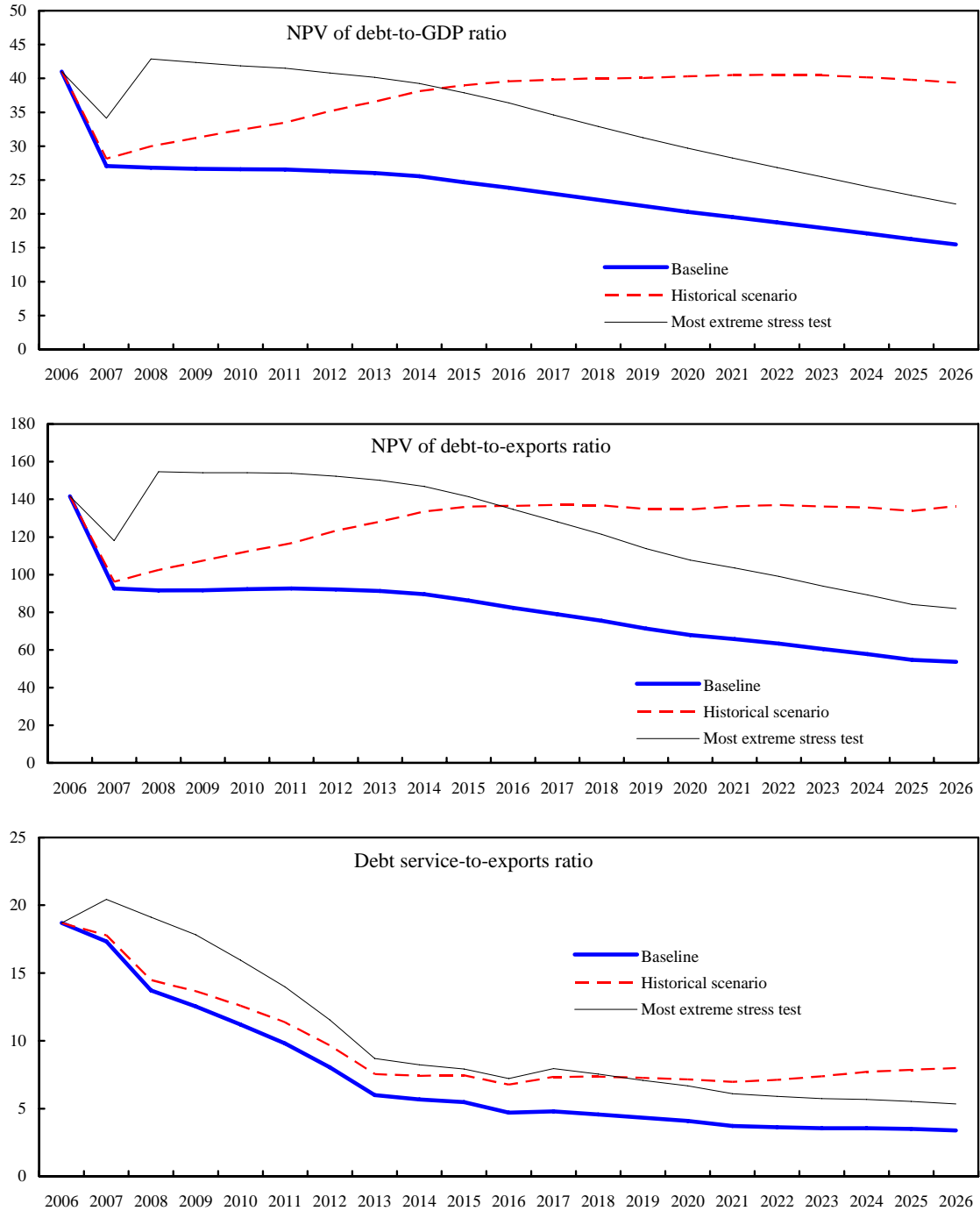
3/ Definition of revenues includes grants; debt service is commitment based.

Figure 1. The Gambia: Indicators of Public and Publicly Guaranteed External Debt Under Alternative Scenarios, 2006-26 (Percent)



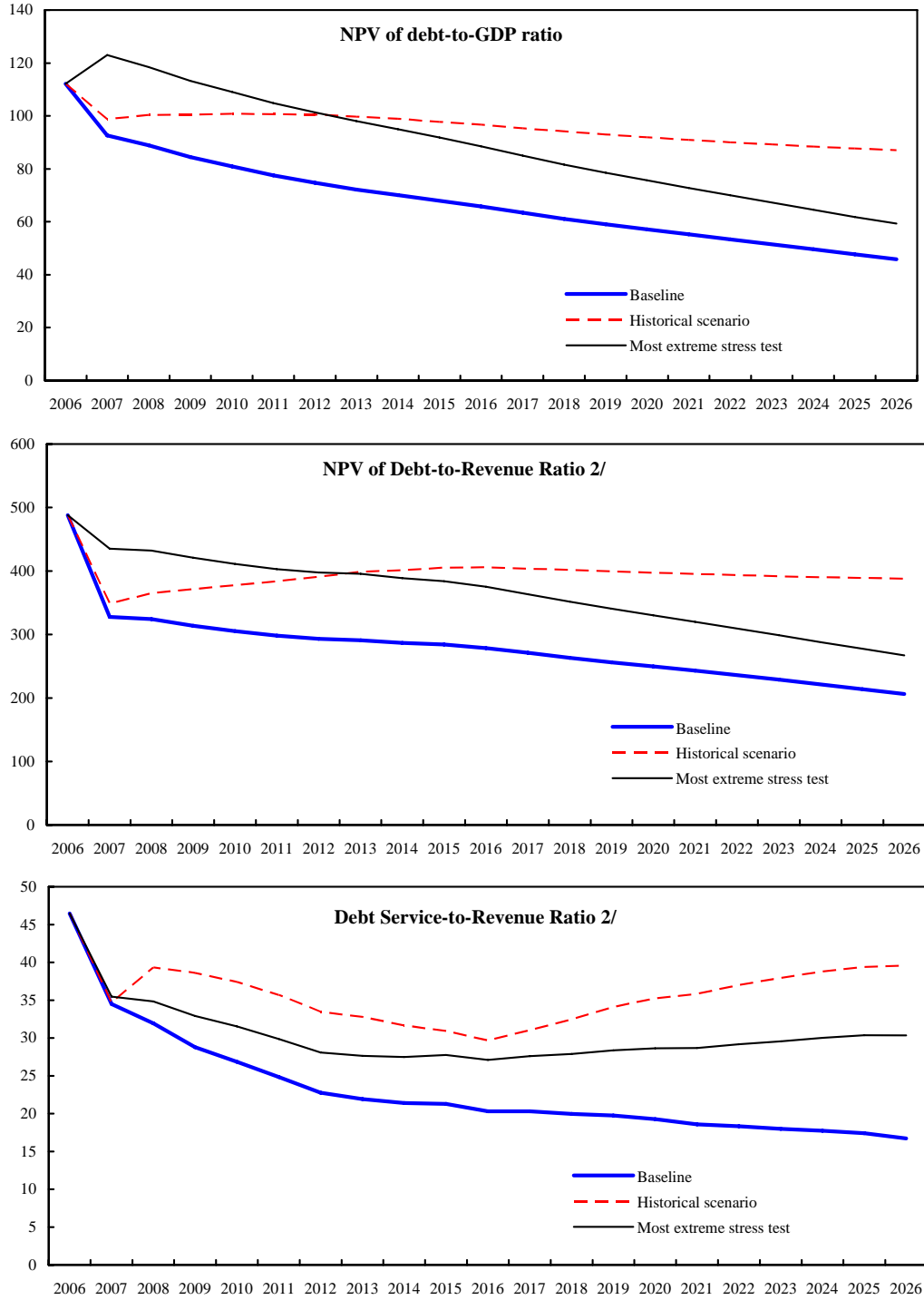
Source: IMF staff projections and simulations.

Figure 2. The Gambia: Indicators of Public and Publicly Guaranteed External Debt Under Alternative Scenarios including MDRI, 2006-26 (Percent)



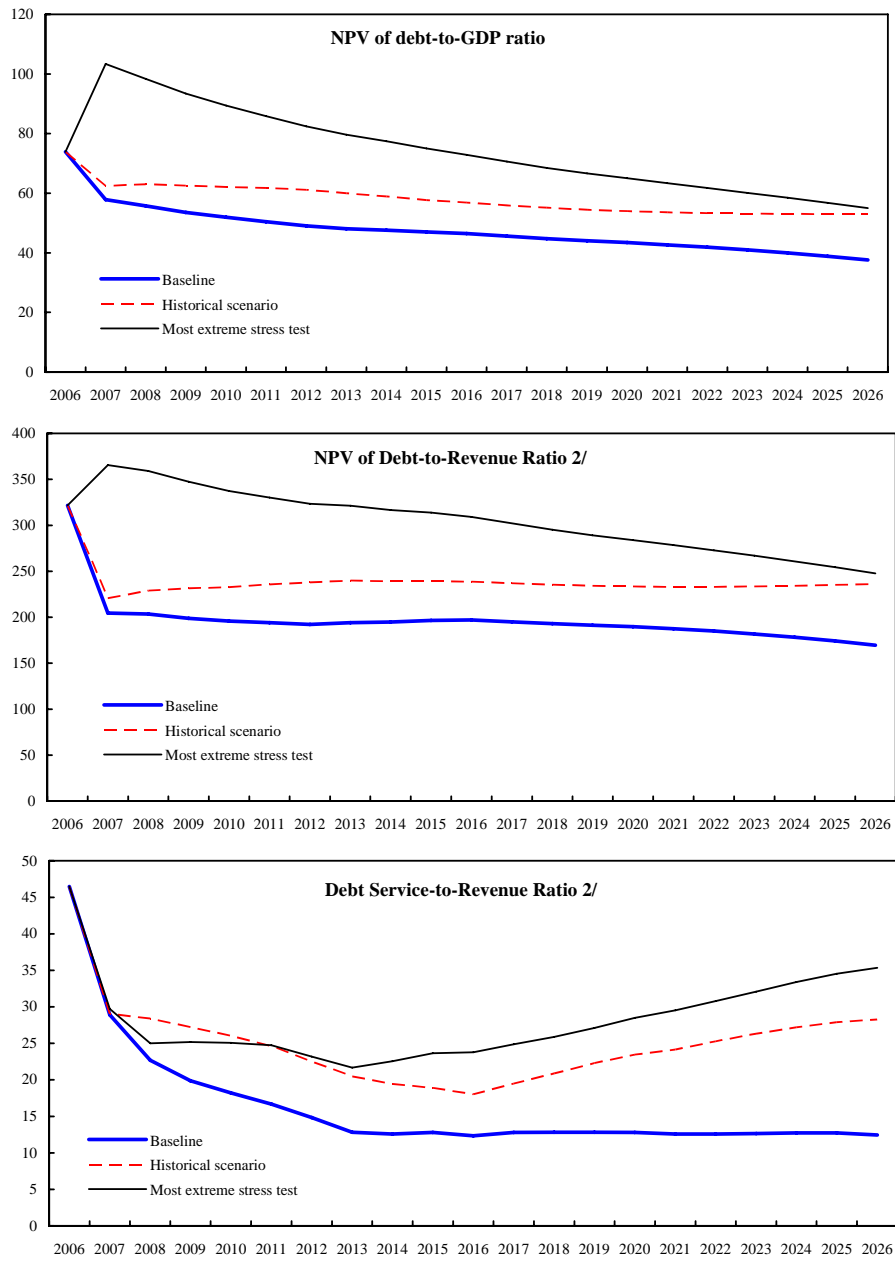
Source: IMF staff projections and simulations.

Figure 3. The Gambia: Indicators of Public Debt Under Alternative Scenarios, 2006-2026 1/



Source: Staff projections and simulations.
 1/ Most extreme stress test is test that yields highest ratio in 2016.
 2/ Revenue including grants.

Figure 4. The Gambia: Indicators of Public Debt Under Alternative Scenarios including MDRI, 2006-2026 1/



Source: Staff projections and simulations.
 1/ Most extreme stress test is test that yields highest ratio in 2016.
 2/ Revenue including grants.