

## I. A Multipronged Approach for Addressing Emerging Debt Vulnerabilities

The World Bank and IMF announced a multipronged approach for addressing debt vulnerabilities at the 2018 Bank-Fund Annual meetings in Bali. This was prompted by an international call for action given emerging debt vulnerabilities, due to increases in public debt levels and risks in emerging markets and low-income developing countries.

The multipronged approach seeks to address debt vulnerabilities through better tailored IMF and World Bank reform support and advice. This approach is organized around four areas.



Improving debt analytics and early warning systems to help countries better understand debt vulnerabilities. This includes the implementation of the revised Bank-Fund Debt Sustainability Framework for Low-Income Countries (LIC DSF) and revision of the methodology for assessing debt sustainability in market-access countries (MAC DSF). This area also includes increased focus on debt issues and fiscal risks in analytical products.



Enhancing debt transparency to help countries have a more complete picture of their debt. This includes raising awareness at the highest political level and providing technical assistance and developing tools to support countries build capacity to record, monitor and report debt. It also covers efforts to provide clarity about the requirements and accessibility of greater debt data collected and disseminated by the IMF and World Bank and efforts to enhance creditor outreach.



Strengthening capacity on debt/fiscal risk management to help countries deal with existing debt more effectively. Scaled up debt management is a main focus area that includes DeMPA, MTDS and roll out of a guarantee management framework.



Reviewing debt policies by the World Bank and the IMF. To better address new debt challenges, the World Bank is reviewing IDA's Non-Concessional Borrowing Policy. At the same time, the Debt Limits Policy is being reviewed by the IMF.

### IN THIS ISSUE

[A Multipronged Approach for Addressing Emerging Debt Vulnerabilities](#)

[Annual Meetings](#)

[Staff Corner](#)

[Country Engagements](#)

[Debt Management Network Webinars](#)

[Debt Management Publications and Other Events](#)



**10<sup>th</sup> Debt Management Facility Stakeholders' Forum 2019**

13–14 May, 2019  
Dakar, Senegal

Register [here](#)

The next phase of the Debt Management Facility has an important role to play in supporting the multipronged approach, particularly in the area of debt management and debt transparency. For more about the multipronged approach, we recommend reading the [World Bank/IMF Development Committee paper](#)<sup>1</sup> that has been launched during the annual meetings in Bali.

<sup>1</sup> Bali Development Committee paper "Debt Vulnerabilities in Emerging and Low-Income Economies", September 2018

## II. World Bank/IMF Annual Meetings

### "Debt: Challenges Ahead"

The World Bank team organized the panel "Debt: Challenges Ahead" during the World Bank/IMF Annual Meetings in Bali, on October 13, 2018. The debt expert panel was moderated by Haslinda Amin from Bloomberg News.

When it comes to raising public debt levels, World Bank CEO Kristalina Georgieva says, "*We are alert, but not alarmed – yet.*" Mr. Uzziel Ndagijimana, Rwanda's Minister of Finance and Economic Planning provided two-fold advice from first-hand experience that helped Rwanda stay on track: first, put in place a robust debt management strategy; and second, maximize the use of concessional loans and grants. David Lipton, First Deputy Managing Director, IMF, explained that debt transparency is key for countries who do not want to be exposed to debt issues. Eric Lalo, Managing Director of Lazard, suggested that investors are getting smarter and now can identify countries with good governance practices. Finally, according to John B. Taylor, Mary and Robert Raymond Professor of Economics at Stanford University, the increase in debt did not come as a surprise as countries have been borrowing more in foreign currencies due to lower interest. Mr. Taylor emphasized the importance of resilient financial markets, which can help reduce volatility, encourage investment, and inspire growth.



Panelists at the Debt: Challenges Ahead

The session is available at this link: [World Bank-IMF Live Annual Meetings](#)

## III. Staff Corner

### Meet the Team

Andre Proite joined the World Bank's Macroeconomics Trade and Investment (MTI) Global Practice in October 2018 as Senior Debt Specialist. Andre has been working in debt management over the past 15 years in the areas of financial and budget programming, contingent liabilities, cash management, investor relations, risk models and retail sales program. Before joining the World Bank, he was the Head of the back-office department in the Debt Management Office of the Brazilian Treasury, where he had also led the investor relations unit, responsible for engaging with the investors community and the financial sector.



Andre Proite, Senior Debt Specialist

## IV. DMF Activities October–December 2018

11

TECHNICAL ASSISTANCE MISSIONS

3

REGIONAL TRAINING WORKSHOPS

127

PUBLIC OFFICIALS TRAINED



BANGLADESH



BURKINA FASO



CAMBODIA



CENTRAL AFRICAN REPUBLIC



CHAD



DEMOCRATIC REPUBLIC OF THE CONGO



GHANA



GUINEA



GUINEA BISSAU



HAITI



IVORY COAST



KENYA



KOSOVO



KYRGYZ REPUBLIC



LAO PDR



LESOTHO



MADAGASCAR



MALAWI



3 Regional Workshops  
1 DeMPA I 1 MTDS  
1 Intl Capital Markets



1 Debt Management Reform Plan Mission

3 DeMPA Missions  
2 DeMPA I 1 Subnational



1 Domestic Debt Market Development Mission

MAURITANIA



MOLDOVA



MONGOLIA



NEPAL



MOZAMBIQUE



NIGERIA



REPUBLIC OF THE CONGO



RWANDA



SIERRA LEONE



SRI LANKA



TAJIKISTAN



TANZANIA



TOGO



UGANDA



UZBEKISTAN



VIETNAM



ZAMBIA



Examples of beneficiary countries from DMF training and TA activities

## Country Engagements

### Debt Management Performance Assessment (DeMPA) and Subnational (DeMPA) Missions

<b>OBJECTIVE</b>	Deliver technical assistance in evaluating the legal, institutional and regulatory framework in government debt management, using the DeMPA tool. The DeMPA is a methodology for assessing public debt management performance through a comprehensive set of indicators spanning the full range of government debt management functions. Click <a href="#">here</a> for more information.		
<b>COUNTRY</b>	November 5–14, 2018 Lilongwe, Malawi	December 4–14, 2018 Vientiane, Lao PDR	October 3–9, 2018 Kaduna State, Nigeria
<b>ORGANIZERS</b>	World Bank and MEFMI	World Bank and UNCTAD	World Bank and WAIFEM
<b>MAIN COUNTERPARTS</b>	Ministry of Finance, Economic Planning and Development (MFEPD) and Cash Management Unit.	Directorate General of Fiscal Policy and External Finance and Public Debt Management Department.	Ministry of Finance (MoF), Debt Management Department, Planning and Budget Commission, Auditor General.
<b>HIGHLIGHTS</b>	<p>The team assessed current capacity constraints which prevent Debt and Aid Management Division (DAD) from taking an active role in domestic debt portfolio management. The mission also established need for an update and approval of the debt management strategy.</p> <p>This was the first activity under the DMF programmatic approach with Lao PDR. Next step is the design of a reform plan, with a mission expected to take place during the first quarter of 2019.</p> <p>The TA identified key strengths and weaknesses in Kaduna State's debt management. Currently, debt management functions are shared with other units within the Office of the Accountant General.</p>		

### Debt Management Reform Plan (DMRP) Mission

<b>OBJECTIVE</b>	Design a detailed and sequenced Debt Management Reform Plan, jointly with the Government, based on a comprehensive analysis of public debt management institutions and operations. Click <a href="#">here</a> for more information.
<b>COUNTRY</b>	Tirana, Kosovo November 28–December 6, 2018
<b>ORGANIZERS</b>	World Bank
<b>MAIN COUNTERPARTS</b>	MoF Treasury and Debt Department.
<b>HIGHLIGHTS</b>	The team designed a prioritized and sequenced action plan to assist the Ministry of Finance in improving of debt management functions.

## Domestic Market Development Missions and Annual Borrowing Plan Training

<b>OBJECTIVE</b>	Support countries with the development of their domestic debt markets.	
<b>COUNTRY</b>	Colombo, Sri Lanka November 13–16, 2018	Accra, Ghana September 25–October 5, 2018
<b>ORGANIZERS</b>	World Bank	World Bank and IMF
<b>MAIN COUNTERPARTS</b>	Sri Lanka's Ministry of Finance; the Central Bank of Sri Lanka, and the External Relations Department (ERD).	Ministry of Finance, Ghana.
<b>HIGHLIGHTS</b>	<p>Built capacity in domestic borrowing program fundamentals including instrument choice, issuance mechanisms and planning, liability management operations, and market development considerations. Officials were trained to use the Issuance Planning Analytical Tool (IPAT), to help simulate and compare issuance plans and monitor progress in the issuance plan implementation.</p> <p>The team assessed progress in enhancing the effectiveness of the auctions regarding the timing of issuance, instruments, volumes, and pricing. Other topics of interest, such as implementing liability management operations, reinforcement of the primary dealer framework; increasing the secondary bond market liquidity, developing strategies to broaden the investor base for government securities and lengthen the maturities of their holdings were also discussed. Finally, the authorities were advised on best practices in strengthening the communication strategy and interaction with market participants.</p>	

## Medium Term Debt Management Strategy (MTDS) Missions

<b>OBJECTIVES</b>	<p>The World Bank and the IMF have developed a framework to guide country authorities in the process of developing a Debt Management Strategy (DMS). The Medium-Term Debt Management Strategy (MTDS) framework consists of a methodology and associated analytical tool (AT) to facilitate sound debt management. The framework seeks to help countries develop a DMS that explicitly recognizes the relative costs and risks of alternative financing choices; takes into account the linkages with other key macroeconomic policies; is consistent with maintaining debt sustainability; and facilitates domestic debt market development.</p> <p>The objectives of the MTDS missions are:</p> <ul style="list-style-type: none"> <li>• Improve the capacity to monitor and manage risks of the debt portfolio.</li> <li>• Improve the capacity to formulate a Debt Management Strategy consistent with acceptable costs and risks.</li> <li>• Improve the capacity to prepare an annual borrowing plan.</li> </ul> <p>Click <a href="#">here</a> for more information.</p>				
<b>COUNTRY</b>	Lome, Togo September 18–28, 2018	N'Djamena, Chad September 24–28, 2018	Freetown, Sierra Leone November 5–14, 2018	Conakry, Guinea November 5–16, 2018	Hanoi, Vietnam November 8–16, 2018
<b>ORGANIZERS</b>	World Bank and IMF	World Bank, IMF and AFRITAC	World Bank, IMF and WAIFEM	IMF, World Bank and AFRITAC West	World Bank and IMF
<b>MAIN COUNTERPARTS</b>	Ministry of Economy, Finance, and Planning (MEFP) Public Debt Directorate	Ministry of Finance	Ministry of Finance and Treasury	Ministry of Economy and Finance	Ministry of Finance, Ministry of National Policies and Economic Affairs, and the Central Bank
<b>HIGHLIGHTS</b>	Reviewed the analytical underpinnings of the medium term debt strategy developed by the Department de la Dette Publique et de Financement (PPDF).	The team delivered presentations and hands-on training on cost-risk analysis, the design of a debt management strategy and its interactions with market development and macroeconomic policies. The team also validated the debt database using external sources.	Strengthened technical capacity to apply Medium-Term Debt Management Strategy (MTDS) tool in developing debt management strategy. A quantitative analysis of cost and risk of debt portfolio was conducted.	Assisted the authorities in formulating debt and provided guidance on the implementation of the authorities' domestic financing plan (introduction of bond issuance program).	Supported the Ministry of Finance (MoF) to update the debt management strategy and briefed authorities on sound management strategies.

<b>TOPIC</b>	<b>Regional MTDS Workshop</b>
<b>COUNTRY</b>	Geneva, Switzerland, October 1-5, 2018
<b>ORGANIZERS</b>	World Bank, IMF and UNCTAD
<b>PARTICIPANTS</b>	19 participants from 9 countries including: Bangladesh, Cambodia, Kyrgyz, Lao, Mongolia, Nepal, Tajikistan, Uzbekistan.
<b>OBJECTIVE</b>	The workshop was organized as a refresher of the MTDS analytical tool (AT) and framework. It also familiarized participants with the new features of the MTDS AT (cash buffers, liability management operations, and inflation-linked bonds). Participants used country-specific data to produce customized portfolio analysis and to formulate medium term debt management strategies. At the end of the workshop, teams delivered a debt management strategy presentation. The training was highly evaluated by the course participants, with overall effectiveness of the course rated 4.87/5.
<b>TOPIC</b>	<b>Regional DeMPA Workshop</b>
<b>COUNTRY</b>	Ivory Coast, November 5-9, 2018
<b>ORGANIZERS</b>	World Bank and UNCTAD
<b>PARTICIPANTS</b>	25 participants from 12 countries including: Burkina Faso, Chad, Congo, Democratic Republic of Congo, Guinea Bissau, Haiti, Ivory Coast, Madagascar, Mauritania, Central African Republic, and Rwanda.
<b>OBJECTIVE</b>	Participants were introduced to the revised DeMPA methodology and the main areas of performance measurement in the evaluation of the central government debt activities. The participants also learned about other tools and techniques for improving debt management practices and adopted the DeMPA methodology.
<b>TOPIC</b>	<b>Regional Workshop on International Capital Market Issuance</b>
<b>COUNTRY</b>	Namibia, October 22– 26, 2018
<b>ORGANIZERS</b>	IMF and MEFMI
<b>PARTICIPANTS</b>	37 participants from 12 sub-Saharan African countries including: Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Tanzania, Uganda, Zambia, and Zimbabwe.
<b>OBJECTIVE</b>	The workshop provided participants with the key elements of sound debt management, focusing on debt raised in international debt capital markets. It also covered technical details on the structure of international capital markets and market practices related to underwriting, sovereign rating process and liability management operations. Participants acknowledged the importance of good debt management governance and transparency, local currency bond markets, investor relationship and refinancing/foreign exchange risk management.

## V. DMF Debt Management Network Webinars

The DMF manages the Debt Management Network (DMN) to share knowledge and build lasting capacity. The DMN is a community of government debt management practitioners aimed at sharing experience, exchanging information and helping to foster peer learning through virtual meetings, or webinars, for information sharing and discussions.

### Past Webinars:

#### *Sovereign Guarantees – Controlling and Reporting – The Role of Debt Managers in Brazil and Sweden*

November 20, 2018

Sovereign guarantees can create significant fiscal uncertainty. The webinar showcased the experience of Brazilian and Swedish debt managers to monitor the stock of guarantees, assess their costs and risks, and enhance reporting. The presenters discussed the evolution of guarantees over time in these two countries, the costs and risks associated with them, and the evolving role of the debt management offices in monitoring, managing and reporting sovereign guarantees.

Presenters: **Andre Proite**, Senior Debt Specialist, Global Macro and Debt Analytics, MTI Global Practice and **Eva Cassel**, Head of Guarantee and Financing, Swedish National Debt Office (SNDO)

Discussant: **Kevin Barnes**, Head Sovereign Risk, Credit Risk, World Bank.

### Upcoming Webinars:

#### *International Bond Issuance for Debut Issuers*

January 8, 2019

Presenters: **Lars Jessen**, Lead Debt Specialist, Global Macro and Debt Analytics, MTI Global Practice and **Patrick van der Wansem**, International Capital Markets Expert.

Discussant: **Sonor Luvsandoj**, Director of Financial Markets and Insurance, Ministry of Finance, Mongolia.

#### *Fiscal Risk Assessment of Public Private Partnerships*

February 27, 2019

Presenters: **Sudarshan (Shan) Gooptu**, Global Lead for Fiscal Policy, Macroeconomics, Trade and Investment Global Practice and **David Duarte**, Senior Public Private Partnerships Specialist, Infrastructure Analytics & Knowledge Global Themes Department.

Discussant: **Alonso Segura**, Director of the Finance Program and Professor at the Economics Department, Catholic University of Peru, former Minister of Finance, Peru.

#### *From Debt Recording to Debt Statistics: The Life of Debt in a Recording System*

March 26, 2019

Presenters: **Mac Banda**, Acting Adviser and Head IT Systems Economic, Youth & Sustainable Development Directorate, Commonwealth Secretariat, **Roula Katergi**, Quality Assurance and User Support Team Leader, United Nations Conference on Trade and Development.

Discussant: **Frederico Batista**, Deputy Head of the Bank Office, Debt Management Office, Brazil.

## VI. Debt Management Publications and Events

### 10th DMF Stakeholder's Forum "The Future of Debt Management"

May 13-14, 2019, Dakar, Senegal

Marking the 10th anniversary of the DMF, this year's forum seeks to reflect on the past decade of debt, development and debt management; expose looming challenges related to rising debt vulnerabilities and debt management reforms; and identify emerging opportunities - from innovative financing to applications of nascent technologies – to address debt management challenges. The audience comprises high-level policy makers and government officials, debt management experts, multilateral and bilateral donors, providers of technical assistance, and Civil Society Organizations representatives.

Agenda and Registration [here](#).

### UNCTAD

#### *Intergovernmental Expert Group on Financing for Development, Second Session Debt and Debt Sustainability and Interrelated Systemic Issues*

November 7-9, 2018, Geneva, Switzerland

The second session of the Intergovernmental Group of Experts on Financing for Development focused on the action areas of sections E and F of chapter II of the Addis Ababa Action Agenda, as follows: debt and debt sustainability and interrelated systemic issues. Participants discussed the following questions:

- How can current debt vulnerabilities in developing countries be mitigated and developing country sovereign debt and financial crises be prevented?
- How can sovereign debt financing, both external and domestic, be leveraged successfully for sustainable development in the future?
- What institutional, policy and regulatory change are required at the international level to ensure that global economic governance structures better support the use of responsible debt financing, by borrowers and lenders, for sustainable development?
- How can existing frameworks and tools be improved to ensure effective, fair and transparent sovereign debt crisis resolutions?

Click [here](#) for more information.

### Sovereign Debt Management Forum

October 24-25, 2018, Washington, D.C.

The World Bank Treasury hosted the Sovereign Debt Management Forum as part of its capacity building and outreach program. The event brought together public debt managers and members of the international community involved in sovereign debt management capacity building and advisory services, to discuss recent trends and developments, to network with a broad range of peers, and to gain insights to support ongoing efforts to improve policy and practices.

Click [here](#) for more information.



Sovereign Debt Management Forum 2018

**WBG Presentation: Debt Vulnerabilities in Emerging Markets and Developing Countries**  
**General Assembly of the United Nations**  
**Economic and Financial Committee (Second Committee)**

October 23, 2018

The event was hosted at the United Nations and was co-hosted by the IMF and World Bank. It highlighted recent work by the IMF and World Bank on debt developments in emerging markets and low income and developing countries. It discussed trends in recent years, with attention given to the evolution of fiscal position and public debt levels, including analysis of the drivers of debt accumulation and the severity of debt vulnerabilities. It also highlighted steps being taken by the IMF and World Bank to help countries contain debt vulnerabilities. The event was aimed at country representatives, UN staff, and open to participation from Civil Society Organization (CSOs) and academics. Click [here](#) for more information.

**Debt Vulnerabilities in IDA Countries**

October 4, 2018

Increased debt vulnerabilities in IDA countries are the result of raising public debt levels and a changing composition of debt towards more expensive and riskier sources of financing. Access to new sources of financing, if managed well, can help countries achieve their development goals. However, when countries accumulate debt beyond sustainable levels, development outcomes are at stake. Debt sustainability has implications on IDA's overall financing capacity. This paper promotes informed, inclusive discussion of debt vulnerability issues in IDA countries and possible IDA policy options to be considered during the upcoming IDA18 Mid-Term Review.

**Call For Papers:**  
**The Public Debt Management Network Conference**

September 4-5, 2019, Paris, France, Headquarters of the OECD

The conference is among the few events specifically aimed at promoting dialogue among policy makers (debt managers, central bankers, regulators), academics and market practitioners (investors, dealers, market infrastructures' managers), to encourage knowledge sharing and collaboration across organizational and disciplinary boundaries, and to foster the development and dissemination of best practices in public debt management.

The Public Debt Management Network is an initiative fostered by the OECD, the Italian Treasury and The World Bank. From the World Bank side, it is co-led by the Macroeconomics, Trade and Investment Global Practice and the World Bank Treasury.

Click [here](#) for more information.

## The Donors

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- ◆ Ministry of Finance of Russian Federation
- ◆ Switzerland State Secretariat for Economic Affairs

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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.

