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## **I. Regional DeMPA Training for Debt Managers at Joint Vienna Institute**

The Debt Management Facility program, jointly implemented by the World Bank and the IMF, builds countries' capacity to strengthen debt management practices and make more informed decisions about borrowing and related costs and risks, including through training and regional workshops for officials from all eligible countries.



The regional DeMPA training at JVI was delivered in-person for the first time since the beginning of the COVID 19 pandemic. It was attended by Government officials from Armenia, Azerbaijan, Bosnia and Herzegovina, Kosovo, Georgia, Kyrgyz Republic, and Uzbekistan, as well as several World Bank staff. During the event, debt management officials learned about the application of the methodology and presented examples of debt management practices in their respective countries.

The five-day course achieved the following objectives: (i) informed participants about the updated 2021 version of the DeMPA methodology's main areas of performance measurement while evaluating the central government debt activities, (ii) familiarized participants with the application techniques for evaluating debt management performance, (iii) informed participants about the cross-country experiences and recent trends in sound debt management practices at the central government level. Participants in the course expressed strong appreciation for the training and the return to in-person delivery of the learning events.

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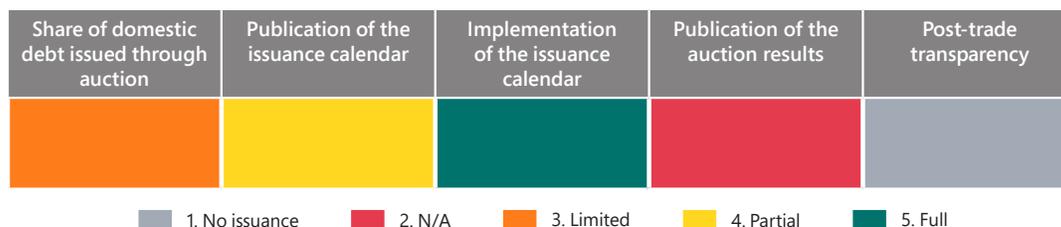
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## II. DMF Webinars: Domestic Debt Reporting Heat Map

Transparent domestic borrowing increases investor confidence, reducing market uncertainty and creating positive expectations about the consistency of future policy decisions. In addition to the Debt Reporting Heatmap, the World Bank has launched a tool to track the transparency of domestic government securities issuances in developing countries (LIDCs): the Domestic Debt Securities Heat Map.

### Example of Debt Reporting Heat Map



It tracks five indicators in alignment with the World Bank/IMF Guidance Note for Developing Government Local Currency Bond Markets that are the most critical to ensure transparent domestic borrowing. The webinar on Transparency of Domestic Borrowing: Heat Map Approach, organized by EMFMD and FCI, introduces the indicators of the heatmap and discusses the main takeaways of the first two years of implementation. The webinar was attended by 52 participants from DMF eligible countries, DMF donors' agencies, DMF partners and the WB group. More information [here](#).

## III. Staff Corner

### Meet the Team

Oumar Dissou joined the IMF in 2013 as a long-term Debt Management Advisor and reports to the Debt Capital Market Division of the Monetary and Capital Markets Department. In his capacity, he has helped Central and West francophone countries strengthen their debt management institutional frameworks and debt reporting, supported the implementation of reforms for developing the domestic markets, and strengthened the analytical capacities of debt management offices. He is currently based at the IMF Regional Capacity Development Center for Central Africa, in Libreville, Gabon. His technical assistance activities are currently funded by the DMF. Prior to joining the IMF in 2013, he spent 11 years at the Bank of Canada where he provided debt and foreign reserve management advice to Senior Bank and Government officials. He also spent a year at the Ministry of Finance of Quebec working on the province's debt management issues.



Oumar Dissou, Technical Assistance Officer, IMF

## IV. DMF Technical Assistance and Training

### Missions

Medium-Term Debt Management Strategy (MTDS)		
TYPE	MTDS/ABP	MTDS Strategy
COUNTRY	Senegal, July 20–29, 2022	Rwanda, July 25–29, 2022
ORGANIZERS	World Bank/AFRITAC	World Bank/IMF
OBJECTIVE	The mission aimed to strengthen capacities in designing the MTDS and drafting of an ABP using the WB/IMF ABP analytical tool and to undertake the analysis.	The objectives of the mission were to: (i) provide capacity building for DDG/MINECOFIN to further strengthen the existing debt management strategy (DMS) and (ii) update the current debt DMS by assessing the current portfolio, available sources of funding, and alternative strategies.
HIGHLIGHTS	The mission: (i) reviewed and updated the existing MTDS and macroeconomic framework and fiscal projections, (ii) assessed the cost/risks profile of the current portfolio, and (iii) reviewed available sources of funding and alternative strategies using preliminary data for June 30, 2022. The updated information on the MTDS was used in the ABP tool, together with the preliminary domestic market issuance calendar. A particular emphasis was put on how to facilitate an institutional arrangement to ensure a better flow of information.	The mission provided a week-long workshop for MINECOFIN staff, presented the MTDS framework and types of inputs required for the MTDS AT. The workshop included presentations on the development of an annual borrowing plan and the structure and content of a debt management strategy document. The mission also discussed with the Chief Economist of the MINECOFIN on the preparation and publication of debt management strategy and annual borrowing plan, DDG staff issues and DSA.

Domestic Debt Market Development (DDMD)		
TYPE	Domestic Issuance Plan	
COUNTRY	Chad, August 18–28, 2022	
ORGANIZERS	IMF	
OBJECTIVE	The mission aimed to follow up on past recommendations to ensure the timely redemption of government securities and to enhance the staff capacity on issuance calendar preparation and implementation.	
HIGHLIGHTS	The mission provided on-the-job training on issuance calendar preparation and implementation. The authorities have made progress in reducing refinancing in their domestic debt portfolio, strengthening human resources, and taking steps to integrate cash management with government securities management.	

## Improving Governance and Institutions

TYPE	Debt Management Institutional Framework	Debt Management Institutional Framework
COUNTRY	Vietnam, August 15–30, 2022	Republic of Congo, September 13–23, 2022
ORGANIZERS	World Bank/IMF	IMF
OBJECTIVE	The mission aimed to advise on strengthening the institutional arrangements for public debt management (PDM).	The mission aimed to assist authorities to design the institutional structure for public debt management.
HIGHLIGHTS	The mission provided advice on reshaping the institutional and organization structure to conduct government debt management operations.	The mission provided advice on strengthening the organizational structure of the Caisse Congolaise d’amortissement (the Debt Management Office) and outlined a time-bound set of key actions to operationalize the proposed organigram.

## Debt-Related Contingent Liabilities and Fiscal Risks

TYPE	Credit Risk Analysis for on-Lending/Guarantees
COUNTRY	Benin, August 29–September 2, 2022
ORGANIZERS	Evaluation of Credit Risks from On-Lending /Guarantees to SOEs
OBJECTIVE	The objective of the mission is to strengthen the capacity of the Debt Management Agency (CAA) and the General Directorate of State Participations and Privatizations (DGPEP) on the evaluation and monitoring of the credit risks of SOEs by introducing a recently developed tool by the World Bank (Credit Rating Tool to Assess and Quantify Credit Risk from Public Corporations).
HIGHLIGHTS	The mission discussed SOE credit risk assessment methods and introduced the credit rating assessment tool. The knowledge sharing provided a sound basis for decision-making based on more transparent and rigorous cost and risk analyses when extending public guarantees and on-lending to SOEs. The TA would help authorities reduce fiscal risk and continue improving debt transparency and management which are part of the two PPAs committed under SDFP in FY23. The mission also provided an illustrative outline of a standard credit rating report and delivered a presentation on the various potential usages of the tool to support the reporting.

## Debt Management Performance Assessments (DeMPA)

TYPE	National			
COUNTRY	Sri Lanka, August 22–29, 2022	Togo, September 12–16, 2022	DRC, September 17–24, 2022	Armenia, September 22–29, 2022
ORGANIZERS	World Bank	World Bank and DRI	World Bank and UNCTAD	World Bank and EC
OBJECTIVE	The mission aimed to undertake a DeMPA assessment to support the government in i) taking stock of developments in debt management practices since the latest assessment in 2016, ii) identifying strengths and areas for improvements (reforms).	The mission aimed to support the government on i) taking stock of developments on debt management practices since the latest assessment in 2010; ii) identifying strengths and areas for improvements (which can be supported by World Bank technical assistance).	The mission aimed to undertake a Debt Management Performance Assessment (DeMPA), and to provide a baseline for debt management reforms over the coming years.	The mission aimed to conduct a follow-up of the 2013 DeMPA assessment applying the 2021 DeMPA methodology and plan reform actions for the medium term.

## Annual Borrowing Plan (ABP)

TYPE	Annual Borrowing Plan
COUNTRY	Liberia, September 19–23, 2022, (Virtual)
ORGANIZERS	World Bank/IMF
OBJECTIVE	The objective of this mission is to assist Debt Management Unit in the design and publication of the first ABP.
HIGHLIGHTS	The ABP is an important tool to implement the Debt Management Strategy (DMS), as the DMO has the goal of gradually enhancing the issuance of Government securities in the domestic market. The mission provided training on the development of an ABP, the use of the jointly developed WB-IMF ABP Analytical tool, and the development of an ABP document; and assessed the country's cash management practices and explore the linkages with the ABP.

## Cash Management

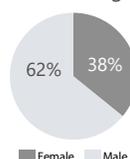
TYPE	Cash and Debt Management	
COUNTRY	Zimbabwe, August 22–September 8, 2022 (Virtual)	Burkina Faso, September 15–30, 2022, (Virtual)
ORGANIZERS	IMF	IMF
OBJECTIVE	The mission provided remote support to the Accountant General's Department (AGD) on enhancing cash management practices.	The mission supported the authorities in operationalizing a Treasury Single Account (TSA) to enable the modernization of cash management practices.
HIGHLIGHTS	In Zimbabwe, the resources dedicated to cash management are extremely limited and the framework for managing the government's bank accounts is highly fragmented. Zimbabwe is lagging behind other countries in the region in establishing an interconnected system of bank accounts, i.e., a Treasury Single Account (TSA) system. The mission reviewed the organizational arrangements and processes for cash management, including cash flow forecasting and management of the government's bank accounts; and provided recommendations for their enhancement.	The mission organized a high-level seminar for public institutions to present the benefits of a TSA. An updated action plan to support the operationalization of the TSA was prepared and adopted at the technical level taking into account the progress made (IT systems, inventory of public accounts), the political context (very unstable environment), and the limited capacities at the ministry of finance.

## Trainings

**5** Training Opportunities



Gender tag



**127** Trained Participants

Annual Borrowing Plan (ABP) Workshop	
TYPE	Joint DMS-ABP
COUNTRY	Regional, July 18–22, 2022, JVI (Virtual)
ORGANIZERS	World Bank/IMF
OBJECTIVE	To provide training to explore the connections between the MTDS analytical tool and the ABP tool and provide technical assistance on the design and implementation of ABP.
PARTICIPANTS	20 officials from the Ministries of Finance of Albania, Armenia, Kosovo, Kyrgyz Rep., Moldova, Montenegro, North Macedonia, and Uzbekistan participated in the training. The majority of the participants received MTDS trainings in the past and are now very familiar with the MTDS AT, which is used by their DMOs to develop debt strategies (DMS). However, the DMS is not systematically translated into an ABP. Moreover, no analytical tool is used by the DMOs represented in the workshop to plan the domestic issuance calendar and take into account factors such as cash management position, demand seasonality, adherence to the selected DMS, etc.

Debt Management Performance Assessment (DeMPA)	
TYPE	DeMPA
COUNTRY	Regional, August 15–19, 2022, JVI
ORGANIZERS	World Bank
OBJECTIVE	To familiarize the participants with the debt management performance assessment methodology, updated in 2021 and share country-specific experiences in reforms' implementation.
PARTICIPANTS	17 participants including government officials from Armenia, Azerbaijan, Bosnia and Herzegovina, Kosovo, Georgia, Kyrgyz Republic, and Uzbekistan, as well WB staff attended the training. During the event, debt management officials from Armenia, Georgia, Kosovo, and Uzbekistan presented examples of debt management practices in their respective countries.

Domestic Debt Market Development (DDMD)	
TYPE	CEMAC National Treasuries
COUNTRY	Regional, August 30–September 2, 2022
ORGANIZERS	IMF
OBJECTIVE	The mission improved participants' knowledge of the linkage between the medium-term debt management strategy and domestic debt market development and addressed their knowledge gaps in domestic issuance plan design and implementation. The mission also provided guidance on near-term priorities for improving the functioning of the CEMAC regional government securities market.
PARTICIPANTS	35 participants from CEMAC countries and the regional Central Bank

Debt Sustainability Analysis (DSA) and Debt Sustainability Framework for Low-Income Countries (LIC-DSF)		
TYPE	LIC-DSA Regional training	LIC-DSA Regional training
COUNTRY	Regional WAIFEM, September 26–30, 2022 (In person)	Regional SSA Francophone, September 26–30, 2022 (Virtual)
ORGANIZERS	IMF/World Bank	IMF/World Bank
OBJECTIVE	To conduct a regional workshop on the latest LIC DSF for the five West African Institute for Financial and Economic Management (WAIFEM) countries (Gambia, Ghana, Liberia, Nigeria, and Sierra Leone).	To conduct a regional workshop on the latest LIC DSF for French-speaking Sub-Saharan African countries.
PARTICIPANTS	Participants at the workshop comprised 26 officials from the Ministries of Finance, Revenue authorities, Statistics offices, Central Bank, DMO, and Parliament from the Gambia, Ghana, Liberia, Nigeria, and Sierra Leone. The workshop included: (i) presentations that covered each LIC DSF function, discussing their rationale and interlinkages; (ii) an in-depth 3-day hands-on session on the latest LIC DSA tool; and (iii) participants' presentations on the hands-on case studies.	Participants at the workshop comprised 29 officials from the MOF, Central Bank, Planning Commission, Prime Minister Office, Statistics Office, and Senate from 15 French-speaking SSA (Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Djibouti, DRC, Congo Republic, Côte d'Ivoire, Madagascar, Mali, Mauritania, Niger, and Togo).

## V. Future Debt Events

### Upcoming Technical Assistance Missions, October–December, 2022

COUNTRY	ACTIVITY	NAME	DATES
Bolivia	TA National	DeMPA TA	October 2022
Central African Republic	TA National	MTDS	October 2022
South Sudan	TA National	DeMPA	October 2022
Ethiopia	TA National	MTDS Strategy	November 2022
Vietnam	TA National	MTDS Strategy	November 2022
Georgia	TA National	Domestic Debt Market Development	December 2022

### Upcoming Training, October–December, 2022

COUNTRY	ACTIVITY	NAME	DATES
Regional JVI	Regional Training	LCBM Development	October 2022
MEFMI	Regional Training	DeMPA Training	November 2022
Bangladesh	Regional Training	LIC–DSF Training	November 2022
Regional LAC	Regional Training	SALM	November 2022
Regional S. Africa	Regional Training	Risk Management for Sovereign Guarantees	November 2022
Sierra Leone	Regional-W. Africa	Cash Management	December 2022
Congo Republic	Bilateral Training	LIC–DSF Training	December 2022

## VI. Recent Debt Publications

### GUIDANCE NOTE

#### *A new tool to help governments evaluate credit risks arising from public corporations*



In response to requests from various stakeholders, the World Bank has developed technical assistance (TA) package to assist governments in improving the management of contingent liabilities (CLs) from public corporations. The activities of public corporations can pose significant fiscal risks to governments. These risks can arise not only from explicit and implicit contingent liabilities (such as guaranteed and non-guaranteed debt) but also from the impairment of assets (for example, in the form of on-lent loans).

Guaranteed, on-lent, and non-guaranteed debt of public corporations expose governments to credit risk. Credit risk, in this context, refers to the risk that systemically important public corporations fail to meet their financial obligations under agreed terms, obligating the government to step in to service their debt.

The package includes an evaluation of the credit risk that accrues to the central government when a public corporation fails to meet its financial obligations to lenders. This evaluation is facilitated by the Credit Rating Tool to Assess and Quantify Credit Risk from Public Corporations. The tool involves scoring risk factors and aggregating the scores into a credit rating. More information [here](#).

### BLOG

#### *For poor countries already facing debt distress, a food crisis looms*



The war in Ukraine could soon deliver a tragic blow to many of the world's poorest countries: many of the countries at greatest risk of a debt crisis are now grappling with the threat of a food crisis as well. Food-import bills are surging fastest for poor countries that are already in debt distress or at high risk of it, the World Bank's latest data show. These countries were already ill-equipped for the COVID-19 shock, which sent many of them into debt distress. Given the billions in debt-service payments they will need to make this year on their public and publicly guaranteed external debt, their ability to tackle an approaching food crisis will be close to non-existent. They will need help from abroad. More information [here](#).

### BLOG

#### *Latin America isn't at risk of a 1980s-style crisis (but an era of missed opportunities looms)*



Food lines stretch across multiple city blocks facing multiple issues—spiraling unemployment, out-of-control inflation, and unsustainable debt. These issues, which traumatized many economies across Latin America in the 1980s, continue to reverberate today and given current economic conditions, you could be forgiven for fearing that history is about to repeat itself. However, the region's biggest risk at present is not another "lost decade" fueled by financial crises, but rather a decade of missed opportunities. There is one key difference, however, between then and now: Latin American countries are much better prepared to react to these shocks today than they were four decades ago. More information [here](#).

## BLOG

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### *Three ways a strong dollar impacts emerging markets*



The US dollar is on a tear, strengthening around 11% since the start of the year and – for the first time in two decades – reaching parity with the Euro. Indeed, an overwhelming number of major currencies have depreciated against the dollar, with big implications for the developing world. The key impacts that a strong dollar has on emerging markets (EMs) in three channels—debt, growth, and trade. More information [here](#).

## BLOG

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### *Why does the global minimum tax matter for global tax revenue?*



The global minimum tax (GMT) for multinational enterprises is a fundamental change to the international tax framework. Many jurisdictions will need to make reforms, whether to protect their tax bases, implement the GMT rules or carry out deeper (tax and investment policy) reform processes.

Globalization has created opportunities for MNEs to minimize their global tax bills, often by shifting profits to low-tax jurisdictions, sometimes through complex mechanisms with little commercial rationale. Digital businesses do not require a physical presence in jurisdictions where they earn large profits, often paying little or no tax on their incomes or profits generated within those jurisdictions. In October 2021, 137 countries of the OECD/G20 Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) reached a historic international agreement to address these challenges through two distinct but connected pillars. Pillar One will reallocate tax revenues to the country of the consumer. Pillar Two will introduce a global minimum effective tax for MNEs.

Countries have different implementation options, which will depend on their circumstances and policy choices, but also the ongoing work to finalize the Pillar Two implementation framework. More information [here](#).

## BLOG

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### *Raising the bar on debt data transparency*



Total public debt stands at an alarming 50-year high in low- and middle-income economies, the equivalent of more than 200 percent of government revenues. With the pandemic-induced economic slowdown, the impact of the war in Ukraine, and the rise in interest rates, many countries are facing severe challenges in servicing their debt. According to the World Bank's recent International Debt Statistics 2022 report, as a result of COVID-19, the external debt burden of the world's low-income countries rose by 12% to a record \$860 billion in 2020—the fastest accumulation since World War II.

Despite the unprecedented debt burden many governments are facing, the true extent of their public debt liabilities is often hard to quantify. In fact, many low- and middle-income countries do not disclose timely debt data or publish incomplete data that understate the true level of liabilities.

*Continued*

Debt transparency is critical for attaining sustainable financing and achieving macro-financial stability. It facilitates new, high-quality investment, reduces corruption, and brings accountability. Comprehensive debt data enhance the international community's ability to help avoid debt crises or support countries when they occur. Finally, debt transparency is also essential to avoid disorderly and protracted debt restructuring, as only the maximum level of disclosure can generate the trust that creditors need to agree on the appropriate level of debt relief and burden sharing. More information [here](#).

## CASE STUDY

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### *Angola's interest rate fixings*



The World Bank supported Angola in reducing interest rate risks on 98 percent of their IBRD outstanding debt amount and helped create up to USD 270 million in potential savings on the estimated interest repayment. After receiving training from the World Bank on financial risk management and after analyzing market projections for inflation, Angola requested interest rate conversions for most of its disbursed IBRD loans, benefitting from the embedded conversion option of the IFL.

The IBRD Flexible Loan (IFL) includes options to manage interest rate risks over the life of the loan. These options are embedded into the loan agreement and can be executed at any time at the borrower's request. The interest rate conversions of the 11 loans, accounting for 98 percent of Angola's outstanding debt amount to IBRD, made their debt service predictable and contributed to protecting the country from increases in interest rates. More information [here](#).

## DMF III Donors

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Japan - Ministry of Finance
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Norway - Ministry of Foreign Affairs
Switzerland - State Secretariat for Economic Affairs - SECO
United Kingdom - Foreign, Commonwealth & Development Office
United States of America - Department of the Treasury

Newsletter, July–September 2022

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



### DEBT MANAGEMENT FACILITY

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