

I. Feature Stories: Reform Priorities for Tackling Debt

Annual Meeting Event

Many low-income and emerging economies are facing heavy debt burdens, limiting their ability to invest in education, healthcare, social protection, and infrastructure. For some, debt is already unsustainable. How can countries and their development partners chart a course for resilient economies and a brighter future for all?



Photo: Franz Mahr/ World Bank

This annual meeting seminar explored options to boost resilience to debt risks, including through domestic reforms to enhance growth, improve expenditure policies, boost domestic revenue mobilization, and strengthen debt management. It also discussed the need for scaled-up support from the global community through the

provision of concessional financing and technical assistance, as well as improvements in sovereign debt restructuring processes for timely and predictable debt relief when needed. The discussion featured, Kristalina Georgieva, IMF managing director, Ajay Banga World Bank President, Mohammed Al-Jadaan, the Saudi Finance Minister, Anna Gelpern Georgetown Law School professor, and Situmbeko Musokotwane, the Zambian Finance Minister.



cascading effects of high interest leading the SSA as a group costing 7.6 percent of GDP, which is high and would crowd out other public spending, private sector investment, and could signal overseas investors to refrain to invest. Debt is bad if it is out proportion and is not well managed.

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Mohammed highlighted that the IMF, World Bank, and G20 collaborated to implement the DSSI, providing approximately \$13 billion in debt relief to 48 countries. However, simply suspending debt service indefinitely was not feasible. Hence, the Common Framework was devised through negotiations to address the debt issue on an individual country and creditor group basis. He also added that it is essential for politicians to educate their people on the importance of providing relief to underprivileged countries, as it benefits creditor nations and fosters a healthy global economy.



*Mohammed Al-Jadaan,
Minister of Finance, Saudi Arabia*



*Situmbeko Musokotwane,
Minister of Finance, Zambia*

Zambia's finance minister outlined elements of the reform agenda his country is undertaking. Firstly, legislation has been put in place to prevent uncontrolled borrowing by the government. This includes granting stronger power to parliament to approve or reject borrowing proposals, as well as imposing limits on the proportion of debt to GDP. Another important aspect of the reforms is the reallocation of funds to prioritize vulnerable members of society. To achieve this, subsidies for fuel have been eliminated, and the saved funds are now being directed toward providing education for all children, regardless of their parents' ability to pay.

Due to limited resources, the government has turned to the private sector for infrastructure development. Several public-private partnerships (PPPs) have been established, particularly in road construction, to secure the necessary funding. Lastly, the reform agenda emphasizes decentralization of decision-making regarding government funds.

As a lawyer, Anna remarked that debt relief can provide the necessary resources, but it's crucial to consider the legal and institutional frameworks. The Common Framework and the DSSI have provided important lessons, highlighting that countries with different debt service levels can still face challenges. Currently, the global debt landscape involves a diverse range of creditors and debtors, which presents coordination challenges. However, diversity offers more options for debtors. Building trust is also essential, and transparency plays a key role in achieving it. Public debt should be made public, and all debt terms and contracts should be disclosed to ensure accountability. These priorities should guide our actions. More can be found in this [link](#).

II. Regional Training on the LIC-DSF

A joint WB-AUT regional training on LIC-DSF took place in Dakar, Senegal between November 6-10, 2023. This was the second in-person activity of the yearly course for debt managers, jointly developed with Agence UMOA Titres (AUT). The participants were selected through a competitive process among over 40 candidates appointed by their respective Ministry of Finances.

The five-day workshop with the objective of familiarize the participants with the LIC DSF, approved by the Boards of the World Bank and IMF in September 2017. The workshop was aimed to introduce participants to (i) the standardized forward-looking analysis of the debt and debt service dynamics under a baseline scenario and in the face of plausible shocks; (ii) the tailored stress tests and realism tools; (iii) the assessment of debt sustainability in relation to indicative country-specific debt burden thresholds; and (iv) the use of judgment to arrive at the final assessment of the risk of debt distress.



Representatives and participants at the LIC-DSF regional training

The training session was benefited from participants' feedback and the online LIC DSF course, and focusing on reading a Country DSA report, concurrently with the use of the DSA excel toolkit and the LIC DSF Guidance note. Examples from Benin, Burkina Faso, and Cote d'Ivoire were used to illustrate key concepts. Fourteen individuals from seven WAEMU countries (Benin, Burkina Faso, Côte D'Ivoire, Guinea-Bissau, Mali, Senegal, and Togo) took part in the training.



III. DMF Technical Assistance and Training

Technical Assistance

Debt Management Performance Assessments (DeMPA)			
TYPE	Sub-National	National (Hybrid)	National
COUNTRY	Raipur, October 3–12, 2023	Mauritania, November 13–17, 2023	Kyrgyz Rep., December 6–15, 2023
ORGANIZERS	World Bank	World Bank	World Bank
OBJECTIVE	The objective of the mission was to identify what are the good practices currently adopted in the local government, and what are the areas for improvement. The evaluation is expected to serve as a basis for the Department of Finance to undertake reforms on its debt management practices.	The objective of the mission was to (a) undertake a Debt Management Performance Assessment (DeMPA) and (b) provide a baseline for debt management reforms over the coming years.	The objective of the mission was to conduct a Debt Management Performance Assessment (DeMPA) to identify the sound debt management practices currently adopted in the country and potential areas for improvement.

Improving Governance and Institutions		
TYPE	Institutional Arrangement and Implementation of Legal Framework	Institutional Arrangement
COUNTRY	Sri Lanka, October 9–20, 2023	Moldova, November 20–24, 2023
ORGANIZERS	World Bank/IMF	World Bank
OBJECTIVE	The objective of the mission was to support the Government of Sri Lanka (GoSL) in developing regulations for the establishment of a DMO at MoF, and in developing rules and regulations for the provision of sovereign guarantees and on-lending. The mission follows-up on recent TAs delivered by the WB (DeMPA mission – August 2022) and jointly by the WB and the IMF (DM Reform Plan – March 2023, and PDM Law – July 2023).	The objective of the mission was to support the authorities in developing regulations for the modernization of the DMO and establishing front/middle/back-office functions within the General Directorate of Public Debt at MoF.
HIGHLIGHTS	The mission was a continuation of the WB/IMF support for Sri Lanka for the establishment of a debt management office within the Ministry of Finance, and the enactment of a Public Debt Management Law. The mission has also supported the Government of Sri Lanka in developing rules and regulations (framework) for the issuance of guarantees and on-lending transactions. The mission team has proposed guidelines for issuing and managing loan guarantees and on-lending, covering policy objectives, eligibility criteria, risk assessment, mitigation measures, appraisal, issuance, and management processes.	The mission discussed core debt management roles and responsibilities, new institutional structure of the DMO; assessed the current stage of transition and formulated recommendations and next steps. The mission proposed a road map to operationalize the updated institutional settings and develop regulations in line with new functional distribution of debt management responsibilities.

Enhancing Strategy and Policy			
TYPE	MTDS	MTDS	ABP and Issuance Calendar
COUNTRY	Uzbekistan, October 9–20, 2023	Nicaragua, November 13–17, 2023	Central Africa Republic, November 1–9, 2023
ORGANIZERS	World Bank/IMF	World Bank/IMF	IMF
OBJECTIVE	<p>The objective of the mission was to provide technical assistance to Uzbekistan's Ministry of Economy and Finance in developing and updating the country's Medium-Term Debt Management Strategy (MTDS) and design the Annual Borrowing Plan (ABP). The support also aimed at providing capacity building for the authorities to use the WB-IMF jointly developed MTDS analytical tool and discussing specific aspects applicable to Uzbekistan.</p>	<p>The objective of the mission was to provide capacity building on the development and updating of the MTDS. The update of the MTDS is identified as a FY24 PPA under SDFP, and the 2024–2027 MTDS document is expected to be published by March 2024.</p>	<p>The mission's objective was to provide guidance on steps to follow for issuance calendar preparation and recommend methods to further lower rollover risk in the government securities portfolio. The mission also trained staff to enhance the government securities issuance process and offered advice on how to create and carry out a proactive investors' relationship management program.</p>
HIGHLIGHTS	<p>The mission provided capacity building for the authorities to use the WB-IMF MTDS analytical tool and setting up an ABP considering specific aspects particular to Uzbekistan. The mission team supported the authorities simulating alternatives debt strategies for the period 2024–2026, based on the existing debt, expected sources of funding and macro-fiscal and market projections. Training on the ABP tool was also provided, considering the MTDS cash flow forecast.</p>	<p>The mission supported the CTD members in analyzing four alternative illustrative financing strategies representing different ways of covering the government funding needs during 2024–2027. The simulations were part of the training provided to DGCP staff to enhance their capacity to use the MTDS AT as basis for developing the DMS.</p>	<p>The mission identified and managed to advert several vulnerabilities in the issuance program envisaged by the authorities. To mitigate those identified risks, the mission discussed alternative issuance calendars that could be used to reduce the rollover risk. Additionally, the mission corrected several shortcomings in the authorities' current approach for preparing an issuance calendar and trained them on the required steps to design and implement an effective one. The mission's outcomes and recommendations have been presented to the Directorate of the Minister of Finance's Cabinet and the general directorate of the National Treasury.</p>

Boosting Debt Transparency—Contingent Liability and Fiscal Risks

TYPE	Credit Risks from On-lending/ Guarantees to SOEs	Guarantee/On-lending framework
COUNTRY	Gambia, October 16–20, 2023	Malawi, December 4–8, 2023
ORGANIZERS	World Bank	World Bank
OBJECTIVE	The objective of the mission was to strengthen the capacity of MoFEA on the evaluation and monitoring of the credit risks of SOEs. In that regard, the mission introduced the World Bank's "Credit Rating Tool to Assess and Quantify Credit Risk from Public Corporations" and delivered training on SOE credit risk assessment.	The objective of the mission was to support the Ministry of Finance and Economic Affairs to prepare and publish guidelines regarding public guarantees and on-lending, with regards to limits and priorities, institutional and technical set up to evaluate the requests and mechanisms to monitor these liabilities and the information necessary to assess the credit risk from the entities.
HIGHLIGHTS	The mission provided a sound basis on credit risk for decision-making based on more transparent and rigorous risk analyses and the staffs of MOREA were also equipped the tool through training. The authorities welcomed the technical assistance, as it would help in mitigating fiscal risks and further enhancing debt transparency and debt management in line with their commitment to meet FY24 PPA2 under.	The mission assessed the current practice related to debt-related contingent liabilities with a focus on: Sovereign Guarantees; On-lending; Non-guaranteed debt of SOEs and statutory bodies, Guarantees granted by the SOEs and statutory bodies, and provided recommendation.

Enhance Strategy and Policy

TYPE	Cash Management and Cash Flow Forecasting
COUNTRY	Malawi, October 23–27, 2023
ORGANIZERS	World Bank
OBJECTIVE	The main objective of the mission was to provide advisory support to officials of Government of Malawi on cash management, cash flow forecasting and its linkages to the debt management operations. The activity aimed to address the constraints and challenges in realistic cash forecasting and management.
HIGHLIGHTS	The mission assessed the status of cash flows and balances, coordination mechanisms with debt management and the Reserve Bank of Malawi (RBM), and inputs used for cash forecasting, time horizon and granularity of forecasts. The mission team also introduced the IMF's new Cash Flow Forecasting and Analysis Tool (CFAT) to the authorities.

Improving Governance and Institutions

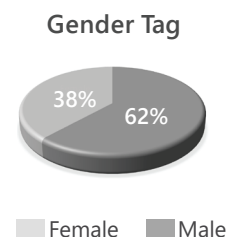
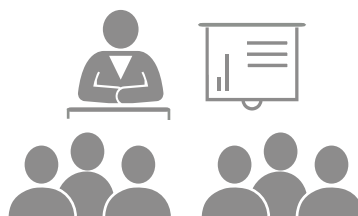
TYPE	Reform Plan
COUNTRY	Congo Republic, November 29–December 7, 2023
ORGANIZERS	World Bank
OBJECTIVE	The objective of the mission was to identify the main pillars of a Public Debt Reform Plan following the Debt performance assessment mission (DeMPA) in December 2021. The mission's focus was to work with the government and identify reforms that would improve debt management building on the DeMPA evaluation,
HIGHLIGHTS	The mission prepared detailed findings and the reforms agreed with authorities in the areas of Governance for Debt Management, Fiscal Risks, Human Resource Management, and Operational Risks.

Boosting Debt Transparency

TYPE	Debt Reporting (hybrid)	
COUNTRY	Sierra Leone, December 11–13, 2023	Vanuatu, September 18–22, 2023
ORGANIZERS	World Bank and WAIFEM	World Bank
OBJECTIVE	The objective of the mission was to undertake a stock-taking of debt reporting and transparency practices, including identifying existing reports, related institutional set-up and staffing, legal and regulatory reporting requirements, debt data records and reports and publication strategy (target audience).	The objective of the mission was to support the DMO in improving the quality of debt reporting, the publication of quarterly debt statistical bulletins, provide capacity building to meet required Performance Policy Actions (PPA) under the Sustainability Development Finance Policy (SDFP) for FY2023.
HIGHLIGHTS	The mission provided recommendations for improving debt reporting, as well as offering for potential follow-up related debt management technical assistance.	The mission provided recommendations on legal framework, institutional set-up and staffing, debt recording and reporting.

Training

11	Training Opportunities
254	Training Participants



Enhancing Strategies and Policy - Debt and Cash Management			
TYPE	Reinforcement of the Coordination of Debt and Cash Management	Debt and Cash Management	Debt and Cash Management
COUNTRY	Congo, Rep October 9–20, 2023	Singapore, November 6–13, 2023	Austria, September 25–29, 2023 (JVI)
ORGANIZERS	IMF	IMF	IMF
OBJECTIVE	The objective of the mission was to strengthen the capacities of agents of the General Directorate of the Treasury, the <i>Caisse Congolaise d'Amortissement</i> (CCA) and the Directorate of Studies and Forecasts (DEP) of the Ministry of Finance on best practices in the integration and coordination of cash and debt management. The mission was jointly conducted by AFRITAC Center and the Fiscal Affairs Department (FAD).	The objective of the course was to establish the link between debt and cash management practices, providing participants with a broad perspective of managing government financial resources as a portfolio, considering cash balance, cash flows and debt liabilities.	The purpose of the course was to strengthen capacity by linking debt management and cash management practices. The training provided participants a broad perspective of managing government financial resources as a portfolio, considering cash balance, debt liabilities, and cash flows.
PARTICIPANTS	37 participants from Treasury, and MOF attended the training.	29 participants from Bangladesh, Bhutan, Cambodia, India, Indonesia, Iran, Malaysia, Maldives, Mongolia, Nepal, Pakistan, PNG, Samoa, Sri Lanka, Vanuatu, Vietnam and Korea attended the course.	26 participants from Bosnia & Herzegovina, Kosovo, Armenia, Georgia, Kyrgyz, Azerbaijan, Tajikistan, and Uzbekistan attended the course.

Debt Sustainability Framework for Low-Income Countries (LIC–DSF)			
TYPE	Bilateral	Regional	Regional
COUNTRY	Uganda, October 23–27, 2023	Senegal, November 6–10, 2023	Fiji, November 13–17, 2023
ORGANIZERS	World Bank/IMF	World Bank/AUT	World Bank/IMF/PFTAC
OBJECTIVE	The workshop's main objective was to familiarize the participants with the LIC DSF, approved by the Boards of the World Bank and IMF in September 2017. The workshop aimed to introduce participants to (i) the standardized forward-looking analysis of the debt and debt service dynamics under a baseline scenario and in the face of plausible shocks; (ii) the tailored stress tests and realism tools; (iii) the assessment of debt sustainability in relation to indicative country-specific debt burden thresholds; and (iv) the use of judgment to arrive at the final assessment of the risk of debt distress.	The workshop's main objective was to familiarize the participants with the LIC DSF, approved by the Boards of the World Bank and IMF in September 2017. The workshop aims to introduce participants to (i) the standardized forward-looking analysis of the debt and debt service dynamics under a baseline scenario and in the face of plausible shocks; (ii) the tailored stress tests and realism tools; (iii) the assessment of debt sustainability in relation to indicative country-specific debt burden thresholds; and (iv) the use of judgment to arrive at the final assessment of the risk of debt distress.	The workshop's main objective was to familiarize the participants with the LIC DSF, approved by the Boards of the World Bank and IMF in September 2017. The workshop aims to introduce participants to (i) the standardized forward-looking analysis of the debt and debt service dynamics under a baseline scenario and in the face of plausible shocks; (ii) the tailored stress tests and realism tools; (iii) the assessment of debt sustainability in relation to indicative country-specific debt burden thresholds; and (iv) the use of judgment to arrive at the final assessment of the risk of debt distress.
PARTICIPANTS	The training was provided for 17 middle and senior level officials from the MoFPED, the Bank of Uganda (BoU), the Accountant General's Office, and the Parliament Budgetary Office.	14 participants from 7 WAEMU countries (Benin, Burkina Faso, Côte D'Ivoire, Guinea-Bissau, Mali, Senegal, and Togo) attended the training.	24 middle and senior level officials from the Ministries of Finances of eight PFTAC member countries (Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, and Vanuatu) attended the training.

Developing Debt Markets	
TYPE	Regional-LCBM (JVI)
COUNTRY	Austria, October 9–13, 2023
ORGANIZERS	World Bank/IMF
OBJECTIVE	The objective of the training was to strengthen capacity in participating countries to effectively utilize the local bond market to meet government financing requirements in a cost-effective manner and within tolerable risk. The development of the bond market is expected to contribute to greater capacity for the debt managers to implement debt management strategies that balance the cost-risk trade-offs and mitigate exchange rate risk.
PARTICIPANTS	24 participants from Albania, Armenia, Azerbaijan, Bosnia & Herzegovina, Croatia, Georgia, Hungary, Iran, Kazakhstan, Kyrgyz, Moldova, North Macedonia, Kosovo, Türkiye, Romania, Tajikistan, Ukraine and Uzbekistan attended the training.

Boosting Debt Transparency	
TYPE	Regional - Debt Reporting, Monitoring and Transparency
COUNTRY	Ghana, October 16–20, 2023
ORGANIZERS	World Bank/WAIFEM
OBJECTIVE	The objective of the workshop was to build capacity on issues such as debt recording, reporting, and monitoring. The training explored the connections between debt recording and reporting, with focus on enhancing transparency. Participants had the opportunity to work on hands-on exercises aiming to develop technical capacity to organize data and extract reliable information.
PARTICIPANTS	The training was attended by 30 participants consisting of twenty males and ten females drawn from all WAIFEM member countries: The Gambia, Ghana, Liberia, Nigeria and Sierra Leone.

Enhancing Strategies and Policy		
TYPE	Regional- Roundtable on the Role of Parliament in Public Debt Management	Fundamentals of Debt Management
COUNTRY	Kenya, October 31–November 3, 2023	AMF members virtual, November 6–9, 2023
ORGANIZERS	World Bank/MEFMI	World Bank
OBJECTIVE	The objective of the mission was to leverage regional exchange of practices and experiences within the region as a catalyst for jurisdictions to identify strategies and reforms at the country-level, and to strengthen the institutional relationship between debt managers and parliament.	The objective of the workshop was to provide training on the fundamentals of debt management focusing on generating cash flows, calculating and interpreting risk exposure indicators, reporting and transparency, understanding debt management and market development challenges in the AMF area, and designing key considerations for developing debt management strategy.
PARTICIPANTS	30 members of Parliaments, staff from debt related committees in parliaments, and staff from debt management offices from the Kenya, Tanzania, Uganda, and Zambia attended the meeting.	Participants from Ministries of Finance and Central Bank representatives from UAE, Bahrain, Tunisia, Algeria, Saudi Arabia, Sudan, Syria, Somalia, Iraq, Qatar, Kuwait, Egypt, and Morocco attended the training.

Developing Debt Markets-Bonds	
TYPE	Regional - International Bond Issuance
COUNTRY	Nigeria, November 6–10, 2023
ORGANIZERS	World Bank/WAIFEM
OBJECTIVE	The objective of the mission was to conduct a workshop on International Bond Issuance to develop capacity for participating countries in carrying out all the necessary tasks related to these transactions, notably playing a leading role on the decision-making process.
PARTICIPANTS	23 representatives from Ministries of Finance and Central Banks of WAIFEM countries, i.e., The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone attended the workshop.

VI. Future Debt Events

Upcoming Technical Assistance Missions, January–March, 2023

COUNTRY	ACTIVITY	NAME	DATES
Bolivia	National	MTDS Strategy	January 2024
Nepal	National	DMO set up	January 2024
Zambia	National	Cash Management	January 2024
Sao Tome & Principe	National	MTDS	January 2024
Tuvalu	National	Fiscal Risk Statement	January 2024
Uzbekistan	National	Cash Management	February 2024
DRC	National	Debt Reporting	February 2024
Bangladesh	National	MTDS Strategy	February 2024
Somalia	National	Reform Plan, DMO Legal & Institutional	February 2024
Vietnam	National	DeMPA	February 2024
Nigeria	National	MTDS Strategy	Feb/Mar 2024
Tonga	National	Debt Reporting	March 2024
Haiti	National	Cash Management	March 2024
Madagascar	National	Fiscal Risk, SOEs	Mar/Apr 2024

Upcoming DMF Training, January–March, 2024

COUNTRY	ACTIVITY	NAME	DATES
Kenya	Regional	MTDS/ABP	Jan/Feb 2024
Vienna (JVI)	Regional	Guarantees' Framework	February 2024
Malawi	Regional	Public Debt Reporting	February 2024
Japan (JICA)	Regional	Fiscal Risk Training	February 2024
Vienna (JVI)	Regional	LIC-DSF	Feb/Mar 2024
Benin	Bilateral	LIC-DSF	Feb/Mar 2024
Africa WAIFEM	Regional	MTDS	March 2024
LAC Caribbean	Regional	MTDS	March 2024

IV. Debt Management Network Webinars and Blogs

PUBLICATION

Developing Countries Paid Record \$443.5 Billion on Public Debt in 2022: Poorest countries face risk of debt crises as borrowing costs surge

The World Bank's latest International Debt Report reveals that developing countries spent a record \$443.5 billion to service their external public and publicly guaranteed debt in 2022, amid the biggest surge in global interest rates in four decades. This increase in costs of borrowing diverted scarce resources away from critical sectors such as health, education, and the environment.

The report highlights that debt-service payments—which include principal and interest—increased by 5 percent over the previous year for all developing countries. In 2022, a record \$88.9 billion was paid for debt-servicing costs by 75 IDA eligible countries. Over the past decade, interest payments by these countries have quadrupled, to an all-time high of \$23.6 billion in 2022. Overall debt-servicing costs for the 24 poorest countries are expected to balloon in 2023 and 2024—by as much as 39 percent, the report finds. More details are [here](#).

BLOG

Prevention Versus Cure: Sovereign debt default in four charts

High levels of government debt in the Emerging Market and Developing Economies (EMDEs), as well as the increases in global interest rates over the past two years, currently heighten risks of debt default in EMDEs. However, past debt defaults were often unsuccessful in addressing debt-related risks: more than one-third of past sovereign debt defaults failed to lower government debt or borrowing costs in a lasting manner. Those that succeeded were accompanied by above-median debt restructuring and growth accelerations. Many EMDEs have turned to domestic debt, which lowers default risks. However, predominantly domestic government debt comes at the price of higher borrowing cost and lower bank credit to the private sector. The current challenging external environment requires policies to accelerate sustainable growth and shore up fiscal positions. More details are [here](#).



BLOG

Managing Sovereign Loans: Building up from the basics

Sovereign loans are an important source of financing for countries around the world. Borrowing can enable governments to support key areas for growth and development, such as healthcare, education, infrastructure and the green transition. Yet, managing public loans can be complex and challenging — with potential impact on countries' finances and their people. Errors and inaccuracies in monitoring can have large financial and reputational implications.

Debt managers need to fully understand the terms and conditions applicable to each debt instrument — down to the tranche level — to ensure that cash flows are broken down correctly into principal, stock, and interest payments. Having a clear understanding of the terms and conditions of each debt contract is critical for governments to manage risks and build to a more sustainable debt environment.

A recent World Bank guidance note, *Managing Sovereign Loans: A Bottom-Up Approach*, helps governments manage their sovereign debt more effectively — so debt can be an instrument to propel development, rather than a drag on it. More details are [here](#).

BLOG

Shedding a Light on Domestic Debt



After being shut out of international financial markets in the wake of COVID-19 and the rise in international interest rates, many low-income countries have increasingly resorted to domestic debt issuance to cope with growing financing needs. The trend highlights the importance of developing well-functioning and liquid domestic securities markets. They can serve as essential safeguards during challenging times and a reliable source of funding during more stable periods. However, not all domestic debt is created equal.

The latest update of the Domestic Debt Securities Heatmap, which covers data new data collected on domestic debt stocks across 53 out of the 75 IDA countries, shows that domestic debt accounts for 23.6% of a country's GDP on average, with nine countries exceeding 40%. The heatmap's first transparency indicator, the share of domestic debt issued through auctions, reveals that outstanding T-bills represent one-fifth of the total amount of domestic debt outstanding, while bonds represent half. The remaining debt is in the form of non-tradable instruments, such as Central Bank advances, bank loans, or recognized arrears, which are the least transparent types of domestic debt instruments, often with financial terms and existence often undisclosed. More details are [here](#).

WEBINAR

Managing Sovereign Loans: “A Bottom-up Approach”

The webinar objective was to highlight the methods employed by countries in managing contractual debt. A number of countries have revealed that they depend solely on the creditor's invoices to service their debt instead of relying on their own checks and controls. Debt systems manuals, when available, may provide guidance on how to navigate applications, but they do not describe how debt cash flows should be computed. In this regard, the webinar presented the key components of a debt contract that are needed to accurately service the debt, with a focus on recording and monitoring events that impact cash flows, as outlined in the recently published Guidance Note Managing Sovereign Loans - “A Bottom-up Approach.” The webinar also benefited discussions from the perspective of the Government of Bhutan and IFIs and how these tailor contracts and cash flows for the debtor countries. The recording of the webinar is available [here](#).

WEBINAR

Managing Debt Service Volatility

The World Bank has been working with governments in assisting in the design of Debt Management Strategies and the undertaking liability management operations. The objective of the webinar was to present the findings of new research highlighting the importance of these tools in supporting debt sustainability. The research introduces a novel measure of the smoothness of external public debt service across over 40 years and 120 countries. The webinar also illustrated how debt service spikes have frequently led to the onset of debt distress episodes. In addition, the webinar featured a discussion of actionable recommendations and insights from the Jamaica's experience in addressing these challenges. The recording of the webinar is available [here](#).

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Norway - Ministry of Foreign Affairs
Switzerland - State Secretariat for Economic Affairs - SECO
United Kingdom - Foreign, Commonwealth & Development Office
United States of America - Department of the Treasury

Newsletter, October–December 2023

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.



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