

Debt strategy analysis enables governments (or individual government agencies) to:

- Plan and negotiate the best available new borrowing and financing options to fund economic development, growth and poverty reduction.
- Keep debt costs and risks as low and sustainable as possible in the short and long-term
- Negotiate maximum debt relief from creditors where this is needed.
- Assess potential risks arising from private sector debt and contingent liabilities.

The main inputs needed to conduct debt strategy analysis are:

- a comprehensive debt database, including projected stock and service payments for external and domestic debt and contingent liabilities of central government and other government agencies, as well as private sector debt.
- analysis of the [risks and costs](#) of debt, including its interest rates and other fees, its maturity, and its composition by currency and by interest rate type
- analysis of the options for mobilizing new [external](#) and [domestic](#) finance
- analysis of the options for restructuring existing external [debt](#)
- comprehensive [macroeconomic projections](#) , including a baseline scenario and optimistic or pessimistic scenarios for GDP, balance of payments and budget.
- forecasts of the unmet financing needs for national development and [poverty reduction strategies](#)

These inputs are then combined and analysed using a variety of computerized tools to assess [debt sustainability](#)

, [risks and costs](#)

, resulting in recommendations for the design and implementation of a national debt strategy. Given that government priorities and international circumstances change frequently, strategies are best updated annually, preferably annexed to the budget to provoke transparent parliamentary discussion, and widely disseminated to inform potential development funders and civil society.

Latest work DFI carried out in this area:

[15 April 2015 - DFI to Support DRC to Reform Debt Laws and Design Debt Strategy](#)



DFI has won an AfDB competitive bid to support DRC to reform its debt management laws and design a national debt strategy. The project is expected to be completed during 2015-16.

[28 February 2013 - Debt Cancellation for Comoros](#)



Comoros is to receive debt relief under the Heavily Indebted Poor Countries initiative. After significant and positive progress was made in the country's economic management, Paris Club creditors have [agreed](#) an \$8.06 million of debt cancellation for the small island archipelago which now becomes the 35th country to qualify for debt cancellation under the HIPC Initiative.

[25 Nov - 12 Dec 2012 - Reform Plan mission to Tonga](#)



A joint World Bank/DRI mission visited Nuku’Alofa, Kingdom of Tonga. The objective of the mission was to prepare a reform plan for debt management, and the recommendations were structured around four key areas: Medium Term Debt Strategy, Operational Risks, Coordination and Staff Capacity. The mission prepared a draft to be submitted to peer reviews and then to the Tongan authorities for their comments. A final report is scheduled to be completed by January 2013.

19-30 November 2012 - Reform Plan Mission to CAR



At the request of the Central African authorities, a World Bank/UNCTAD/DRI visited Bangui to formulate a reform plan of the country's public finances. Together with CAR's technical and financial partners, the mission identified 4 key areas around which the plan should be structured: institutional and legal framework, exterior loans procedures, development of domestic financial markets, treasury management and operational risks. A draft reform plan has been submitted to the national institutions and donors for consideration until its final adoption by the authorities.

12-16 November 2012 - MTDS Francophone Regional Workshop



DRI coordinated for the World Bank Debt Management Facility (DMF) a regional MTDS training workshop in Dakar, Senegal, facilitated by World Bank and DRI consultants, which attracted 44 participants from 19 Francophone countries and institutions. The workshop introduced participants to the toolkit developed to assist governments to develop an MTDS. The training also familiarised them with the analytical tool through a series of exercises enabling them to quantify and measure the performance of alternative debt management strategies under

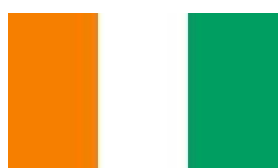
different shock scenarios.

9-19 October 2012 - MTDS Mission to Ethiopia



A joint IMF/World Bank/MEFMI/DRI mission went to Addis Ababa to conduct a medium-term debt strategy. About 25 staff from the Debt Directorate, Treasury Department and the Central Bank participated in the workshop to learn about the IBW methodology. A draft aide-memoire was prepared and shared with the Ethiopian authorities for comments. They will next elaborate their own debt strategy based on the results of the workshop and aide-memoire's recommendations.

12-20 September 2012 - MTDS Mission to Côte d'Ivoire



After reaching completion point, Côte d'Ivoire hosted an IMF/World Bank mission in Abidjan in order to formulate a medium term debt strategy document, with DRI as technical partner. The analysis of the existing debt revealed the challenges of clearing domestic arrears, of recapitalising of public banks and the weight of debt service on the 2013-2015 budget. Simulations led to proposals for a reference strategy, as well as alternative strategies in case of shocks in order to respond to the country's challenges of its development financing programme while securing debt sustainability.

11-20 September 2012 - MTDS Mission to Cameroon



MTDS Mission to Cameroon. DFI took part in a joint World Bank/IMF mission to Yaoundé, Cameroon, to provide Government and Central Bank officials with assistance in formulating a medium-term debt strategy. The mission focused its training on concepts and notions of debt strategy, the use of strategy formulation tool through applied exercises, and on evaluating costs and risks linked to the existing debt portfolio and those linked to alternative strategies. Results were later presented by participants who were also given a complete tool kit for the formulation of a medium-term debt strategy.

30 July - 8 August 2012 - Reform Plan Mission to Burundi



DRI took part in a World Bank mission aimed at producing a reform plan of Burundi's public debt management. The plan focused on 4 priority areas: legal and institutional framework; operational risks; forecast and treasury management and debt management's publication, analysis and strategy. The action plan and implementation schedule were subsequently shared with the authorities at a results' dissemination and information sharing session.

13-22 July 2012 - Reform Plan Mission in Vietnam



[MFD's Mission in Vietnam](#) | The first step in the process of debt restructuring is to identify the key areas of the economy that are most in need of support.



[MFD's Mission in Myanmar](#) | MFD's mission in Myanmar is to support the government's efforts to improve the country's economic and financial situation.



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[MFD's Mission in Mongolia](#) | MFD's mission in Mongolia is to support the government's efforts to improve the country's economic and financial situation.



[MFD's Mission in Georgia](#) | MFD's mission in Georgia is to support the government's efforts to improve the country's economic and financial situation.



[MFD's Mission in the EU](#) | MFD's mission in the EU is to support the government's efforts to improve the country's economic and financial situation.



[MFD's Mission in Africa](#) | MFD's mission in Africa is to support the government's efforts to improve the country's economic and financial situation.



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[MFD's Mission in Somalia](#) | MFD's mission in Somalia is to support the government's efforts to improve the country's economic and financial situation.