



REPUBLIC OF GHANA

MINISTRY OF FINANCE

2025 - 2028 MEDIUM-TERM DEBT MANAGEMENT STRATEGY

In Fulfilment of the Requirements of Section 59 of the Public Financial Management
Act, 2016 (Act 921), as amended



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Abbreviations

ATM	-	Average Time to Maturity
ATR	-	Average Time to Re-fixing
DDEP	-	Domestic Debt Exchange Programme
DPO	-	Development Policy Objective
ECF	-	Extended Credit Facility
FX	-	Foreign Exchange
GDP	-	Gross Domestic Product
GIR	-	Gross International Reserves
IMF	-	International Monetary Fund
MTDS	-	Medium-Term Debt Management Strategy
PDs	-	Primary Dealers
PFM	-	Public Financial Management
PV	-	Present Value
T-bills	-	Treasury bills
US	-	United States

Foreword

I present the Medium-Term Debt Management Strategy (MTDS) for 2025-2028, the ninth in the series since the passage of the PFM law. The 2025 debt strategy comes at a pivotal time in our economic reset as the Government works decisively to rebuild macroeconomic stability, restore debt sustainability, and foster a resilient and sustainable growth path for our country.

The Government remains committed to completing the outstanding components of external debt restructuring, primarily commercial debt held by Chinese lenders, plurilateral institutions, and Western commercial banks. This follows the successful completion of the Eurobond restructuring and the signing of the Memorandum of Understanding (MoU) on 28th January 2025 between the Government of Ghana and members of the Official Creditor Committee (OCC) to restructure bilateral debt. On 24th June 2025, Parliament approved the indicative terms of the bilateral agreement, in line with the MoU with the OCC, paving the way for the first signing between the Republic of Ghana and the French Republic on 25th July 2025. This milestone is expected to catalyse the signing of similar agreements with other bilateral partners. The full completion of the debt restructuring programme is critical for restoring debt sustainability and establishing a more resilient and sustainable economy.

This MTDS reaffirms our commitment to transparency, accountability, and sound public financial management. It assesses the cost-risk trade-offs of various borrowing options and provides a clear framework for meeting the Government's financing needs at the lowest possible cost with a prudent degree of risk. The key priorities for the 2025 strategy include reducing refinancing risk and debt servicing costs, gradually resuming activity in the domestic bond market in 2026, and deepening the domestic debt market to broaden investor participation.

Crucially, the strategy is anchored in our medium-term development vision, one that emphasises inclusive growth, climate resilience, and targeted investments in infrastructure, education, and healthcare. By maintaining debt sustainability, we create the fiscal space needed to finance these priorities and improve the well-being of our citizens. Nonetheless, persistent volatility in global financial markets and tightening domestic financing conditions underscore the need for a carefully calibrated debt management strategy.

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I would like to express my appreciation to the dedicated staff of the Ministry of Finance, the Bank of Ghana, and our development partners for their steadfast support and technical input. I also extend my gratitude to the investor community for their continued cooperation and confidence in Ghana, particularly during challenging times.

As we continue the path to the reset agenda and sustainable development, Government remains committed to engaging all stakeholders, both domestic and international, to ensure our debt management practices remain credible, adaptive, and resilient.



Dr. Cassiel Ato Forson, MP
Minister for Finance

Introduction

1. The 2025-2028 Medium-Term Debt Management Strategy (MTDS) outlines the Government of Ghana's strategic approach to managing public debt in a sustainable, cost-effective, and risk-conscious manner. The strategy is developed within the framework of Ghana's renewed economic reset agenda and reflects the government's unwavering commitment to macroeconomic stability, fiscal discipline, and inclusive growth.
2. Ghana enters this new strategic cycle following the significant progress in the implementation of the debt restructuring programme. The debt restructuring recorded a 93.5 percent completion in 2024. It involved the exchange of US\$20,354.3¹ million in outstanding domestic notes and bonds, US\$13,103.9 million in outstanding Eurobonds, and the treatment of US\$5,173.9 million (at end-December 2022) in official bilateral debt. The outstanding 6.5 percent yet to be treated relates to a debt of US\$2,701.9 million owed to commercial creditors for which negotiations are underway.
3. On the bilateral restructuring, Ghana signed a Memorandum of Understanding (MoU) with the Official Creditor Committee in January 2025 and on 24th June 2025, Parliament approved the indicative terms of the MoU, paving the way for the signing of the bilateral agreements in the second half of 2025. On the domestic restructuring, government continues to meet its commitment towards the DDEP bondholders, successfully honouring four coupon payments to the tendered bondholders. For the non-tendered bondholders, government honoured all debt service obligations as of June 2025.
4. These milestones have been instrumental in realigning Ghana's public debt trajectory to achieve a moderate risk of debt distress by 2028 and restoring market confidence. The government's proactive engagement with stakeholders, including domestic investors, bilateral creditors, and multilateral partners, has led to improvements in the public debt management efforts.

¹ Domestic stock restructured at end-December 2022, converted into US\$/GHS of 8.3192 (excluding T-bills and Cocoa Bonds)

5. The 2025 MTDS is closely aligned with the objectives of the International Monetary Fund Extended Credit Facility (IMF-ECF) programme by prioritising public debt sustainability and optimising funding mix from external and domestic sources. It provides a structured, forward-looking framework to guide borrowing decisions and manage cost and risk trade-offs while meeting Government's financing needs.

Objective and Scope

6. Ghana's debt management objectives as outlined in the Public Financial Management (PFM) law are to ensure that:
 - a) financing needs of government are met on a timely basis;
 - b) borrowing costs to government are as low as possible over the medium to long term, consistent with a prudent degree of risk;
 - c) development of the Ghanaian debt market is promoted; and
 - d) any other action considered to impact positively on the public debt.
7. The MTDS covers central government and government guaranteed debt. The time horizon covered under this strategy is four years, spanning 2025 to 2028.

Performance Review of the 2024 MTDS and First Half of 2025

8. Government's debt management objective, as embodied in the MTDS, focused on the appropriate financing mix to mitigate costs and risks in the debt portfolio and sought to continue government's debt operations programme to promote debt sustainability while meeting government's funding needs.
9. For the first half of 2025, government received project loan disbursement amounting to GH¢2,424.70 million (US\$171.57 million), from multilateral, bilateral, and commercial sources to finance the Budget. On the domestic market, government raised total net issuance of GH¢8,412.60 million mainly from Treasury bills (T-bills), to support Budget execution.
10. For 2024, the strategy focused on the sustained issuance of T-bills from domestic source to meet budgetary requirements and build cash buffers for debt and cash management. Externally, it relied on the IMF-ECF-supported programme and the World Bank Development Policy Objective (DPO) disbursements to fund the budget.

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11. Execution of the 2024 strategy yielded a net amount of GH¢45,411.4 million on the domestic market, US\$1,320.0 million from IMF disbursement, and US\$300.0 million from the World Bank's DPO to finance the 2024 Budget. To curb debt buildup and reinforce fiscal consolidation, actual non-concessional borrowing was US\$35.2 million (in present value terms), well below the debt limit².
12. These notwithstanding, prevailing macroeconomic and market conditions in 2024 posed challenges to the effective implementation of the 2024 MTDS. Consequently, government had to rely more on T-bill issuance, which in turn adversely impacted the cost and risk indicators of the domestic debt portfolio, as shown in Table 1.

Table 1: Cost and Risk Indicators of Existing Debt Portfolio (2023 & 2024)

Risk Indicators		External Debt		Domestic Debt		Total Debt	
		2023	2024 Prov.	2023	2024 Prov.	2023	2024 Prov.
Cost of Debt	Weighted Av. IR (%)	5.3	1.8	13.7	16.2	8.7	7.7
Refinancing	Average Time to Maturity (ATM) – Years	10	7.8	6.1	4.8	8.8	6.4
Risk	Debt Maturing in 1 Year (% of Total)	5.3	7.2	28	38	12.3	21.6
Interest Rate Risk	Average Time to Re-fixing (ATR) – Years	9.7	7.4	6.1	4.8	8.6	6.2
	Debt Re-fixing in 1 Year (% of Total)	12.1	18.4	28	38	17	27.6
	Fixed Rate Debt (% of Total)	92.1	85.4	100	100	94.5	92.2
FX Risk	FX Debt (% of Total Debt)					59.3	59.1
	ST FX Debt (% of Reserves)					35.5	30.9

Source: Ministry of Finance

13. The cost of debt on the public debt portfolio improved. The weighted average interest rate of the total debt portfolio decreased to 7.7 percent in 2024 from 8.7 percent in 2023, mainly driven by the Eurobond restructuring.
14. The refinancing risk in the debt portfolio deteriorated, mainly due to the pressures of repayment of external debt service and rollover risk on the maturing domestic debt. This is evident in the decline in the Average Time to Maturity (ATM) of the total debt portfolio

² As part of the IMF-ECF programme, a ceiling for non-concessional borrowing was set at US\$231.5 million in present value terms.

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to 6.4 years in 2024 from 8.8 years in 2023, due to the Eurobond restructuring³ and government reliance on T-bills to finance the Budget.

15. The interest rate risk on the total public debt portfolio also worsened. The Average Time to Refixing (ATR) recorded 6.2 years in December 2024, a decline from 8.6 years in December 2023.

16. The ratio of short-term Foreign Exchange (FX) debt to foreign exchange reserves stood at 30.9 percent in 2024 against 35.5 percent in 2023, reflecting a slight improvement in Ghana's capacity to cover FX obligations with existing reserves.

Baseline Macroeconomic Assumptions for 2025-2028

17. The 2025-2028 MTDS is underpinned by the following revised macroeconomic targets set for the 2025-2028 medium-term:

- Average overall Real GDP growth of 4.8 percent;
- Average non-oil Real GDP growth of 4.9 percent;
- End-period inflation to be within the target band of 8 ± 2 percent;
- Primary balance on commitment basis to average a surplus of 1.5 percent of GDP for 2025 and beyond; and
- Stock of Gross International Reserves (GIR) to cover at least 3 months of imports of goods and services.

18. Based on the overall medium-term macroeconomic objectives and targets, specific revised macroeconomic targets for the 2025 fiscal year are set as follows:

- Overall Real GDP growth of 4.0 percent;
- Non-Oil Real GDP growth of 4.8 percent;
- End-period inflation of 11.9 percent;
- Primary balance on commitment basis of a surplus of 1.5 percent of GDP; and
- Stock of GIR (including oil funds and encumbered/pledged assets) to cover not less than 3 months of imports.

³ The weighted average maturity of the new bonds issued under the Eurobond exchange was shorter than the old bonds.

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19. The debt management strategy was formulated taking into consideration macroeconomic development and market conditions for 2025 and the medium-term.

Financing Strategy

20. The 2025 MTDS aims to reduce refinancing and interest rate risks, lower debt servicing costs, and promote a more balanced composition of domestic and external debt. Additionally, the strategy seeks to deepen the domestic debt market to enhance its resilience and attract broader investor participation.

21. Domestic financing for the 2025 Budget will involve T-Bills issuance while building buffers to mitigate risks from market volatility. In addition, active liability management operations will be carried out to address the risks inherent in the debt portfolio and promote the development of primary and secondary market activities.

22. External funding will primarily come from disbursements under the IMF-ECF programme, World Bank DPO, and ongoing multilateral and bilateral project loans.

23. To monitor and mitigate risks embedded in the public debt portfolio (e.g., interest rate, exchange rate, and refinancing risks), strategic benchmark indicators have been set out in the 2025-2028 MTDS (Table 2).

Table 2: Strategic Benchmark Indicators for 2025 MTDS

Risk Indicators		Reference Range
Refinancing Risk	Debt Maturing in 1 year (% of total)	15±5
	Average Time to Maturity (ATM) - Years	≥ 8
Interest Rate Risk	Debt Re-fixing in 1 year (% of total)	≤ 30
	Debt Re-fixing in 1 year (% of domestic debt)	30-35
	Share of T-bills (% of domestic debt)	20±5
FX Risk	USD debt (% of external debt)	≤ 70

Source: Ministry of Finance

Public Debt Management Initiatives

24. Over the medium-term, Government will implement the following debt management initiatives as part of the implementation of the 2025-2028 MTDS;

- expand debt limits to include both concessional and non-concessional external loans;
- improve issuance transparency by adhering to auction targets and pro-rating bids;

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- build-up the Sinking Fund account to ensure sufficient buffers are available to meet debt obligations;
- implement a debt reprofiling strategy, including buyback operations, to mitigate risks related to high debt service obligations on both Eurobond and Domestic bond portfolios;
- building cash buffers to support debt management operations;
- re-entry into the domestic bond market to issue benchmark bonds in 2026;
- intensify engagements with stakeholders, including investors and market participants; and
- information on government securities will be published regularly on the Ministry's website to improve communication and transparency with market players.

Conclusion

25. The 2025-2028 MTDS presents a strategic and proactive framework aimed at reducing refinancing risk, lowering debt service costs, and ensuring the sustainability of Ghana's public debt. By optimising the mix of domestic and external borrowing, while managing the cost-risk trade-off and deepening the domestic debt market, the strategy positions the government to meet its financing needs at the lowest possible cost and with a prudent level of risk. It also accounts for progress made in external debt restructuring and aligns with the ongoing IMF-ECF programme, which supports the long-term sustainability of the country's debt levels.



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