

I. Greetings for the New Year

On behalf of the Debt Management Facility (DMF) we would like to extend our best wishes for 2018. We and our DMF II partners look forward to continue working together with debt management offices around the world, fostering our community of practice, capacity building activities and technical assistance delivery for sound debt management. We are also very thankful to our donors for their continued support.

II. Save the Date: Ninth DMF Stakeholder's Forum



The banner features logos for the European Commission and the World Bank Group at the top. The central text reads: **DMF Stakeholder's Forum**, Jointly Organized by the European Commission and the World Bank Group, MAY 28–29, 2018 | BRUSSELS, BELGIUM. At the bottom, it says 'Formal Invitation and Registration Package to Follow'.

III. The European Commission Joins the DMF as a New Donor

On December 28, 2017, the European Commission (EC) and the World Bank Group signed an agreement that will support the implementation of debt management technical assistance and capacity building activities under the Debt Management Facility (DMF).



The financial support of Euro 3 million from the EC covers the period 2018–2022, and will support strengthening debt management capacities for a substantial number of developing countries, in turn supporting the broader global agenda for achieving the Sustainable Development Goals (SDGs).

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Spring 2018

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IV. Meet the team

We will start this new section to introduce the broader DMF team



Doerte Doemeland, Practice Manager,
Macroeconomics, Trade and Investment (MTI)

Ms. Doerte Doemeland is the New Practice Manager of the Global Macro and Debt Analytics Unit at the Macroeconomics, Trade and Investment (MTI) Global Practice of the World Bank, which hosts the DMF Secretariat. Since joining the World Bank, she has worked on technical, analytical and operational tasks – many related to debt issues - in low and middle-income countries in ECA, LAC and Sub-Saharan Africa. She also worked two years in the World Bank's Research Department with the Sr. Vice President and Chief Economist. She was the first Program Manager of the DMF. Doerte has published several books and articles fiscal policy and debt. She holds a PhD in economics from University Pompeu Fabra (Spain). In her view, *"it is great to see that the DMF has come such a long way. The sustained and growing demand for DMF training, tool and expert guidance speaks for itself."*

V. DMF Work Program: Activities from October to December, 2017

A total of four technical assistance missions and six training workshops were financed by the DMF in October-December 2017. In addition, the DMF TF continued to engage in programmatic support for capacity building in government debt management.

Technical Assistance Missions

Medium–Term Debt Management Strategy (MTDS)

City/Country: Lilongwe, Malawi

Mission Type: MTDS

Dates: November 13–24, 2017

Mission team: World Bank (WB), International Monetary Fund (IMF), and Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)



The mission assisted the authorities in applying the WB/IMF MTDS Tool and helped build the capacity of the Malawian Debt and Aid Division (DAD) of the Ministry of Finance and the Reserve Bank of Malawi (RBM) to independently prepare a medium-term debt management strategy. Senior officials welcomed the outcome of the training and requested a follow-up Debt Management Performance Assessment (DeMPA) mission for the first quarter of 2018.

Debt Management Performance Assessment (DeMPA)

City/Country: Antananarivo, Madagascar

Mission Type: Follow-up DeMPA

Dates: November 29 to December 7, 2017.

Mission team: WB – United Nations Conference on Trade and Development (UNCTAD)



The mission evaluated the current legal, institutional and regulatory frameworks for debt management for the Central Government. The DeMPA evaluation showed significant improvement in the quality of the legal framework for government debt. Madagascar also achieved strong results in development and annual update of the debt management strategy, which is publicly available on its official website. The authorities requested a follow-up reform plan mission for 2018.

Debt Management Reform Plan

City/Country: Kampala, Uganda
Mission Type: Reform Plan follow-up
Dates: October 2–6, 2017
Mission team: WB–MEFMI



The key objective of the mission was to assess the progress achieved by the authorities of the Ministry of Finance, Planning and Economic Development (MoFPED), in implementing the debt management reform plan agreed in November 2015, and to design an action plan to address remaining weaknesses.

Over the past two years, Uganda has made progress in enhancing its public debt management, particularly in terms of its legal and institutional framework (e.g. establishment of the Directorate of Debt and Cash Policy (DCPD) within the MoFPED), as well as in strategy and analytical work (e.g., producing statistical bulletins, and also MTDS and DSA documents).

Domestic Debt Market Development

City/Country: Phnom Penh, Cambodia
Mission Type: Reform Plan/Domestic Market
Dates: October 2–13, 2017
Mission team: WB



The mission discussed with the Ministry of Economy and Finance (MEF) both, upstream (legal framework and institutional arrangements) and downstream (domestic debt market development) areas and presented a draft roadmap, laying out activities under programmatic technical assistance support for the development of the domestic debt market in Cambodia.

The road map included the following components: i) legal and regulatory framework; ii) institutional framework; iii) money market; iv) primary market; v) secondary market framework and infrastructure; vi) investor base; and vii) clearing and settlement infrastructure for public securities.

Demands for Programmatic TA is Increasing

The following countries have requested a programmatic TA and started the implementation of reforms with DeMPA diagnostic:

Djibouti		Benefited from a DeMPA mission in 2017, which will be followed by TA for a reform plan and debt management strategy formulation in 2018.
Kosovo		Benefited from a DeMPA mission in 2017 and continues with a reform plan.
Madagascar		Requested programmatic DMF assistance through a DeMPA follow-up, which took place in 2017.
Uganda		Benefited from a Debt Management Reform Plan mission in 2017 and requested a DeMPA follow-up.

All the countries which are engaged in programmatic capacity building process also benefit from off-site advisory from DMF expert teams.

Trainings and Capacity Building Activities

TOPIC	DeMPA Methodology
COUNTRY	Mexico City, Mexico November 6-10
ORGANIZERS	WB and Center for Latin American Monetary Studies (CEMLA)
PARTICIPANTS	Officials from 13 countries in Latin America and the Caribbean: Bolivia, Guyana, Haiti, Honduras, Nicaragua, Chile, Costa Rica, El Salvador, Paraguay, Dominican Republic, Saint Kitts and Nevis, Venezuela, and Jamaica.
OBJECTIVE	This five-day course achieved the following objectives: <ul style="list-style-type: none"> (i) informed participants about the main areas of performance measurement of central government debt management activities, (ii) familiarized participants with the techniques for evaluating debt management performance, (iii) sensitized participants about cross-country experience and recent trends in sound debt management practices at the central government level. The course format included presentations and hands-on case studies with discussions about operational application of the DeMPA.

TOPIC	Debt Sustainability Framework for Low Income Countries (LIC DSF) Training Regional Seminars				
COUNTRY	Dar-es-Salaam, Tanzania November 30 - December 1	Abidjan, Cote d'Ivoire December 5-6	Libreville, Gabon December 7-8	Accra, Ghana December 4-5	Singapore December 14-15
ORGANIZERS	WB, IMF, and the Africa Regional Technical Assistance Centers (AFRITAC) East and South	WB, IMF, and AFRITAC West I	WB, IMF, and AFRITAC Central	WB, IMF, and AFRITAC West II	IMF, WB, and IMF Singapore Regional Training Institute
PARTICIPANTS		Officials from 12 countries.	Officials from 7 countries.		Officials from 15 countries.
OBJECTIVE	The main objective of the seminars was to raise awareness about the reforms adopted in the revised LIC DSF approved by the Boards of the World Bank and IMF in late-September 2017, and to engage with country authorities. The seminars focused on presenting new features of the LIC DSF including the realism tools, composite indicator, new thresholds, and tailored scenario stress tests. Concepts were also elaborated through case studies. Additional training will take place during the first half of 2018.				

Photo Gallery



IMF-WB/STI Regional Seminar representatives and participants in Singapore



World Bank and CEMLA representatives with participants in Mexico City



Working meeting of the World Bank mission with representatives of the MEF in Phnom Penh, Cambodia



IMF-WB representatives and participants in Libreville



IMF-WB representatives and participants in Abidjan

Working with Implementing Partners: The Agence UMOA—Titres

AUT is the regional agency supporting the issuance and management of public securities by the eight West African Economic and Monetary Union (WAEMU) member states: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo. With the support of AUT, WAEMU countries are raising an increasing amount of funds in the region through the regular issuance of bonds and bills; as well as managing their debt portfolio through liability management operations, such as those recently undertaken by Cote d'Ivoire (exchange) and Senegal (buyback).

The World Bank has been collaborating with AUT since 2013. Through the Debt Management Facility (DMF), the Bank and AUT have organized a series of capacity-building workshops aimed at creating a network of professionals with the skills and knowledge required to undertake modern debt management. This involves training a cohort of 16 debt management practitioners—two each from the Debt Management Office and Treasury of the eight countries—on cross cutting debt management tools and techniques of the World Bank and IMF.



World Bank staff and AUT workshop participants in Saly, Senegal

The 2017-2018 curriculum includes 4 training modules: elaboration of a MTDS (September 2017); cash management (December 2017); debt sustainability (March 2018), and debt management institutional and legal frameworks (June 2018). Participants highly appreciate the trainings, particularly the hands-on exercises tailored to the regional environment and the opportunity to exchange experiences with colleagues facing similar challenges. Encouraged by the positive feedback received from the authorities, the World Bank and AUT plan to repeat the program over the course of 2018-19, with another cohort of debt managers from WAEMU countries.



Other Events

ADB Annual Conference

The 20th Annual Conference “Managing Private and Local Government Debt” organized by the Asian Development Bank Institute (ADBI) took place during November 30 - December 1, 2017, in Tokyo, Japan. The main objectives of the conference was to identify factors leading to sharply rising debt in Asia; analyse actual and potential effects of excessive debt on sustainable

development; and, recognized effective measures for managing the challenges of high debt levels. The event gathered senior government officials, well-known scholars, and experts on private and public debt to promote discussion, contribute to the theoretical and empirical literature and to further regional policy dialogue. Click [here](#) for more information regarding the ADBI Conference.

UNCTAD Biennial Debt Management Conference

The 11th Conference “Development Finance at the Crossroads: What Role for Public Debt Management?” organized by the United Nations Conference on Trade and Development (UNCTAD) took place over November 13-15, 2017, in Geneva, Switzerland. UNCTAD holds its Debt Management Conference

every two years, providing a regular forum for the sharing of experience and exchange of views among governments, international organizations, academia, the private financial sector and civil society on current issues in debt management. Click [here](#) for more information regarding the UNCTAD Conference.

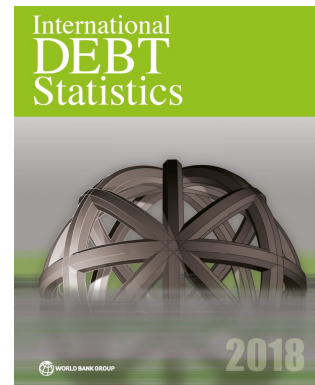
Government Debt and Risk Management Program Roundtable

On October 16-17, 2017, the World Bank Treasury organized its second GDRM Program Roundtable, with the participation of 27 government debt managers representing 18 emerging market countries, who gathered at the World Bank to share experiences and sound practices with fellow debt managers. Click [here](#) for more information about the event.

VI. Public Debt Data

International Debt Statistics, October 2017

The 2018 edition of IDS has been published, providing more than 200-time series indicators from 1970 to 2016 for most reporting countries. The core purpose of IDS is to measure stocks and flows of debt in low- and middle-income countries that were borrowed from creditors outside the country. IDS 2018 presents statistics and analysis on the external debt and financial flows (debt and equity) of the world's economies for 2016. These data are produced as part of the World Bank's work to monitor the creditworthiness of its clients and are widely used by other organizations for analytical and operational purposes. Click [here](#) to access the International Debt Statistics or visit the IDS 2018 Products [Page](#).



Quarterly Public Sector Debt Statistics, November 2017

Jointly developed by the WB and the IMF, the Public-Sector Debt Statistics (PSDS) quarterly database brings together detailed quarterly public sector debt data of selected countries, initially (and mainly) covering developing/emerging market economies. The main purpose of the PSDS database is to facilitate timely dissemination in standard format of public sector debt data, supporting countries' efforts toward improving the coverage and availability of such data. By bringing data and metadata together in a central location, the database supports macroeconomic analysis and cross-country comparisons.

Participation of countries in this centralized database is voluntary. Currently, 66 developing countries have agreed to participate and 40 have provided data for the PSDS database. The database includes country and cross-country tables, and enables users to query and extract data, by country, country groups, and by specific public debt components.

The PSDS database is linked to the [Public Sector Debt Guide](#) produced by the IMF. Click [here](#) to access the PSDS database.

Quarterly Bulletin on Debt Statistics—Fifth Edition, December 2017

To complement the streamlined overview presented in 'International Debt Statistics (IDS) 2018', a series of online bulletins, of which this is the first, will be published throughout the coming year. The Quarterly Bulletin will present detailed analyses of trends in debt stocks and flows of low- and middle-income countries. The primary sources for these analyses will be data on external debt stocks and debt-related transactions (gross disbursements, principal and interest

payments) for low- and middle-income countries captured through the World Bank's Debtor Reporting System (DRS), but they will also draw from the high-frequency, quarterly external and public debt statistics captured through the Quarterly External Debt Statistics (QEDS) and quarterly Public Sector Debt Statistics (PSDS) databases. QEDS and PSDS both include data for high-income countries as well as for low- and middle-income countries. The Bulletin is available [here](#).

VII. Recent Publications

Review of the Debt Sustainability Framework for Low Income Countries: Proposed Reforms

The Debt Sustainability Framework for Low-income Countries (LIC DSF) has been the cornerstone of assessment of risks to debt sustainability in low-income countries (LICs). The framework classifies countries based on their assessed debt-carrying capacity, estimates threshold levels for selected debt burden indicators, evaluates baseline projections and stress-test scenarios relative to these thresholds, and then combines indicative rules and staff judgment to assign risk ratings for external debt distress. The framework has demonstrated its operational value since the last review was conducted in 2012, but there were also areas where

new features could be introduced to enhance its performance in assessing risks. Against the backdrop of the evolving nature of risks facing LICs, both staff analysis and stakeholder feedback suggested gaps in the framework which triggered a reform process that ended up in a review to the framework .

The Board paper, published in October 2017, portrays the reforms to the LIC DSF proposed and approved by the Boards of the World Bank and International Monetary Fund .

Click [here](#) to access the document.

The Donors

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Debt Management Facility

Newsletter
Issue 30, January 2018

The DMF Newsletter is published quarterly by the World Bank and is distributed to debt management practitioners from developing countries, donors, DMF implementing partners, civil society organizations, and private sector firms. The Newsletter aims to share DMF work plans, lessons learned, as well as news and developments related to debt management.

