

I. Feature Stories: The World Bank Group Guarantee Platform: Success Story of Benin's Pioneering Use of the First Policy-Based Guarantee

The World Bank Group, through the IBRD and the IDA, provides partial credit guarantees to support public sector operations. These guarantees help mobilize private sector financing and mitigating credit risks associated with sovereign and sub-sovereign borrowers. These guarantees are offered in two primary forms: Policy-Based Guarantees (PBGs) and Project-Based Loan Guarantees. PBGs are linked to Development Policy Operations (DPOs) and provide credit enhancement for budget support operations, contingent upon the borrower meeting macroeconomic and policy reform conditions agreed with the World Bank. In contrast, Project-Based Loan Guarantees are associated with Investment Project Financing (IPF) and support specific public investments, such as infrastructure or service delivery, through government or state-owned entities.



Benin has successfully raised US\$1 billion through two simultaneous transactions on international markets, positioning itself as Africa's leading sovereign issuer of 2025.

This achievement follows the World Bank Board's approval of a €635.5 million financing package from the IDA to support the Government of Benin's efforts to enhance private sector-led growth, improve domestic revenue mobilization, and strengthen social and climate resilience on October 31, 2024. This package comprises a €135.5 million DPO credit and a €200 million PBG. The PBG is designed to mobilize €500 million in long-term commercial financing and marks the first IDA guarantee approved since the launch of the World Bank Group's new guarantee platform on July 1, 2024.

Building on this support, the Government of Benin secured a €500 million international loan from Deutsche Bank, with a final maturity of 15 years and an interest rate of 6.0%, inclusive of guarantees fees. This loan will be used for a liability management operation to repurchase a portion of Benin's 2032 Eurobond. The transaction benefits from a partial first-loss guarantee of €200 million from IDA, underscoring Benin's pioneering role in leveraging financial innovation.

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This is the first transaction backed by the newly launched IDA guarantee platform. In a parallel operation, Benin also raised an additional US\$500 million with a 16-year maturity and a euro coupon rate of 6.48%, facilitated by a comprehensive Dollar-Euro currency hedging strategy that covered the entire issuance.

The Development Policy Operation (DPO) underpinning these financings is built on three pillars: (1) enhancing domestic revenue mobilization; (2) fostering private sector participation in the economy; and (3) improving social and climate resilience. The reforms include implementing a new Public-Private Partnership (PPP) framework to attract private investment in public projects, expanding access to finance for small and medium-sized enterprises (SMEs), and strengthening guarantees for loans provided by banks and microfinance institutions.



In Woukpokpoe Village, Benin. Photo: Arne Hoel/World Bank

Additional measures aim to increase tax revenues to create fiscal space for public investment and ensure long-term debt sustainability.

The current financing builds on the success of a prior \$230 million operation, which initiated critical reforms to bolster Benin's capacity to manage disaster and climate-related risks. By maintaining a proactive approach to debt management and leveraging innovative financing tools, Benin continues to strengthen its financial and climate resilience. For further details about this story, please visit [Guarantees factsheet](#) and [Benin's story](#).

II. Regional Training: Debt Management Performance Assessment

Regional training on the Joint World Bank- Agence UMOA Titres (AUT) Debt Management Performance Assessment (DeMPA) was held in Dakar, Senegal from February 3-7, 2025. The objective of the course was to familiarize officials from AUT member countries with the debt management performance assessment methodology. The workshop was the first in-person activity of the yearly course for debt managers, jointly developed with AUT. It was attended by 16 debt managers from the 8 WAEMU countries (Benin, Burkina Faso, Côte D'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo).

During the course, countries' representatives also presented different debt management topics and shared country specific experiences in reforms' implementation. At the end of the theoretical sessions, participants updated the most recent DeMPA for their country.



DMF Regional training representatives and participants in Dakar

The DeMPA self- evaluations showed good progress on data disclosure (e.g., statistical bulletins, strategies), but also persisting institutional fragmentation and suboptimal debt recording systems which affect the quality of the information (e.g., data not centralized or delayed) and the effectiveness of the decision-making process. Regional reforms (e.g., alignment of external/domestic tax treatments across countries, reform of primary dealers) are also needed to further support further development of government securities market.

III. Technical Assistance and Training

Technical Assistance

Contingent Liability and Fiscal Risks	
TYPE	On-Lending and Guarantee (Virtual)
COUNTRY	Tonga, January 15–31, 2025
ORGANIZERS	World Bank
OBJECTIVE	The objective of the mission was to support the Government of Tonga in strengthening its oversight of contingent liabilities stemming from government guarantees and on-lending activities. As part of this effort, the mission provided technical assistance to the Ministry of Finance in developing a formal on-lending policy and revising the existing government guarantees policy.
HIGHLIGHTS	The mission shared international best practices and conducted a review of existing policies and procedures to identify key gaps. As of the end of 2024, government guarantees and on-lending represent over 4 percent of GDP, with more than half of these obligations currently in arrears. In close consultation with counterparts from the Ministry of Finance, the team discussed potential improvements to the government guarantees policy as well as the structure and content of a proposed on-lending policy. These discussions were informed by practical considerations, including institutional capacity and data availability constraints.

Developing Debt Markets			
TYPE	Domestic Debt Management	LCBM	LCBM
COUNTRY	Sri Lanka, January 20–24, 2025	Bangladesh, January 22–30, 2025	Democratic Republic of Congo, March 3–14, 2025
ORGANIZERS	World Bank and IMF	World Bank and IMF	IMF–AFC
OBJECTIVE	The objectives of the mission were to continue supporting the establishment of the Public Debt Management Office (PDMO) and to provide recommendations on primary market issuance and the development of the government securities market. The mission also discussed a roadmap to ensure a smooth and effective transition of debt management responsibilities to the PDMO, building on the foundations laid by previous IMF and World Bank missions.	The objectives of the mission were twofold: (i) to provide technical assistance and capacity building in designing and implementing a policy and operational framework for liability management operations in the local currency government bond market, and (ii) to follow up with the Bangladesh Securities and Exchange Commission and the Financial Institutions Division on the implementation of the 24-point action plan.	The objective of the mission was to support the Ministry of Finance in identifying factors hindering the development of the domestic debt market and preparing an action plan for deepening the market.

HIGHLIGHTS	<p>The mission engaged with the authorities on the growing reliance on domestic borrowing for market-based financing in the aftermath of the international bond restructuring. Effective management of the transition of domestic debt responsibilities from the Central Bank of Sri Lanka to the PDMO is critical. In addition, the development of a MTDS and an ABP will be essential to strengthen debt management decision-making and promote transparency and accountability.</p>	<p>The mission focused on designing and implementing policy and operational frameworks for liability management operations in the local currency government bond market, including government bond buybacks and switch transactions. In addition, the mission followed up on ongoing J-CAP activities with the Bangladesh Securities and Exchange Commission and the Financial Institutions Division.</p>	<p>The mission took stock of the stage of development of the DRC securities market, helped identifying factors that hinder the development of the government securities market. The mission also proposed an action plan for deepening the auctioned government securities market.</p>
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Boosting Debt Transparency

TYPE	Strengthening Sovereign Debt Portfolio Risk Management
COUNTRY	Cameroon, February 3–7, 2025
ORGANIZERS	IMF–AFC
OBJECTIVE	The objective of the mission was to train technical staff of the Treasury Department on debt portfolio market risk evaluation and mitigation approaches, using a series of presentations and practical case studies.
HIGHLIGHTS	The mission provided training and also advised on correcting shortcomings in the authorities' current approach for preparing an issuance calendar and primary dealers' relationship. It also discussed with authorities' different options that could be considered from a technical perspective for managing refinancing risk, considering the high refinancing risk Cameroon currently faces on the regional securities market.

Improving Governance and Institutions

TYPE	DeMPA	DeMPA	DeMPA
COUNTRY	Samoa, January 27–February 4, 2025	Sierra Leone, February 10–18, 2025	Kenya, March 18–26, 2025
ORGANIZERS	World Bank	World Bank	WB and MEFMI
OBJECTIVE	The mission aimed to support the government in: (i) taking stock of recent developments in debt management practices; (ii) identifying strengths and areas for improvement, including potential reform opportunities; and (iii) helping to define priority areas for continued support following earlier DeMPA technical assistance.	The mission aimed to: (i) take stock of developments in debt management practices; (ii) identify strengths and areas for improvement (reforms); and (iii) help identify priority areas for future reforms.	The objective of the World Bank–MEFMI team was to conduct a DeMPA mission to identify current debt management practices and areas for improvement. The assessment aimed to take stock of developments since the last DeMPA mission conducted in 2014.

Enhancing Strategy and Policy

TYPE	MTDS and ABP
COUNTRY	Rwanda, January 28–February 4, 2025
ORGANIZERS	World Bank and IMF
OBJECTIVE	The objectives of the mission were to: (i) provide training on the MTDS and ABP analytical tools for the staffs of DDG; (ii) contribute to the formulation of the debt management strategy document; and (iii) present the draft DeMPA report based on the assessment conducted in December 2024. The mission also discussed with Deputy Direct General management the possibility of a programmatic engagement under the DMF.
HIGHLIGHTS	The mission provided training on the MTDS and ABP analytical tools for the DDG, using Rwanda-specific data. The resulting analysis will contribute to updating the MTDS and the ABP. The DDG has been publishing debt management strategies annually for several years and is in the process of releasing its first stand-alone ABP. Both plans are well aligned with the national budget preparation process. While this approach reflects international best practices, the mission noted that the underlying analysis and the presentation of the strategy could be further enhanced for greater clarity and impact.

Boosting Debt Transparency

TYPE	Legal and Debt Reporting
COUNTRY	Kiribati, February 7–10, 2025
ORGANIZERS	World Bank, IMF and PFTAC
OBJECTIVE	Assessment of legal and institutional frameworks for Debt management in Kiribati.
HIGHLIGHTS	The mission analyzed the current legal and institutional frameworks and proposed short-term actions to improve the quality of debt management policy, the publication of the debt bulletin, and the monitoring of debt by SOEs. It also provided training on data analysis for the statistical bulletin, as well as on calculating concessionality for new borrowing and guarantee proposals.

Contingent Liability and Fiscal Risks

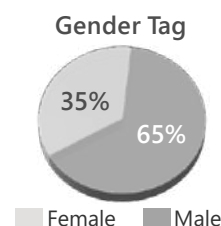
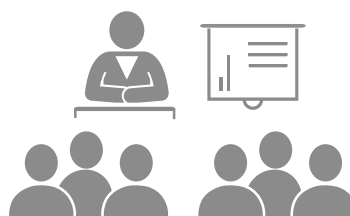
TYPE	Fiscal Risk	Credit Risk Assessment Report
COUNTRY	Sao Tome & Principe, March 3–7, 2025	Malawi, March 10–14, 2025
ORGANIZERS	World Bank	World Bank
OBJECTIVE	The mission aimed to provide technical assistance in developing a credit risk assessment for the SOEs EMAE and ENAPORT. It also focused on building institutional capacity to manage fiscal risks associated with SOEs, with particular emphasis on using the World Bank's Credit Rating Tool to assess and quantify credit risk from public corporations.	The mission objective was to provide technical assistance for the inaugural preparation of the Credit Risk Assessment Report for SOEs, building upon previous support that led to the adoption of the Guidelines for Guarantees, On-lending, and Borrowing by Public Bodies (April 2024).
HIGHLIGHTS	This TA provided support aimed at enhancing the Fiscal Risks Report by assessing credit risk associated with the SOEs EMAE and ENAPORT. As part of this effort, the mission team delivered a workshop on the World Bank's Credit Rating Tool to Assess and Quantify Credit Risk from Public Corporations, using EMAE and ENAPORT as case studies. The audience included staff from various departments within the Ministry of Finance, as well as representatives from EMAE and ENAPORT.	The mission supported the preparation of a draft report, including sections on the methodology and ESCOM. The mission also recommended the MoFEA to implement the 2024 frameworks, monitor risk limits, and integrate the credit rating process with report preparation. It should ensure timely data collection for credit and fiscal risk reporting, enforce reporting deadlines for audited financial statements, and broaden debt monitoring to include all risks.

Enhancing Strategy and Policy	
TYPE	Debt Management
COUNTRY	Congo Republic, March 24–April 4, 2025
ORGANIZERS	World Bank
OBJECTIVE	The objective of the mission was to follow up on the implementation of priority actions aimed at: (i) capturing and monitoring borrowing activities, including the resumption of the National Debt Committee’s activities, strengthening the procedures and validation process within the DMO, and publishing monthly reports on debt activities and debt service projections; (ii) strengthening the fiscal risk management framework; and (iii) improving cash management to ensure timely debt service payments and prevent the accumulation of arrears.
HIGHLIGHTS	The mission followed up on discussions regarding the implementation of the Debt Management, Cash Management, and Fiscal Risk reforms agreed upon in February 2025, as well as the Government’s plan to address liquidity pressures in the coming months. The mission also provided an update on progress toward the implementation of previous mission recommendations, including the adoption of a framework for cash management, the introduction of a validation mechanism to improve debt reporting accuracy and timelines, collaboration in the collection of SOE debt data, and the preparation of draft legal texts for the creation of the Fiscal Risk Committee and the Credit Evaluation Committee, which have been submitted to the National Debt Committee.

Training

6 Training Opportunities

365 Training Participants



Boosting Debt Transparency		
TYPE	LIC-DSF (Bilateral)	LIC-DSF (Bilateral)
COUNTRY	Mauritius, January 20–24, 2025	Djibouti, February 2–6, 2025
ORGANIZERS	World Bank and IMF	World Bank
OBJECTIVE	The main objective of the workshop was to familiarize the participants with the LIC DSF, approved by the Boards of the World Bank and IMF in September 2017 and the recent updates introduced by the Supplement to the 2018 Guidance Note on LIC-DSF released in August 2024. The workshop aimed to introduce participants to (i) the standardized forward-looking analysis of the debt and debt service dynamics under a baseline scenario and in the face of plausible shocks; (ii) the tailored stress tests and customized scenarios for climate risks assessment; (iii) the debt distress risk rating in relation to indicative country-specific debt burden thresholds; and (iv) the use of judgment to arrive at the final assessment of the risk of debt distress.	

Continued: **Boosting Debt Transparency**

PARTICIPANTS	32 Officials from French-speaking Sub-Saharan African countries including Benin, Burkina Faso, Burundi, Cameroon, CAR, Chad, Comoros, DRC, Congo Republic, Djibouti, Guinea, Madagascar, Mali, Mauritania, Niger, and Togo attended the training.	11 officials primarily from the Ministry of Budget, Ministry of Economy and Finance and Central Bank participated in the training.
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Improving Governance and Institutions

TYPE	Debt Management Performance Assessment	
COUNTRY	February, 3–7, 2025	
ORGANIZERS	World Bank and AUT	
OBJECTIVE	The objective of the five-day workshop was to focus on key areas of debt management and familiarize participants with the 2021 DeMPA methodology. At the end of the theoretical sessions, participants updated the most recent DeMPA for their country. The DeMPA self-evaluations showed good progress in data disclosure (e.g., statistical bulletins, strategies), but also highlighted persisting institutional fragmentation and suboptimal debt recording systems, which affect the quality of information (e.g., data not centralized or delayed) and the effectiveness of the decision-making process. Regional reforms (e.g., alignment of external/domestic tax treatments across countries, reform of primary dealers) are also needed to further support domestic debt issuances.	
PARTICIPANTS	16 participants from the 8 WAEMU countries: (Benin, Burkina Faso, Côte D'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo attended the training.	

Boosting Debt Transparency - Debt Related Fiscal Risk

TYPE	Debt Related Fiskcal Risk (Regional)	
COUNTRY	Japan, February 10–19, 2025	
ORGANIZERS	World Bank and JICA	
OBJECTIVE	The objective of the workshop was to help participants identify and classify the key types of debt-related fiscal risks that countries face, as well as the key characteristics of a government's exposure to these risks. In addition to providing a framework for managing these risks, the training focused on assessing and managing credit risk from public sector debt, with a particular emphasis on government guarantees and on-lending.	
PARTICIPANTS	33 representatives from Ministries of Finance of the following 29 countries: Angola, Bangladesh, Benin, Cambodia, Cameroon, Egypt, Ethiopia, Ghana, Kenya, Kyrgyz, Lao, Liberia, Madagascar, Malawi, Maldives, Mauritius, Mongolia, Mozambique, Nigeria, Pakistan, Palestine, Papua New Guinea, Rwanda, Sri Lanka, Sudan, Tanzania, Vietnam, Zambia, and Zimbabwe attended the training.	

Developing Debt Markets	
TYPE	Joint Regional Workshop on Sovereign Environmental Social and Governance Financing
COUNTRY	Senegal, February 16–24, 2025
ORGANIZERS	IMF–AFC and AFW
OBJECTIVE	The objective of the joint-regional workshop was to familiarize debt managers from AFW, AFC member countries, Rwanda and Seychelles with the process of issuing Sovereign Environmental, Social and Governance (ESG) financing and debt-for development swaps (DDS). The workshop compared ESG and conventional debt instruments, focusing on ESG's specific environmental, social, and governance objectives, which demand greater transparency and investor engagement. It emphasized integrating ESG instruments into debt strategies, considering refinancing, and meeting international market requirements. Countries shared experiences, highlighting challenges and the importance of learning from peers.
PARTICIPANTS	Forty-three (43) participants including heads of Debt Management Offices, Debt Management Units, Front Office and Middle office Sections, and Mid-career officers from 21 countries in the region were training to planning, execution and reporting issues related to ESG and DDS.

Massive Open Online Course (MOOC) Training

January 1–March 31, 2025

ORGANIZER	TRAINING ACTIVITY	OBJECTIVE	PARTICIPANTS		
			Male	Female	Total
IMF	DMDRIR	This course, presented by the Monetary and Capital Markets Department provides capacity building for debt managers on sound practices in debt management, debt reporting, and investor relations to support debt management operations and improve public debt transparency (first run of the course).	43	16	27
IMF	DDUx	This online course, presented jointly by the Institute for Capacity Development and the Fiscal Affairs Department, provides an overview of how to assess public debt dynamics under uncertainty. The course discusses how to consider public debt projections while acknowledging uncertainty about the key variables underlying these projections, such as GDP growth, interest rates, exchange rates, and primary balances.			
IMF	DIGx	This online course explains how to analyze the relationship between public investment, growth, and public debt dynamics using two dynamic structural models: the Debt, Investment, and Growth (DIG) model and the Debt, Investment, Growth, and Natural Resources (DIGNAR) model.	21	9	12
World Bank/ IMF	LIC– DSFx (English)	This online course provides an overview of the World Bank–IMF Low-Income Country Debt Sustainability Framework (LIC DSF) to help low-income countries achieve their development goals while minimizing the risk of debt distress. It also familiarizes participants with the LIC DSF tool, and the steps involved in its application. The course is offered in four languages: English, French, Spanish, and Portuguese.	24	9	15
	LIC– DSFx (French)		17	4	13
	LIC– DSFx (Spanish)		6	3	3
	LIC– DSFx (Portuguese)		1		1

ORGANIZER	TRAINING ACTIVITY	OBJECTIVE	PARTICIPANTS		
			Male	Female	Total
IMF	PPD (Arabic)	This course explains how to project the stock of public debt over time for baseline (most likely) and alternative scenarios, and how to estimate the path of fiscal adjustments necessary to reach a predetermined target level of debt. This two-module course lays out the underpinnings of public debt dynamics (i.e., the evolution of public debt over time) and explains how these concepts are applied using an easy-to-use Excel-based Public Debt Dynamics Tool (DDT).	17	6	11
	PPD (English)		29	7	22
	PPD (French)		18	16	2
	PPD (Spanish)		6	2	4
	PPD (Portuguese)		5	1	4
World Bank/ IMF	MTDS (English)	The objective of the course is to build capacity in developing and implementing a sound medium-term debt management strategy (MTDS). Officials are trained on the joint IMF-WB MTDS framework, which is useful for illustrating the cost and risk trade-offs associated with different debt management strategies and managing the risk exposure embedded in a debt portfolio, particularly the potential variation in debt servicing costs and its budgetary impact. Officials analyze these trade-offs using the MTDS analytical tool (MTDS AT) developed by the IMF and WB, considering the composition of the debt portfolio, macroeconomic indicators, market conditions, potential sources of financing, and the linkages with the broader medium-term macroeconomic framework.	18	7	11
	MTDS (French)		23	4	19
	MTDS (Spanish)		2	1	1

Note: DMDRIR= Debt Management, Debt Reporting, and Investor Relations; DDUx = Public Debt Dynamics Under Uncertainty; DIGx = Public Debt, Investment, and Growth: The DIG and DIGNAR Models; LIC- DSFx =Debt Sustainability Framework for Low Income Countries online course; PPD=Projecting Public Debt - The Public Debt Dynamics Tool; and MTDS= Medium-Term Debt Management Strategy

III. Future Debt Events

Upcoming Technical Assistance Missions, April–June, 2025

COUNTRY	ACTIVITY	NAME	DATES
Cambodia (hybrid)	National	Legal Framework	April 2025
Comoros	National	DeMPA	April 2025
Haiti (hybrid)	National	Cash Management	April 2025
Mozambique	National	DDMD	May 2025
Zambia	National	Debt Related Fiscal Risk	May 2025
Mauritania (hybrid)	National	DDMD	May 2025
Zambia	National	DDMD	May 2025
St. Lucia (virtual)	National	Legal Framework	June 2025
Burundi	National	Debt Reform Plan	June 2025
Nigeria (hybrid)	National	MTDS Design	June 2025
Bhutan (virtual)	National	Institutional Framework	June 2025

Upcoming DMF Trainings, April–June, 2025

COUNTRY	ACTIVITY	NAME	DATES
Austria-JVI	Regional	Fiscal Risk	April 2025
Japan-JICA	Regional	MTDS and ABP	April 2025
Senegal	Bilateral	LIC DSF	April 2025
AFR-Francophone	Regional	LIC DSF	April 2025
AFR- SSA	Regional	LCBM	April 2025
LAC-Caribbean	Regional	LIC DSF	May 2025
AFR-WAIFEM, Nigeria	Regional	DeMPA	May 2025
AFR-MEFMI, Zambia	Regional	LIC DSF	May 2025
AFR-WAIFEM	Regional	MTDS	June 2025
AFR-Francophone	Regional	MTDS	June 2025

IV. Debt Management Network Publications, Webinars and Blogs

PUBLICATION

Government Debt and Growth: The Role of R&D

Economic growth in the advanced economies (AEs) has been slowing down since the early 2000s, while government debt ratios have been rising. The recent surge in debt at the onset of the Covid-19 pandemic has further intensified concerns about these phenomena. This paper aims to offer insight into the high-debt low-growth environment in AEs by exploring a causal link from government debt to future growth, specifically through the impact of debt on R&D activities. Using data from manufacturing industries since the 1980s, it shows that (i) government debt leads to a decline in growth, particularly in R&D-intensive industries; (ii) the differential effect of government debt on these industries is persistent; and (iii) more developed or open financial systems tend to mitigate this negative impact. These findings contribute to our understanding of the relationship between government debt and growth in AEs, given the role of technological progress and innovation in economic growth. More details [here](#).

PUBLICATION

Do ESG Considerations Matter for Emerging Market Sovereign Spreads?

The paper aims to investigate the determinants of sovereign spreads for a panel of 79 emerging markets and development economies (EMDEs) over the period 2001-2021, with a particular focus on the role of Environmental, Social, and Governance (ESG) factors. Using panel fixed-effect regressions, our results show that improvements in ESG factors tend to reduce sovereign spreads, alongside domestic variables capturing growth, fiscal and external balances, and global factors such as U.S. interest rates and changes in global risk sentiment. In particular, we find that governance is a key factor in explaining movements in sovereign spreads, including perceptions of government effectiveness, regulatory quality, and the control of corruption. Social and environmental aspects, proxied by population purchasing power and greenhouse gas emissions, respectively, also play significant roles. Our contribution to the literature is threefold: first, we confirm the results of previous papers on the relevance of ESG in explaining emerging market spread movements; second, we delve deeper by unpacking the elements that matter most within ESG factors; and third, we construct an aggregate ESG indicator using principal components analysis to summarize its overall impact. More details are in the link [here](#).

WEBINAR

World Bank Group Guarantee Platform Support in Borrowing and Debt Swap Operations

MIGA, a member of the World Bank Group, plays a crucial role in facilitating sovereign borrowing operations by providing credit enhancements, it also houses the WBG Guarantee Platform. This webinar discussed how MIGA and the World Bank are working together to implement the World Bank Debt for Development Swap framework. The implementation of the recent Debt-for-Development Swap in Côte d'Ivoire, the first country to operationalize this framework, was discussed with country and World Bank representatives. For more detail, the recording of the webinar is available. The recording of the webinar is available [here](#).

EVENT

8th Annual Global Interdependence Center Sovereign Debt Restructuring Conference

The 8th Annual Global Interdependence Center (GIC) Sovereign Debt Restructuring Conference took place in Philadelphia on February 20, 2025. This insightful event was hosted by Drexel University and centered around global sovereign debt trends and the evolving complexities of restructuring processes. During the conference, the Economic Policy Global Department, presented the use of the LIC DSF in debt restructuring. In addition, he provided an overview of the role of the World Bank Group (WBG) in debt restructuring and how it assists countries in addressing liquidity pressures.

The conference was a good opportunity to engage with representatives from the World Bank, the IMF, investment banks, credit rating agencies, and legal advisory firms. It was an enriching experience to discuss and exchange ideas with experts from various fields who are all working towards more effective and sustainable debt restructuring solutions.

EVENT

Technical Assistance on Paraguay's Debt Strategy and Financial Solutions

An in-person World Bank mission comprising staff from EMFMD, ELCMU and TRE provided technical assistance to 28 staff from the Paraguay's Ministry of Economy and Finance to develop, approve and publish the country's Medium-Term Debt Management Strategy (MTDS) and to improve their projections of debt service payments. The MTDS is a key document for informed decision-making and proactive debt management.



The mission had three components: (i) Training on pricing and deriving detailed cash flows of financial instruments (bonds and loans); (ii) Presentation to MEF management/staff and country office staff on recent changes and innovations to IBRD financial solutions applicable to Paraguay, and discussions on how IBRD financial solutions can support Paraguay in implementing a suitable debt management strategy; and (iii) Technical assistance to MEF staff on using the joint WB-IMF MTDS Analytical Tool and discussion of specific aspects applicable to Paraguay's existing portfolio, considering the current

macro-fiscal scenario and the tradeoffs between costs and risks of different strategies. The World Bank will continue to provide support remotely to MEF until the updated MTDS is published.

NEWS

Burundi Shows Major Progress in Debt Transparency, According to Latest World Bank Heatmap

In 2020, all nine assessed dimensions—including government accountability, data quality, and accessibility—were rated red (worst score), highlighting severe deficiencies. By 2024, only one remains red, while five have advanced to green (best rating) and two to yellow (second-best). This marks a sharp improvement from 2023, when the country had three red, two green, and two yellow ratings. Key improvements include better data accessibility, enhanced accuracy and timeliness, and stronger stakeholder engagement, reflecting the government's renewed commitment to transparency. These gains are the result of sustained policy and technical assistance under the Bank's Sustainable Development Financing Program (SDFP), with support from the DMF. Reforms have led to new debt management laws, the establishment of a national debt committee, and strengthened technical support for debt reporting and strategies. A major milestone was Burundi's first-ever debt management strategy, published last year as an annex to the finance law. Additionally, the country has now maintained continuous publication of annual debt reports since 2021, reinforcing its commitment to fiscal transparency and responsible economic governance.

BLOG

Creditors are Becoming a Game Changer in the Drive for Debt Transparency

A recent blog by the World Bank highlights how creditor countries are playing a transformative role in improving global debt transparency. While borrowers have historically provided the primary data, new data-sharing initiatives with creditor nations—especially G-7 and Paris Club members—are closing critical information gaps. Starting in 2022, collaborative exercises to reconcile borrower and creditor records have dramatically improved data accuracy, reducing discrepancies to under 2% in 2021 and less than 1% in 2023.

This joint approach is strengthening the reliability of the World Bank's Debtor Reporting System (DRS), enabling more sustainable lending decisions, minimizing corruption risks, and helping prevent debt crises. The World Bank plans to expand these efforts further, promoting regular data reconciliation with more lending nations, including G-20 members, to support sound development financing. More details are in the link [here](#).

BLOG

State of the Sukuk Market and Prospects for Growth

The Sukuk market—Islamic law-compliant financial instruments akin to bonds—saw robust growth in 2024, with \$180 billion in issuance and a trajectory toward \$1 trillion in outstanding value. Major issuers included Saudi Arabia, Indonesia, and Malaysia, with standout deals such as Indonesia's 30-year green sukuk and a \$5 billion issuance from Saudi Arabia. Looking ahead, 2025 growth will hinge on expanding sukuk's appeal beyond traditional markets in the Gulf and Southeast Asia. Attracting more conventional institutional investors is key, especially by framing sukuk as standard fixed-income assets.

A major catalyst could be Green Sukuk, which now make up about 10 percent of the sukuk market. These instruments align ethical investment principles with financial returns, echoing the green bond market. The release of joint sustainability guidance by the Islamic Development Bank, ICMA, and the London Stock Exchange in 2024 may help bridge the gap between sukuk and mainstream ESG investing—a shift dubbed the "Tofu Hamburger" effect, where familiar frameworks make sukuk more accessible to global investors. With enhanced standardization and increasing environmental alignment, green sukuk could drive the next wave of market expansion in 2025 and beyond. More details are in the link [here](#).

DMF III Donors

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Norway - Ministry of Foreign Affairs
Switzerland - State Secretariat for Economic Affairs - SECO
United States of America - Department of the Treasury

Newsletter, January–March 2025

The DMF Newsletter is published quarterly by the DMF Secretariat. The newsletter is distributed to debt management practitioners from developing countries, donors, DMF implementing partners, civil society organizations and private sector firms. The newsletter aims to share DMF work plans, lessons learned, and news and developments related to debt management.



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