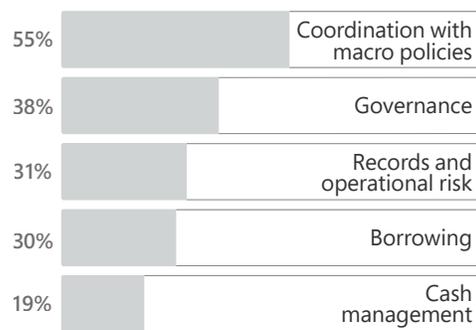


## I. Ten years of Debt Management Performance Assessment (DeMPA)

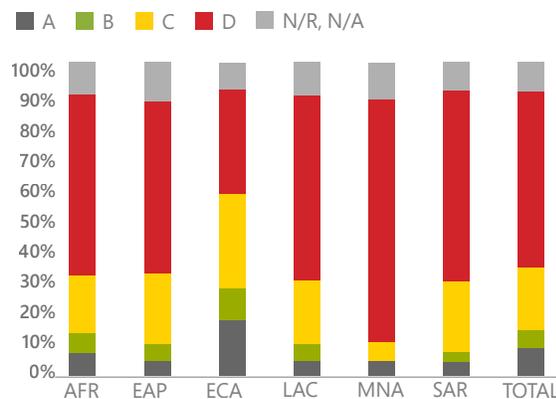
Technical assistance provided by the World Bank and its partners supports countries in identifying strengths and weaknesses in their debt management processes and institutions.

Based on DeMPA diagnostic missions in more than 80 countries, technical assistance in the form of regional trainings and missions was designed to deepen debt management reforms and strengthen capacity in debt management offices. During the last decade, 131 DeMPA missions were undertaken. Countries with a strong commitment to sound fiscal policy and to implementing debt management reforms utilized best the technical assistance and achieved its targets.

### Percent of Countries Passing the Minimum Requirement



### DeMPA Ratings, 2008-2018



Scores of A,B,C,D or N/R, N/A are based on the DeMPA methodology criteria. If the minimum requirements for score C are not met, then a score D is assigned. In cases where a dimension cannot be assessed, an N/R (not rated) or N/A (not assessed) score is assigned.

DeMPA results reveal important progress but also sizeable gaps in public debt management institutions, policies, and capacities in developing countries. Progress has been achieved with respect to institutional arrangements, debt reporting and medium-term debt management strategy. Important gaps remain in the area of cash flow forecast and cash balance management, where on average less than 20 percent of countries have effective policies and practices in place. DeMPA results show that only half of the assessed countries have an effective legal framework that clearly provides authorization to borrow and issue guarantees and specifies the purposes for which the countries may undertake borrowing. Other areas with significant gaps include audits, external borrowing planning and documented procedural manuals for registering loans, servicing debt and accessing debt recording systems.

Analysis of regional patterns reveals that ECA countries demonstrate strength in public debt management capacity compared with the countries of other regions. On average, 57 percent of the assessed DeMPA dimensions are passing the minimum requirement in ECA countries, as opposed to 33 percent of dimensions that are passing the minimum requirement in other regions. It is recommended that the DeMPA assessment is undertaken every three years in order to track the progress and monitor the implementation of reforms in public debt management.

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## II. DeMPA Methodology: Regional Trainings

Since 2009, the World Bank, in cooperation with its partners, has delivered more than 30 regional and online DeMPA trainings. The regional trainings are face-to-face learning events that bring together debt managers, Central Bank officials, external auditors from client countries, as well as technical assistance providers and World Bank experts.

During Q3 in 2019 (July-September), 63 officials from 27 countries were trained at three regional DeMPA trainings in Vienna at JVI, in Abuja at WAIFEM and in Dakar at AUT.



Lilia Razlog (WB, Senior Public Sector Debt Specialist), Zeljka Sedlo WB (Consultant) and Juan Carlos Villanova WB (Consultant) with the participants of the DeMPA training in JVI, Austria, August 19-23, 2019

### *We asked the participants to share their thoughts about the training.*

- "After the DeMPA training, I gained a solid understanding of the DeMPA methodology and I am clear on how I can use it effectively to improve different areas of my work" (Georgia).
- "This was an important exercise for me personally and for my office. The knowledge I acquired will help me start the self-assessment exercise to evaluate the status of debt management, and to undertake key institutional changes, particularly for the 'low hanging fruits'" (Tanzania).
- "It was the most interactive training that I have ever participated in (Kyrgyz Republic). The lecturers masterfully facilitated the discussion and case studies" (Uzbekistan).
- "The sessions were lively and participatory, promoting country experience and uninhibited sharing by participants and the lecturers' own international experience" (Ethiopia).

### *DeMPA Training, Vienna, August 19-23, 2019*

The regional training in Vienna was the third DeMPA training organized at JVI and financed under the DMF II program. The workshop involved 29 participants from Armenia, Azerbaijan, Ethiopia, Georgia, Ghana, Kosovo, Kyrgyz Republic, Moldova, Pakistan, Rwanda, Tajikistan, Tanzania, Uzbekistan and Pakistan (self-funded). The participants' versatile regional and technical experience helped the exchange of country-specific practices. The training included presentations by the instructors, presentations by the participants (Armenia, Georgia, Ghana, Moldova and Kyrgyz Republic), daily quizzes, and a final debt management assessment exercise.



The DeMPA Plenary and Training Sessions in JVI, Austria,

## DeMPA Training, Abuja, September 23-27, 2019

A regional DeMPA training in Nigeria was attended by 29 participants from five WAIFEM member countries: Nigeria, Ghana, Gambia, Sierra-Leone and Liberia. Participants highlighted the usefulness of combined approach in sharing of sound international standards with practical examples of challenges in each country. The case study, included in the course, also provided a full overview of DeMPA criteria as applied in the methodology. The participants appreciated the quality and content of the presentations, dynamic discussions and the presentations of the audit component of the DeMPA methodology. Lilia Razlog presented the working paper “State debt Management in Nigeria” during the meeting with officials from the Debt Management Office of Nigeria.



Lilia Razlog (WB, Senior Debt Specialist), Andre Proite (WB, Senior Debt Specialist), Baba Musa (WAIFEM, Director) with the participants of the DeMPA training in WAIFEM, Abuja, Nigeria, September 23-27, 2019

## DeMPA Training, Dakar, August 26 -September 2, 2019

### Systematic Approach to Capacity Building

For the fourth consecutive year in 2019, World Bank and AUT have partnered to strengthen the capacity of recently appointed debt managers of the West African Economic and Monetary Union (WAEMU) region. A cohort of fifteen technical-level officials from the Treasuries and debt offices of the eight WAEMU countries have participated in four one-week workshops in Dakar. The workshops have been focusing on key DM tools and methodologies (MTDS, annual borrowing plan, LIC-DSA, DeMPA). Ahead of each workshop, AUT has provided 2-day preparatory trainings to the participants (excel, financial mathematics, macroeconomics and presentation skills). At the last workshop of 2019, delivered in September, a final test was submitted to the participants. Overall, results showed a significant improvement in DM technical capacity, although participants' heterogeneous distribution - by country and topic - point to the need for continuous capacity building. WB and AUT are looking forward to welcome the new cohort of debt managers at the first workshop of the 2020 series which will take place in January.



Diego Rivetti (WB, Senior Debt Specialist), Marie Helene Cadoret (WB, Consultant) and Abdoul-Aziz Halidou (AUT) with the workshop participants.

## 6 Regional Workshops

3 DeMPA

2 MTDS

1 Combined MTDS and LIC DSA



## 3 MTDS Mission



## 1 Subnational DeMPA



AFGHANISTAN  
ARMENIA  
AZERBAIJAN  
BENIN  
BURKINA FASO  
COTE D'IVOIRE  
ETHIOPIA  
FIJI  
ETHIOPIA  
GAMBIA  
GHANA  
GEORGIA  
GUINEA-BISSAU  
INDIA

## Examples of beneficiary countries from DMF training and TA activities

KIRIBATI  
KENYA  
KOSOVO  
KYRGYZ REPUBLIC  
LIBERIA  
MALI  
MICRONESIA  
MOLDOVA  
NIGER  
NIGERIA  
PAKISTAN  
PAPUA NEW GUINEA  
ROMANIA  
RWANDA  
SAMOA

SENEGAL  
SIERRA LEONE  
SOLOMON ISLANDS  
TAJIKISTAN (self funded)  
TANZANIA  
TIMOR-LESTE  
TOGO  
TONGA  
TUVALU  
UGANDA  
UZBEKISTAN  
VANUATU  
ZAMBIA

### III. Subnational DeMPA in India

As part of the ongoing Himachal Pradesh State (GoHP) public financial management capacity building program, the World Bank mission conducted in August a subnational debt management performance assessment (SN DePMA) in Shimla, India. The mission assessed the debt management institutions, policies and practices in the GoHP and identified strengths and areas for debt management reforms.



Himachal Pradesh red highlighted

**Himachal Pradesh State** is categorized as Special Category State (SCS). It receives block loans (mainly on lent from external sources) from the Government of India (GoI) in a ratio of 90 percent grants and 10 percent loans. Non-SCS states receive back-to-back loans with no grant components. With the advent of 15th Finance Commission, the rules of block loans may change which could affect the debt carrying capacity of the state. Thus, the DeMPA assessment was timely to strengthen GoHP's institutional and technical capacity in debt management. The assessment revealed that the legal framework including key sovereign and subnational level legislations, provides the authorization for the state borrowing and issuing of guarantees. However, the legal framework does not specify the purpose for which the borrowing can be undertaken. In addition, the managerial structure is fragmented, and activities are coordinated through the inter-agency coordinating committee. Finally, a medium-term debt management strategy covering the cost/risk trade-offs of alternative borrowings is not formulated. Forward-looking debt sustainability analysis has not been undertaken. It is also recommended for the state to publish a more concise and timely debt statistical bulletin.

## IV. WBG Policy Paper: State Level Debt Management in Nigeria

Nigeria is a large federal republic in which state governments have a significant degree of control over public finance and debt management. Under the National Debt Management Framework (NDMF), Nigerian federal government actively supports the development and improvements of subnational debt management. A recent WB policy paper summarizes the lessons learned from the Subnational DeMPA evaluations and strengthen the efforts in designing meaningful reform program for the state level debt management. Expanding subnational authority over revenue collection, fiscal management, and expenditure policy has the potential to improve governmental accountability and responsiveness. It can help in addressing local investment needs, including urbanization, natural-resource management, and climate-change adaptation. However, fiscal decentralization increases the complexity of fiscal relations between various levels of government and strains the administrative capacity of state and local authorities. It can also give rise to new sources of fiscal risk. Greater subnational capacity to raise revenues and determine expenditure priorities requires adequate legislative and organizational framework for state borrowing and financing decisions, unified procedures for contracting debt, and strong subnational finance departments.

## V. DMF Partners

Stanislas Nkhata has worked on public debt management in Eastern and Southern Africa over the past 18 years. He is a Director of the Debt Management Programme at the regional organization, Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) based in Harare, Zimbabwe. Stanislas is responsible for overseeing the implementation of capacity building interventions in public debt management in 14 member countries: Angola, Botswana, Burundi, Eswatini, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe. This involves training of the government and central bank officials and delivering advisory services on debt management, including debt contraction, debt sustainability analysis, medium term debt management strategy, local currency bond market development, debt data management, and governance arrangements for public debt management. Prior to joining MEFMI in 2012, Stanislas worked for 11 years in the Debt and Aid Management Division of Malawi's Ministry of Finance where he led the middle office section as Deputy Director. He played a key role in preparing Malawi's inaugural debt management strategy, conducting debt sustainability analyses, preparing debt reports and overseeing implementation of other debt management reforms. He is an alumnus of the Debt Managers' Practitioners Programme of the World Bank. In May 2019, Stanislas was elected Chairman of the DMF Implementers Coordination Group (ICG) comprising MEFMI, WAIFEM, COMSEC, UNCTAD, UMOA-Titres, IMF and World Bank.



Stanislas Nkhata.

## VI. DMF Country Engagements

### Subnational DeMPA Mission

<b>OBJECTIVE</b>	Subnational DeMPA missions assess subnational debt management performance at the level of local government through a comprehensive set of indicators spanning the full range of subnational debt management functions. The SN DeMPA evaluates the State Government debt management institutions, policies and practices and identifies strengths and areas for reform.
<b>COUNTRY</b>	Himachal Pradesh, India, August 1-10, 2019
<b>ORGANIZERS</b>	World Bank, DMF and CMU
<b>COUNTERPART</b>	State Government Agencies
<b>HIGHLIGHTS</b>	The SN DeMPA exercise helped to inform GoHP's plans to strengthen institutional and technical capacity. Himachal Pradesh is categorized as Special Category State (SCS) and since the 14th Finance Commission (FC) has recommended to discontinue the distinction between SCS and other state, this assessment was timely. The assessment revealed that GOHP could benefit from a detailed plan for debt management reforms and further activities to support this demand will be planned.

## MTDS Missions

<b>OBJECTIVE</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. Click <a href="#">here</a> for more information. The objectives of the MTDS missions are:</p> <ul style="list-style-type: none"> <li>• <i>Improve the capacity to monitor and manage risks of the debt portfolio.</i></li> <li>• <i>Improve the capacity to formulate a Debt Management Strategy consistent with acceptable costs and risks.</i></li> <li>• <i>Improve the capacity to prepare an annual borrowing plan.</i></li> </ul>		
<b>COUNTRY</b>	<b>Lusaka, Zambia</b> July 22-August 2, 2019	<b>Abuja, Nigeria</b> July 22-30, 2019	<b>Dakar, Senegal</b> August 26-September 2, 2019
<b>ORGANIZERS</b>	World Bank, MEFMI and IMF	World Bank and IMF	World Bank and IMF
<b>COUNTERPART</b>	IDM, Ministry of Finance	Nigeria, DMO	Senegal Ministry of Finance and Budget
<b>HIGHLIGHTS</b>	<p>The joint IMF-WB-MEFMI mission supported the authorities in preparation of a medium-term debt management strategy (MTDS) for 2020-22. It took the form of an off-site workshop, in which the mission worked closely with a team from the Ministry of Finance (MoF), the Bank of Zambia, the Cabinet Office and other Agencies, assembled for the program by the Investment and Debt Directorate (IDM) of the Ministry of Finance. Debt management staff presented the results of the MTDS exercise to senior management at the end of the mission.</p>	<p>A joint IMF-World Bank and WAIFEM Technical Assistance mission visited the Nigerian Debt Management Office (DMO) to help the authorities revise their medium-term debt management strategy (MTDS) for 2020-23. The mission team also trained officials on the updated MTDS Analytical Tool (AT); helped them to assess the cost-risk tradeoffs of feasible financing options; and discussed streamlining of the debt policy framework, developing a quarterly debt bulletin to support investor relations.</p>	<p>A joint IMF and World Bank mission supported technical officials from the National Public Debt Committee (NPDC)—comprising staff from the Ministry of Finance and Budget (MFB); the Ministry of Economy, Planning and Cooperation (MEPC); the regional central bank; and the regional government debt issuance agency (AUT) in preparing their medium-term debt management strategy (MTDS) for 2020-22 and offered options for centralizing the debt management function, strengthening coordination and establishing a hierarchy for approving new borrowing.</p>

## Regional DeMPA

<b>COUNTRY</b>	<b>Vienna, Austria</b> August 19-23, 2019	<b>Abuja, Nigeria</b> September 23-27, 2019	<b>Dakar, Senegal</b> September 16-20, 2019
<b>ORGANIZERS</b>	World Bank	World Bank and WAIFEM	World Bank and AUT
<b>PARTICIPANTS</b>	29 participants from 14 countries including: Ghana, Pakistan, Ethiopia, Georgia, Moldova, Kyrgyz Republic, Kosovo, Rwanda, Tajikistan, Azerbaijan, Armenia, Uzbekistan, Tanzania and Pakistan (Self-funded)	29 participants from 5 countries including: Gambia, Ghana, Sierra Leone, Nigeria and Liberia	15 participants from 8 countries including: Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo
<b>OBJECTIVE</b>	Familiarize participants with the rationale, scope, coverage and application of the DeMPA methodology. Discuss inter-linkages between the debt management functions and identify evidence-based data for assessing the effectiveness of the debt performance. The regional workshops are a combination of presentations and hands-on case studies.		

## Regional MDTS Training

<b>COUNTRY</b>	<b>Lusaka, Zambia</b> , July 15-19, 2019	<b>Suva, Fiji</b> , September 2-6, 2019
<b>ORGANIZERS</b>	World Bank and MEFMI	PETAC, IMF and World Bank
<b>PARTICIPANTS</b>	23 participants from Zambia MoF and DMO	24 participants from Micronesia, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu
<b>OBJECTIVE</b>	MTDS regional trainings are organized to improve countries' capacity in monitoring and managing risks of the debt portfolio, to help participants identify costs and risks of various borrowing strategies and to support the formulation of the debt management strategy (DMS).	

## Regional MTDS and LIC DSA Training

<b>COUNTRY</b>	<b>Vienna, Austria</b> , August 5-16, 2019
<b>ORGANIZERS</b>	IMF and World Bank
<b>PARTICIPANTS</b>	25 participants from 8 countries including: Afghanistan, The Gambia, Ghana, Kenya, Romania, Moldova, Rwanda, Uganda
<b>OBJECTIVE</b>	The combined MTDS and LIC DSA regional training was organized with an objective to strengthen participating countries' capacity in the: i) formulation of the debt management strategy (DMS), ii) managing of debt portfolio risks, iii) analyzing factors that affect country's debt sustainability and iv) interpreting the outputs of the debt sustainability analysis together with realism tools.

## VII. Debt Management Events and Publications

### Past Events:

#### *Public Debt Management Conference, September 4-5, 2019, Paris, France.*

Public Debt Management conference is an annual event hosted by the Public Debt Management Network. The conference was held at the Headquarters of the OECD. The Public Debt Management (PDM) Network is an initiative fostered by the OECD, the Italian Treasury and The World Bank. Since its launch in 2004, the PDM Network remains an original and unique initiative in the field of international co-operation between governments and super-national institutions. The PDM Network promotes international dialogue among public debt managers, as well as other institutions, scholars, practitioners and the general public. Presentations from the conference are available [here](#).



Group photo of the Public Debt Management Conference

### Future Events:

#### *Decoding Debt: Getting Transparency Right*

*Panel Discussion, October 17, 2019, World Bank, Washington D.C.*

This panel will bring together a diverse group of experts representing the perspectives of governments, investors, and civil society organizations to address three key questions: 1) Why is debt transparency important? 2) Why is it lacking in so many low-income countries? 3) What must be done to create the right incentives for greater debt transparency? To meet Sustainable Development Goals by 2030, countries will need to invest at least 4.5% of national GDP each year on infrastructure alone. They will need to find ways to finance these investments without letting debt grow to unmanageable levels. Debt transparency, as a result, has become an urgent priority and the World Bank Group is stepping up its efforts in this area. More about the event is available [here](#).



Panelists at

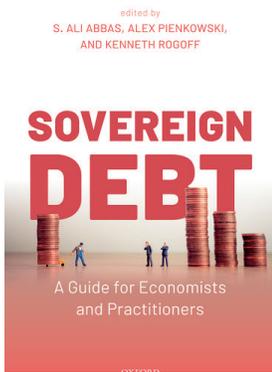
#### *Sovereign Debt: A Guide for Economists and Practitioners*

*Book Launch and Panel Discussion, October 17, 2019, International Monetary Fund, Washington D.C.*

The event showcased the launching of a new book - Sovereign Debt: A Guide for Economists and Practitioners – edited by S. Ali Abbas, Alex Pienkowski (both IMF) and Kenneth Rogoff (Harvard University). The conference was hosted by the International Monetary Fund at its headquarters in Washington D.C. The book from Oxford University Press and the IMF is designed to connect the multiple aspects of sovereign debt policy, with examples of actual events and policies. The panel was moderated by Alex Pienkowski from the IMF and featured Reza Baqir, Governor of the State Bank of Pakistan, Lee Buchheit, Former partner at Cleary Gottlieb, Carmen Reinhart, Harvard Kennedy School and Mark Sobel, Center for Strategic and International Studies who aptly debated conjunctural debt issues. More about the event is available [here](#).



Panelists at the Book Launch Event



*S. Ali Abbas, Alex Pienkowski and Kenneth Rogoff*

By the early 1970s, when debt fell back to pre-war levels, the world was radically different. It is likely that changes of a similar magnitude will play out over coming decades. This book is an attempt to build some structure around the issues of sovereign debt to help guide economists, practitioners and policymakers through this complicated, but not intractable, subject. Sovereign Debt brings together some of the world's leading researchers and specialists in sovereign debt to cover a range of sub-disciplines within this vast topic. It explores debt management with debt sustainability; debt reduction policies with crisis prevention policies; and the history with the conjuncture. It is a foundation text for all those interested in sovereign debt, with a focus on real world examples and issues. Information about the book is available [here](#).

### *12th UNCTAD Debt Management Conference , November 18-20, 2019, Geneva, Switzerland*

UNCTAD organizes the Debt Management Conference every two years, providing a regular forum for the sharing of experiences and exchange of views between governments, international organizations, academia, the private financial sector, and civil society on current issues in debt management. It brings together senior national and international debt managers and experts from around the world to discuss latest trends in the public sector debt management and public finance. The presenters will be a balance of national experts, academics and representatives of civil society and of international and regional organizations from around the world to discuss latest trends in the public sector debt management and public finance. More about the conference is available [here](#).

## **VIII. 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.

### *Upcoming Webinars:*

#### *Programmatic Approach: Multi-year Support for Debt Management Results, November 4, 2019*

##### *Chair:*

**Doerte Doemeland**, Practice Manager, Macroeconomics, Trade and Investment Global Practice, Global Macro and Debt Analytics Unit.

##### *Presenters:*

**M. Coskun Cangöz**, Head of Government Debt and Risk Management, World Bank Treasury.

**Léa Hakim**, Program Manager Debt Management Facility and Senior Economist, World Bank.

##### *Discussant:*

**Bakyt Sydykov**, Head of Department, External Affairs and Aid Coordination, Ministry of Economy, former Head of Public Debt Department, Kyrgyz Republic.

The Government Debt and Risk Management (GDRM) Program, managed by the World Bank Treasury, provides customized technical advisory services to middle-income countries in a programmatic approach. Designed for the medium-term, the GDRM Program supports partner countries from upstream, diagnostic work and developing reform plans, to downstream implementation of the plans. The Program assists countries in developing sustainable debt and risk management frameworks to reduce vulnerability to financial shocks. The webinar discussed examples of programmatic approach under the Debt Management Facility and the Kyrgyz Republic's experience in implementing multi-year reforms based on diagnostic, reform plan and monitoring.

## The Donors

- ◆ African Development Bank Group
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- ◆ Netherlands Ministry of Foreign Affairs
- ◆ Norway Ministry of Foreign Affairs
- ◆ Ministry of Finance of Russian Federation
- ◆ Switzerland State Secretariat for Economic Affairs

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## Debt Management Facility July-September 2019 Issue 37

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.

