

I. Feature Stories: Takeaways from IMF-World Bank 2025 Annual Meetings

Debt, AI and geopolitical division



World Bank Group President Ajay Banga.
Photo: Tolani Alli/World Bank

World Bank President Ajay Banga called for a “new culture of transparency” in debt restructuring and for faster, more efficient disbursement of development finance. Civil society groups echoed that message, noting the cost to public services when governments are forced to prioritize debt repayment over health and education.



Kristalina Georgieva, Managing Director, International Monetary Fund. Photo: Tolani Alli/World Bank

The 2025 IMF–World Bank Fall Meetings highlighted a global economy transitioning from crisis management to operating under persistent uncertainty. Discussions centered on rising debt vulnerabilities, increasing economic fragmentation, and the need to reinforce institutional credibility in a more complex geopolitical environment.

Debt transparency and reform were central themes of the Fall Meetings, reflecting the urgency of strengthening fiscal accountability and sustainability.

At the same time, rising trade tensions and technological risks—ranging from U.S.–China frictions to the challenges posed by unregulated artificial intelligence—underscored how economic security is increasingly shaping global growth trajectories. Artificial intelligence and digital innovation featured prominently, not just as future considerations but as immediate risks. IMF Managing Director Kristalina Georgieva warned that most countries still lack the regulatory and ethical foundations needed to govern AI effectively.

Across these discussions, credibility emerged as a defining concern, with global institutions facing mounting pressure to deliver tangible results and maintain trust in an increasingly fragmented international landscape. For many leaders, credibility will hinge on proof of delivery, from faster climate finance to debt relief and fairer growth. The path to renewed trust lies in showing progress that people can see and feel. Further details here: [Debt and division: The 2025 IMF-World Bank fall meetings | World Economic Forum.](#)

IN THIS ISSUE

Takeaways from IMF–World Bank 2025 Annual Meetings

Strengthening Debt Management Capacity through Annual Borrowing Plan Training

Technical Assistance and Training

Future Debt Events

Debt Management Network Publications, Webinars & Blogs

II. Strengthening Debt Management Capacity through Annual Borrowing Plan Training

Many countries have made significant progress in developing Medium-Term Debt Management Strategies (MTDS). Turning these strategies into concrete borrowing operations requires detailed planning through Annual Borrowing Plans (ABPs). To support this transition, the World Bank and IMF, in collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), organized a regional training workshop in Nairobi, Kenya from November 17-21, 2025 to build practical skills in preparing and implementing ABPs.



The workshop brought together 40 officials from 12 MEFMI member countries, including officials from the ministries of finance, central banks, and stock exchanges. Participants represented institutions responsible for managing government borrowing, conducting debt sustainability analysis, preparing medium-term debt strategies, and developing domestic debt markets.

Using the Annual Borrowing Plan Tool (ABPT) developed by the World Bank and IMF, participants worked in teams to construct borrowing scenarios and develop government securities auction

calendars. The hands-on approach provided participants with practical experience in identifying refinancing risks, assessing financing assumptions, and detecting potential funding gaps. The diverse representation of participants enriched the workshop with peer learning and shared experiences on the challenges of managing public debt in different country contexts.

III. DMF Technical Assistance and Training

Technical Assistance

Improving Governance and Institutions		
TYPE	MTDS	MTDS and DMO Organization
COUNTRY	Fiji, October 5–15, 2025	Samoa, October 16–17, 2025
ORGANIZERS	World Bank and IMF	World Bank and IMF
OBJECTIVE	The objective of the mission was to enhance capacity in developing a Medium-Term Debt Management Strategy (MTDS) among counterparts at the PDMU/MoF and relevant stakeholders at the Reserve Bank of Fiji, the Budget Department, and the Fiscal Unit of the Ministry of Finance.	The objective of the mission was to support the DMD/MoF in implementing reforms and strengthening capacity in identified priority areas. These included updating the MTDS, sharing international experience on the institutional organization of Debt Management Offices, and improving credit risk assessment of beneficiary institutions requesting government guarantees or on-lending from the central government.

Technical Assistance Continued:

<p>HIGHLIGHTS</p>	<p>The mission supported the authorities in updating the Debt Management Strategy (DMS), ahead of the upcoming fiscal year and the passage of the budget law. During the mission, four illustrative debt management strategies were simulated and refined, helping stakeholders better understand the relevance of the DMS, its linkages with macroeconomic policies, and each institution’s role in the process. The mission emphasized the importance of updating the strategy annually.</p>	<p>The mission discussed on reviewing the DMD’s current institutional arrangements, identifying staffing needs to ensure full operationalization, and sharing international experience on the organization of Debt Management Offices. The mission also introduced the World Bank’s Credit Rating Stylized Analytical Tool and discussed its potential application in assessing requests for government guarantees and on-lending, as well as supporting the monitoring and management of fiscal risks.</p>
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<p>Enhancing Strategy and Policy</p>	
<p>TYPE</p>	<p>MTDS</p>
<p>COUNTRY</p>	<p>Djibouti, October 19–23, 2025</p>
<p>ORGANIZERS</p>	<p>World Bank, IMF and UNCTAD</p>
<p>OBJECTIVE</p>	<p>The objective of the mission was to support the authorities in developing their first Medium-Term Debt Management Strategy (MTDS) for the period 2026–2028.</p>
<p>HIGHLIGHTS</p>	<p>The mission provided combined technical presentations, data diagnostics, practical exercises, and scenario modeling using the MTDS Analytical Tool developed by the World Bank and the IMF.</p>

<p>Boosting Debt Transparency</p>	
<p>TYPE</p>	<p>SOE Fiscal Risk</p>
<p>COUNTRY</p>	<p>Zambia, October 13–17, 2025</p>
<p>ORGANIZERS</p>	<p>World Bank</p>
<p>OBJECTIVE</p>	<p>The objective of the mission was to support the Ministry of Finance and National Planning in preparing and publishing a credit risk assessment framework to govern the evaluation, issuance, recording, and monitoring of loans, guarantees, and borrowing authorizations.</p>
<p>HIGHLIGHTS</p>	<p>The mission delivered presentations and provided guidance for drafting the credit risk framework. Specifically, the mission: (i) provided technical guidance and inputs to draft a credit risk assessment (CRA) framework governing the evaluation, issuance, recording, and monitoring of loans and sovereign guarantees; (ii) established practical methodologies and tools to assess credit risk across public entities, including SOEs, financial institutions, insurance companies, local authorities, and other public bodies; and (iii) prepared the groundwork for the issuance of a Ministerial circular and publication of the Framework by end-October 2025, in line with the Development Policy Operation (DPO) prior action.</p>

Developing Debt Markets

TYPE	LCBM
COUNTRY	Honduras, November 10–19, 2025
ORGANIZERS	World Bank and IMF
OBJECTIVE	The objective of the mission was to undertake a comprehensive diagnosis of the local currency bond market (LCBM) using a standardized World Bank–IMF methodology. The mission team assessed the enabling conditions for LCBM development and evaluated six key building blocks required for a well-functioning market.
HIGHLIGHTS	The mission provided a detailed, sequenced action plan with timelines and reform priorities aimed at improving the functioning of the government bond market. Preliminary findings were presented in a wrap-up meeting with representatives from SEFIN and BCH at the conclusion of the mission.

Enhancing Strategy and Policy

TYPE	Debt Management Reform Plan and Fiscal Risk
COUNTRY	DRC, November 17–21, 2025
ORGANIZERS	World Bank
OBJECTIVE	The mission aimed to assess progress under the Debt Management Reform Plan and prepare the 2026 Reform Plan Log Frame, while providing technical assistance to establish a regulatory and institutional framework for managing fiscal risks related to SOE and SNG debt and contingent liabilities.
HIGHLIGHTS	The mission supported key debt management reforms, including DGDP restructuring, stronger coordination among debt institutions, and the development of a fiscal risk management framework covering SOEs and subnational governments. It also reviewed draft regulations on borrowing authorization, guarantees, and on-lending, and highlighted the need for strong political ownership, coordination, and continued technical assistance to implement the 2026 reform plan.

Boosting Debt Transparency

TYPE	SOE Fiscal Risk
COUNTRY	Suriname, December 8–12, 2025
ORGANIZERS	World Bank
OBJECTIVE	The mission aims to support implementation of Suriname's FY26 PPAs by conducting a workshop on preparing an SOE credit risk assessment report, discussing the design and timeline for a Fiscal Risk Statement, reviewing progress on tax reforms and related technical assistance needs, introducing the 2025 CPIA process, and presenting potential World Bank Treasury support for managing market risks.
HIGHLIGHTS	The mission supported the SDMO in preparing a draft SOE credit risk assessment report and agreed with the authorities on two FY26 PPAs to institutionalize the SOE credit risk report and develop a Fiscal Risk Statement. It also discussed ongoing tax administration reforms, CPIA-related capacity needs, and potential technical assistance on financial market risk management.

Enhancing Strategy and Policy

TYPE	Annual Borrowing Plan (ABP)
COUNTRY	Sri Lanka, December 8–12, 2025
ORGANIZERS	World Bank and IMF
OBJECTIVE	The objectives of the mission was to provide hands-on training and technical guidance on formulating an Annual Borrowing Plan (ABP) and a domestic issuance calendar, ensuring alignment with the Debt Management Strategy (DMS), intra-year cash needs, market development objectives, and demand constraints.
HIGHLIGHTS	The mission supported the operationalization of Sri Lanka's Public Debt Management Office (PDMO), including the transfer of key functions such as MTDS preparation, investor relations, and government securities auctions. It also assisted the PDMO in preparing the 2026 Annual Borrowing Plan and domestic auction calendar, and discussed liability management operations and initiatives to support domestic market development.

Enhancing Strategy and Policy

TYPE	Debt and Cash Management
COUNTRY	Zambia, October 6–10, 2025
ORGANIZERS	IMF
OBJECTIVE	The mission aimed to support the Ministry of Finance and National Planning (MoFNP) in strengthening coordination between debt and cash management functions. It focused on operationalizing the Cash Management Unit (CMU), enhancing coordination with the Debt Management Office (DMO), and building capacity through targeted training on cash flow forecasting, active cash management, and aligning borrowing plans with liquidity projections based on international best practices.
HIGHLIGHTS	The mission supported the Ministry of Finance and National Planning in strengthening coordination between debt and cash management functions and advancing the operationalization of the Cash Management Unit (CMU). It included targeted workshops reaching 24 officials from key institutions—including the DMO, CMU, Budget Office, Office of the Accountant General, Bank of Zambia, Zambia Revenue Authority, and several line ministries—focusing on cash flow forecasting, active cash management, and aligning borrowing plans with liquidity projections.

Enhancing Strategy and Policy

TYPE	Cash Management, TSA Reforms and Public Accounting
COUNTRY	Haiti, November 12–25, 2025
ORGANIZERS	IMF
OBJECTIVE	The mission aimed to support the Haitian authorities in advancing the implementation of the medium-term action plan on Cash Management, Treasury Single Account (TSA) reforms, and Public Accounting developed in June 2024. It also sought to strengthen institutional capacity through a five-day training course for 25 officials and provide technical tools to facilitate effective implementation of the reform agenda.
HIGHLIGHTS	Despite the difficult security situation and the departure of many civil servants, the Ministry of Finance has remained committed to advancing reforms. The updated action plan focuses on priority measures over the next 18 months to strengthen cash management and expand the Treasury Single Account (TSA), including improved cash planning, updated agreements with the Central Bank, and consolidation of public accounts.

Enhancing Strategy and Policy

TYPE	Fundamentals in Debt Management - Debt Portfolio Risk Management
COUNTRY	Republic of Congo, November 17–21, 2025
ORGANIZERS	IMF and AFRITAC Central
OBJECTIVE	The mission aimed to strengthen the capacity of staff from the Caisse Congolaise d'Amortissement (CCA), the General Directorate of Treasury, the General Directorate of Economy and Planning, and the Central Bank in key aspects of public debt management. It delivered a one-week training covering core concepts, including public debt instruments, institutional arrangements for debt management, and financial analysis of the debt portfolio with a focus on cost and risk indicators.
HIGHLIGHTS	The mission delivered targeted training to strengthen coordination between debt and cash management functions and support the operationalization of the Cash Management Unit (CMU). The training covered public debt instruments and financial mathematics, debt portfolio risk and cost indicators, and the key steps in preparing the Medium-Term Debt Management Strategy (MTDS). Discussions also emphasized the importance of strong governance, coordination between debt and fiscal policies, and effective investor relations. The mission engaged with participants on challenges related to the institutional framework, debt recording and reporting, and encouraged the authorities to strengthen debt transparency and improve data management processes.

Boosting Debt Transparency

TYPE	Enhancing Backoffice Operations and Debt Reporting
COUNTRY	Chad, November 24–December 5, 2025
ORGANIZERS	IMF and AFRITAC Central
OBJECTIVE	The mission aimed to assess and strengthen the capacity of the Debt Management Office (DMO) staff in debt recording, reporting, and back-office operations. It also supported the authorities in meeting the structural benchmark under the current Fund-supported program on the publication of consolidated debt statistics.
HIGHLIGHTS	The mission identified significant institutional fragmentation affecting the flow and consolidation of debt data, despite existing coordination mechanisms through ETAVID and CONAD. Debt management operations remain heavily reliant on manual processes, contributing to delays in the publication of debt reports. The mission emphasized the urgent need to rehabilitate SYGADE as the primary debt management system and highlighted the institutional instability of the Debt Directorate as a key challenge to improving debt recording, reporting, and coordination.

Enhancing Strategy and Policy

TYPE	MTDS Implementation
COUNTRY	Republic of Congo, December 1–12, 2025
ORGANIZERS	IMF
OBJECTIVE	The mission aimed to strengthen participants' capacity in public debt analysis and sustainability assessment through a two-week workshop led by ICD, in collaboration with FAD and MCM. The training focused on public debt projections using the Public Debt Dynamics Tool (DDT), assessing fiscal risks, designing debt management strategies, and applying Debt Sustainability Analysis (DSA) frameworks tailored to AFC country contexts.
HIGHLIGHTS	The mission delivered a hands-on course on the Debt Dynamics Tool (DDT) to AFC member countries, many of which are under IMF-supported programs and face refinancing challenges. Participants applied their country data to conduct baseline debt projections, scenario analyses—including natural disaster shocks—gross financing needs assessments, and fiscal adjustment paths to achieve debt targets. The training strengthened participants' capacity to defend macroeconomic assumptions in debt sustainability discussions with IMF country teams, supported by joint contributions from ICD, FAD, and MCM experts.

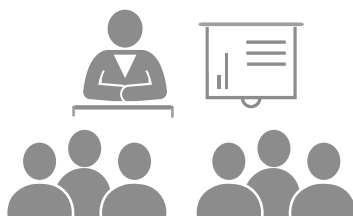
Developing Debt Markets

TYPE	Restarting the Domestic Bond Market
COUNTRY	Ghana, November 17–26, 2025
ORGANIZERS	IMF
OBJECTIVE	The mission aimed to follow up on the recommendations of the June 2025 IMF mission and support the authorities' efforts to restart the domestic government bond market.
HIGHLIGHTS	The mission strengthened the DMO's capacity in debt recording, reporting, and back-office operations and supported progress toward publishing consolidated debt statistics. It also advised the authorities on meeting the 2026 Net Domestic Financing targets through the MTDS and ABP and recommended strengthening debt management practices, including building sinking fund buffers, maintaining cash reserves, and reforming Sinking Fund governance.

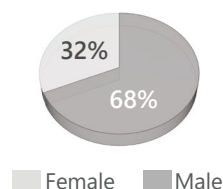
Training

5 Training Opportunities

98 Training Participants



Gender Tag



Enhancing Strategy and Policy		
TYPE	ABP- Regional	ABP Regional
COUNTRY	Senegal, October 27–31, 2025	Kenya, November 17–21, 2025
ORGANIZERS	World Bank and Umo Titres	World Bank, IMF and MEFMI
OBJECTIVE	The workshop aimed to build capacity in designing and implementing an Annual Borrowing Plan (ABP) using the tool developed by the World Bank and the IMF. Participants learned how to prepare an ABP aligned with the MTDS and develop a domestic issuance calendar. It was the fourth and final in-person session of the annual debt management course delivered with UT and provided an opportunity to discuss recent regional debt developments.	The mission provided hands-on training on the use of the Annual Borrowing Plan (ABP) tool to support the implementation of the Debt Management Strategy (DMS). Participants worked in teams to populate the ABP Tool (ABPT) and develop auction calendars, gaining practical experience in aligning borrowing operations with DMS objectives while engaging in peer learning and sharing country experiences.
PARTICIPANTS	14 participants from the debt offices/treasuries of the 8 WAEMU countries (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo) attended the workshop.	40 officials from twelve MEFMI member countries (Eswatini, Kenya, Malawi, Lesotho, Maseru, Mozambique, Namibia, South Sudan, Tanzania, Uganda, Zambia, and Zimbabwe) attended the workshop.

Boosting Debt Transparency		
TYPE	LIC DSF (Bilateral)	
COUNTRY	Somalia, October 27–November 9, 2025	
ORGANIZERS	World Bank and IMF	
OBJECTIVE	The objective of the workshop was to familiarize participants with the Low-Income Country Debt Sustainability Framework (LIC DSF), approved by the Boards of the World Bank and IMF in September 2017, as well as the updates introduced in the Supplement to the 2018 Guidance Note released in August 2024. The training aimed to strengthen the authorities' capacity to use the LIC DSF analytical tool and promote greater ownership of the debt sustainability analysis process.	
PARTICIPANTS	Eight officials from the Ministry of Finance, the Central Bank, and the Debt Management Unit of Somalia participated the training that was delivered in Kenya.	

Boosting Debt Transparency	
TYPE	SOEs Fiscal Risks (Regional)
COUNTRY	Austria, Joint Vienna Institute, November 17–21, 2025
ORGANIZERS	JVI and IMF
OBJECTIVE	The course aimed to strengthen participants' capacity to assess the impact of SOEs' financial performance on the state budget, improve management of SOE-related fiscal risks, and enhance financial oversight by ministries of finance and other entities responsible for SOE governance.
PARTICIPANTS	13 participants from DMF eligible countries, (Armenia, Azerbaijan, Bosnia-Herzegovina, Georgia, Kosovo, Kyrgyz Rep., Moldova and Tajikistan). Course also included participants from non-DMF countries.

Enhancing Strategy and Policy	
TYPE	Cash Management, TSA Reforms and Public Accounting
COUNTRY	Haiti, November 12–25, 2025
ORGANIZERS	IMF
OBJECTIVE	The objective of the training was to strengthen the capacity of Haitian officials through a five day session on public accounting, cash management, and the Treasury Single Account (TSA). The training also provided technical tools to support the authorities in implementing the medium-term action plan on cash management, TSA, and public accounting reforms developed in June 2024.
PARTICIPANTS	23 government officials from the different department participated the training.

IV. Future Debt Events

Upcoming Technical Assistance Missions, January–March, 2026

COUNTRY	ACTIVITY	NAME	DATES
Bhutan	National	DeMPA or Fiscal Risk	January 2026
Senegal	National	DeMPA	January 2026
Sierra Leone	National	Reform Plan	January 2026
Sri Lanka	National	Developing Debt Market	January 2026
Madagascar	National	Reform Plan and Debt Swap for Dev't	February 2026
Kenya	National	Reform Plan	February 2026
Suriname	National	Fiscal Risk Statement	February 2026

Upcoming DMF Trainings, January–March, 2026

COUNTRY	ACTIVITY	NAME	DATES
Mauritius	Regional	Debt Reporting and Monitoring	February 2026

V. Debt Management Network Publications, Webinars and Blogs

WEBINAR

Subnational Fiscal Risk Management: Alternatives for Credit Risk Assessment

While there have been significant improvements in debt reporting in recent years, major debt transparency deficiencies continue to plague many developing countries. Several governments have turned to off-budget and complex borrowing arrangements in response to tighter financing conditions, making it more difficult to fully assess public debt exposures. This webinar discussed findings from the World Bank's new report, *Radical Debt Transparency*, which discusses debt reporting trends and highlights the challenges posed by opaque financing mechanisms such as private placements, central bank swaps, and collateralized transactions. The session explored the report's recommendations for a fundamental shift in debt reporting and disclosure practices, including broader coverage and loan-by-loan reporting. The webinar also discussed new debt transparency initiatives and efforts undertaken by DMOs including the case of Seirra Leone Public debt Management experience. For more detail, the recording of the webinar is available [here](#).

EVENT

World Bank and ADB Launch First Projects Under Full Mutual Reliance Framework

The World Bank Group and the Asian Development Bank (ADB) jointly announced the first projects to be delivered under their innovative Full Mutual Reliance Framework (FMRF) — a landmark partnership designed to streamline development financing and enhance impact in client countries. Under this new model, borrowing countries work with a single lead lender — either the World Bank or ADB — which then manages all aspects of project design, preparation, supervision, and evaluation. This approach eliminates duplication, simplifies procedures, and aims to accelerate implementation while maintaining high policy and safeguard standards.



World Bank Group President Ajay Banga and ADB President Masato Kanda at the Announcement of the First Projects Under the ADB-World Bank Full Mutual Reliance Framework

The inaugural projects under the framework are focused on the Pacific region:

Pacific Healthy Islands Transformation (PHIT): A regional health initiative led by the World Bank to modernize primary care networks and expand access to treatment for non-communicable diseases, marking the Bank's largest operation in the Pacific to date.

Tonga Sustainable Economic Corridors and Urban Resilience (SECURE): An ADB-led investment to upgrade transport, urban drainage, and disaster-resilient infrastructure — the largest development partner-financed project in Tonga's history.

World Bank Group President Ajay Banga and ADB President Masato Kanda highlighted that the framework responds to client demand for simpler, faster, and more effective development finance, and sets a new precedent for cooperation between multilateral development banks.

This first operationalization of the FMRF signals a step toward deeper MDB collaboration and points to broader future applications across Asia and the Pacific. More details are in the link [here](#).

PUBLICATION

IMF–World Bank Policy Paper: Debt Vulnerabilities in Low-Income Countries

A joint IMF–World Bank policy paper examines recent trends in public debt vulnerabilities across low-income countries (LICs), highlighting ongoing risks and financing challenges despite efforts to stabilize debt after the COVID-19 shock.

The report shows that debt levels in many LICs remain elevated and fiscal space is constrained. Although pandemic-related deficits have narrowed and some fiscal consolidation has occurred, public debt ratios on average remain above pre-pandemic peaks and projected gross financing needs are nearly double what they were a decade ago, driven by high interest costs and elevated debt service burdens.

A key theme is the growing importance — and vulnerability — of domestic debt. Public domestic debt in LICs more than doubled between 2014 and 2024, with a rising share of countries issuing debt through local markets. While domestic financing has helped countries respond to shocks and reduce exchange-rate risks, it also raises rollover risks and strengthens sovereign–bank linkages that can amplify financial strains.

The paper also highlights that although some LICs have improved primary balances, liquidity risks have grown, and refinancing needs remain high. External refinancing requirements are projected to average around US\$40 billion annually through 2028, exceeding pre-COVID flows and complicating external financing.

The authors emphasize the need for strengthened debt management, enhanced debt transparency, and continued fiscal discipline, along with improved domestic resource mobilization and sustainable financing, to mitigate the risk that liquidity pressures evolve into broader solvency problems. More details available [here](#).



PUBLICATION

IMF Policy Paper: Strengthening Sovereign Debt Architecture in a More Complex Creditor Landscape

A new IMF policy paper examines the evolving challenges in sovereign debt restructuring and the adequacy of the current international debt architecture. The report highlights that while progress has been made in recent restructuring cases, debt resolution processes remain slow, fragmented, and increasingly complex due to the changing creditor landscape.

Private creditors now hold a much larger share of developing country debt, while traditional Paris Club lenders represent a smaller portion of claims. This dispersion of creditors has complicated coordination, prolonged negotiations, and delayed debt treatments under mechanisms such as the G20 Common Framework. As a result, countries in distress often face extended periods of uncertainty, which weigh on investment, growth, and social spending.

The paper underscores three priority areas for reform: (i) Improving coordination and predictability in restructuring processes, particularly among official bilateral and private creditors, (ii) Strengthening transparency and data sharing, including comprehensive and timely disclosure of debt and contingent liabilities; and (iii) Enhancing early engagement and surveillance, so that vulnerabilities are addressed before they escalate into full-blown crises.

The report stresses that faster and more orderly debt treatments are critical not only for restoring sustainability, but also for safeguarding development outcomes. A more modernized and responsive sovereign debt framework will require continued collaboration among debtor countries, official creditors, private investors, and international financial institutions.

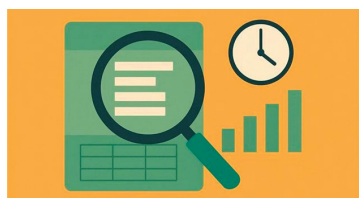
The central message is clear: without reforms to improve efficiency, transparency, and coordination, the global debt resolution system risks falling further behind the realities of today's financing landscape. More details are in the link [here](#).



BLOG

What makes debt data transparent? Standards, coverage, and timely reporting

A recent World Bank blog underscores that debt transparency extends beyond data publication—it requires alignment with international statistical standards, comprehensive institutional coverage, and timely reporting. First, transparency depends on the consistent application of internationally recognized frameworks such as the IMF's Government Finance Statistics Manual (GFSM 2014) and the Public Sector Debt Statistics Guide (PSDSG). These standards ensure harmonized definitions of debt instruments, sectoral classifications, and reporting methodologies, enabling cross-country comparability and robust macro-fiscal analysis.



Second, comprehensive coverage is critical. Transparent reporting should extend beyond central government debt to encompass the broader public sector, including subnational governments, extra-budgetary entities, state-owned enterprises, and publicly guaranteed debt. Incomplete institutional coverage can obscure contingent liabilities and fiscal risks, undermining debt sustainability assessments (DSAs) and medium-term fiscal frameworks.

Third, timeliness and frequency of reporting are essential for effective risk monitoring. Reducing reporting lags enhances market confidence, strengthens surveillance, and supports proactive debt management—particularly in high-debt and vulnerable countries. Improving debt data transparency is therefore fundamental to credible fiscal policy, sound risk assessment, and informed policy dialogue. Continued efforts to strengthen statistical capacity and align reporting practices with international standards remain central to sustainable development finance and effective macroeconomic management. More details are in the link [here](#).

BLOG

Behind the scenes: How we work with creditors on debt transparency

A recent World Bank analysis uncovers a striking and concerning link between high external debt burdens and limited access to affordable, nutritious diets in developing countries. Countries with external debt exceeding roughly 200 % of exports tend to have significantly larger shares of their populations unable to afford a healthy diet, compared with peers with lower debt levels. In the 22 countries above this threshold, an average of 56 % of people cannot afford a healthy diet, versus 42 % across 90 low- and lower-middle-income countries overall — highlighting how debt pressures coincide with nutrition insecurity.



Importantly, this connection does not operate in isolation. Heavily indebted countries often face greater vulnerability to economic, climate, and social shocks, compounding challenges in securing food and nutrition and weakening resilience. The analysis emphasizes that debt pressures intersect with broader development risks — such as food affordability and systemic fragilities — and that understanding these intersections can help pinpoint where vulnerabilities are accumulating and where support is most needed. More details available [here](#).

BLOG

Putting debt-strapped countries on a sustainable path

A paradox is emerging across developing economies. While inflation is easing and global financial conditions have modestly improved, the structural damage from the shocks of the early 2020s remains profound.

Between 2022 and 2024, developing countries experienced a net outflow of \$741 billion in debt repayments and interest—the largest debt-related outflow in more than five decades. In 2024 alone, they paid a record \$415 billion in interest, as total external debt climbed to \$8.9 trillion, including \$1.2 trillion owed by IDA-eligible countries. These rising debt service costs continue to crowd out critical spending on health, education, and infrastructure.

There has been some progress. Debt burdens are growing more slowly, and creditors agreed to restructure \$90 billion in developing country debt in 2024—the highest amount since 2010. Countries such as Ghana, Haiti, Somalia, and Sri Lanka secured restructuring agreements that significantly reduced long-term external debt. However, systemic vulnerabilities persist.

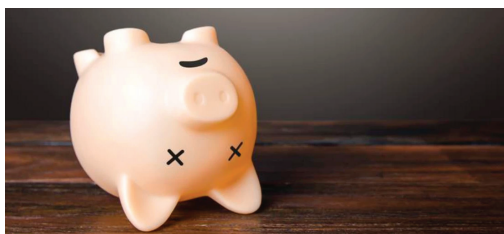


Photo: Andrii Yalanskyi/Shutterstock

The creditor landscape has fundamentally shifted. Private bondholders now hold nearly 60 percent of long-term public and publicly guaranteed external debt, while Paris Club creditors account for only a small share. This dispersion of creditors has made restructurings more complex and time-consuming. At the same time, many countries have turned increasingly to domestic borrowing, raising refinancing risks and crowding out private sector credit.

Although market access improved in 2024, borrowing costs remain elevated—in some cases reaching 10 percent, roughly double pre-2020 levels. For many countries, this creates a difficult trade-off: borrow at high cost externally or rely heavily on domestic banks, potentially weakening private sector growth.

The message is clear: the current easing in financial conditions offers temporary breathing room, not a lasting solution. Strengthening debt transparency, modernizing risk-monitoring frameworks, enhancing debt management capacity, and ensuring timely and coordinated debt treatments remain essential. Without sustained reforms, short-term relief could give way to renewed debt distress—with significant economic and human costs. More details are in the link [here](#).

BLOG

International Debt Report 2025: When relief isn't enough—LMICs face their largest external debt outflows in 50 years

Global financial conditions are beginning to improve for low- and middle-income countries (LMICs), with inflation receding and international bond markets gradually reopening. However, the International Debt Report 2025 makes clear that this relief remains fragile and insufficient to offset the severe financial pressures of recent years.

Between 2022 and 2024, LMICs paid \$741 billion more in external debt service than they received in new financing—the largest net outflow in over 50 years. In 2024, total external debt reached \$8.9 trillion, including \$1.2 trillion owed by IDA-eligible countries. Although debt growth slowed to just 1.1 percent, external interest payments hit record highs for the second consecutive year, continuing to strain fiscal space.

Debt restructuring activity increased in 2024, reaching its highest level since 2010, with several countries securing meaningful reductions in long-term debt. At the same time, financing patterns shifted. Bilateral lending declined sharply, private bank flows contracted, and bondholders and multilateral institutions accounted for the bulk of net inflows. The World Bank provided record net positive financing, reinforcing its countercyclical role.

Domestic borrowing also rose in many LMICs, raising concerns about refinancing risks and potential crowding out of private investment.

The report's central message is clear: while financial pressures have eased at the margin, debt service burdens remain historically high. Strengthened debt management, improved transparency, and coordinated international action remain critical to translating temporary relief into lasting sustainability. More details are in the link [here](#).



BLOG

There is another way: Reducing debt while creating jobs in Kenya

Kenya's Public Finance Review highlights that rising debt and shrinking fiscal space are symptoms of deeper structural challenges. Public debt has reached nearly 68 percent of GDP, with interest payments consuming over a third of government revenue. At the same time, tax collections have declined as a share of GDP, limiting the government's ability to invest in infrastructure, education, and health. Productivity growth has stagnated, job creation remains concentrated in low-productivity sectors, and real wages have fallen by more than 13 percent since 2019.

The Review argues that fiscal consolidation need not come at the expense of growth. Instead, fiscal policy should be used strategically to restore stability while promoting private sector dynamism and job creation. Five reform priorities stand out: strengthening governance and reducing leakages; simplifying and rationalizing the tax system; addressing fiscal risks from state-owned enterprises; retargeting subsidies and exemptions; and unlocking the growth potential of Kenya's cities through improved urban fiscal policy.



Photo: Ken Mwaura / World Bank

With proper sequencing and institutionalization, these reforms could reduce debt to around 44 percent of GDP by 2035 while accelerating growth and improving wages. The message is clear: fiscal reform can restore confidence and create opportunities for Kenya's youth and private sector alike. More details are in the link [here](#).

BLOG

Sub-Saharan Africa: Steady Growth Amid Fiscal Challenges

A recent blog from the International Monetary Fund highlights that Sub-Saharan Africa's economic outlook is stabilizing, with growth projected to remain steady as inflation eases and external conditions improve. Stronger commodity exports and recovering private demand are supporting activity in several countries, although the recovery remains uneven across the region.



At a market in Abidjan, Cote d'Ivoire
Photo: IMF

Despite this progress, fiscal challenges persist. Public debt levels remain elevated following recent global shocks, and high interest costs continue to strain government budgets. In many countries, debt service absorbs a significant share of revenues, limiting fiscal space for critical investments in infrastructure, health, education, and social protection. The IMF underscores the importance of maintaining a careful balance between supporting growth and restoring fiscal sustainability. Key policy priorities include strengthening domestic revenue mobilization, improving the efficiency and targeting of public spending, enhancing debt transparency, and safeguarding social programs for vulnerable populations.

The message is clear: while economic conditions are gradually improving, sustained reform efforts and prudent fiscal management are essential to secure long-term resilience and inclusive growth across Sub-Saharan Africa. More details are in the link [here](#).

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