

## **Major duties and Responsibilities of Debt Management Directorate**

Debt management is the process of establishing and executing a strategy for managing the government's debt in order to raise the required amount of funding at the lowest possible cost over the medium to long run, consistent with prudent degree of risk. Debt management should seek to ensure that both the level and rate of growth in the public sector debt are on a sustainable path and that the debt can be serviced under a wide range of circumstances and debt management main concerns is that public sector indebtedness remains on a sustainable path. Maintaining a well structured debt portfolio , in terms of maturity, currency, or interest rate composition and the magnitude of contingent liabilities is also the concern of the debt management.

The Debt Management Directorate is responsible for Managing the total Public Sector Debt of the country. In this regard the Directorate will prepare and Coordinate, the formulation and implementation of The Medium Term Debt Strategy that enable to achieve the desired level of Public Debt Composition. Undertakes annual Debt Sustainability Analysis in order to check whether the magnitude of the Public debt is within the repayment and solvency capacity of the country .It also makes a regular portfolio and risk analysis to analyze the existing debt and the impact of new borrowing on the existing debt portfolio.

Furthermore it comments on loan terms and participate in new loan negotiations, it initiate and renegotiate debt rescheduling and debt relief with potential creditors. In addition the directorate is responsible for timely effecting Central/Federal government debt service for both the External and Domestic debt, to manage On-lent loans and follow up the collection of on lent loans proceeds, monitors disbursements.

The Directorate is also responsible to maintain a comprehensive, timely and accurate total public debt data of the country which includes both External and Domestic debt of Central government, Government Guaranteed and non-government guaranteed debt.

The Major duties and responsibilities includes:-

- To coordinate the formulation and implementation of Medium term debt strategy to achieve desired composition of debt portfolio with a desired level of cost-risk trade-off
- To coordinate the preparation of debt sustainability analysis and assess the long-term sustainability of existing debt and projected borrowing levels
- Prepare and Disseminate Quarterly Public Sector Debt Statistical Bulletin and annual Debt Portfolio Analysis.
- Providing statistical and analytical reports on public debt to various stakeholders for periodic economic and financial studies.

- Undertaking portfolio analysis to assess future debt service obligations problems and propose action that should be taken to overcome them;
- Preparation of various reports to Credit Rating Agencies, Investor relation , World Bank, IMF and Other Development partner. There are also regular discussions with these development partners
- Coordinating with Directorates within Ministry of Finance and Central Bank for effective debt management.
- Making recommendations for debt restructuring when necessary and initiate and Participate on Debt relief negotiation.
- Comments on financing agreements and participate in loan negotiation.
- Prepare debt service forecasts for external and domestic borrowing of the public Sector as an input to the balance of payments forecasts and to the expenditure estimates of the fiscal budget.
- Reconcile all debt transactions with stakeholders.
- Ensure timely and accurate debt service payment for Central/Federal Government debt and record all the required data in the debt management information system.
- Monitor the implementation of External and Domestic Debt loan agreements and disbursement and record all the required data in the debt management information system.
- Administer and Monitor on-lending agreements, Disbursements and follow up the collection of on lent loans repayment to the Government and record all the required data in the debt management information system.
- Monitor disbursements and repayments of government guaranteed and non-guaranteed debt of state owned enterprise and record all the required data in the debt management information system.
- Manage Debt Management Financial and Information systems and maintain an accurate and up-to-date Total Public sector Debt database.