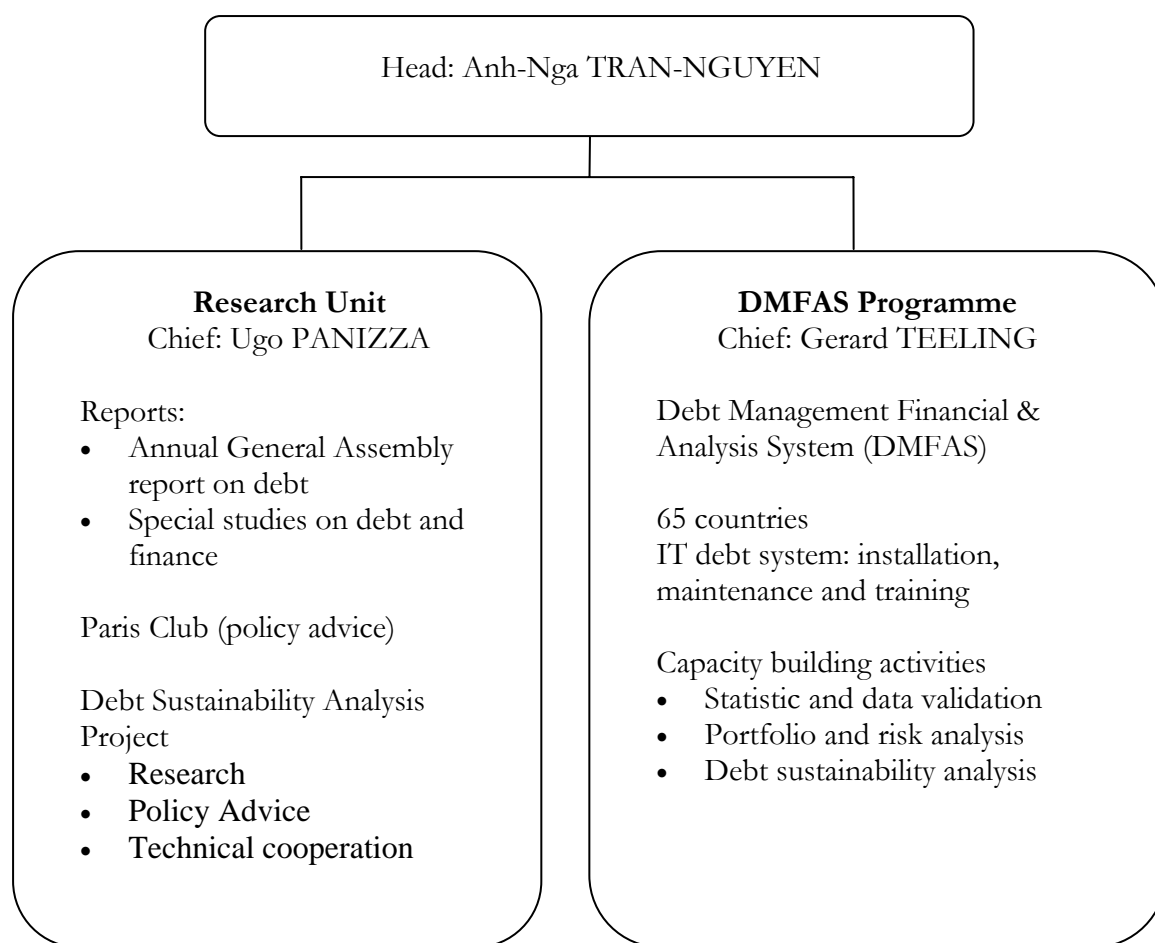


Debt and Development Finance Branch
DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES, UNCTAD



The Debt and Development Finance Branch has two sections — research and technical assistance/capacity building — with each playing a complementary role in building the capacity of developing countries and countries in transition in the areas of debt and finance. The Branch also analyses issues in these areas as they emerge from the international policy agenda, for consensus building purposes.

The **research unit** supports the activities of the Branch that aim to help countries in the design of a national debt strategy within the context of a national development strategy. The section's Debt Sustainability Analysis Project aims to build the capacity of policy makers in developing countries to approach the problem of indebtedness in the overall context of long term development, linking the management of debt to macroeconomic and structural policies for development, and taking into account the debt and trade linkages.

The research unit conducts studies on such topics as: analytical framework for debt sustainability analysis, debt renegotiation frameworks, debt and trade linkages, institutional arrangements for debt management, the role of credit rating agencies, odious debt, bonds markets, debt sustainability framework and MDGs in low income countries. The section also provides policy advice and support to countries undertaking debt negotiations at the Paris Club. The section is also responsible for the preparation of the annual report on external debt by the Secretary General to the General Assembly, which analyses the latest trends and the emerging policy issues in the area of debt.

The **DMFAS** Programme provides technical assistance in the following areas:

- Development and maintenance of a computer software (DMFAS) designed to meet the operational, statistical and analytical needs of debt managers and other public services involved in elaborating public debt strategies, as well as training in its use;
- Advisory services, including needs assessments and advice on technical, administrative, legal and institutional debt management issues, assistance in software installation and maintenance; and
- Capacity-building in debt data validation, and statistics, debt analysis and debt strategies. The analytical work undertaken within the Branch on debt sustainability analysis will feed into the third group of activities.

The diagram below illustrates the integration of the activities of the research unit with the activities undertaken by DMFAS, whereby DMFAS activities are targeting national debt offices (lower part of the diagram), while research activities are targeting Ministries of Finance, Economy and Planning and the Central Bank (upper part of the diagram). Together the activities of the two sections complement one another to provide a comprehensive approach to active debt and financial management.

Focal Points by topic:

BAHRAMI, Mackie:	Debt statistics
FORSLUND, Kristine:	HIPCs, Multilateral Debt Relief Initiative (MDRI), financing for LICs
PANIZZA, Ugo:	<u>Chief</u> ; Debt sustainability analysis, domestic debt, bonds
TEELING, Gerard	<u>Chief</u> ; DMFAS Programme
TRAN-NGUYEN, Anh-Nga:	<u>Head</u> ; Debt sustainability analysis, debt and trade linkages, trade and gender
ZIVKOVIC, Dusan:	Paris Club, debt renegotiation frameworks

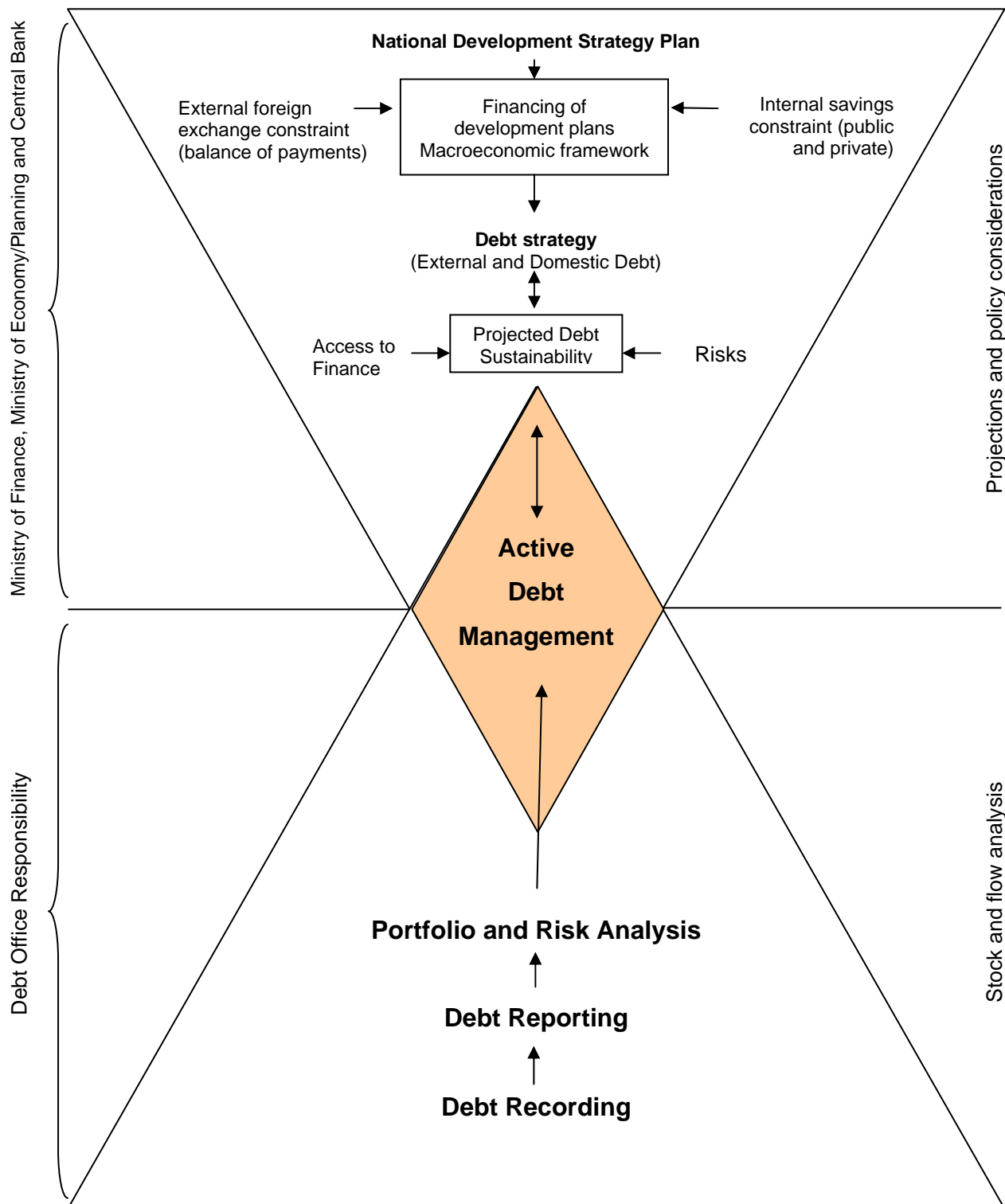
Abbreviated version:

The core functions of the Debt and Development Finance Branch are:

- (a) Assuming responsibility for the treatment of development and interrelated issues on domestic and international finance and debt, including the treatment of capital flows and debt sustainability in national development strategies;
- (b) Assuming responsibility for the implementation of the work on debt management and for integrating debt management in development strategies;
- (c) Providing support to Paris Club negotiations and follow-up, when requested;
- (d) Assuming responsibility for the preparation of the annual report to the General Assembly on "External Debt Crisis and Development"; reports to the Trade and Development Board and Commissions, as requested, on subjects falling within the purview of the Branch.

The Branch has two main units: one unit responsible for the research and analytical work, Paris Club debt negotiations, and the implementation of the UNCTAD project on Debt Sustainability and Development Strategies; the other unit is responsible for the UNCTAD technical assistance project on Debt Management and Financial Analysis System (DMFAS), which assists developing countries in the management of their external and domestic debt (development of databases, debt analysis and other institutional issues).

Integrated Debt and Financial Management Framework: *A holistic approach to Debt Sustainability*



Source: UNCTAD