

I. International Retail Debt Management Symposium

The United States Treasury and the World Bank co-hosted the International Retail Debt Management Symposium on October 20th, 2020. The Symposium was sponsored by the International Retail Debt Management Conference (IRDMC) core countries. The core IRDMC membership includes Brazil, Canada, Hungary, Ireland, Italy, Japan, South Africa, the United Kingdom, and the United States.

This year's Symposium brought together 19 countries with seasoned retail programs and those looking to establish or review existing programs. The Symposium provided a forum for debt managers to discuss current issues and trends such as product development, distribution channels, market research, and the use of new technology.

This year's topics included (i) the impact of the COVID 19-crisis on retail debt programs; (ii) recent and future developments in retail debt programs; (iii) starting a retail debt program: the do's and don'ts. The 2020 edition of the Symposium was organized by the Finance, Competitiveness & Innovation Global Practice in collaboration with the Macroeconomics, Trade & Investment Global Practice. It was held virtually. More information [here](#).

The impact of the COVID 19-crisis on retail debt programs

Starting a retail debt program: the do's and don'ts

Recent and future developments in retail debt programs



II. Update on the Joint World Bank/IMF Multipronged Approach to Address Debt Vulnerabilities

Amid rising debt risks in low-income developing countries and emerging markets, the International Monetary Fund (IMF) and the World Bank have been implementing a multipronged approach (MPA) to address debt vulnerabilities. Amplification of debt risks owing to COVID-19 has upped the urgency to implement the MPA and highlights the importance of debt sustainability and transparency for long-term financing for development. At the same time, it should be noted that countries have limited capacities which are further stretched by COVID-19 and that implementation of the MPA by itself may not be sufficient to address debt vulnerabilities and risks from global economic shocks.



Photo: World Bank / Sambrian Mbaabu

The MPA is organized around four mutually-reinforcing pillars. It seeks to (i) strengthen debt transparency by helping borrowing countries, and by reaching out to creditors, to make better public sector debt data available; (ii) support capacity development in public debt management to avert and mitigate debt vulnerabilities; (iii) provide suitable tools to analyze debt developments and risks; and (iv) explore adapting the IMF's and World Bank's lending policies to better address debt risks and promote efficient resolution of debt crises. More information [here](#).

IN THIS ISSUE

International Retail Debt Management Symposium 2020

Update on the Joint World Bank/IMF Multipronged Approach to Address Debt Vulnerabilities

How do Countries Perform Sound Practices?

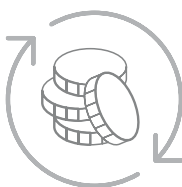
Staff Corner

DMF Missions and Regional Trainings

Debt Management Events and Publications

III. Cash Management – How do Countries Perform Sound Practices?

Cash management is simply defined as making the right amount of money available at the right time and the right place to meet the government's obligations in the most cost-effective way. Establishing a sound cash management framework is beneficial not only to the governments and public entities, but also to other stakeholders including the



beneficiaries of government payments, banks and lenders.

A new paper explores cash flow forecasting and cash management practices in 24 countries in various regions, at different income levels and technical capacity, and alignment to good practices based on the information World Bank workshops on cash flow forecasting and cash management held in 2018 and 2019. More information [here](#).

IV. Staff Corner

Meet the Team

Leandro Puccini Secunho joined the World Bank in 2018 with over 15 years of public debt management experience. Prior to joining the Bank, he was the Head of Front Office and Deputy Head of Debt Management Office in the Brazilian National Treasury.



Leandro Puccini Secunho,
Senior Debt Specialist.

In Brazil, he led Primary Dealership (PD) system reforms, the setup of a Guarantee Concession Committee and the project to launch an Issuer-Driven Echange Traded Fund.

Leandro's areas of expertise range from strategy development and implementation, domestic and international market issuances, dealership system and market development.

V. DMF Missions and Regional Trainings

During this period, all missions were conducted remotely due to COVID-19

Technical Assistance Missions

TITLE	MTDS and Annual Borrowing Plan
OBJECTIVE	Technical assistance to the Public Debt Directorate and CNDP (Comite' National de la Dette Publique) to design a Medium-Term Debt Management Strategy (MTDS) and an Annual Borrowing Plan (ABP) .
COUNTRY	Togo, September 28–October 9, 2020
ORGANIZERS	World Bank/IMF
HIGHLIGHTS	The technical assistance mission offered training on cost and risk calculations, simulations of different debt management strategies, and the design of an Annual Borrowing Plan.

TITLE	Debt-related Contingent Liabilities and related Fiscal Risk Assessment and Debt
OBJECTIVE	The mission provided training to the authorities to undertake a comprehensive Fiscal Risk Assessment which included identifying the main risks Cabo Verde is exposed to and providing some recommendations.
COUNTRY	Cabo Verde , October 1–19, 2020
ORGANIZERS	World Bank
HIGHLIGHTS	The mission identified sources of debt-related contingent liabilities and fiscal risks from public sector debt (direct and indirect liabilities) and prepared the fiscal risk matrix. The team undertook a diagnosis of current risk analysis methods and proposed i) to expand the scope of debt coverage to get closer to nonfinancial public sector debt, ii) conduct more detailed and frequent fiscal risk assessment of State Owned Enterprises, iii) improve the content of the quarterly debt bulletins, and iv) publish a fiscal risk statement.
TITLE	MTDS Strategy Development
OBJECTIVE	Technical assistance to the Department of Public Debt Management (DPDM) to design a Medium-Term Debt Management Strategy.
COUNTRY	Bhutan, Thimphu , October 5–13, 2020
ORGANIZERS	World Bank
HIGHLIGHTS	The TA supported the government officials strengthen their capacity in applying a joint WB-IMF MTDS framework that will assist them in developing the debt management strategy document. Based on quantitative analyses of costs and risks of the debt portfolio, the MTDS framework will be developed in consistency with the overall macroeconomic framework, and debt objectives.
TITLE	MTDS Strategy Development
OBJECTIVE	Technical assistance to the Debt Management Unit of Ministry of Finance to design a Medium-Term Debt Management Strategy (MTDS) analysis and review the implementation of the roadmap relating to the introduction of foreign currency-linked securities in debt management.
COUNTRY	Democratic Republic of Congo , October 12–23, 2020
ORGANIZERS	IMF
HIGHLIGHTS	The mission addressed the authorities' knowledge gaps in MTDS design and guided them to identify key priorities for their next debt strategy. An updated 2021-23 strategy is expected to be published. In light of little progress in the implementation of the roadmap prepared in June 2020 and changes in the local currency market, a new roadmap was developed with an objective of starting FX-linked government securities around mid-2021.

Regional Training

3
TRAINING WORKSHOPS



200
PUBLIC OFFICIALS TRAINED

TRAINING ACTIVITY	Debt Sustainability Framework for Low Income Countries (LIC-DSF)
OBJECTIVE	This five-day virtual training familiarized participants with Low-Income Debt Sustainability Framework Tool and aimed to introduce participants to the new tailored stress tests and realism tools introduced by the revised framework; and the assessment of debt sustainability in relation to indicative country-specific debt burden thresholds.
COUNTRIES	IDA-eligible countries from Europe and Central Asia (ECA) and Eastern & Southern Africa December 7–11, 2020
ORGANIZERS	World Bank/IMF
PARTICIPANTS	The workshop was completed by 20 government officials (from Debt Management Office, Ministry of Finance, and Central Bank) across 8 IDA-eligible countries from ECA and Eastern & Southern Africa (Ethiopia, Kenya, Kyrgyz Republic, Lesotho, Rwanda, Somalia, Tajikistan, Uganda).
TRAINING ACTIVITY	Debt Sustainability Framework for Low Income Countries (LIC-DSF)
OBJECTIVE	This Massive Online Open Course (MOOC) provides an overview of the World Bank–IMF Debt Sustainability Framework for Low Income Countries (LIC-DSF), and thus enables participants to interpret the LIC-DSF outputs presented in WB and IMF reports.
COUNTRY	October 7–November 6, 2020
ORGANIZERS	IMF
PARTICIPANTS	This online course was completed by 152 government officials (Debt Management Office, Ministry of Finance, and Central Bank) across 43 DMF-eligible countries.
TRAINING ACTIVITY	Legal Aspects of External Debt Obligations
OBJECTIVE	The legal training program aims to support the capacity-building for debt managers on sound legal frameworks for a variety of debt obligations.
COUNTRY	IDA English Speaking Countries, October 19–22, 2020
ORGANIZERS	The World Bank, in collaboration with Georgetown University Law Center and the Centre for Commercial Law Studies at Queen Mary University of London.
PARTICIPANTS	28 participants were trained, including authorities from Benin, Cambodia, Grenada, Guinea, Liberia, Mauritania, St. Vincent and the Grenadines, Sudan, Togo, Uganda.

VI. Debt Management Events and Publications

Upcoming Missions in next Quarter:

COUNTRY	REMOTE ACTIVITY	NAME	DATES
Cameroon	Technical Assistance	Eurobond Repayment and Domestic Issuance Plan	January 11–28, 2021
Somalia	Technical Assistance	Debt Reform Plan	January 25–February 4, 2021
Mongolia	Technical Assistance	Domestic Debt Market Development	January 25–February 8, 2021
Tonga	Technical Assistance	MTDS Strategy	January–April 21, 2021
Solomon Islands	Technical Assistance	MTDS TA	February 16–26, 2021
Benin	Technical Assistance	Debt-related Contingent Liabilities and related Fiscal Risk Assessment	February 1–8, 2021

Upcoming Training Events in next Quarter:

COUNTRY	REMOTE ACTIVITY	NAME	DATES
Global	Online Training	Debt Sustainability Framework for Low Income Countries (LIC-DSFx) (MOOC second run)	January 1–April 15, 2021
Global	Online Training	Medium-Term Debt Management Strategy (MTDSx) (MOOC)	January 20–February 24, 2021
Global (Vienna)	Virtual Training	Guarantees Framework & Risk Management Assessment tool	January 25–29, 2021
Regional	Virtual Training	LIC-DSF (in French)	January 25–29, 2021
Global	Online Training	DeMPA E-Learning	February 1–March 5, 2021
West Africa (Regional Training)	Virtual Training	MTDS and ABP (Joint)	February 22–26, 2021

COUNTRY	REMOTE ACTIVITY	NAME	DATES
West Africa	Virtual Training	DSA LIC-DSF	February 22–26, 2021
Global	Online Training	Public Debt, Investment, and Growth	February 24–March 17, 2021
Central Africa (Regional Training)	Virtual Training	MTDS and ABP (Joint)	March 22–31, 2021

Past Debt Publications:

DMF 10-year Retrospective

Since 2008, the DMF has been a game-changer in strengthening the debt-management capabilities of the poorest countries. Today, 86 countries benefit from the DMF, which provides cutting-edge technical advice and training for local-debt management officials. Debt management capacity in these countries has significantly increased - especially in areas such as governance, strategy development, and borrowing and related financing activities. More information [here](#)



Engaging with Investors on Environmental, Social and Governance (ESG) Issues - A World Bank Guide for Sovereign Debt Managers

Sovereign issuers, who represent 50 percent of the fixed income market by volume, are facing increasing interest on ESG issues from investors. The World Bank ESG guide outlines how sovereign debt investors use ESG



information in their investment strategies, how debt managers are improved. Thus it helps bridge the communication gap on ESG issues between sovereign issuers and investors. More information [here](#).

Riding the Wave: Navigating the ESG Landscape for Sovereign Debt Managers

The world is on an unsustainable path. Investors and financial sector participants are becoming more conscious of the effects of their economic footprint and of the benefits of integrating sustainability, mainly by adding environmental, social, and governance (ESG) considerations into investment decisions. The paper presents an overview of areas in which DMOs can respond to the changing world and proposes six ESG market readiness factors as well as a framework to help formulate DMO strategy in the area of ESG investing. More information [here](#).



Retail Investors in Government Debt: Can Fintech Bring About Cheaper, more Inclusive Programs?

The emergence of fintech presents new opportunities for governments launching or managing retail debts programs, a development that has been bolstered by the current pandemic. It also creates opportunities for the expansion of this important market—in a more inclusive way. The World Bank Group provides advice and technical assistance to countries contemplating such plans. More information [here](#).



Traders work on the floor of the Ghana Stock Exchange in Accra, Ghana

Photo: Jonathan Ernst/World Bank

How to Develop A Framework for the Investment of Temporary Government Cash Surpluses

Well-developed cash management aims to improve government operational efficiency and facilitates better service delivery by ensuring liquidity to meet payment obligations as they fall due. Liquidity, however, comes at a cost. Governments can reduce the cost of maintaining liquidity by



Photo: Arne Hoel/World Bank

proactively managing their cash balance at an appropriate level and prudently investing any excess liquidity. This IMF note discusses the policy framework and processes that governments should put in place to identify, guide, and govern the investment of their surplus cash resources. More information [here](#).

How to Set Up A Cash Buffer: A Practical Guide to Developing and Implementing a Cash Buffer Policy

Maintaining a cash buffer has emerged as a risk management tool for government cash and debt management. During budget execution, there is considerable cash flow volatility and timing mismatches concerning revenue collections and expenditures, debt inflows, and debt service. Cash balance management aims to address these mismatches and to ensure availability of liquidity in government bank accounts. This IMF note discusses the role of the cash buffer for managing cash balances and offers practical approaches to developing a policy framework, considering the risk mitigation objectives and the cost of carry. More information [here](#).



Photo: Georgina Goodwin/World Bank

Debt Management in Uncertain Times - Proceedings of the first Public Debt Management Network Conference, held in Paris on September 4–5, 2019

The Promoting Institutions of the Public Debt Management (PDM) Network held the first Public Debt Management Conference in Paris on September 4–5, 2019. The ebook includes ten papers among the nineteen papers that were presented in eight sessions of the Conference. In particular, it comprises the keynote speech delivered by Professor Pier Carlo Padoan, Member of the Italian Parliament and former OECD DSG and Chief Economist, a background paper by M. Coşkun Cangöz and Eric Bouyé, and ten papers by the authors who agreed to publish their papers in the proceedings. More information [here](#).



DMF Donors as of end–December 2020

- ♦ African Development Bank Group
- ♦ Austrian Federal Ministry of Finance
- ♦ European Commission
- ♦ France Ministry of the Economy,
Finance and the Recovery
- ♦ German Federal Ministry for Economic
Cooperation and Development
- ♦ Japan Ministry of Finance
- ♦ Netherlands Ministry of Foreign Affairs
- ♦ Norway Ministry of Foreign Affairs
- ♦ Switzerland State Secretariat for Economic Affairs
- ♦ United Kingdom Foreign, Commonwealth
& Development Office
- ♦ United States of America Department of the Treasury

Contact Information

Debt Management Facility
The World Bank Group
1818 H Street, NW
Washington D.C. 20433

www.dmfacility.org
www.worldbank.org/debt
dmf@worldbank.org

Debt Management Facility October–December 2020 Issue 42

The DMF Newsletter is published quarterly by the DMF Secretariat. The newsletter 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, and news and developments related to debt management.

