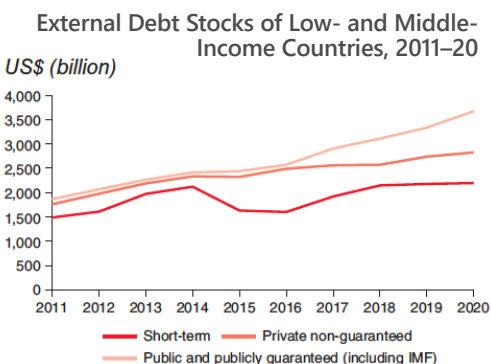


I. International Debt Statistics 2022

International Debt Statistics (IDS), features external debt statistics and analysis for the 123 low- and middle-income countries that report to the World Bank Debtor Reporting System:

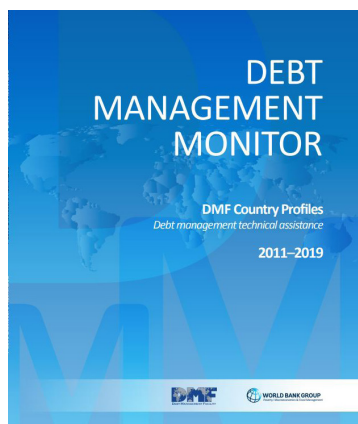
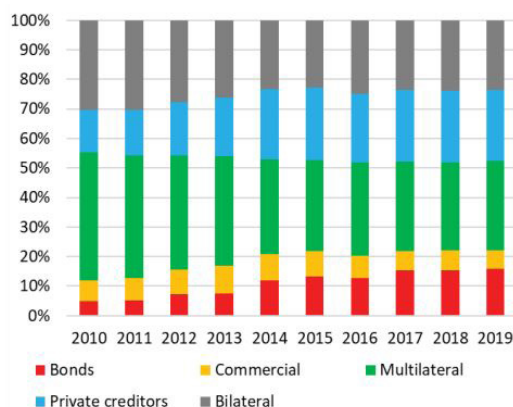
Viewed from a regional perspective, the external debt stock accumulation of low- and middle-income countries in 2020 appeared divergent, ranging from an average increase of 10 percent for countries in the East Asia and Pacific region to less than 1 percent for countries in the Latin America and the Caribbean region. More information [here](#).



The combined external debt stocks of low- and middle-income countries rose to \$8.7 trillion at the end of 2020, driven by an increase in long-term debt.

II. Debt Management Monitor Interactive Webpage

The COVID-19 pandemic has severely impacted the economic development of countries across the globe. Low-income countries have been among the most vulnerable, overwhelmed by poor economic performance and debt burdens. The current crisis has further increased public debt levels and financing needs.



Government debt portfolios have become substantially more complex. The share of commercial-market-based debt, including international bonds, almost doubled in countries eligible for the Debt-Management Facility (DMF) over the past decade. Similarly, private creditors now account for more than 20 percent of outstanding public and publicly guaranteed (PPG) external debt. Meanwhile, the share of multilateral and bilateral creditors fell significantly.

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The Debt Management Monitor summarizes recent debt-management developments in 86 developing countries that benefit from the Debt Management Facility. It tracks progress made in these countries. Topics covered include governance and debt strategy, fiscal and monetary policy, cash management, debt recording, and operational risk management. For the first time, the DMM has been published in an interactive format. Visit the [DMM interactive webpage](#).

III. Welcoming Ivailo Izvorski, our new Practice Manager

Ivailo V. Izvorski is the new Practice Manager for the Global Macroeconomics and Debt Unit of the Macroeconomics, Trade, and Investment (MTI) Global Practice of the World Bank, which hosts the DMF Secretariat.

Mr. Izvorski, a Bulgarian national, joined the World Bank in 2005. He has since held various positions—including Lead Economist and acting Sector Director for East Asia and the Pacific, Lead Economist in MTI, and Practice Manager in Europe and Central Asia, and Lead Economist in the Europe and Central Asia Region. Before that, he worked for the IMF and the Institute of International Finance.

Mr. Izvorski will work to promote technical excellence providing intellectual leadership for analysis and operations involving public debt in LICs and MICs, especially timely support for debt sustainability analyses. In his view: "DMF has been a game-changer in the world to strengthen debt management to reduce debt-related vulnerabilities and improve debt transparency. The Facility has played a pivotal role in increasing the debt-management capabilities of the poorest countries."



Ivailo V. Izvorski, Practice Manager, Global Macro and Debt Analytics, Macroeconomics, Trade & Investment

IV. DMF– Massive Online Open Courses (MOOCs)

The DMF continues to offer comprehensive training on globally recognized frameworks, related analytical tools, and sound practice on public debt management topics. In 2021, the DMF introduced five new Massive Online Open Courses (MOOCs) targeted to government officials as well as the general public. More to come in 2022.



MTDSx

Medium Term Debt Management Strategy (MTDS)



LIC DSFx

Debt Sustainability Framework for Low-Income Countries LIC–DSF



DIGx

Public Debt, Investment, & Growth: The DIG and DIGNAR Models




DDTx

Projecting Public Debt - The Public Debt Dynamics Tool



MOOCs

Massive Online Open Courses



DDUx

Public Debt Dynamics Under Uncertainty

V. Staff Corner

Meet the Team

Jose Franco Medeiros de Moraes joined our team as a Senior Debt Specialist. Having worked at the National Treasury of Brazil until April 2021, he brings to the team 20 years of practitioner's experience on financial markets and public debt management, including six years as Head of Debt Management Office. Over the years he has worked on several bond issuances and liability management operations in both domestic and international markets. Jose Franco holds a PhD degree in economics from the University of Brasilia, has served as a Professor of Economics and Finance at IBMEC-DF and FGV MBA programs, and participated in Executive Education Programs at both Harvard Kennedy School and George Washington University.



Jose Franco Medeiros de Moraes,
Senior Debt Specialist

VI. DMF Technical Assistance and Trainings

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

Debt Management Governance and Institutions

COUNTRY	Congo (DRC), August 2–13, 2021
ORGANIZERS	IMF
TYPE	Institutional Framework for Debt Management.
OBJECTIVE	The mission aimed to assist the authorities in designing procedures that will provide guidelines and business processes for staff involved in debt management operations.
HIGHLIGHTS	The mission supported the authorities to document business processes which describe roles and responsibilities of each unit relating to debt management activities and authorization processes, as well as information flows between teams within the debt management office and other institutions. It also provided guidance on ways to ensure ownership of the manual to facilitate its implementation, monitoring and regular updating.

Medium-Term Debt Management Strategy (MTDS) and Annual Borrowing Plan (ABP)

COUNTRY	Bangladesh, June 30–July 8, 2021	Mauritania, July 5–16, 2021	Republic of Congo, July 12–23, 2021
ORGANIZERS	World Bank/IMF	World Bank/IMF	IMF
OBJECTIVE	The mission worked with government officials to strengthen their capacity to apply a joint WB-IMF MTDS framework and analytical tool that will assist the government to develop a new debt management strategy document.	The mission provided technical assistance to the authorities for developing a DMS and corresponding ABP.	The mission aimed to strengthen analytical capacity in forward-looking risk analysis and to provide guidance for the formulation of a medium-term debt management strategy.

HIGHLIGHTS	This work was based on quantitative analysis of cost and risk of the debt portfolio and in consistency with the overall macroeconomic framework, and objectives for domestic market development.	Specifically, the mission worked with the Public Debt Directorate of Mauritania to strengthen existing technical analysis in preparing a strategy and in formulating a consistent Annual Borrowing Plan.	The mission addressed shortcomings in the authorities' existing practices for design of their MTDS and helped to identify priorities for their next debt strategy. Based on the mission's guidance, the debt management office prepared an improved debt management strategy document.
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Domestic Debt Market Development (DDMD)


COUNTRY	Central Bank of Central African States (BEAC), September 6–17, 2021
ORGANIZERS	IMF
OBJECTIVE	The mission aimed to support the BEAC and the six National Treasuries of the Central African Economic and Monetary Community (CEMAC) in enhancing government securities issuance coordination at the regional level.
HIGHLIGHTS	The mission supported BEAC and the six national Treasuries in reaching a consensus on the choice and allocation on countries' issuance days per week to reduce issuance congestion in the regional primary market. It also helped to formalize a regional forum between national Treasuries to discuss regional market development issues and share experiences on domestic issuance plan implementation.

Debt-Related Contingent Liabilities and Fiscal Risks

COUNTRY	Afghanistan, March–August, 2021	Uzbekistan, July 19–August 12, 2021
ORGANIZERS	World Bank	IMF
OBJECTIVE	The mission, through a series of virtual meetings from March–August 2021, supported the Afghanistan authorities to develop and publish their first Fiscal Risk Statement (FRS).	The mission supported the Ministry of Finance (MoF) to strengthen the assessment, monitoring and management of fiscal risks related to public private partnerships (PPPs) and non-financial state-owned enterprises (SOEs).
HIGHLIGHTS	The FRS focuses on fiscal risks associated with State-Owned Enterprises /State-Owned Companies, Public-Private Partnerships, and State-Owned Banks.	The mission advised on the legal, regulatory, and institutional arrangements for better managing the costs and risks of PPPs; and assessing fiscal risks from SOEs, in particular loans and guarantees extended to them. The team conducted trainings for MoF officials. Topics included training in IMF/WB PFRAM; the IMF's Discrete Loan and Guarantee Assessment and SOE Health Check Tools and applied the latter to assess the financial health of ten of the largest SOEs.

Conducted Virtually

9*  Training Opportunities

796*  Trained Participants

* Includes Massive Open Online Courses (MOOCs) finished in September 2021.

Debt Management Performance Assessment (DeMPA) Training

COUNTRY	Regional training with Joint Vienna Institute (JVI), August 16–20, 2021
ORGANIZERS	World Bank
OBJECTIVE	This course (i) informed participants about the updated version of the DeMPA methodology and revised performance indicators included in 2021 version, (ii) familiarized participants with the application technics for evaluating debt management performances, (iii) informed participants about the cross-country experience and recent trends in sound debt management practices at the central government level.
PARTICIPANTS	37 Participants from 9 countries: Angola, Gambia, Kenya, Malawi, Sierra Leone, Tanzania, Uganda, Zimbabwe, and Ukraine (non-DMF).

Medium–Term Debt Management Strategy (MTDS) and Annual Borrowing Plan (ABP)

COUNTRY	Regional training with Joint Vienna Institute (JVI), August 2–6, 2021
ORGANIZERS	World Bank/IMF
OBJECTIVE	The workshop provided technical assistance on the design and implementation of an ABP with the support of the ABP tool recently developed by the WB and the IMF. Theoretical presentations on the link between MTDS and ABP and the steps to follow to develop an ABP were supplemented with hands on exercises.
PARTICIPANTS	20 officials from the Ministries of Finance of the following countries participated in the training: Armenia, Azerbaijan, Georgia, Kyrgyz Republic, Moldova, Tajikistan and Uzbekistan.

GDM 2: Implementing Debt Management Strategies

COUNTRY	Global, July 5–9, 2021
ORGANIZERS	World Bank
OBJECTIVE	The training aimed at building capacity for risk management and debt management strategy implementation through presentations, case studies, and interactive exercises, such as the generation of cash flows and calculation of risk exposure indicators, as well as preparing borrowing plans, designing auction calendars.
PARTICIPANTS	29 Officials from Ministries of Finance, Treasuries and Central Banks in the following countries participated in the training: Ethiopia, Kenya, Nigeria, Pakistan (DMF); Argentina, Costa Rica, Egypt, South Africa, and Turkey (non-DMF).

Debt Sustainability Analysis (DSA) and Debt Sustainability Framework for Low Income Countries (LIC-DSF)

COUNTRY	Republic of Comoros, July 12–20, 2021
ORGANIZER	World Bank/IMF
OBJECTIVE	The workshop familiarized the participants with the LIC DSF, and introduced participants to (i) standardized forward-looking analysis of the debt and debt service dynamics under a baseline scenario and in the face of plausible shocks; (ii) the new tailored stress tests and realism tools introduced by the revised framework; (iii) the assessment of debt sustainability in relation to indicative country-specific debt burden thresholds; and (iv) the use of judgement to arrive at the final assessment of the risk of debt distress.
PARTICIPANTS	13 Officials from the government of Comoros participated in the training.

Massive Open Online Courses (MOOCs)

DATE	May 1–September 1, 2021	May 1–September 1, 2021	May 1–September 1, 2021	July 6– 28, 2021 (1st run, for government officials only)
ORGANIZERS	World Bank/IMF	World Bank/IMF	World Bank/IMF	World Bank/IMF
TRAINING ACTIVITY	Medium Term Debt Strategy (MTDSx) Online Course.	Debt Sustainability Framework for Low Income Countries (LIC–DSFx) Online Course.	Public Debt, Investment, and Growth: The DIG and DIGNAR Models (DIGx)–MOOC.	NEW — Public Debt Dynamicx Under Uncertainty (DDUx).
OBJECTIVE	This Massive Open Online Course (MOOC) strengthened capacity in analyzing the characteristics of a government debt portfolio and developing a medium-term debt management strategy. It explains the joint World Bank–IMF MTDS framework and provides comprehensive training on the accompanying analytical tool.	This Massive Open Online Course (MOOC) provided an overview of the World Bank–IMF LIC DSF, to help low-income countries achieve their development goals while minimizing the risk of debt distress. It also familiarized the participants with the LIC DSF tool and the steps involved in its application.	This online course, presented by the Institute for Capacity Development and the Research Department, explains how to analyze the relation between public investment, growth, and public debt dynamics, using two dynamic structural models: the Debt, Investment, and Growth (DIG) model and the Debt, Investment, Growth and Natural Resources (DIGNAR) model.	This online course, presented jointly by the Institute for Capacity Development and the Fiscal Affairs Department, provides an overview of how to assess public debt dynamics under uncertainty. That is, the course discusses how to think about public debt projections when we acknowledge uncertainty about the key variables that underlie debt projections (GDP growth, interest and exchange rates, and primary balances).
PARTICIPANTS	121	150	267	129

VII. Future Debt Events

Upcoming Missions, October–December 2021

COUNTRY	ACTIVITY	NAME	DATES
Nicaragua	Technical Assistance	Debt-Related Fiscal Risk Assessment	Sept/Oct, 2021
Honduras	Technical Assistance	Debt-Related Fiscal Risk Assessment	Sept/Dec, 2021
Republic of the Congo	Technical Assistance	DeMPA National	October, 2021
Cambodia	Technical Assistance	Domestic Debt Market Development	October, 2021
Zimbabwe	Technical Assistance	Debt Reporting and Monitoring: Improving Transparency	October, 2021
Nicaragua	Technical Assistance	DeMPA National	October, 2021
Congo DRC	Technical Assistance	MTDS Strategy Formulation	October, 2021
Guinea Bissau	Technical Assistance	DeMPA National	November, 2021
Burkina Faso	Technical Assistance	Debt-Related Fiscal Risk Assessment	November, 2021
Liberia	Technical Assistance	DeMPA	November, 2021
Cameroon	Technical Assistance	Investor Base Diversification	November, 2021

Upcoming Training, October – December, 2021

COUNTRY	ACTIVITY	NAME	DATES
E-Learning	Regional Training	LIC DSFx (MOOC)	Sept–Dec, 2021
E-Learning	Regional Training	MTDSx (MOOC)	Sept–Dec, 2021
E-Learning	Regional Training	DIGx (MOOC) Public Debt, Investment and Growth (DiG and DIGNAR Models)	Sept–Dec, 2021
E-Learning	Regional Training	DDUx (MOOC) Public Debt Dynamics under Uncertainty	Sept–Dec, 2021
Regional (JVI)	Regional Training	Debt Management, Debt Reporting and Investor Relations (DMIR)	October, 2021
Central & West Africa (Francophone Countries)	Regional Training	DSA - LIC DSF (French)	October, 2021
E-Learning	Regional Training	DDTx Project Public Debt (Govt Officials)	Oct–Nov, 2021

Bhutan	Bilateral Training	DSA - LIC DSF	November, 2021
East Africa/ECA	Regional Training	LIC DSA	November, 2021
Regional with JICA Part I	Regional Training	Contingent Liabilities	November, 2021
Regional with JICA Part II	Regional Training	Contingent Liabilities	November, 2021
Mozambique	Bilateral Training	LIC DSA	Nov–Dec, 2021

VIII. Recent Debt Publications

The Impacts of Disaster Risk on Sovereign Asset and Liability Management

Paper

Applying the Sovereign Asset and Liability Management (SALM) framework is a new and comprehensive way of looking at the potential impact of a disaster on the public sector balance sheet through assets and liabilities. Its implementation can help build key practical recommendations for understanding risk in its multiple dimensions (economic, fiscal, and financial). This paper introduces a framework that identifies three channels through which natural disaster will impact SALM. More information [here](#).



Towards HIPC 2.0?

Paper

Lessons from past debt relief initiatives for addressing current debt problems.

When the COVID-19 pandemic added to already elevated debt vulnerabilities in low-income countries, the G20 launched the Debt Service Suspension Initiative (DSSI) and the Common Framework for Debt Treatments beyond the DSSI, which have provided limited relief so far. For several countries, deeper and more wide-ranging debt treatments will likely be needed to secure future debt sustainability.

This paper looks at the Heavily Indebted Poor Countries (HIPC) initiative, the largest and most comprehensive debt relief effort for low-income countries to date, as a potential reference point for the 2020s. More information [here](#).

Investing in Human Capital for a Resilient Recovery: The Role of Public Finance

Report

A new World Bank report considers the role of public finance to build, protect and utilize human capital as countries seek to recover from the COVID-19 (coronavirus) crisis and lay a foundation for inclusive, resilient and sustainable development.

Countries face a range of human capital challenges that predate the COVID-19 crisis, notably longstanding structural human capital deficits, limited financing, and institutional impediments for delivering high-quality, efficient, human capital investments. More information [here](#).



Sovereign Debt, Incapacity and Insecurity in Sub-Saharan Africa

Paper



Empty stalls due to lockdown in Kenya
Photo: World Bank/ Sambrian Mbaabu

The contractual obligation to debt service and the volatility of commodity-dependent economies of the nations in the global market remains a major challenge. Several initiatives to manage the debt have helped to ameliorate but not appreciably solved the problems. The legal framework for managing insecurity exists. However, the fact remains that higher access to funding is required to increase the capacity of the governments to deal with the issues and avoid the vicious cycle of debt, poverty and insecurity in Sub-Saharan African nations. More about the paper [here](#).

Dealing with Africa's Risk of Debt Distress

Note

Zambia's recent sovereign default has cast a shadow of a looming wave of debt restructuring in Sub-Saharan Africa. The COVID-19 shock has brought a significant risk of debt distress in several African countries, by exacerbating vulnerabilities that have built up over the past decade. While liquidity facilities through the Debt Service Suspension Initiative DSSI and emergency lines have provided temporary support to many countries in the region, solvency issues remain and the prospect of debt restructuring is gaining ground. In this context, the methodology of the IMF and the World Bank remains the most suitable tool for assessing debt sustainability for low-income countries. More [here](#).



People gathering water in Kenya
Photo: World Bank/Curt Carnemark

DMF III Donors

African Development Bank (AfDB)

Austria - Federal Finance Ministry

European Commission

France - Ministry of the Economy, Finance and the Recovery

Germany - Federal Ministry for Economic Cooperation and Development

Japan - Ministry of Finance

The Netherlands - Ministry of Foreign Affairs

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Switzerland - State Secretariat for Economic Affairs - SECO

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

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The DMF Newsletter is published quarterly by the DMF Secretariat.

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The newsletter aims to share DMF work plans, lessons learned, and news and developments related to debt management.



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