To evaluate long-term debt sustainability, debt strategy analysis needs to be conducted within a macroeconomic context, with 20 years of projections for a baseline and alternative optimistic or pessimistic scenarios for GDP, balance of payments and the budget. For a practical guide on how to do this, please see Best Practices in Macroeconomic Forecasting: Key Issues for Discussion.

To help governments prepare baseline and alternative scenarios, DFI has developed detailed training materials and manuals, conducted research and analysis and provides advisory services.