

## I. The Virtual DMF Stakeholders' Forum

*"Navigating Debt: Meeting Tomorrow's Funding Needs"*

The 12th Annual Debt Management Facility (DMF) Stakeholders Forum (March 14–16, 2022), fostered high level-discussions on potential debt-management strategies during a period of high and persistent debt burdens for many low- and middle-income countries. It also examined the use of innovative financing instruments in debt management and highlighted the importance of legal frameworks for sound



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debt management and debt transparency. The forum was attended by 191 participants representing debt management offices, development partners, international finance institutions, debt management TA providers, the private sector, civil society organizations, and academia. [More information about the event can be found here.](#)

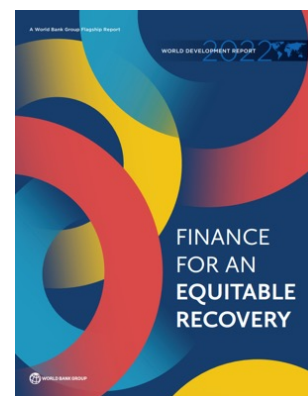
## II. World Development Report 2022

The COVID-19 pandemic triggered the largest global economic crisis in more than a century. In 2020, economic activity contracted in 90 percent of countries, the world economy shrank by about 3 percent, and global poverty increased for the first time in a generation. Governments enacted swift and encompassing policy responses that alleviated the worst immediate economic impacts of the crisis. However, the governments' response also exacerbated a number of economic fragilities.

[World Development Report 2022: Finance for an Equitable Recovery](#) examines the central role of finance in the economic recovery from the pandemic. It highlights the consequences of the crisis most likely to affect emerging economies and advocates a set of policies to mitigate the interconnected financial risks stemming from the pandemic and steer economies toward a sustainable and equitable recovery.

What we do know is that the pandemic induced recession of 2020 led to the largest single-year surge in global debt in decades. - In 2020, the average total debt burden of low- and middle-income countries increased by roughly 9 percentage points of the gross domestic product, compared with an average annual increase of 1.9 percentage points over the previous decade. Fifty-one countries (including 44 emerging economies) experienced a downgrade in their sovereign debt credit rating.

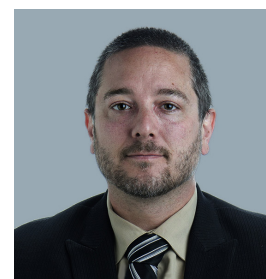
From the Preface for the World Development Report 2022



### III. Staff Corner

#### Meet the Team

Trevor Lessard joined the Debt Capital Markets Division in IMF's Monetary and Capital Markets Department in 2020 to work on debt management and debt restructuring issues after having spent years as an IMF country economist for several borrowing countries and focusing on Africa debt issues. Prior to becoming IMF staff, Trevor worked at the Canadian Department of Finance on debt management and debt restructuring issues as Canada's Head of Delegation to the Paris Club. As Senior Advisor to the IMF Executive Director for Canada, Ireland, and the Caribbean, he assisted the authorities of Jamaica and Belize in their respective debt restructuring. Trevor holds graduate degrees in economics and public policy.



Trevor Lessard, Senior Financial Sector Expert

### IV. DMF Technical Assistance and Training

*Technical Assistance: During this period, most missions were conducted remotely due to the COVID-19 pandemic. One mission was delivered in person for Debt Management Legal Framework reform in Georgia.*

#### Debt Management Performance Assessment (DeMPA)

<b>OBJECTIVE</b>	The mission undertook a Debt Management Performance Assessment (DeMPA) and provided a baseline for debt management reforms over the coming years based on the 2021 DeMPA methodology.	
<b>COUNTRY</b>	Pakistan, February 7–18, 2022	Niger, March 14–30, 2022
<b>ORGANIZERS</b>	World Bank, joined by UNCTAD	World Bank, joined by DRI
<b>HIGHLIGHTS</b>	<p>The mission's objectives were to: (1) Assess the strengths and areas for improvement of public debt management operations in Pakistan since 2010; (2) Provide a baseline for undertaking future reforms in government debt management.</p> <p>The mission took note of the progress made since the previous DeMPA in 2010 in several debt management areas; some results reflected the latest rounds of debt management reforms to centralize decision making in a debt management office. Fragmentation continues to be a challenge, especially for debt recording in a single debt management information system.</p>	<p>The main counterpart for the mission was the Republic of Niger's Treasury, under which the Debt Management Office (Direction de la Dette Publique - DPP) operates. The mission also interacted with the various entities, the Ministry of Planning and the Directorate in charge of SOEs, the Court of Account, representatives of the Regional Central Bank (BCEAO), and commercial banks. The mission discussed the preliminary findings with the entities involved in the mission. The authorities also planned to request technical assistance for the Reform Plan formulation.</p>

## Debt Management Legal Framework – Debt Management Law

<b>COUNTRY</b>	Georgia, March 23–31, 2022
<b>ORGANIZERS</b>	World Bank
<b>OBJECTIVE</b>	The mission consulted officials at the Ministry of Finance (MoF), the National Bank of Georgia, and the Ministry of Justice on the amendments being considered to the legislation regulating public debt and its management, aligned with good international practices.
<b>HIGHLIGHTS</b>	The mission met with key counterparts from the Ministry of Finance, including the Debt Department, Legal Department, Macro Department, Fiscal Risks Department, the National Bank of Georgia (NBG), and the State Audit Office. The objectives of the mission were to advise authorities on key elements of the sound legal framework for government debt management and consult on the provisions of the draft state debt management law. In addition, the authorities have requested the mission's views on legislative support for statistical debt definitions, including for the broader public sector debt. The mission work benefited from the earlier World Bank advisory and findings of the 2020 DeMPA evaluation report.

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

<b>COUNTRY</b>	Chad, January 10–21, 2022	Chad, March 21–23, 2022	Fiji, February 14–28, 2022
<b>ORGANIZERS</b>	IMF	IMF	World Bank
<b>OBJECTIVE</b>	The mission assisted the authorities with practices to improve the planning of government securities auctions, suggested approaches to further reduce rollover and provided guidance on the design and implementation of an investor relations program.	The in-person mission reviewed the implementation of time-sensitive recommendations made during the January 2022 virtual mission to the authorities to reduce refinancing risk and ensure timely government securities redemption.	The mission provided technical assistance to the authorities for updating the debt management strategy and corresponding ABP.
<b>HIGHLIGHTS</b>	The mission advised authorities on the draft issuance calendar and discussed an issuance approach to continue to reduce refinancing risk in the domestic portfolio.	The mission clarified several issues related to updates and monitoring of the issuance calendar and investor relations to reduce the refinancing risk. It worked with the authorities to prepare an issuance calendar for the second quarter of 2022 and discussed with the Senior Officials the adequate human and financial resources necessary for the sustainability of investor relations and issuance practices.	The mission worked closely with the Debt Management Unit to facilitate the debt management strategy update, based on a quantitative analysis of the cost and risk of the debt portfolio, consistent with the overall macroeconomic framework and objectives for domestic debt market development.

## Domestic Debt Market Development (DDMD)

<b>TYPE</b>	Local Currency Bond Market (LCBM) Development
<b>COUNTRY</b>	Bhutan, January 10–21, 2022
<b>ORGANIZERS</b>	World Bank/IMF
<b>OBJECTIVE</b>	This joint IMF-World Bank mission assisted the authorities in assessing the development stage of the domestic government debt market in Bhutan and provided inputs to formulate a master plan for its deepening. It supported the authorities in identifying the bottlenecks in the domestic bond market development and proposed policies to address them. In its work, it used the recently developed local currency bond market (LCBM) development framework, prepared jointly with the World Bank. At the authorities' request, the mission also provided a presentation on retail investors.
<b>HIGHLIGHTS</b>	The mission provided an indicative action plan to implement the recommended policies. Most critical issues, which are key impediments to market development, as well as recommendations that could be more easily implemented, should be prioritized. These include mostly measures on the primary market, such as introducing a more regular issuance calendar and a gradual maturity lengthening and buildup of benchmark securities.

## Debt-Related Contingent Liabilities and Fiscal Risks

<b>TYPE</b>	Fiscal Risks Assessment	
<b>COUNTRY</b>	Kyrgyz Republic, January 20–February 7, 2022	Mauritania, February 23–March 4, 2022
<b>ORGANIZERS</b>	World Bank	World Bank
<b>OBJECTIVE</b>	The mission aimed to evaluate the government's current practice of managing fiscal risks and review the draft Information on Fiscal Risks produced by the MoF in 2021; and ii) discuss with counterparts from the MoF and other relevant stakeholders a strategy for better managing fiscal risks.	The mission aimed to assess the fiscal risks emanating from the five largest state-owned enterprises (SOEs) and explore opportunities for strengthening debt management and the capacity of the Ministry of Finance in terms of monitoring and evaluating the performance of public enterprises.
<b>HIGHLIGHTS</b>	The mission team met several entities within and outside the MoF to learn about the current fiscal risk management activities for different types of fiscal risks and explore the preparations that the government is undertaking to prepare the IDA's Sustainable Development Finance Program for 2022.	The mission team evaluated the fiscal risks emanating from the five largest SOEs: Mauritania Airlines (MAIL), Mauritanian Telecommunication Company (MAURITEL), National Water Corporation (SNDE), National Company of Industries and Mines (SNIM), and Mauritanian Electricity Utility Company (SOMELEC).

## Debt Reporting and Monitoring

<b>TYPE</b>	Debt Reporting and Monitoring
<b>COUNTRY</b>	Haiti, February 4–11, 2022
<b>ORGANIZERS</b>	World Bank
<b>OBJECTIVE</b>	Using the Debt Reporting Diagnostic Tool, identify the reasons that reporting standards are lacking and outline actions that improve reporting practices.
<b>HIGHLIGHTS</b>	The mission piloted the Debt Reporting Diagnostic Tool developed by the World Bank to support debt transparency. This tool focuses on reporting and is based on the Debt Management Performance Assessment (DeMPA) and the World Bank Debt Reporting Map.

### Conducted Virtually

9\*

Training Opportunities



296\*

Trained Participants

\* As the Massive Open Online Courses (MOOCs) finished on April 15, 2022, their numbers are excluded from "training opportunities" and "trained participants" in this DMF Newsletter issue.

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

<b>COUNTRY</b>	AFC Countries, February 21–25, 2022	AFW Countries/WAEMU, March 14–17, 2022
<b>ORGANIZERS</b>	IMF Regional Capacity Development Center for Central Africa	World Bank/IMF
<b>OBJECTIVE</b>	The workshop improved participants' knowledge of domestic issuance implementation, including government securities pricing and capacity to execute a cost-effective issuance and buyback operations.	The workshop provided technical assistance on the design and implementation of an ABP with the support of the ABP tool recently developed by the WB and the IMF. Theoretical presentations on the link between MTDS and ABP and the steps to follow to develop an ABP were supplemented with hands-on exercises.
<b>PARTICIPANTS</b>	30 participants from six DMF countries (Burundi, Cameroon, Chad, Congo (RoC), Congo (DRC) and Sao Tome & Principe).	40 officials from the debt offices of seven WAEMU countries (Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Senegal, and Togo), Guinea, Mauritania, and Madagascar, as well as two representatives from Agence UMOA Titres (AUT) attended the workshop.

## Domestic Debt Market Development (DDMD)

<b>TYPE</b>	Local Currency Bond Market (LCBM) Development Virtual Training
<b>COUNTRY</b>	Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) Countries, February 22–March 4, 2022
<b>ORGANIZERS</b>	World Bank/IMF
<b>OBJECTIVE</b>	The workshop provided training on the newly developed framework to develop Local Currency Bond Markets (LCBM). It familiarized the participants with the key building blocks of LCBM and enabled them to populate the LCBM analytical tool. The tool is designed to help users identify country needs and formulate a plan for LCBM development.
<b>PARTICIPANTS</b>	41 officials from Angola, Botswana, Eswatini, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda, and Zambia attended the training.

## Debt and Cash Management

<b>COUNTRY</b>	Central African Countries, January 31–February 2, 2022
<b>ORGANIZERS</b>	IMF
<b>OBJECTIVE</b>	The workshop provided training on good practices in cash management and treasury single account (TSA) processes.
<b>PARTICIPANTS</b>	34 participants from 6 countries – Burundi, Cameroon, Congo RoC, CAR, Congo DRC, and Chad; World Bank and IMF staff also participated.

## Debt Sustainability Analysis (DSA) and Debt Sustainability Framework for Low-Income Countries (LIC-DSF)—also offered in French for Francophone Countries

<b>COUNTRY</b>	West Africa (Anglophone), February 7–11, 2022	Primarily West Africa (Francophone countries), March 7–11, 2022	Mozambique, March 7–11, 2022
<b>ORGANIZERS</b>	World Bank/IMF	World Bank/IMF	World Bank/IMF
<b>OBJECTIVE</b>	The workshop familiarized the participants with the LIC DSF and introduced participants to (i) standardized forward-looking analysis of the debt and debt service dynamics under a baseline scenario and in the face of plausible shocks; (ii) the new tailored stress tests and realism tools introduced by the revised framework; (iii) the assessment of debt sustainability in relation to indicative country-specific debt burden thresholds; and (iv) the use of judgment to arrive at the final assessment of the risk of debt distress.		
<b>PARTICIPANTS</b>	15 participants (2 World Bank staff) completed the workshop, including from Cabo Verde, Gambia, Ghana, Liberia, and Sao Tome & Principe.	40 participants from 12 West African French-speaking countries (Benin, Burkino Faso, Burundi, Cameroon, Congo (DRC), Congo (RoC), Cote d'Ivoire, Guinea, Madagascar, Mauritania, Senegal, and Togo) attended the workshop.	18 participants from the Ministry of Finance and the Central Bank attended the workshop.

## Massive Open Online Courses (MOOCs)

DATE	ORGANIZER	TRAINING ACTIVITY	OBJECTIVE	PARTICIPANTS
January 1–April 15, 2022	World Bank IMF	Medium-Term Debt Strategy (MTDSx) Online Course	This Massive Open Online Course (MOOC) strengthened capacity in analyzing the characteristics of a government debt portfolio and developing a medium-term debt management strategy. It explains the joint World Bank-IMF MTDS framework and provides comprehensive training on the accompanying analytical tool.	As MOOCs will be completed on April 15, 2022, their participation results will be reported in the DMF Newsletter April-June 2022 issue.
January 1–April 15, 2022	World Bank IMF	Debt Sustainability Framework for Low Income Countries (LIC-DSFx) Online Course	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.	
January 1–April 15, 2022	World Bank IMF	Public Debt, Investment, and Growth: The DIG and DIGNAR Models (DIGx) – MOOC	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.	
January 1–April 15, 2022	World Bank IMF	Public Debt Dynamics Under Uncertainty (DDUx)	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).	
January 1–April 15, 2022	World Bank IMF	Projecting Public Debt - The Public Debt Dynamics Tool (DDTx)	This two-module online course, presented by the Institute for Capacity Development, explains how to project the evolution of public debt (i.e., government debt) over time for a given set of projections of the relevant macro-fiscal variables.	

## Debt-Related Contingent Liabilities and Fiscal Risks

<b>TYPE</b>	Credit Risk Model for Loan Guarantees	Framework for Government Guarantees and Credit Risk Analysis
<b>COUNTRY</b>	MEFMI Countries, March 21 – 25, 2022	Regional (JVI), January 31–February 4, 2022
<b>ORGANIZERS</b>	MEFMI/IMF	World Bank
<b>OBJECTIVE</b>	The workshop provided training on Credit Risk Models, analytical tools for discrete government guarantees, loans, and guarantee schemes, and the application of the credit scoring model to firms based in MEFMI member countries in a case study format.	This one-week course aims to achieve dual objectives: (i) acquaint participants with the core building blocks for the development of a sound framework for the management of debt guarantees, and (ii) allow participants to understand and apply the scenario analysis tool designed to assist government authorities with an assessment of credit risk of new and outstanding loan guarantees.
<b>PARTICIPANTS</b>	A total of 57 officials from 13 MEFMI member countries participated in the training, including Angola, Botswana, Eswatini, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Tanzania, Uganda, Zambia, and Zimbabwe.	21 government authorities from Azerbaijan, Cabo Verde, Georgia, Kenya, Kosovo, Pakistan, Tanzania, and Zimbabwe participated in the training.

## V. Future Debt Events

### Upcoming Missions, April–June 2022

COUNTRY	ACTIVITY	NAME	DATES
Cabo Verde	Technical Assistance	DeMPA	April 2022
Gambia	Technical Assistance	Reform Plan	April 2022
Uzbekistan	Technical Assistance	LCBM	April 2022
St Lucia	Technical Assistance	Public Debt Management	April 2022
Bolivia	Technical Assistance	Sub-National DeMPA	May 2022
Cote D'Ivoire	Technical Assistance	Debt Management Practices	May 2022
Sao Tome and Principe	Technical Assistance	Domestic Issuance Plan	May 2022
Central African Republic	Technical Assistance	Domestic Issuance Plan	May 2022
Liberia	Technical Assistance	MTDS	May–June 2022
Kyrgyzstan	Technical Assistance	LCBM	June 2022
Honduras	Technical Assistance	LCBM	June 2022



## Upcoming Training, April–June, 2022

COUNTRY	ACTIVITY	NAME	DATES
E-Learning	Regional Training	LIC DSFx (MOOC French)	April–July 2022
E-Learning	Regional Training	MTDSx (MOOC)	April–July 2022
E-Learning	Regional Training	DIGx (MOOC) Public Debt, Investment and Growth (DiG and DIGNAR Models)	April–July 2022
E-Learning	Regional Training	DDUx (MOOC) - Public Debt Dynamics under Uncertainty	April–July 2022
E-Learning	Regional Training	DDTx Project Public Debt (Govt Officials) (French)	April–July 2022
Regional (JVI)	Regional Training	Designing Debt Management Strategies training GDM 1	April 2022
Regional (JVI)	Regional Training	Joint DGDM/IGDM Development - GDM2	April 2022
Caribbean/CARTAC Countries	Regional Training	LIC DSA	April 2022
Regional (JVI)	Regional Training	Fiscal Risk	May 2022
West Africa Francophone	Regional Training	DeMPA	May 2022
WAIFEM Countries	Regional Training	ABP	May 2022
Congo (RoC)	National Training	MTDS	May 2022
Pacific Islands/Singapore	Regional Training	LIC DSA	May 2022
MEFMI countries	Regional Training	ABP	May 2022
WAIFEM Countries	Regional Training	Debt Reporting and Monitoring	June 2022
Regional	Regional Training	International Bond Issuance (French)	June 2022
Regional	Regional Training	DeMPA	June 2022
MEFMI countries	Regional Training	Debt Monitoring and Reporting	June 2022
WAIFEM Countries	Bilateral Training	LCBM	June 2022

## VI. Recent Debt Publications

### *Are we Ready for the Coming Spate of Debt Crises?*

Blog

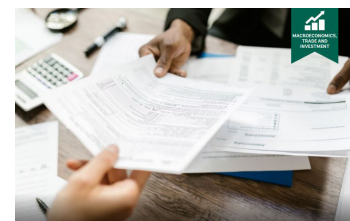
Higher inflation. Slower growth. Tightening financial conditions. In recent weeks, Russia's invasion of Ukraine has exacerbated global economic risks. There is a fourth element. However, that could make the mix combustible: the high debt of emerging markets and developing economies. [More information here.](#)



### *Achieving Comparability of Treatment under the G20's Common Framework*

Note

The current Common Framework architecture relies on the application of the Paris Club's principle of comparability of treatment (CoT). However, CoT - in its current form - is not being enforced, does not distribute the burden of debt reduction equally among creditors, and does not guarantee compliance by private creditors, except for "light" restructurings. This note proposes two main reforms to address this challenge: (i) carrying out coordinated and simultaneous negotiations across creditors and (ii) using NPV reduction based upon a common discount rate as the only measure of CoT. [More information here.](#)



### *Credit Worthy: ESG Factors and Sovereign Credit Ratings*

Paper



This paper focuses on sovereign credit ratings and empirically assesses how broad sovereign ESG factors, as well as the ESG factors specific to a country's national wealth and management of risks and opportunities related to so-called stranded assets like fossil fuel resources, are manifested in sovereign credit rating assessments. [More information here.](#)

### *Pandemic Tests Resilience and Credibility of Fiscal Rules*

Blog

Record debt and deficits during the pandemic prompted many nations to suspend their fiscal rules. What happens when a country must respond to a large shock such as the pandemic? Governments must strike the right balance between the imperative of emergency support and the credibility of the rules-based fiscal framework. The new research shows how countries navigate this challenge. [More information here.](#)



## Public Debt Reporting in Developing Countries

Paper

More than 20 developing countries do not publish any data on their sovereign debt. In those that do disclose data, public debt statistics usually do not comply with international standards in terms of coverage and definitions. This paper measures the extent of transparency in direct reporting and identifies the factors that promote it and describes the reporting ecosystem in which two types of channels (direct and indirect) coexist, and provides novel estimates of the data gaps across the two. [More information here.](#)



## Debt Vulnerability Analysis A Multi-Angle Approach

Paper

Countries with high debt exposure are vulnerable to economic and financial shocks that could lead to sovereign defaults. This paper develops a methodology to identify countries that are at risk of debt default based on four elements of debt vulnerability. The methodology flags countries that are at risk of default by means of machine learning techniques and delivers outputs that point to underlying causes of vulnerability. The methodology complements existing monitoring tools for assessing debt sustainability. [More information here.](#)



Machava BCI Bank Autobank Counter staff, Mozambique. Photo: Eric Miller/ World Bank

## Debt Transparency: Debt Reporting Heat Map—2021

Website

How transparent are IDA countries in their debt reporting practices? The NEW 2021 heat map shows the number of low-income countries that make debt information publicly available on a centralized site jumped to 24 in 2021 from 18 in 2020 (out of 30 in the heatmap). A large majority of LICs, nonetheless, still do not publish annual borrowing plans. [More information here.](#)



## Debt Déjà Vu: Learning from Previous Waves of Debt Crises to Weather Current and Future Storms

Podcast

Even before the onset of the COVID pandemic, many low-income countries were facing a resurgence in their debt burdens, including among past recipients of large-scale debt relief from multilateral and bilateral creditors. The Director of the Intergovernmental Group of Twenty-Four, Marilou Uy, joins IEG's Jeff Chelsky to discuss the conditions that steered low-income countries into the current wave of the debt crisis, the expected shocks as the Debt Service Suspension Initiative expires, and possible paths development organizations can take to prevent a new crisis. [More information here.](#)



## DMF III Donors

African Development Bank (AfDB)

Austria - Federal Finance Ministry

European Commission

France - Ministry of the Economy, Finance and the Recovery

Germany - Federal Ministry for Economic Cooperation and Development

Japan - Ministry of Finance

The Netherlands - Ministry of Foreign Affairs

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

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## Debt Management Facility

January–March 2022

Issue 47

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.



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