

I. Staff Corner  
Meet the DMF team

Lars Jessen has over 20 years of experience in the field of public debt management, including asset and liability management, risk modelling, and management of contingent liabilities. Before joining the World Bank in 2002, Mr. Jessen was Special Adviser on government debt management for the Danish Central Bank. As Lead Debt Specialist at the Macroeconomics, Trade and Investment (MTI) Global Practice of the World Bank, he has worked on the assessment and reform of public debt management in Egypt, Indonesia, Lebanon, Mongolia, Thailand, Turkey, and many DMF countries.



Lars Jessen

II. 2018 DMF Stakeholders' Forum:  
Rising Tide of Debt: Debt, Resilience, Responsibility

The Ninth Debt Management Facility (DMF) Stakeholders' Forum: "**Rising Tide of Debt: Risk, Resilience, Responsibility**" jointly organized by the European Commission and the World Bank brought 130 participants from 44 countries and 27 institutions together to exchange views on current challenges faced by debt managers in developing countries and innovative debt management reforms. The forum took place on May 28–29, 2018, in Brussels, Belgium.



Some Key Messages:

- Currently, 40 percent of IDA-eligible countries are in high risk of debt distress or in distress. Increases in the level and change in shift in the composition of debt from concessional to market-based financing led to raising debt vulnerabilities.
- Several country representatives highlighted that exceptionally low funding costs and relatively low market volatility over an extended period, provided unprecedented opportunities to close infrastructure gaps or other financing needs.

IN THIS ISSUE

Staff Corner

2018 DMF Stakeholders' Forum

Debt Management Practitioners Program

DMF Work Program

Recent Publications



- Participants recognized that accurate and comprehensive debt data are a cornerstone of sound borrowing and lending practices. Policy makers require this information to make informed and appropriate borrowing decisions, in order to safeguard debt sustainability and macroeconomic stability. Creditors, donors, analysts, and rating agencies require it to make accurate assessment of sovereign financing needs and creditworthiness, and to appropriately price debt instruments.

Click [here](#) to access the agenda of the forum.



### III. Debt Management Practitioners Program (DMPP)

In June 2018, two debt management officers completed their assignments at the World Bank in Washington, D.C., under the DMPP.

Ms. Anisa Rodrigues is a Junior Economist working in the Back-Office at the *Ministério das Finanças, Comércio e Economia Azul*, in São Tomé e Príncipe. During her three-month assignment, she focused on conducting a debt sustainability analysis for her country. In addition, Ms. Rodrigues participated in a joint WB/IMF/WAIFEM training workshop in Abuja, Nigeria on the revised Debt Sustainability Framework for Low-Income Countries (LIC DSF).



*"The participation in the DMPP earned me months of sharing of knowledge and experiences with different experts on various subjects; at the same time, I had access to valuable information about the World Bank Group in general, its operations and corporate culture. Apart from working with highly experienced debt managers and economists, I had also opportunity to participate in big events, in particular, Springs Meetings and MTI Forum. Upon my return to São Tomé and Príncipe, I intend to apply the skills and experiences I have gained to advise management on effective debt strategies that can support the sustainability of public debt in my country."*



Anisa Rodrigues

Mr. Etienne Ndikumana, is Head of the Back-Office at the Ministry of Finance, Budgeting and Privatization, in Burundi. During his three-month assignment he focused on preparing a Medium-Term Management Strategy for Burundi using the World Bank-IMF analytical tool. He participated on a DeMPA mission to Senegal.



Etienne Ndikumana

*"It is a privilege and honor for me to join DMPP. The hospitality and the know-how of our colleagues allowed me to work and move forward to understand modern debt management practices. Back home, I hope to share and apply my knowledge to face the challenges in debt management."*



DMPP graduates and the DMF team of the World Bank, June 2018

## IV. DMF Work Program: Activities in May–June 2018

### Technical Assistance Missions

*A total of six technical assistance missions and six training workshops were implemented and financed by the DMF in May–June 2018.*

#### Debt Management Performance Assessment (DeMPA)

*Conakry, Guinea; May 16–25, 2018  
Team: World Bank*



The mission delivered technical assistance in the evaluation of legal, institutional and regulatory framework for government debt management. The team met with managers and staff at the Ministry of Economy and Finance, Ministry of Budget, Ministry of Planning and International Cooperation, Central Bank, Court of Auditors and commercial banks. Since the first DeMPA in 2008, debt management in Guinea has improved along two key dimensions: the National Assembly approved a sound legal framework on public finance (e.g. 2012 organic law on finance; new Central Bank law; forthcoming national debt policy), and domestic debt management operations have been strengthened.

*St. George's, Grenada; June 9–17, 2018  
Team: World Bank/ Eastern Caribbean Central Bank*



The mission delivered technical assistance in evaluation of the current legal, institutional and regulatory framework for government debt management. The team worked in close cooperation with the Ministry of Finance and other government agencies. The assessment will allow the authorities to measure progress since 2015, when a first DeMPA was conducted.

*Dakar, Senegal; May 31–June 7, 2018  
Team: World Bank*



The mission delivered technical assistance in evaluation of the current legal, institutional and regulatory framework for government debt management. The team worked with government officials from several departments of the MEFP, including the Debt Management Directorate (Direction de la Dette Publique –DDP) of the General Directorate of Public Accounts and Treasury (Direction Générale de la Comptabilité Publique et du Trésor - DGCP) as the main counterparty. Other meetings were held with officials of the Principal Agent of the Central Bank of West African States in Dakar (Agence Principale de Dakar, Banque Centrale des Etats de l'Afrique de l'Ouest - BCEAO), Agence UMOA-Titres (AUT), the Court of Accounts (Cour des Comptes – CC), and the General Inspectorate of Finance (Inspection Générale des Finances – IGF). Overall, Senegal has taken significant steps in strengthening debt management since 2009. Notable achievements include the establishment of a debt management unit, and the production of debt sustainability analysis and strategy documents on an annual basis.

*Roseau, Dominica; June 18–22, 2018  
Team: World Bank/ Eastern Caribbean Central Bank*



This was the first joint WB-ECCB DeMPA assessment in Dominica and took place when the country is in recovery from destruction caused by Hurricane Maria in September 2017. The mission delivered technical assistance on evaluating the current legal, institutional and regulatory framework of government debt management. The mission met with relevant government officials, public entities and representatives of investors of government securities in order to make a comprehensive assessment of the country's government debt management practices and institutions.

## Debt Management Reform Plan

Monrovia, Liberia; May 22–31, 2018  
Team: World Bank / West African Institute for Financial and Economic Management (WAIFEM)



Mission team and country authorities

The mission assisted the authorities in preparing a debt management reform plan. The reform plan areas were guided by the findings of the 2016 DeMPA, the 2017 Medium-Term Debt Management Strategy Mission, debt management technical assistance from other TA providers and inputs from the authorities.

In addition, the mission team provided training sessions on: 1) debt management, debt strategy and debt sustainability; 2) definition of and practical exercises on cost and market risk analysis; 3) borrowing plan and its links with a debt management strategy, and 4) cost assessment of various financing proposals. Funded by the African Capacity Building Initiative, a CS-DRMS expert from Ghana joined the mission to provide a one-week training on debt data recording.

## Medium-Term Debt Management Strategy (MTDS)

Phnom Penh, Cambodia; June 19–28, 2018  
Team: International Monetary Fund - World Bank



The team assisted the authorities in developing their Public Debt Management Strategy (PDMS) for 2019–2023 by providing training on the recently revised MTDS Analytical Tool (AT). The revised AT enabled the government to better capture contingent liabilities related to Cambodia's public-private partnerships, which have expanded rapidly to fund an ambitious infrastructure investment plan. The mission also provided guidance on how the PDMS can be used to complement efforts to develop the government domestic debt market.



Working meeting in Phnom Penh

## Trainings and Capacity Building Activities



DeMPA Regional Training Workshop Dakar, Senegal

<b>TOPIC</b>	<b>DeMPA Regional Training Workshops</b>	
<b>COUNTRY</b>	Dakar, Senegal, June 18–22, 2018	Malawi, June 25–29, 2018
<b>ORGANIZER</b>	World Bank	World Bank
<b>PARTICIPANTS</b>	16 participants from Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo.	29 participants from Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Tanzania, Uganda, Zambia and Zimbabwe. Participants from non-DMF eligible countries had self-funded attendance of the training event.
<b>OBJECTIVE</b>	<p>This five-day course achieved the following objectives: (i) informed participants about the main areas of performance measurement while evaluating the central government debt activities, (ii) familiarized participants with the application techniques 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. The course format included presentations and hands-on case studies with discussions about operational application of the DeMPA.</p> <p>In addition, in the case of the training in Malawi, country specific presentations of current government debt management practices were delivered by officials from Zimbabwe, Kenya, Uganda, Malawi and Lesotho.</p>	



LIC DSF Regional Workshop, Libreville, Gabon



LIC DSF Regional Workshop, Libreville, Gabon



LIC DSF Regional Workshop to Country Authorities, Cotonou, Bénin



LIC DSF Regional Workshop to Country Authorities, Libreville, Gabon

<b>TOPIC</b>	<b>LIC DSF Regional Workshops to Country Authorities</b>	
<b>COUNTRY</b>	Cotonou, Bénin; May 14–18, 2018	Libreville, Gabon; May 21–25, 2018
<b>ORGANIZER</b>	WB, IMF with AFRITAC West	WB, IMF with AFRITAC Central
<b>PARTICIPANTS</b>	31 participants from Bénin, Burkina Faso, Comoros, Cape Verde, Cote d’Ivoire, Guinée, Guinée-Bissau, Madagascar, Mali, Mauritanie, Niger, Senegal, Togo, and BCEAO.	15 participants from the Republic of Congo, Democratic Republic of Congo, Cameroon, Djibouti, Sao Tome and Principe, Chad and BEAC.
<b>OBJECTIVE</b>	The main objectives of the trainings were to provide insight into reforms adopted in the revised LIC DSF approved by the Boards of the World Bank and IMF in September 2017. The trainings focused on the new features of the LIC DSF, including realism tools, composite indicators, new thresholds, and tailored scenario stress tests. The concepts were elaborated through presentations, and a case study which exposed the participants to the new LIC DSA template.	



LIC DSF Regional Training Workshop, Abuja, Nigeria

<b>TOPIC</b>	<b>LIC DSF Regional Workshops to Country Authorities</b>	
<b>COUNTRY</b>	Abuja, Nigeria, May 13–18, 2018	Basseterre, St Kitts, April 30– May 4, 2018
<b>ORGANIZERS</b>	WB, IMF, WAIFEM	WB, IMF
<b>PARTICIPANTS</b>	31 participants from The Gambia, Ghana, Liberia, Nigeria, Sierra Leone, Eritrea, Ethiopia, South Sudan, Sudan, and Afghanistan.	12 participants from Grenada, Dominica, St Vincent, Haiti, Honduras, Nicaragua, Guyana, and ECCB.
<b>OBJECTIVE</b>	The workshops presented the new features of the LIC-DSF (e.g. realism tools, composite indicator, new thresholds, tailored scenario stress tests, etc.). The concepts were elaborated through theoretical presentations, and a case study which allowed to test the new LIC-DSA template.	

<b>TOPIC</b>	<b>New DMF Seminar on Cash and Debt Management</b>	
<b>COUNTRY</b>	Mauritius, May 14–18, 2018	
<b>ORGANIZERS</b>	IMF, Regional Technical Assistance Center for Southern Africa	
<b>PARTICIPANTS</b>	21 participants including from Angola, Comoros, Lesotho, Madagascar, Mozambique, Zambia, and Zimbabwe.	
<b>OBJECTIVE</b>	The seminar focused on how to manage the government’s cash and debt as an integrated portfolio. In addition, the seminar addressed how to better manage contingent liabilities and the financing risks resulting from them.	

## V. Recent Publications

### ***A Primer on Managing Sovereign Debt-Portfolio Risks.***

This paper provides an overview of sovereign debt portfolio risks and discusses various liability management operations (LMOs) and instruments used by public debt managers to mitigate these risks. Debt management strategies are discussed in the context of helping reach debt portfolio targets and attain desired portfolio structures. Also, the paper outlines how LMOs could be integrated into a debt management strategy and serve as policy tools to reduce potential debt portfolio vulnerabilities. Further, the paper presents operational issues faced by debt managers, including the need to develop a risk management framework, interactions of debt management with fiscal policy, monetary policy, and financial stability, as well as efficient government bond markets.

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

*In order to enhance public debt transparency, particularly in developing countries, the G20 requested the IMF and the World Bank to prepare two notes on: (i) supporting borrower countries' capacity building in public debt recording, monitoring and reporting; and, (ii) enhancing the role of both institutions in strengthening public debt transparency, including through debt data collection and dissemination, public debt analysis, and their support for sustainable lending. The notes highlight the role of the DMF in helping countries improve debt management capacity, frameworks and institutions.*

### ***Strengthening public debt transparency: the role of the IMF and the World Bank G20 note.***

The IMF and World Bank collect and disseminate debt statistics that are used by a wide range of stakeholders; produce published analyses of public debt data via debt sustainability analyses (DSAs); support countries' efforts to produce medium-term debt management strategies (MTDSs); publish information on countries' borrowing capacity; and directly liaise with multilateral, bilateral, and private creditors. This note details the role of the IMF and World Bank and presents the two institutions' efforts in collecting and disseminating debt statistics and debt analysis.

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

### ***Improving public debt recording, monitoring, and reporting capacity in low and lower middle-income countries: proposed reforms - G20 note.***

This note identifies gaps in the recording, monitoring, and reporting of reliable and comprehensive public debt data in low-income countries (LICs) and lower middle-income countries (LMICs). It examines the factors that contribute to related challenges and proposed actions for improvement. It includes a description of prerequisites for effective debt recording, monitoring, and reporting, takes stock of existing capacity and identifies the main shortcomings, discusses the main drivers of weak capacity, highlights key shortcomings behind recent cases of "debt surprises" and the consequences that lack of transparency can have for borrowers, presents current technical assistance (TA) aimed at enhancing capacity in this area, and identifies prospective strategies to improve LIC and LMIC borrower capacity in public debt recording, monitoring, and reporting. The DMF's role in building debt management capacity is recognized.

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

### ***DMF Newsletter Issue 31, May 2018***

Staff Corner | Spring Meetings | DMF Webinar with Carmen Reinhart | Revised LIC-DSF | LIC-DSF Guidance Note | Revised MTDS Analytical Tool | 2018 DMF Stakeholders Forum | Debt Management Practitioners Programme | DMF Work Program.

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

## The Donors

- ◆ African Development Bank Group
- ◆ Austrian Federal Ministry of Finance
- ◆ European Commission
- ◆ German Federal Ministry for Economic Cooperation and Development
- ◆ Netherlands Ministry of Foreign Affairs
- ◆ Norway Ministry of Foreign Affairs
- ◆ Ministry of Finance of Russian Federation
- ◆ Switzerland State Secretariat for Economic Affairs

## Contact Information

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

[www.dmfacility.org](http://www.dmfacility.org)  
[www.worldbank.org/debt](http://www.worldbank.org/debt)  
[dmf@worldbank.org](mailto:dmf@worldbank.org)

### **Debt Management Facility** Newsletter Issue 32, July 2018

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

