

## I. DMF Stakeholders' Forum 2023 "Managing Debt in High-Interest Rates"

### *The Impact of the Pandemic and Other Disruptions on Sustainable Development Goals*

The COVID-19 pandemic has not only halted progress towards achieving the Sustainable Development Goals but has also exacerbated existing challenges. Post-pandemic trade disruptions, commodity market turbulence, and the ongoing war in Ukraine have further threatened global stability. Even before the pandemic, many developing countries were already experiencing surging debt burdens and slowing economic growth. With elevated debt levels, high financing needs, and rising global interest rates, effective public debt management has become more challenging than ever. The debt composition of many emerging markets and developing economies (EMDEs) has undergone significant changes. Increased borrowing on commercial terms has altered the debt landscape, with a growing reliance on non-Paris Club lenders and private creditors. These evolving trends have presented new challenges for an increasing number of EMDEs.



Participants from the DMF Stakeholders Forum in Berlin 2023

Under these evolving global challenges, the World Bank organized the 13<sup>th</sup> Debt Management Facility (DMF) Stakeholders' Forum in Berlin from June 15–16, 2023. The forum, titled "Managing Debt in a High-Interest Rates Environment," provided a platform to exchange views on the challenges faced by debt managers in the current global landscape.

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The forum included debt managers from low and middle income developing countries - that engaging actively in stimulating discussions on debt management. The forum discussed the impact of the global shocks on EMDEs, the growing debt burdens, and fiscal constraints, and the importance of a robust Public Debt Management Legal Framework.

The Forum aimed to address these challenges and provide insights to help debt managers tackle these issues effectively with a focus on sharing experiences and knowledge transfer.

## ***Key Issues Discussed at the 2023 DMF Stakeholders' Forum***

***Growing Debt Burdens and Fiscal Constraints:*** Over the past three years, countries have faced mounting debt burdens and increasing fiscal constraints. - Significant shift in the cost of 'market borrowing during the last three years had negatively affected debt service to revenue ratios in many LICs. The forum emphasized the need to strengthen reforms, build fiscal buffers and enhance the sound practices of Debt Management Offices to address these challenges effectively.

### ***The Public Debt Management Legal Framework:***

The forum highlighted the importance of a robust Public Debt Management Legal Framework and active dialogue with parliaments. Debt transparency and high-quality data were emphasized as crucial for better decision-making and trust in government policies. It is equally important for monitoring contingent liabilities.

The forum generated valuable insights on how debt managers and ministers of finance can tackle the challenges posed by the current global environment. Here are five key actions discussed:



- ***Swift Action on Roll-over Risks:*** Debt managers should closely monitor roll-over risks and act promptly. Voluntary liability management operations can be employed as a proactive measure to mitigate - portfolio - risks.
- ***Rebuilding Policy Buffers and Diversification of Funding Sources:*** It is essential for governments and debt managers to build buffers, and diversify the types of debt instruments used. Exploring innovative forms of state-contingent debt instruments can also be advantageous.
- ***Pursuing Growth-Enhancing Structural Reforms:*** Countries should continue implementing growth-enhancing structural reforms that promote long-term economic growth alongside prudent debt management.
- ***Enhancing Debt Transparency:*** Improving debt transparency and data quality is vital for better decision-making and -monitoring risks arising from - contingent liabilities. Transparency builds trust between borrowers and lenders, and greater involvement of parliaments can strengthen debt management practices.
- ***Effective Communication and Engagement:*** Continuous communication with investors, particularly during challenging times, is crucial. Debt managers should actively engage with new investors and potential partners to broaden their investor base.

## II. Global Sovereign Debt Roundtable

### *Spring Meeting Event*

The event on the Global Sovereign Debt Roundtable (GSDR) took place on April 12, 2023, and discussed debt sustainability and debt restructuring challenges and ways to address them. The event was attended by various stakeholders including Paris Club and non-Paris Club creditors, debtor countries, and representatives of the private sector. The discussion focused on the actions that can be taken now to accelerate debt restructuring processes and make them more efficient, including under the G20 Common Framework.

The meeting discussed the role of Multilateral Development Banks (MDBs) in these processes through the provision of net positive flows of concessional finance. The IDA's provision of positive net flows and the ex-ante implicit debt relief through increased concessionality and grants to countries facing higher risks of debt distress was welcomed. The meeting suggested organizing a workshop to elaborate key concepts to support the predictability and fairness of debt restructuring processes, and further work on principles regarding cut-off dates, formal debt service suspension at the beginning of the process, treatment of arrears, and perimeter of debt to be restructured, including with regards to domestic debt.

## III. Overcoming Debt, Generating Growth

### *Spring Meeting Event*

The COVID-19 pandemic and related disruptions have intensified the debt crisis facing many developing countries. As of the end of 2021, the external debt of developing economies more than doubled from a decade earlier to \$9 trillion. The situation is even more dire among the poorest countries — which slows growth and blocks progress on education, health, and climate action.

Slowing global growth and rising interest rates in response to inflation are worsening the situation, pushing more countries into debt crises. Meanwhile, efforts to defuse the crisis have proved insufficient. Debt transparency remains inadequate, delaying and obstructing restructuring, and nondisclosure provisions have proliferated. Around 40 low-income countries and a dozen middle-income countries are at high risk of debt distress or in debt distress. In addition, higher interest rates globally are putting additional pressure on developing countries. The World Bank has advocated strongly for solutions to the mounting debt challenge facing developing countries.

In this regard, a panel discussion took place on *“Overcoming Debt Generating Growth”* on April 11, 2023 which was moderated by World Bank Group President David Malpass. The discussion covered issues, such as the urgency of more debt transparency, faster workout agreements, the urgency of reforms that would equip countries to manage debt more effectively, and ways of freeing resources for investment in key areas. Ethiopia's Minister of Finance Ahmed Shide and Jamaica's Minister of Finance and the Public Service Nigel Clarke spoke about their experiences in their countries. Professor Raghuram Rajan, from the University of Chicago's Booth School, provided a remark on debt in the global context and its current challenge, and Tina Vandersteel, Head of Emerging Country Debt, GMO discussed the debt restructuring process and Debt Sustainability Analyses from a private sector point of view. For more details, the recording of this event is available at this [link](#).

## IV. High Risk of Debt Distress: Breaking the Impasse in Global Debt Restructuring

### *Spring Meeting event*

This World Bank debt conference brought together researchers, policymakers, and practitioners to discuss the latest developments in sovereign debt markets and reflect on possible solutions to the developing country's sovereign debt crisis. A panel discussion moderated by World Bank President, David R. Malpass including panelists Jeromin Zettelmeyer, Pablo Saavedra, and Carmen M. Reinhart took place on April 26, 2023 as part of the Spring meeting events. The panelist provided their views on possible options to break out of the debt impasse and create a better system for the future.

By way of introduction, David provided remarks on the issues of debt focusing on the historical perspective and the current debt crisis, the over-optimism of debt sustainability assessment in terms of projection of key variables, and the recent experience of debt restructuring efforts in the context of the G20 Common Framework and its progress. Jeromin highlighted three points regarding over-optimism bias: the sources and diagnosis of over-optimism; the need for reviewing the existing joint WB IMF LIC DSF, and the need to capture the fiscal costs of climate adaptation. On the over-optimism of projections, Pablo highlighted the plan to investigate the details in the coming DSA review, the possibility of incorporating features of climate adaptation and cost, the importance of debt transparency and reporting which would affect the debt burden indicators, and the need to give emphasis on domestic debt in the context of DSA.

Carmen noted by saying that the current crisis resembles the early 80s when countries experienced a cumulative decline in output and depreciation of their currencies which led blowing up of the debt ratios. Comparing the current crisis with the 80s, she alluded that the 80s crisis encompassed the middle-income countries that in turn, affected the global financial system. However, the current crisis is emerging in many low-income countries with no significant global impact. Thus, the issue is not systemic. Secondly, she indicated that during the height of the 80s crisis, the flows from south to north were negative, unlike the current crisis. There were net repayments of debt as the early IMF programs started to be repaid. For more information, the recording of this event is available at this [link](#).

## V. DMF Technical Assistance and Training

### *Technical Assistance*

Medium Term Debt Strategy (MTDS)	
TYPE	MTDS/ABP
COUNTRY	Burundi, April 17–23, 2023
ORGANIZERS	World Bank/IMF
OBJECTIVE	The objective of the mission was to provide capacity building for the Directorate of Public Debt to design Burundi's first debt management strategy and Annual Borrowing Plan.
HIGHLIGHTS	The mission provided a week-long workshop and supported the preparation of the DMS for FY 2024-2026. The mission also recommended the client diversify sources of external financing, enhance the institutional structure, and development of domestic debt market.

## Domestic Debt Market Development

TYPE	LCBM
COUNTRY	Tanzania, April 17–28, 2023
ORGANIZERS	World Bank/IMF
OBJECTIVE	The mission aimed to assist the authorities in assessing the stage of development of the domestic government debt market in Tanzania and formulate an action plan for its continued deepening.
HIGHLIGHTS	Tanzania's track record of sound macroeconomic management and prudent fiscal policies, together with relatively stable inflation and exchange rates lay a strong foundation for growth of a vibrant LCMB. The authorities have taken some initiatives to develop the market, these include promotion of retail investor participation in the LCMB, introduction of the market leaders' forum to strengthen market consultation practices and publication of an issuance calendar to enhance transparency in primary market operations. Recently, the LCMB was opened for investment by residents of Eastern and Southern Africa. Government is exploring introducing a benchmark bond issuance program to foster the creation of a reliable reference yield curve and improve secondary market liquidity.

## Debt Reporting

TYPE	Debt Reporting (hybrid)	Debt Reporting
COUNTRY	Ghana, April 11–13, 2023	Guinea, April 17–20, 2023
ORGANIZERS	World Bank	World Bank
OBJECTIVE	The objective of the mission was to undertake a stock-taking of reporting practices in debt management, including the scope of reporting and how these are published.	The objective of the mission was to undertake a stock-taking of reporting practices in debt management, including the scope of reporting and how these are published. In addition, a detailed and sequenced proposal for improving reporting was developed.
HIGHLIGHTS	The mission identified key findings in the area of debt recording, debt reporting and legal framework, institutional aspects, and audits. The mission provided specific recommendations on strategy and reporting, debt recording, investor relation unit, and moving responsibility for DSA to Fiscal Policy Department.	The mission identified key findings in the areas of the legal framework, debt recording, institutional aspects, debt reporting, publication strategy and audits. The mission provided specific recommendations on the publication of periodic reports on public debt, validation of DMFAS debt recording tool, data collection process, quality of debt reporting, and publication on the website.

Continued

TYPE	Debt Reporting (hybrid)	Debt Reporting (hybrid)
COUNTRY	Liberia, April 18–20, 2023	Gambia, June 5–6, 2023
ORGANIZERS	World Bank	World Bank
OBJECTIVE	The objective of the mission was to undertake a stock-taking of reporting practices in debt management, including the scope of reporting and how these are published. In addition, a detailed and sequenced proposal for improving reporting was developed.	The objective of the mission was to undertake a stock-taking of the legal framework and reporting practices in debt management, including the scope of reporting and how these are published. In addition, a detailed and sequenced proposal for improving debt reporting was developed.
HIGHLIGHTS	The mission identified key findings in the area of debt recording, debt reporting and legal framework, institutional aspects, and audits. The mission provided specific recommendations on annual borrowing plans, liquidity management, and disclosure results of securities auctions.	The mission identified key findings in the area of debt reporting, institutional set-up and staff, legal framework, debt recording, and publication strategy.

## Improving Governance and Institutions

TYPE	Institutional/Legislative Framework for Sovereign Development Fund	Legal Framework TA
COUNTRY	Papua New Guinea, April 23–29 13, 2023	Sri Lanka, June 26–July 7, 2023
ORGANIZERS	World Bank	World Bank/IMF
OBJECTIVE	The mission objective was to discuss and prepare a preliminary draft of a new on-lending policy and guidance note, based on the 2021 state guarantee policy and the 2022 guidance note.	The mission objective was to provide a legal basis for the establishment of a debt management office (DMO) within the Ministry of Finance (MoF), which is a follow-up mission for recent WB and IMF TAs on DeMPA and Reform Plan.
HIGHLIGHTS	The mission reviewed the existing debt management laws and regulations, and an outline of the public debt law was discussed. The mission also shares with authorities on the pros and cons of different institutional frameworks for further discussion with the Treasury.	The mission provided support for Sri Lanka enacting a Public Debt Management law, which will create the legal basis for the establishment of a public debt management office (PDMO) within the Ministry of Finance (MoF). Building on the findings from the recently delivered TAs: DeMPA– August 2022 and a joint WB and IMF DM Reform Plan – March 2023, the mission team discussed with the authorities’ particularities of the local legislation and the need to consolidate existing provisions under the PDM Law.

## Improving Governance and Institutions

TYPE	Debt Reform Plan
COUNTRY	The Democratic Republic of the Congo, May 29–June 12, 2023
ORGANIZERS	World Bank and DRI
OBJECTIVE	The objective of the mission was to assess the main pillars of a public debt reform plan as a follow-up from the DeMPA carried out in September 2022. The mission's focus was to i) work with the government and identify reforms that would improve debt management based on the last DeMPA evaluation and ii) identify the progress observed in relation to the former Public Debt Reform Plan carried out in 2012 with the support of the World Bank.
HIGHLIGHTS	Key findings of the mission include the need to strengthen the legal and institutional framework for debt management; improve the standards and periodicity of debt reporting and upgrade debt recording system; and improve coverage and collection of debt and financial data to feed fiscal risks analysis.

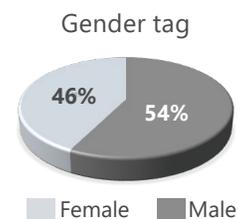
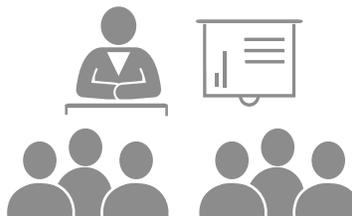
## Debt Management Performance Assessments (DeMPA)

TYPE	National
COUNTRY	Burundi, June 15–23, 2023
ORGANIZERS	World Bank
OBJECTIVE	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 mission assessed the evolution of debt management practices since the last assessment of 2012 and identified strengths and areas for improvement for World Bank technical assistance.

## Training

13 Training Opportunities

2224 Training Participants



## Enhancing Strategies and Policy

TYPE	Cash Management – Annual and In-Year Cash Forecast and Update
COUNTRY	Haiti, April 4–17, 2023
ORGANIZERS	IMF
OBJECTIVE	The training on cash management jointly delivered by FAD and CARTAC to Haitian officials in Santo Domingo, Dominican Republic, aimed to present the objectives and key challenges for a sound cash management in its key pillars (treasury single account – TSA – in-year cashflow forecasts and update, and cash short-term shortages).
PARTICIPANTS	12 participants from key directorates tasked with macroeconomic forecasts, budget, financial control, treasury and debt, accounting) from the MEF attended the training. The conceptual sessions were interactive with several questions including on learning how to set cash buffer. Participants benefited from the demonstration of the FAD's cashflow forecasting and analysis tool. While running the tool, they faced several challenges, and received advice provided by FAD.

## Contingent Liability and Other Fiscal Risks

TYPE	Assessing and Managing Debt-Related Fiscal Risks
COUNTRY	Regional, JVI, April 24–28, 2023
ORGANIZERS	World Bank
OBJECTIVE	This workshop aimed at helping governments in identifying and classifying the key types of debt-related fiscal risks countries are exposed to and the key characteristics of a government's exposure to these risks. In addition to providing participants with a framework for managing these risks, the training will primarily focus on assessing and managing credit risk from the debt of public sector entities, with a focus on government guarantees and on-lending.
PARTICIPANTS	26 participants including senior officials from Ministries of Finance from Azerbaijan, Bosnia and Herzegovina, Ethiopia, Indonesia, Kenya, Kosovo, Kyrgyz, Rwanda, Tajikistan, Uganda, and Ukraine attended the training.

MTDS Annual Borrowing Plan		
TYPE	MTDS/ABP	MTDS/ABP
COUNTRY	Regional, Zambia, April 24–28, 2023	Regional, Gambia, May 8–12, 2023
ORGANIZERS	World Bank/IMF/WAIFEM	World Bank/IMF/WAIFEM
OBJECTIVE	The main objective of the mission was to provide technical assistance in the design and implementation of an ABP. The training explored the connections between the MTDS framework and the ABP, linking the two but also stressing that care needs to be taken not to overly rely on the mechanical link since the MTDS analysis may be outdated by the time the ABP is prepared.	The objectives of the training were to provide technical assistance for the design of the MTDS and implementation of an Annual Borrowing Plan (ABP) building on the MTDS/ABP Tool developed by the World Bank and the IMF.
PARTICIPANTS	34 participants mainly from debt management offices from Botswana, Eswatini, Ethiopia, Kenya, Lesotho, Malawi, Mozambique, Namibia, Uganda, Zambia and Zimbabwe attended the workshop.	32 debt managers from Gambia, Ghana, Nigeria, Liberia, and Sierra-Leone participated in the workshop

TYPE	Annual Borrowing Plan	Designing Government Debt Management Strategies
COUNTRY	Regional, Geneva, June 26–30, 2023	Regional, JVI, June 26–30, 2023
ORGANIZERS	World Bank/IMF/UNCTAD	World Bank
OBJECTIVE	The workshop objective was to provide technical assistance on the design and implementation of an Annual Borrowing Plan, with the support of the ABP tool recently developed by the World Bank and the IMF. The training explored the connections between the MTDS and the ABP, and present the links between the MTDS Analytical Tool and the ABP tool.	The main objective of the course is to provide TA enabling debt managers to strengthen the analytical foundation for the development and update of debt management strategies.
PARTICIPANTS	30 officials from the Ministries of Finance from 15 francophone countries, i.e., Burundi, Burkina Faso, CAR, Chad, Congo Rep. Djibouti, DRC, Gabon, Guinea, Guinea Bissau, Ivory Coast, Madagascar, Mauritania, Niger, Togo attended the workshop.	29 participants from Austria, Azerbaijan, Bangladesh, Cambodia, Egypt, Ethiopia, Indonesia, Nigeria, Pakistan, Philippines, Romania, Rwanda, South Africa, Tanzania, Ukraine, Uzbekistan, and Vietnam participants in the training.

## Debt Sustainability Framework for Low-Income Countries (LIC–DSF)

TYPE	Regional
COUNTRY	Singapore, May 15–19, 2023
ORGANIZERS	World Bank/IMF
OBJECTIVE	The main objective of the workshop was to familiarize the participants with the LIC DSF, approved by the Boards of the World Bank and IMF in September 2017.
PARTICIPANTS	21 participants from Bangladesh, Bhutan, Cambodia, Timor-Leste, Lao PDR, Maldives, Nepal, Samoa, Solomon Island, Tuvalu and Vanuatu participated in the training.

## Debt Management Performance Assessments (DeMPA)

TYPE	Sub National Hybrid
COUNTRY	Nigeria, May 29–June 2, 2023
ORGANIZERS	World Bank
OBJECTIVE	The objective of the mission was to provide training on Subnational DeMPA for Nigerian states. This course aimed to achieve dual objectives: (i) acquaint participants with the core building blocks for development of a sound framework for debt management, and (ii) allow participants to perform DeMPA in their own states, as recommended by the Federal Debt Management Office.
PARTICIPANTS	34 participants from Ministry of Financing and Debt Management Offices of Nigerian Federal States attended the training program.

## Massive Open Online Courses (MOOCs)

DATE	May 1, 2022–June 30, 2023
ORGANIZERS	World Bank/IMF
TRAINING	Public Debt Dynamics Under Uncertainty (DDUx)
OBJECTIVE	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 underly debt projections (GDP growth, interest and exchange rates, and primary balances).
PARTICIPANTS	212

Continued

DATE	May 1, 2022–June 30, 2023
ORGANIZERS	World Bank/IMF
TRAINING	Public Debt, Investment, and Growth: The DIG and DIGNAR Models (DIGx) – MOOC
OBJECTIVE	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.
PARTICIPANTS	236

DATE	May 1, 2022–April 15, 2023
ORGANIZERS	World Bank/IMF
TRAINING	Debt Sustainability Framework for Low Income Countries (LIC– DSFx)
OBJECTIVE	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.
PARTICIPANTS	555 - English (281), French (147), Spanish (77) and Portuguese (50)

DATE	May 1, 2022–June 30, 2023
ORGANIZERS	IMF
ACTIVITY	Projecting Public Debt - The Public Debt Dynamics Tool
OBJECTIVE	This online course, presented by the Institute for Capacity Development, explains how to project the stock of public debt over time for baseline (most likely) and alternative scenarios and how to estimate the path of fiscal adjustments necessary to reach a pre-determined target level of debt. This two-module course lays out the underpinnings of public debt dynamics (i.e., the evolution of public debt over time) and explains how these concepts are applied in an easy-to-use Excel-based Public Debt Dynamics Tool (DDT).
PARTICIPANTS	606 - English (427) and French (179)

DATE	May 1, 2022–June 30, 2023
ORGANIZERS	World Bank/IMF
ACTIVITY	Medium-Term Debt Management Strategy
OBJECTIVE	This course, presented by the Monetary and Capital Markets Department, aims at building capacity in developing and implementing a sound medium-term debt management strategy (MTDS). Officials are trained on the joint IMF-WB MTDS framework, which is useful for illustrating government cost and risk tradeoffs associated with different debt management strategies and managing the risk exposure embedded in a debt portfolio, in particular, the potential variation in debt servicing costs and its budgetary impact. Officials analyze cost-risk trade-offs of alternative debt management strategies, utilizing the MTDS analytical tool (MTDS AT) developed by the IMF and WB, taking into account the composition of the debt portfolio, macroeconomic indicators, market conditions, potential sources of financing, and the linkages with the broader medium-term macroeconomic framework.
PARTICIPANTS	397 - English (204) and French (193)

## VI. Future Debt Events

### Upcoming Technical Assistance Missions, July–September, 2023

COUNTRY	ACTIVITY	NAME	DATES
Sierra Leone	National	Debt Reporting TA	Aug/Sept, 2023
Bangladesh	National	LCBM	July 2023
Guyana	National	Fiscal Risks	July 2023
Madagascar	National	Reform Plan	July/Aug 2023
Guinea Bissau	National	Legal Framework	July/Aug 2023
Cambodia	National	Reform Plan	August 2023
Uzbekistan	National	MTDS	Aug/Sept, 2023
Congo, Dem. Rep	National	Reform Plan	September 2023
Tanzania	National	Domestic Markets	September 2023
Bhutan	National	Domestic Markets	September 2023

### Upcoming Training, July–September, 2023

COUNTRY	ACTIVITY	NAME	DATES
Regional	JVI Training	Implementing a Debt Management Strategy Training	July 2023
Regional	JVI Training	DeMPA	August 2023
Guinea	Bilateral Training	LIC-DSF	August 2023
Regional	WAEMU Training	LIC-DSF	July/August 2023
Regional	ATI Training	LIC-DSF	September 2023
South Africa	Training	Sovereign Guarantees	September 2023
Regional	JVI Training	Debt and Cash Management	September 2023

## VII. Recent Debt Management Network Webinars and Publications

### WEBINAR

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#### *Assessing Debt-Related Fiscal Risks*

Disclosing fiscal risks is an essential element of fiscal transparency: Identifying, managing, and monitoring fiscal risks emanating from public sector entities, sovereign guarantees and PPP is important to reduce countries' vulnerability. These are factors that can cause fiscal outcomes to differ from expectations, and contribute to macroeconomic, fiscal, and financial shocks. The webinar helps to introduce government risk managers on how to identify and classify the key types of debt-related Contingent Liabilities (CLs) countries are exposed to and the key characteristics of a government's exposure to these fiscal risks. In the webinar, the Georgian experience on managing fiscal risk, SOEs disclosure practice and financial oversight and the treatment of PPP liabilities was presented by the head of the Fiscal Risks Management Department of MOF. The MTI Debt unit also presented the [World Bank Fiscal Risk Toolkit](#) at the disposal for government risk managers and discuss country examples. The recording of the webinar is available [here](#).

### BLOG

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#### *Shaping Tomorrow's Debt Restructuring System*



With the global economic challenges that followed the COVID-19 pandemic, the combined debt stock of low- and middle-income countries rose by 5.6%, from \$8.6 trillion in 2020 to \$9 trillion in 2021. Globally, countries have devised policy responses to alleviate the economic shocks induced by the pandemic. However, debt accumulation is not evenly distributed across countries or regions. Some economies with existing debt vulnerabilities have become even more fragile, while others have seen their external

debt stock reduced. In fact, statistics for country groups and regions mask the deterioration of debt outlook at the individual country level. This blog examines the International [Debt Report \(IDR\) 2022's](#) findings in greater detail at regional and individual country levels. Developing countries are faced with an extraordinary set of challenges. Debt is more expensive, which underscores the importance of prudent fiscal policies. More details are [here](#).

### BLOG

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#### *Action Needed on Debt Crisis*

Resolving solving the impasse in debt restructurings, especially for the world's poorest countries, is going to be at the center of discussions during the Spring Meeting. Bring together the Global Sovereign Debt Roundtable, WB President sees two fundamental challenges: the debt restructuring process is not moving much, and there hasn't been enough discussion yet on ways to take action toward debt sustainability.



Creditors are spending vital months discussing issues that should be agreed on beforehand –the steps in the restructuring process, the process and timeline to reconcile debts, and how to handle cut-off dates. The most important topic – how to measure and apply comparability of debt treatment (fair burden sharing among creditors during a debt restructuring) – is still up in the air. All these points are part of every restructuring and need to be discussed and agreed. There needs to be consensus on these to get to the next step that really matters for countries with unsustainable debt – how to restructure the debt to achieve sustainability. More details are [here](#).

## DMF III Donors

African Development Bank (AfDB)
Austria - Federal Finance Ministry
Canada Global Affairs
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
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, April–June 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.



### DEBT MANAGEMENT FACILITY

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