3 September 2020

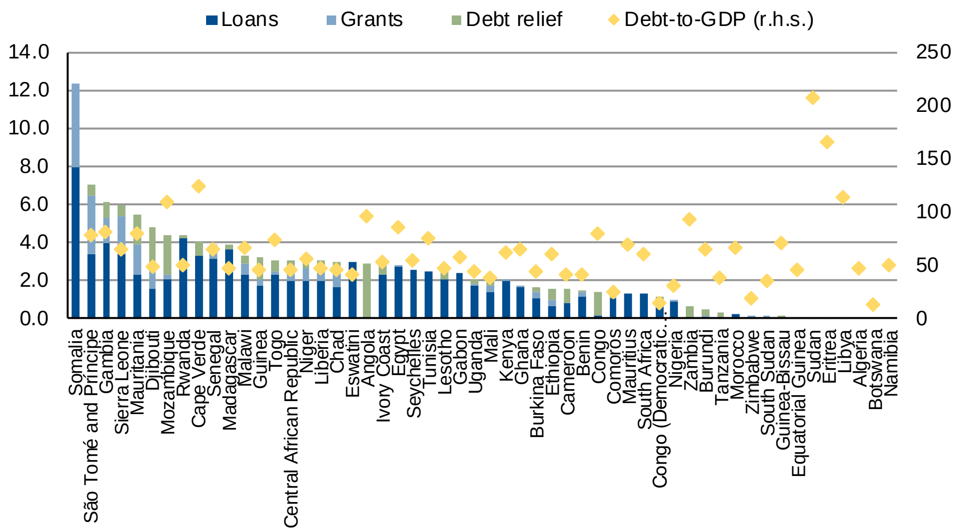
African fiscal vulnerabilities, effects of 2020 global support initiatives and impact on sovereign creditworthiness

African countries are facing an economic shock of historic proportions in 2020. Many regional governments lack the fiscal space to respond effectively to the Covid-19 crisis. This report looks at recent trends in sovereign debt in Africa, explores efforts by the international community to create budget leeway and assesses the impact of these efforts on sovereign creditworthiness.

Fiscal vulnerabilities among African sovereigns had been building up in the years leading to 2020's pandemic, driven by challenging economic conditions; unfavourable changes in exchange rates and commodity prices; in addition to significant borrowing, including loans from China, which today is Africa's largest bilateral lender, alongside greater bond issuance.

Covid-19 has exacted a severe human and economic cost in the African region, pushing most economies into recession and potentially placing millions back into poverty. With half of sub-Saharan sovereigns either at risk of or in debt distress entering 2020, the risk of a sovereign debt crisis has only increased. In response, multilateral organisations have increased emergency support in the form of loans and grants of around 0.6% of Africa's 2019 GDP to date, and the G20 has agreed on a Debt Service Suspension Initiative (DSSI) with average savings of 0.6% of national GDP. However, international support given varies considerably by country. As summarised in **Figure 1**, Somalia, São Tomé and Príncipe, Gambia, Sierra Leone and Mauritania have been significant beneficiaries while support for Eritrea, Libya, Algeria, Botswana and Namibia is more limited.

Figure 1. International fiscal support vs debt levels of African governments
% of 2019 GDP, 54 UN-recognised African countries sorted by aggregate fiscal support



Full data on international fiscal support breakdown by African nation available in Annex I.
Source: IMF, World Bank, African Development Bank, Scope Ratings GmbH

International initiatives in support of governments can abet African sovereigns' creditworthiness, though DSSI debt relief has led to suspension rather than outright forgiveness of debt and thus predominantly addresses liquidity more than solvency issues. Debt suspension can also create adverse repayment humps in future years. A private sector contribution to DSSI could be linked to a temporary default credit rating – potentially restricting market access near-term. As such, governments will need to judge the benefits of participation against costs. If an economy's debt sustainability is adequately enhanced via public and private sector debt relief, this could support stronger market access and lower borrowing rates longer term, and with this, potentially a stronger credit rating long term.

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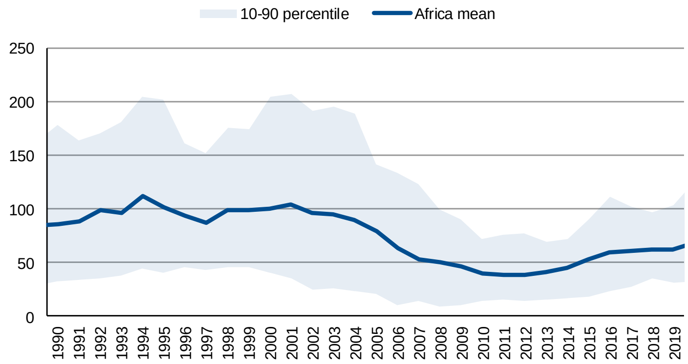
African sovereign debt before Covid-19: rising debt burden and changing funding landscape

Rising debt and interest payment burdens *pre-crisis*

In the years leading up to 2020's Covid-19 crisis, sovereign debt in Africa was rising. The average public debt ratio had increased from a 2011 low of 38.5% of GDP to 62.3% by 2019 (**Figure 2**). However, this average increase hides significant heterogeneity in debt trajectories within the region. While all African countries have experienced rising nominal debt levels, nine countries saw debt ratios to GDP decline over 2011-19. More worrisome is that in one third of the 53 regional economies on which we have data[1], debt ratios more than doubled from 2011 to 2019.

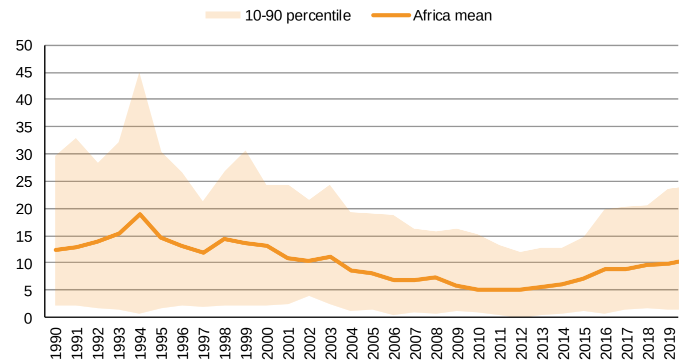
With rising debt levels, the burden of servicing debt rose substantially, with mean regional interest payments (expressed as a percentage of government revenues) doubling from 5% in 2011 to just under 10% by 2019 (**Figure 3**). Again, we observe large country-specific disparities. This increase was the most severe for Angola, Burundi, Egypt, Ghana and Zambia, for which interest payments as a share of government revenue rose by over 20pps over this period of time – in the process placing debt sustainability under question, while economies such as the Democratic Republic of the Congo, Côte d'Ivoire and Eritrea instead saw a *decline* in interest payment burdens.

Figure 2. Debt levels of African general government sector
% of GDP



Source: IMF, Scope Ratings GmbH

Figure 3. Interest payment burdens of African sovereigns
% of government revenue



Source: IMF, Scope Ratings GmbH

Economic, financial and institutional factors drove rising debt stock

Rising public debt burdens in Africa were driven by concurrent economic, financial and institutional factors[2]. Firstly, African public finances deteriorated in the wake of the global financial crisis, especially among commodity exporting nations suffering from the end of the commodity price boom in 2014, which left large fiscal deficits. Secondly, wide financing gaps (e.g. for infrastructure) coupled with low domestic savings rates meant governments had to rely upon external funding to support economic development. Third, exchange-rate depreciation had an adverse impact on sovereign balance sheets as a sizeable share of African public debt is denominated in foreign currencies (especially US dollars). Finally, the World Bank has highlighted that the lack of transparent debt management systems and weak macro-fiscal management have contributed to rising debt in some countries[3].

A shift in the direction of market-based financing alongside borrowings from China…

Rising public debt burdens in recent years has been coupled with a shift to market-based financing by many of the region's economies, trending away from traditional official sector creditors – such as the multilateral institutions and traditional bilateral concessional lenders (such as Paris Club creditors). Alongside increased bond issuance, there has been also been a shift in the direction favouring non-Paris Club bilateral creditor sources,

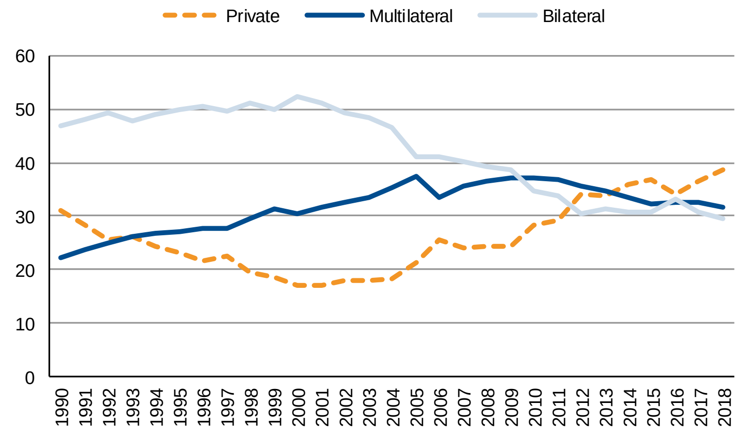
[1] Data are available for 53 of 54 UN recognised African nations: all except Somalia.
[2] See Coulibaly, B.S., D. Gandhi and L. Senbet. (2019), "Is sub-Saharan Africa facing another systemic sovereign debt crisis?", Brookings Institution.
[3] Carneiro, F.G. and W.A. Kouame. (2020), "How much should Sub-Saharan African countries adjust to curb the increase in public debt?", World Bank Blogs.

predominantly lending from China. As such, African governments have trended from near whole dependence upon conditional official sector lending in the direction of preference for less-conditional alternative financing windows, in step impacting fiscal and economic governance. However, official sector creditors continue to hold 61% of public and publicly guaranteed African debt, although the share of private funding has risen and reached almost 40% of outstanding public and publicly guaranteed debt by 2018 (**Figure 4**).

… including increased capital markets issuance.

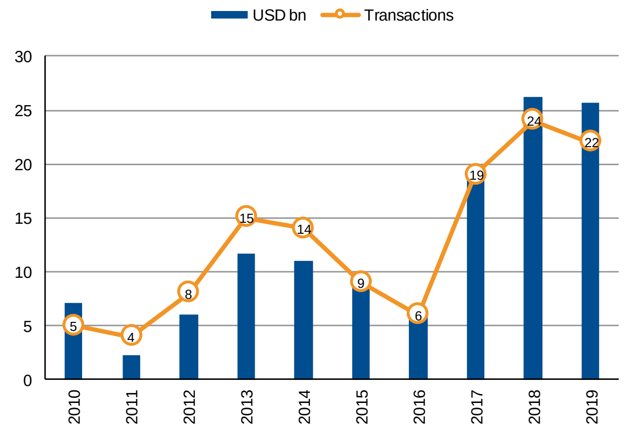
This trend has been supported by development in many countries' financial systems and issuance of sovereign bonds in *international* markets. Several African countries have entered Eurobond markets for the first time over recent years and the issuance of bonds has accelerated both in volume and in number of transactions, facilitated by ultra-low global rates and investors' search for yield. In 2019, African sovereigns issued USD 26bn in foreign currency bonds, over three and a half times the volume issued in 2010 (**Figure 5**).

Figure 4. Holders of public and publicly guaranteed African debt
% of total



N.B. Data are aggregated for 49 African countries (the 54 UN recognised countries except Equatorial Guinea, Libya, Namibia, Seychelles and South Sudan).
Source: World Bank, Scope Ratings GmbH

Figure 5. Foreign currency sovereign bond issuance
USD bn and number of transactions



Source: PricewaterhouseCoopers, Scope Ratings GmbH

Shifting investor base raises risk profiles and debt costs

Increased issuance of sovereign bonds can diversify a country's investor base and subject a government to market discipline especially in crises, but it also comes with higher borrowing costs than concessional multilateral and bilateral loans and increases exposure to volatility in investor sentiment – especially in years such as 2020. The rising share of private sector lending in aggregate debt stocks of African governments is relevant from a rating agency perspective, under which sovereign rating methodologies evaluate the likelihood of repayment of debt to international *private sector* creditors. A rising stock of bond securities increases the credit risk associated with public debt in the region, especially as international markets have closed, in the process lowering thresholds for debt distress, as highlighted by the World Bank[4].

Limited fiscal capacities constrain governments' abilities to respond to the pandemic

Covid-19 has posed severe human and economic consequences in the region

Africa has so far reported lower numbers of Covid-19 cases and fatalities (**Annex II**) than many other regions of the world, but the socio-economic repercussions of this crisis are severe. In April, the IMF projected real GDP to shrink for 31 of the 54 African economies, with average real growth forecast at -2.3% for 2020 (**Figure 6, next page**).

African economies have been impacted in 2020 by: i) lower exports and investment inflows; ii) declines in commodity prices and depreciations of domestic currencies; and iii) severe

[4] Calderón, C. and A.G. Zeufack. (2020), "Borrow with Sorrow? The Changing Risk Profile of Sub-Saharan Africa's Debt", World Bank Group Policy Research Working Paper 9137.

supply shocks impacting both domestic and intra-African trade. Economic hardship from this 2020 crisis could push more than 30 million Africans to poverty according to the United Nations[5].

A forceful policy response is needed…

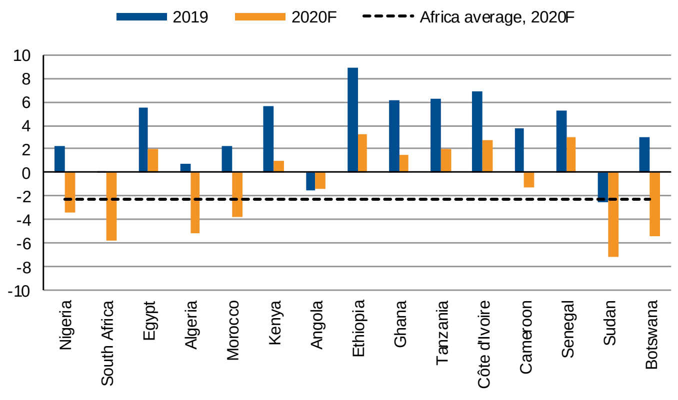
This calls for a forceful policy response aimed at reinforcing public health systems, emergency food provisions and income relief to vulnerable persons, supporting strategic economic sectors and small and medium-sized enterprises in the short-term, and bolstering economic recovery programmes over the longer run.

… but fiscal vulnerabilities are already large.

However, such measures come at significant cost. Many African governments lack the required fiscal space to implement such programmes without further threatening public debt sustainability. The OECD estimates that Africa's regional public debt ratio would increase by around USD 660bn from 57.6% of GDP to about 85% if countries were to implement the same extent of fiscal policy measures as large EU economies (**Figure 7**)[6]. As presented before, deteriorating debt and interest payment profiles even prior to this crisis represent a core spending constraint now. Half of all sub-Saharan sovereigns were either at risk of or in debt distress entering 2020[7]. Interest payments are expected to cost above 30% of government revenues in countries such as Egypt, Ghana and Burundi in 2020, and over 20% of revenues in Angola, Zambia and Kenya – presenting a significant bottleneck for central governments at a time of heavy spending demands.

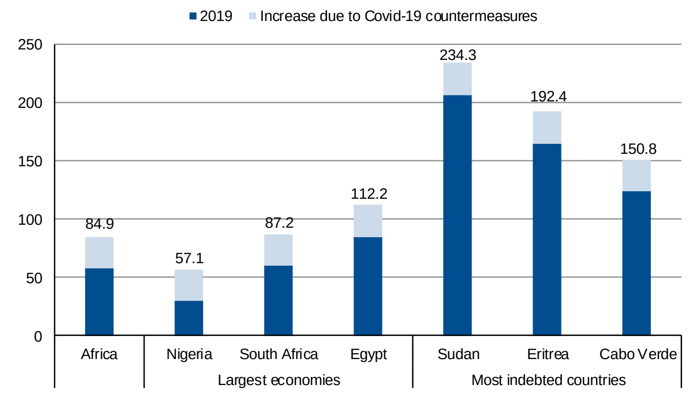
At the same time, tax revenues will shrink considerably for commodity exporters, notably those dependent on oil and gas – such as Algeria, Angola, Gabon and Nigeria – given the drop in Brent crude prices from USD 66 a barrel at end-2019 to around USD 44 at time of writing. Tourism and remittances revenues have declined. The squeeze on public finances from lower revenue and rising expenditure is exacerbated by high borrowing costs, with many countries facing foreign-currency bond yields in excess of 5% or even 10% (**Annex IV**) – the latter including as regards Zambia and Angola, hampering government efforts to finance support for households, workers and businesses.

Figure 6. Real GDP growth in select African countries
%



Source: IMFWEO, Scope Ratings GmbH

Figure 7. Increase in public debt ratios under scenario of adopting scale of 2020 fiscal stimulus of large EU countries
% of GDP



Source: OECD, Scope Ratings GmbH

Emergency financing and debt relief measures provide much-needed fiscal support to the region

A large funding gap requiring international support

Many African economies lack the resources to tackle the 2020 crisis alone. The financing gap for the continent to *effectively* respond to the crisis is estimated at USD 100bn in 2020

[5] United Nations Economic Commission for Africa (UNECA). (2020), "Covid-19 in Africa: Protecting Lives and Economies".
[6] OECD Development Centre. (2020), "Covid-19 in Africa: Regional socio-economic implications and policy priorities".
[7] Griffiths, J. (2019), "Low-income country debt: three key trends", Overseas Development Institute.

to fund necessary health and social safety nets plus another USD 100bn for longer-run stimulus for economic stabilisation. In March of 2020, African Ministers of Finance issued a joint statement, calling for immediate debt relief for all African countries of USD 44bn[8]. This brought mobilisation within the international community in the emergency financing and support of African governments (see **Annex I** for an overview of international fiscal support by African country).

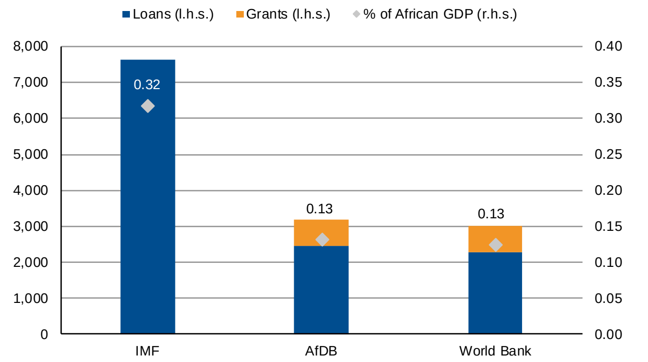
Multilateral institutions have ramped up emergency financing

Multilateral institutions have provided emergency financial support for African governments in the form of loans and grants, amounting thus far to around 0.6% of Africa's 2019 GDP (**Figure 8**). The IMF has agreed to provide around USD 7.6bn in emergency lending to African governments, mostly through a temporary doubling of annual access limits under its Rapid Financing Instrument and Rapid Credit Facility. The African Development Bank (AfDB) has been active with USD 10bn pledged for governments and private sectors. The AfDB has already approved close to USD 3.2bn in emergency funding (22% in grants and 78% via loans). Finally, the World Bank has pledged to make USD 50bn in financing available to 48 sub-Saharan African governments over this year and has rolled out a first wave of funding programmes of USD 3.0bn (25% in grants and 75% in loans)[9].

Debt relief measures provide added fiscal support

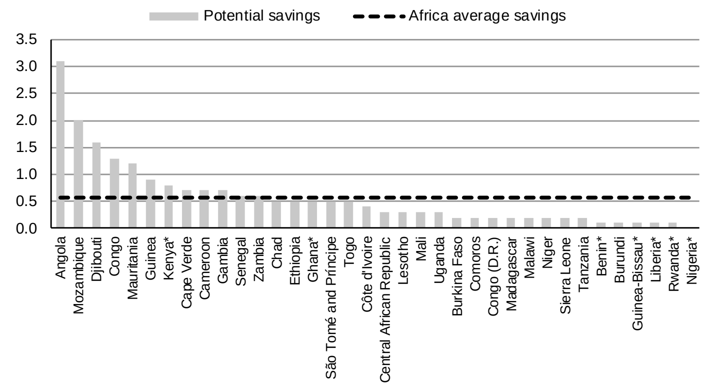
Another major development has been the Debt Service Suspension Initiative proposed by the IMF and the World Bank and endorsed by G20 Finance Ministers and the Paris Club countries in April. The programme grants temporary debt service suspension on all official bilateral credits due between 1 May and 31 December 2020 for up to 73 eligible developing nations (including up to 38 African nations) to help free resources for social, health and economic spending in response to the pandemic.

Figure 8. Emergency multilateral financing to date
USD m (l.h.s.); % of 2019 GDP (r.h.s.)



N.B. As of 2 September 2020.
Source: IMF, AfDB, World Bank, Scope Ratings GmbH

Figure 9. Potential beneficiaries from DSSI
% of 2019 GDP



N.B. Countries marked with a * are not current participants in the DSSI.
Source: World Bank, Scope Ratings GmbH

The initiative would provide African governments with additional budgetary leeway, with an average value of 0.6% of GDP per eligible economy, although with some governments benefitting significantly more than others. Angola, Mozambique and Djibouti are expected, for instance, to see 2020 forbearance savings of 3.1%, 2.0% and 1.6% of 2019 GDP respectively, while Nigeria, Rwanda and Burundi could see modest gains of only 0%-0.1% of GDP (**Figure 9**)[10]. The G20 also has called upon private sector creditors to participate in the debt suspension initiative on comparable terms.

[8] UNECA. (2020), "African Ministers of Finance – Immediate call for $100 Billion support and agreement the crisis is deep and recovery will take much longer".
[9] The figures for AfDB and World Bank funding are based on a review of press releases and financing agreements published on their respective websites. Financing is assumed to be in the form of loans unless the funds are specifically identified as grant monies. Only financing that was specifically identified as Covid-19 related was included.
[10] World Bank. (2020), "COVID 19: Debt Service Suspension Initiative".

Multilateral development banks such as the World Bank are not participating in the DSSI. Debt service suspension would likely reduce their net funding capacities in support of low-income countries by undermining preferential creditor statuses and borrowing capacities at highly preferential rates. Rising borrowing costs for these institutions as a result of debt relief would, as such, be passed undesirably to the borrowing countries themselves[11]. The IMF has provided debt service relief through its Catastrophe Containment and Relief Trust for 22 African governments, amounting to USD 207.9m[12].

Implications for sovereign creditworthiness of African governments

International initiatives can support African sovereign governments' creditworthiness

Multilateral and bilateral financial support for African governments in this 2020 crisis alongside debt relief such as the DSSI abet African governments' creditworthiness and capacities to bridge the 2020 economic and public health crisis, mitigating damage to economic and financial systems development, and easing immediate liquidity risk especially.

Official sector actions support African governments, however, to varying extents. **Figure 1** on the cover page of this report shows that countries such as Somalia, São Tomé and Príncipe, Gambia, Sierra Leone and Mauritania are expected to be primary recipients of international support. Meanwhile, financial support to countries such as Eritrea, Libya, Algeria, Botswana and Namibia is more muted. In the latter group, countries are, moreover, not eligible when it comes to DSSI.

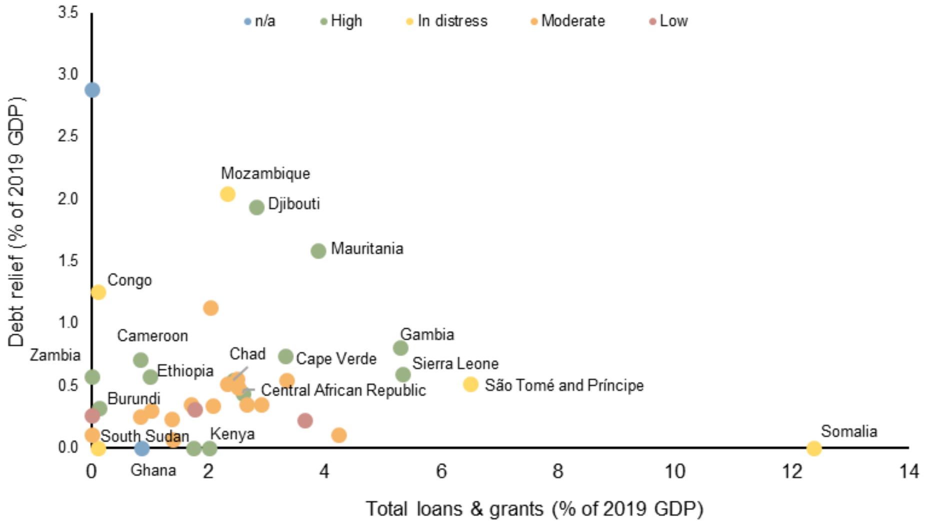
There is a link between degree of external debt distress and international support extended

Of 38 African governments eligible under DSSI, five are currently categorised by the World Bank as falling under external debt distress (Republic of the Congo, Mozambique, São Tomé and Príncipe, Somalia and South Sudan) with an additional 13 countries at high risk of such external debt distress (see **Annex III** for the complete list). In the case of these 18 total DSSI-eligible countries under distress or at high risk of distress, expected savings from DSSI vary from only 0.1% of 2019 GDP in the case of Burundi to 2.0% for Mozambique.

Figure 10 (next page) shows, however, that there is some association between the degree of external debt distress faced in 2020 and the extent of international support being allocated. Here, countries in distress or at a high risk of distress include examples of governments receiving the most significant international support. This correlation between aid extension and the extent of financial need supports the impact of relief actions and supports the ultimate impact of targeted actions on the creditworthiness of the most vulnerable governments.

[11] World Bank. (2020), "Protecting the Poorest Countries: Role of the Multilateral Development Banks in Times of Crisis: Explanatory Note".
[12] IMF. (2020), "COVID-19 Financial Assistance and Debt Service Relief".

Figure 10. International fiscal support by external debt distress risk category



Data are shown for 38 African countries eligible for the 2020 DSSI. Debt relief is 0 in the case an eligible DSSI government is not a participating country. Only countries in distress or at high risk are labelled in the diagram.

Source: IMF, World Bank, AfDB, Scope Ratings GmbH

DSSI-eligible countries voiced concern about default clauses and impacts on country creditworthiness

However, not all eligible countries for DSSI have participated: of 38 eligible low-income African nations, nine have not signed on to date, including Ghana and Nigeria (see **Annex III)**. Major countries such as Kenya have voiced reservation that they will not seek debt relief over concerns that this could damage the government's standing in markets and send the wrong signal about the country's creditworthiness. Several countries have also expressed concern about whether non-payment to official creditors prior to the signing of bilateral legal agreements could inadvertently place them under default, although the G20 and Paris Club have clarified that this is not the case.[13] Other governments have indicated concerns about default clauses, particularly in a limited number of commercial bank loan agreements, which they will need to address through consultation with legal advisors and creditors.

Most relevant here, the Institute of International Finance has been tasked with arranging discussions with private creditors and has agreed on the general terms of reference for voluntary private sector participation under DSSI.[14] As such, a request for DSSI bilateral loan relief *could* result in a default on Eurobonds if a private sector bail-in under DSSI were made compulsory.[15] Naturally, ratings downgrades or any securities default would erode benefits accrued via private sector or even bilateral loan debt suspension as countries might need to pay more interest on fresh borrowing and may see attenuated market access because of reputational damage sustained. This is even were the attenuated market access and higher borrowing rates in such a scenario temporary. Even the short-run closure of capital markets access (see **Annex IV** for African sovereigns' bond yields) could be consequential in view of the critical role that readily-available funding will play in the financing of post Covid-19 economic recoveries across regional economies. Yields have moderated compared with spring 2020 peaks, although governments remain locked out even now vis-à-vis Eurobond financing windows.[16]

[13] World Bank. (2020), "Debt Service Suspension Initiative: Q&As".
[14] World Bank. (2020), "Debt Service Suspension Initiative: Q&As".
[15] Mutize, M. (2020), "Africa: Why African Countries Are Reluctant to Take Up Covid-19 Debt Relief", allAfrica.
[16] Kraemer, M. (2020), "Bondholders need to forgive some African sovereign debt", Financial Times.

Any private sector creditor participation in DSSI could be a near-term event of default but *may be* credit-positive long term

Per reservations of some African central governments, Scope notes that in the scenario participation in DSSI includes private sector involvement in debt moratoria on comparable terms, whether this involvement is indeed voluntary or not, this could be considered an event of sovereign default under Scope's sovereign rating methodology – under which default events include "*any debt exchange or distressed-debt restructuring that leads to less-favourable terms of a debt obligation than those of the original contractual terms*".

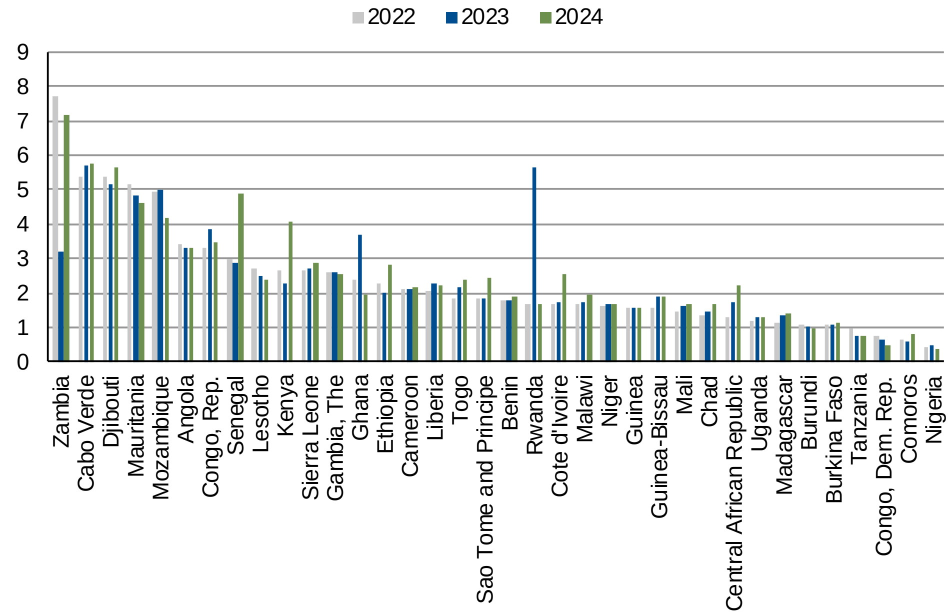
However, any default credit rating in the example of private sector debt service suspension under DSSI would likely be transitory and, *longer term*, involvement of private sector creditors in debt relief initiatives *could* be viewed as credit positive if suspension of interest and principal payments facilitates short-run investment and bolster debt sustainability long term and especially were underlying solvency issues to be addressed via any principal write-off in countries with significant private sector debts accrued.

If an economy's underlying growth dynamics and debt sustainability were adequately enhanced via combined official and private sector debt-suspension or debt-relief programmes, this could support stronger market access long term, and with this, support potentially a stronger credit rating long term.

However, implications for ratings long term in the instance of private debt bail-in hinge naturally upon the structure of any such exchange or restructuring. If a suspension of 2020 bond coupon and principal payments leads to a short-run credit event followed by a significant debt service hump in future years, this could be considered credit negative even post-debt restructuring – given potential for renewed debt distress post-crisis.

Under DSSI's structure for a three-year repayment horizon after a one-year grace period, for example, debt suspension could increase repayment stress over 2022-2024 for governments with significant debt service obligations already in those years such as Zambia, Cabo Verde, Djibouti, Mauritania and Mozambique (**Figure 11**). Governments will, as a result, need to evaluate independently the costs and benefits in regard to DSSI participation, especially when it relates to any hypothetical private sector participation.

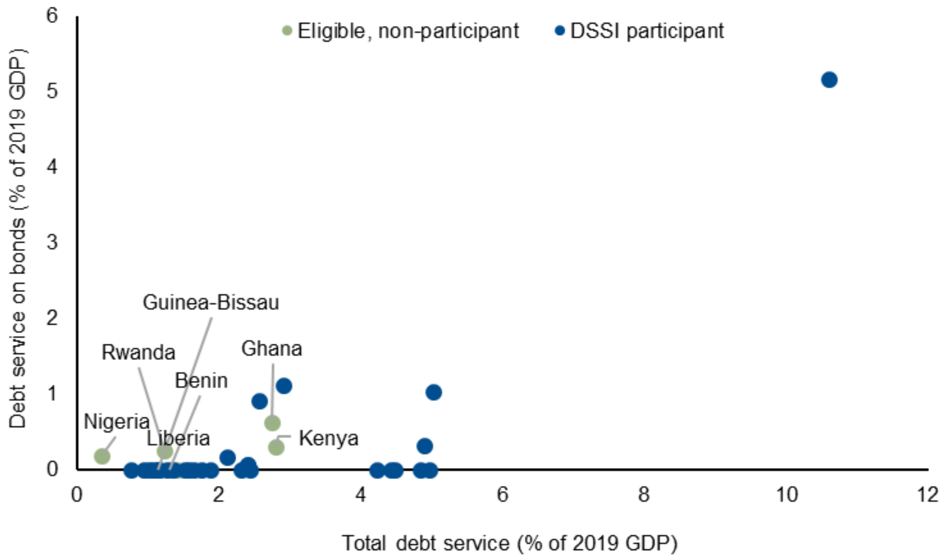
Figure 11. Total debt service, 2022-2024
% of 2019 GDP, sorted by 2022 debt service



Data are shown for 36 African countries eligible for the 2020 DSSI that report external debt to the World Bank's Debtor Reporting System (DRS).
Source: World Bank, Scope Ratings GmbH

It is important to note that participation in DSSI does not indeed require private sector bail-in. It is up to governments to request the involvement of private creditors in debt suspension initiatives and for private creditors to decide upon any such participation.

Figure 12. Debt service on bonds vs total debt service in 2020 by DSSI participation status

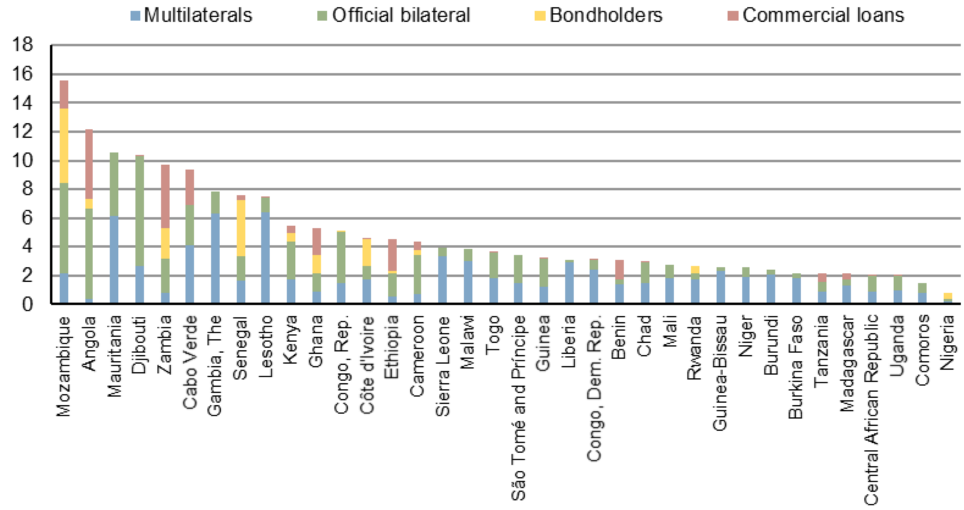


Shown for 36 of the African countries eligible for the 2020 DSSI that report external debt to the World Bank's Debtor Reporting System (DRS). Only DSSI non-participant countries are labelled.
Source: World Bank, Scope Ratings GmbH

Significant debt service savings on the table for several non-participant countries, however

Hypothetical 2020 savings on debt service resulting from suspension of 2020 interest and principal repayments could be significant for several African governments that are not current participants, however – including Kenya and Ghana (presented in **Figure 12** above), including moderate savings from any private sector involvement. Debt service on overall private sector debt – including bondholders and commercial creditors – account for a significant share of GDP in 2020 and 2021 in countries such as Mozambique, Zambia, Angola, Senegal and Ghana (**Figure 13, next page**) – signalling more significant benefits as it relates to the boon for short-run liquidity for private sector involvement in the cases of these countries. To date, no African government taking part in the DSSI has finalised the involvement of private sector creditors under the debt suspension initiative though Zambia has announced it is seeking to restructure external debt including with dollar bondholders.

Figure 13. 2020-2021 combined debt service by creditor type
% of 2019 GDP, sorted by total 2020-21 debt service



Shown for 36 of the African countries eligible for the 2020 DSSI that report external debt to the World Bank's Debtor Reporting System (DRS). Source: World Bank, Scope Ratings GmbH

Improved quality of debt data, multilateral oversight as well as borrowing ceilings are credit-positive

DSSI beneficiaries commit to public sector financial commitments on debt and debt-like instruments. Scope considers this element of DSSI participation as credit positive – supporting improvements in data on explicit public debt as well as on contingent liabilities – such as the debt of state-owned enterprises. In the process, this enhances capacity for external institutions like credit rating agencies to assess debt sustainability and short-run financing needs of national governments. This is turn eases informational bottlenecks and related analytical uncertainties.

Enhanced debt transparency is also useful for governments themselves in making better informed borrowing and investment decisions. Also, under DSSI, participation requires the beneficiary nation to commit to using savings to safeguard social, health or economic spending in response to the pandemic, with contingent spending monitored by the IMF and the World Bank. This could reduce government waste in the use of immediate debt relief-linked resources. Participating countries also commit to limiting non-concessional borrowing as supported by ceilings under IMF programmes and the World Bank's non-concessional borrowing policies.

These elements are credit positive for countries' fiscal frameworks; however, the same multilateral conditionality is also a central reason why many governments might have reservations about participation in the programme – despite clear short-run savings in suspensions of debt service.

DSSI addresses liquidity, but not solvency, issues

As noted, government debt service is suspended under DSSI, but not forgiven. There is a repayment period of three years plus a one-year grace period (so, four years in total) and it is NPV-neutral. This means that DSSI can help ease repayment stresses in 2020 and/or 2021 but will not significantly address underlying solvency problems. In the latter respect, outright official and/or private sector debt write-offs could have a much more significant credit positive effect long term, via addressing underlying solvency. This is especially true as African countries draw upon extraordinary crisis credit lines over 2020, which helps bridge short-run debt distress but increases their stock of public sector debt long-term.

DSSI could be extended in the future to cover 2021 payments, with a decision due here after the G20 leaders' summit of November 2020. If so, this would be positive, further cushioning against crisis-related liquidity bottlenecks if the crisis indeed extends into 2021 – the latter representing a year with significant public debt amortisations.

Annex I. Overview of fiscal support provided by major multilateral institutions, as of 2 September 2020

We provide an indicative overview of financial packages provided to African sovereigns to support their efforts in combating the Covid-19 pandemic and its knock-on effects. The following methods and sources were used to compile the information: i) IMF Covid-19 support programmes were collected from the Covid-19 Financial Assistance and Debt Service Relief webpage; ii) African Development Bank financing information was compiled by analysing press releases published on their Our COVID-19 response to date webpage; iii) World Bank support package information was compiled by analysing press releases and financial agreements outlined on their Operational Response to COVID-19 Projects List, World Bank's Response to COVID-19 in Africa webpage and through their Projects & Operations Portal.

Only financial support that was clearly identified as earmarked for African sovereigns' respective Covid-19 responses was included in the below table. Financing that was not clearly identified as grant money (either in the press release or the financing agreement where available) was assumed to be in the form of loans. DSSI debt relief is "0" if an eligible government for DSSI is not presently a participating country.

	IMF		AfDB		World Bank		DSSI	Overall			Total	
	Loans	Debt relief	Loans	Grants	Loans	Grants	Debt relief	Loans	Grants	Debt relief	Total	% of 2019 GDP
Algeria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Angola	0.0	0.0	0.0	0.0	0.0	0.0	2,645.6	0.0	0.0	2,645.6	2,645.6	2.9
Benin	103.3	10.2	7.4	0.0	57.8	32.6	0.0	168.5	32.6	10.2	211.3	1.5
Botswana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Burkina Faso	115.3	12.0	32.3	32.6	10.6	10.6	23.3	158.2	43.2	35.3	236.7	1.6
Burundi	0.0	7.6	0.0	0.1	0.0	5.0	3.9	0.0	5.1	11.5	16.6	0.5
Cameroon	226.0	0.0	88.0	5.6	0.0	0.0	276.1	314.0	5.6	276.1	595.7	1.5
Cape Verde	32.0	0.0	30.0	0.0	5.0	0.0	14.9	67.0	0.0	14.9	81.9	4.1
Central African Republic	38.0	4.1	8.2	6.5	0.0	7.5	6.3	46.2	14.0	10.4	70.5	3.0
Chad	183.6	0.0	0.0	68.3	0.0	16.9	61.0	183.6	85.2	61.0	329.8	3.0
Comoros	12.1	1.3	0.0	0.0	0.0	0.0	2.3	12.1	0.0	3.6	15.8	1.3
Congo	0.0	0.0	0.0	1.7	11.3	0.0	146.2	11.3	1.7	146.2	159.2	1.4
Congo (Democratic Republic)	363.3	20.3	0.0	1.2	23.6	23.4	104.4	386.9	24.6	124.7	536.2	1.1
Djibouti	43.4	2.3	0.0	41.2	5.0	0.0	59.2	48.4	41.2	61.5	151.1	4.8
Egypt	7,972.0	0.0	255.0	0.5	50.0	0.0	0.0	8,277.0	0.5	0.0	8,277.5	2.7
Equatorial Guinea	0.0	0.0	0.0	1.7	0.0	0.0	0.0	0.0	1.7	0.0	1.7	0.0
Eritrea	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0
Eswatini	110.4	0.0	0.0	0.0	26.0	0.0	0.0	136.4	0.0	0.0	136.4	2.9
Ethiopia	411.0	12.0	0.0	167.5	166.3	166.3	511.3	577.3	333.8	523.3	1,434.4	1.6
Gabon	299.0	0.0	100.5	0.0	9.0	0.0	0.0	408.5	0.0	0.0	408.5	2.4
Gambia	68.4	2.9	1.4	14.0	0.0	10.0	11.5	69.8	24.0	14.4	108.1	6.1
Ghana	1,000.0	0.0	0.0	69.0	100.0	0.0	0.0	1,100.0	69.0	0.0	1,169.0	1.7
Guinea	148.0	22.4	30.4	4.3	45.5	45.5	129.7	223.9	49.8	152.1	425.8	3.2
Guinea-Bissau	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	1.5	0.1

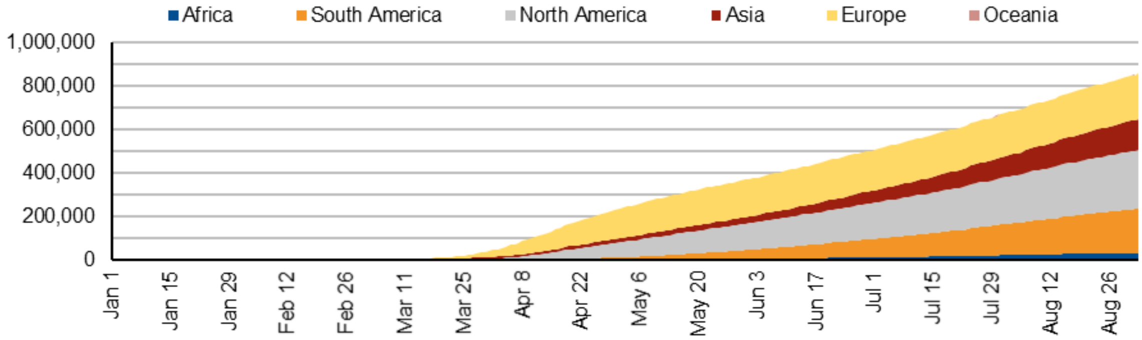
African fiscal vulnerabilities, effects of 2020 global support initiatives and impact on sovereign creditworthiness

	IMF		AfDB		World Bank		DSSI	Overall			Total	
	Loans	Debt relief	Loans	Grants	Loans	Grants	Debt relief	Loans	Grants	Debt relief	Total	% of 2019 GDP
Ivory Coast	886.2	0.0	75.0	0.0	75.0	0.0	232.1	1,036.2	0.0	232.1	1,268.3	2.9
Kenya	739.0	0.0	188.0	2.7	1,050.0	0.0	0.0	1,977.0	2.7	0.0	1,979.7	2.0
Lesotho	49.1	0.0	0.0	0.3	7.5	0.0	9.5	56.6	0.3	9.5	66.4	2.4
Liberia	50.0	15.9	0.0	14.2	13.3	3.8	0.0	63.3	17.9	15.9	97.1	3.0
Libya	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.5	0.0	0.5	0.0
Madagascar	337.9	4.2	41.2	3.6	75.0	0.0	24.0	454.1	3.6	28.2	485.9	3.9
Malawi	91.0	9.9	49.0	42.1	30.0	7.0	17.1	170.0	49.1	27.0	246.1	3.3
Mali	200.0	10.0	31.4	43.7	12.9	12.9	52.3	244.3	56.6	62.3	363.2	2.1
Mauritania	130.0	0.0	0.0	12.3	2.0	75.2	90.0	132.0	87.5	90.0	309.5	5.5
Mauritius	0.0	0.0	188.0	0.0	0.0	0.0	0.0	188.0	0.0	0.0	188.0	1.3
Morocco	0.0	0.0	264.0	0.0	0.0	0.0	0.0	264.0	0.0	0.0	264.0	0.2
Mozambique	309.0	14.9	0.0	43.0	0.0	0.0	294.2	309.0	43.0	309.1	661.1	4.4
Namibia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Niger	114.5	7.7	65.7	57.2	7.6	6.4	25.8	187.7	63.6	33.5	284.8	3.0
Nigeria	3,400.0	0.0	288.5	0.0	100.0	14.3	0.0	3,788.5	14.3	0.0	3,802.8	0.9
Rwanda	220.5	11.0	98.0	0.3	114.3	0.0	0.0	432.7	0.3	11.0	444.0	4.3
São Tomé and Príncipe	14.4	0.2	0.0	11.0	0.0	2.5	2.1	14.4	13.5	2.3	30.1	7.0
Senegal	442.1	0.0	88.0	0.0	220.0	50.0	131.7	750.1	50.0	131.7	931.8	3.9
Seychelles	31.2	0.0	10.0	0.0	0.0	0.0	0.0	41.2	0.0	0.0	41.2	2.5
Sierra Leone	143.0	18.3	0.0	25.1	0.0	57.5	7.0	143.0	82.6	25.3	250.9	5.9
Somalia	395.5	0.0	0.0	25.2	0.0	192.5	0.0	395.5	217.7	0.0	613.2	12.4
South Africa	4,300.0	0.0	288.0	0.0	0.0	0.0	0.0	4,588.0	0.0	0.0	4,588.0	1.3
South Sudan	0.0	0.0	0.0	4.1	0.0	0.0	0.0	0.0	4.1	0.0	4.1	0.1
Sudan	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.9	0.0	0.9	0.0
Tanzania	0.0	14.3	0.0	1.7	0.0	0.0	148.9	0.0	1.7	163.2	164.9	0.3
Togo	97.1	5.1	24.8	7.3	4.4	3.7	25.8	126.2	11.0	30.9	168.2	3.1
Tunisia	745.0	0.0	180.0	0.0	35.0	0.0	0.0	960.0	0.0	0.0	960.0	2.5
Uganda	491.5	0.0	31.6	0.9	12.5	2.7	95.4	535.6	3.6	95.4	634.6	2.1
Zambia	0.0	0.0	0.0	2.9	0.0	0.0	139.2	0.0	2.9	139.2	142.1	0.6
Zimbabwe	0.0	0.0	0.0	15.2	0.0	0.0	0.0	0.0	15.2	0.0	15.2	0.1

Source: IMF, World Bank, AfDB, Scope Ratings GmbH

Annex II. Total confirmed Covid-19 mortalities by region of the world

Number of persons



As of 2 September 2020.

Source: European Centre for Disease Prevention and Control, OurWorldInData.org/coronavirus

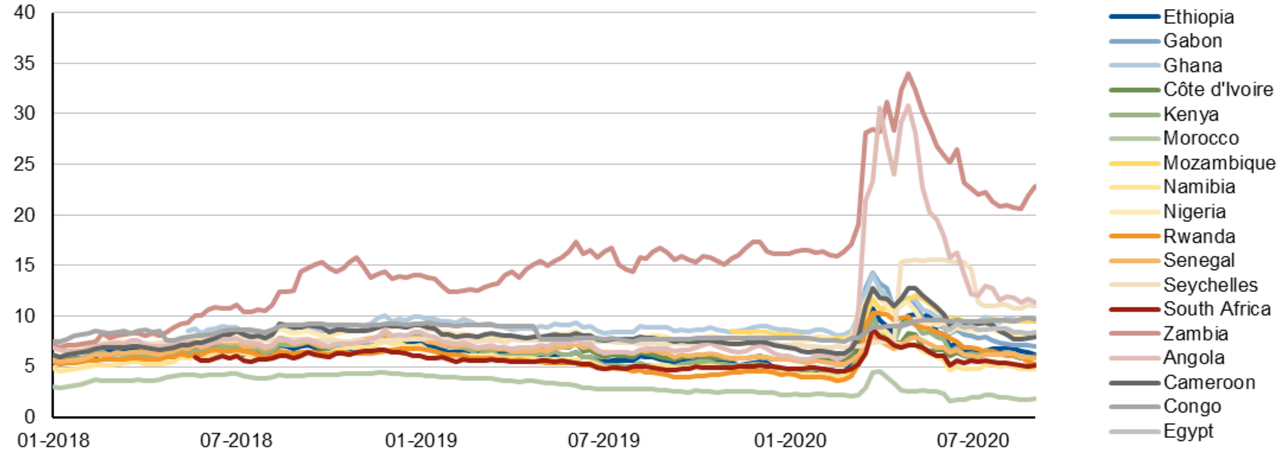
Annex III. Risk of external debt distress

In distress	High	Moderate	Low	n/a
Republic of Congo	Burundi	Benin*	Madagascar	Angola
Mozambique	Cabo Verde	Burkina Faso	Tanzania	Nigeria*
São Tomé and Príncipe	Cameroon	Comoros	Uganda	
Somalia*	Central African Republic	D.R. Congo		
South Sudan*	Chad	Côte d'Ivoire		
	Djibouti	Guinea		
	Ethiopia	Guinea-Bissau*		
	The Gambia	Lesotho		
	Ghana*	Liberia*		
	Kenya*	Malawi		
	Mauritania	Mali		
	Sierra Leone	Niger		
	Zambia	Rwanda*		
		Senegal		
		Togo		

Data are shown for 38 eligible African countries for the 2020 DSSI. *Not participating in DSSI.

Source: World Bank, Scope Ratings GmbH

Annex IV. Dollar bond yields, %



Data are shown for a benchmark dollar-denominated Eurobond for each country, weekly data, last updated 31 August 2020.

Source: Bloomberg

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