

I. Announcing the New Co-Chair of the DMF Steering Committee

Frederico Gil Sander was appointed the Practice Manager for the Global Macroeconomics and Debt Unit of the Macroeconomics, Trade, and Investment (MTI) Global Practice of the World Bank, which hosts the DMF Secretariat.

Mr. Gil Sander, a Brazilian national, returns to the Global Macroeconomics and Debt Unit, where he was a consultant from 2005 to 2008, when he worked on some of the first DeMPAs. He formally joined the Bank as a Young Professional. He has since held various positions—including Lead Economist in the Eastern and Southern Africa Region, Lead Economist for Indonesia, Senior Economist for India, and Senior Economist for Malaysia.



Frederico Gil Sander
Practice Manager, Global
Macroeconomics and
Debt Unit

Mr. Gil Sander will provide leadership and expertise in macroeconomic, debt, and growth policies, support knowledge sharing, promote client engagements and policy discussions, and manage the portfolio of diagnostic and analytical work of the unit in support of broader World Bank commitments.

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II. Regional Training on the Management of Government Guarantees and Analysis of Credit Risk of the Guarantees' Portfolio

Regional training on the Management of Government Guarantees and Analysis of Credit Risk took place at Joint Vienna Institute (JVI), Austria, between February 6-10, 2023. The objective of the training was to provide hands-on training on the formulation of a framework for managing government guarantees and on-lending and analysis of the credit risk of the guarantees' portfolio.

This one-week course achieved dual objectives: (i) acquainted participants with the core building blocks for the development of a sound framework for the management of debt guarantees, and (ii) allowed 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.

By the end of the course, participants learned the legal and institutional requirements which must be in place for prudent management of risks associated with government guarantees, as well as be able to apply scenario analysis tools.



JVI regional training participants and World Bank staff

The course format included presentations and hands-on exercises with discussions of the operational application of scenario analysis across several economic sectors. The approach was designed to be easy to use and included accompanying Excel models and a methodological guide. Twenty-five government officials from Armenia, Azerbaijan, BiH, Cambodia, Kosovo, Kyrgyz Republic, Tajikistan, Ukraine, and Uzbekistan participated in the workshop.

III. DMF Technical Assistance and Training

A. Technical Assistance

Medium Term Debt Strategy (MTDS)		
TYPE	MTDS/ABP	MTDS/ABP
COUNTRY	Honduras, October 9–20, 2023	Mozambique, March 20–31, 2023
ORGANIZERS	World Bank/IMF	World Bank/IMF
OBJECTIVE	The objective of the mission was to assist the country client to update its MTDS and design an implementation plan covering different topics, such as (i) an annual borrowing plan, (ii) cash management, (iii) local debt market development, (iv) potential impacts of monetary financing, (v) hedging strategies for interest rate risk, and (vi) issuance of thematic bonds.	The mission aimed to support the Government of Mozambique (GoM) in updating its Medium-Term Debt Management Strategy (MTDS) and developing an Annual Borrowing Plan (ABP). The mission has built on previously delivered technical assistance (TA) on the development of the MTDS, including the one funded by the WB Gestão Económica para Desenvolvimento Inclusivo – GEDI project, which helped authorities develop the latest MTDS (2021-2025).
HIGHLIGHTS	The mission developed MTDS and ABP and provided several recommendations on topics such as local debt market development and monetary financing, cash management, hedging strategies, and thematic bonds.	The mission supported the authorities in simulating alternative debt strategies for the period 2023-2026, taking stock of data and inputs provided by the authorities regarding existing debt, expected sources of funding, and macro-fiscal and market projections. The quantitative exercise applied the WB-IMF jointly developed MTDS framework and Analytical Tool.

Domestic Debt Market Development		
TYPE	Government Securities and Issuance	Strengthening Domestic Issuance Practices
COUNTRY	Congo, Republic, January 17–26, 2023	Sao Tome & Principe, January 23–February 1, 2023
ORGANIZERS	IMF	IMF
OBJECTIVE	The mission aimed to enhance the capacity of the Treasury Department to develop an issuance calendar consistent with the chosen debt strategy and for cost-effective execution of government security operations.	The mission aimed to improve government securities issuance practices and to assist the authorities in developing a roadmap for introducing bond issuance in the domestic borrowing plan.
HIGHLIGHTS	The mission enhanced staff’s capacities in issuance calendar preparation consistent with the chosen debt strategy and improved their knowledge of government securities pricing and capacity to execute reopening and buy-back operations. It trained the staff on the use of the annual borrowing plan analytical tool.	The mission reviewed with the authorities the technical details related to the bond issuance through auction. It also discussed changes that need to be made to the legal and regulatory framework and budgetary practices related to government securities issuance activities and provided guidance on the communication strategy with investors.
TYPE	Developing Government Security Market	LCBM
COUNTRY	Cameroon, February 6–17, 2023	Armenia, February 15–24, 2023
ORGANIZERS	IMF	IMF/World Bank
OBJECTIVE	The mission aimed to identify factors that are hindering the development of the government securities market and prepare an action plan for deepening the market.	At the request of the Ministry of Finance (MoF), a joint IMF-World Bank technical assistance mission to Armenia aimed to support the ongoing efforts of authorities to develop the local currency government bond market (LCBM).
HIGHLIGHTS	The mission evaluated the issuance process for public debt securities since its inception in 2011 and provided guidance on key areas for improvement, in particular, the need for (i) streamlining debt management responsibilities; (ii) heightened planning, predictability, and transparency within the issuance process; (iii) improving investor communication and diversifying the investor base to reduce market risk over the medium term.	The Armenian authorities have prioritized the development of the LCBM, both as a source of stable funding for the government and as a strategy to reduce the exposure of Armenia’s public debt portfolio to foreign currency risks. The mission prepared and discussed a roadmap for LCBM development reforms with the authorities and identified necessary capacity-building activities in this area.

Debt Management Performance Assessments (DeMPA)

TYPE	National	National
COUNTRY	Tajikistan, January 25–February 3, 2023	Madagascar, February 13–22, 2023
ORGANIZERS	World Bank	World Bank
OBJECTIVE	The objectives of the mission were to undertake a Debt Management Performance Assessment (DeMPA) and to provide a baseline for debt management reforms over the coming years.	The objectives of the mission were to undertake a Debt Management Performance Assessment (DeMPA), and to provide a baseline for debt management reforms over the coming years.

TYPE	National	National
COUNTRY	Nepal, February 22–March 1, 2023	Tanzania, March 15–23, 2023
ORGANIZERS	World Bank	World Bank
OBJECTIVE	The objectives were to assess public debt management (PDM) performance using the revised DeMPA Tool by identifying the strengths and areas for improvement of PDM and providing a baseline for undertaking further reforms in PDM.	The objective of the mission was to: i) take stock of current debt management practices and evaluate progress made since the latest assessment in 2015; ii) identify strengths and areas for improvements which can be supported by further technical assistance.

Improving Governance and Institutions

TYPE	Debt Reform Plan
COUNTRY	Sri Lanka, February 20–March 3, 2023
ORGANIZERS	World Bank/IMF
OBJECTIVE	The mission supported the Government of Sri Lanka (GoSL) in establishing a National Debt Management Office (DMO), which is identified as one of the priority reforms of the 2022 interim budget, as well as on the WB Development Policy Operation (DPO) under preparation, and on the ongoing negotiations with the IMF for a program. The mission also aimed at helping authorities on reform the debt-related legal framework (also a trigger of the DPO), building on needed changes for the establishment of the DMO, as well as on other areas for improvements identified on a recent DeMPA delivered by the WB in August 2022.
HIGHLIGHTS	The mission team recommended the creation of a DMO as a department of MoF, rather than a separate Debt Management Agency. This arrangement will facilitate more fluid coordination within MoF which will be highly needed in the coming years of required fiscal consolidation and debt restructuring. Considering the current labor division and existing capacity at MoF and at the Central Bank of Sri Lanka, the mission recommended the adoption of one of two presented setups, both workable and conducive to more efficient debt management in Sri Lanka. The pros and cons of each setup were discussed, and the authorities need to decide which one fits better GoSL objectives.

TYPE	Debt Reform Plan
COUNTRY	Guinea-Bissau, March 21–30, 2023
ORGANIZERS	World Bank
OBJECTIVE	The mission aimed to assist the authorities in developing quarterly Public Debt Bulleting (in line with a PPA), provide guidance on best practices in debt recording, and provided training on developing cash flows for different debt instruments using an Excel spreadsheet.
HIGHLIGHTS	The mission identified issues in areas of debt recording, reporting, and in institutional organization. The mission provided several recommendations on the topics covered and the WB team is prepared to assist the country client in implementing the recommendations. The mission also provided a workshop on debt instruments and cash flows based on the paper on Managing Sovereign Loans.

TYPE	Institutional/Legislative Framework for Sovereign Development Fund
COUNTRY	Maldives, February 12–19, 2023
ORGANIZERS	IMF
OBJECTIVE	The mission presented key design choices for the legal framework for Maldives' Sovereign Development Fund (SDF), clarifying its objectives, governance framework and interaction with the broader fiscal management framework and liability management.
HIGHLIGHTS	The mission provided recommendations on how to establish the SDF as a debt repayment and credit enhancement fund stressing consistency with the broader legal framework and an appropriate oversight mechanism.

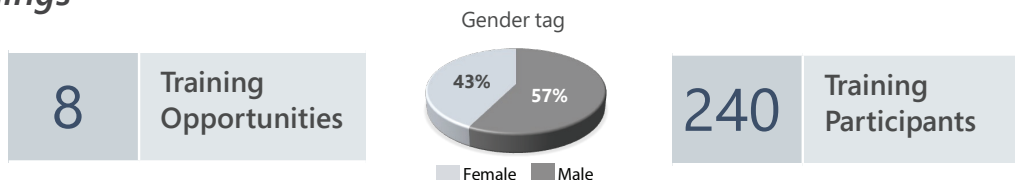
Debt Reporting

TYPE	Debt Reporting
COUNTRY	Burundi, March 1–9, 2023
ORGANIZERS	World Bank and WAIFEM (hybrid)
OBJECTIVE	The objective of the mission was to undertake a stock-taking of back-office operations, specifically debt recording, monitoring, and reporting practices in debt management, including the scope of reporting and how these are published. The mission also discussed the implementation of one of the FY23 PPAs related to the publication of SOE debt.
HIGHLIGHTS	The mission helped to produce the annual debt report with a delay beyond international standards of within one year. The mission also identified several weaknesses in the system: (i) no medium-term debt strategy and annual borrowing plan, (ii) the Law is not fully complied and the law doesn't include submission of the annual report to the Parliament, (iii) the debt committee has not been set up yet, (iv) debt data for SOEs and local governments are not submitted to the MFBPE on a regular basis, and (v) regular reconciliations are necessary between the Central Bank data and the Debt Department to avoid data discrepancies despite debt operations are recorded within one month.

Enhancing Strategy and Implementation

TYPE	Domestic Arrears Clearance
COUNTRY	DRC, March 13–24, 2023
ORGANIZERS	IMF
OBJECTIVE	The mission aimed to follow up on the implementation of the execution plan for the clearance of legacy reconciled domestic arrears in the context of the authorities' debt management strategy.
HIGHLIGHTS	The mission assessed progress on the implementation of the execution plan proposed in June 2022 for the clearance of legacy reconciled domestic arrears, in the context of the authorities' debt management strategy and adapted some of the operational aspects of the repayment strategy in line with the progress of the plan's implementation. The authorities are keen to begin repayment in the second semester of 2023.

B. Trainings



Contingent Liability and Fiscal Risks

TYPE	Management of Government Guarantee and Analysis of Credit Risk of the Guarantees' Portfolio	Fiscal Risk Workshop
COUNTRY	Regional, JVI, February 6–10, 2023	Regional, JICA, Japan, February 24–March 3, 2023
ORGANIZERS	World Bank	World Bank, and JICA
OBJECTIVE	The mission's objective was to provide hands-on training on formulating a framework for managing government guarantees/on-lending and analyzing the credit risk of the guarantees' portfolio.	The workshop's objective was to help participants identify and classify the critical types of debt-related fiscal risks countries are exposed to and the key characteristics of a government's exposure to these risks. The training focused on assessing and managing credit risk from the debt of public sector entities, focusing on government guarantees and on-lending.
PARTICIPANTS	25 government officials from Armenia, Azerbaijan, BiH, Cambodia, Kosovo, Kyrgyz Republic, Tajikistan, Ukraine, and Uzbekistan participated in the workshop.	32 senior officials from Ministries of Finance and Central Banks from Djibouti, DRC, Egypt, Ethiopia, Fiji, Ghana, Lao, Madagascar, Malawi, Morocco, Nepal, Nigeria, Pakistan, Rwanda, Senegal, Solomon Islands, Sri Lanka, Tanzania, Tonga, Uganda, Yemen, and Zambia attended the training.

Debt Sustainability Analysis (DSA) and Debt Sustainability Framework for Low-Income Countries (LIC-DSF)

TYPE	Regional - MEFMI	Bilateral
COUNTRY	Rwanda, February 13–17, 2023	Zambia, February 20–March 1, 2023
ORGANIZERS	World Bank/IMF, MEFMI	World Bank
OBJECTIVE	The mission aimed at conducting a regional workshop on joint WB-IMF LIC DSA.	The mission objective was to familiarize government officials with the LIC DSF, approved by the Boards of the World Bank and IMF in September 2017.
PARTICIPANTS	35 government officials from Ethiopia, Kenya, Lesotho, Malawi, Mozambique, Rwanda, South Sudan, Tanzania, Uganda, Zambia, and Zimbabwe participated in the workshop.	29 government officials from the Ministry of Finance and National Planning, the Bank of Zambia and the Zambia Statistical Agency representing domestic and external debt management, macro analysis, and budgeting participated in the workshop.

TYPE	Regional - JVI	Bilateral
COUNTRY	JVI, February 27–March 3, 2023	Cambodia, March 13–17, 2023
ORGANIZERS	World Bank	World Bank/IMF
OBJECTIVE	The mission aimed at conducting a regional workshop on joint WB-IMF LIC DSA.	The mission objective was to familiarize government officials with the LIC-DSF.
PARTICIPANTS	25 officials from Ethiopia, Ghana, Kyrgyz Republic, Lao PDR, Maldives, Moldova, Sierra Leone, Sudan, Tajikistan, and Uzbekistan.	25 officials most of them from the Ministry of Economy of Finance representing domestic and external debt management, macroeconomic analysis, and budget, participated in the workshop.

Debt Market Development		
TYPE	Domestic Issuance Plan Implementation, Regional	Regional Training on International Bond Issuance
COUNTRY	AFC Countries, Cameroon, February 27–March 2, 2023	MEFMI/Kenya, March 27–April 1, 2023
ORGANIZERS	World Bank	World Bank and MEFMI
OBJECTIVE	The course aimed at achieving the following objectives: (i) inform participants about the updated 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, and (iii) informed participants about the cross-country experiences and recent trends in sound debt management practices at the central government level.	The mission objective was to deliver a workshop on international bond issuance which is built on the Guidance Note on Issuing International Bonds that was published in 2019.
PARTICIPANTS	39 participants from CEMAC countries, in addition to Burundi, DRC, Sao Tome & Principe, Comoros, and Madagascar. The mission trained on using the annual borrowing plan tool (ABPT). Participants worked in groups using data from a country and applied the ABPT to develop alternative scenarios for issuance calendars.	30 government officials from 10 MEFMI member countries participated in the workshop.

IV. Future Debt Events

Upcoming Technical Assistance Missions, April–June, 2023

COUNTRY	ACTIVITY	NAME	DATES
Ghana	National	Debt Reporting	April 2023
Burundi	National	MTDS	April 2023
Liberia	National	Debt Reporting	April 2023
Papua New Guinea	National	Debt Legislation	April 2023
Tanzania	National	Debt Reform Plan	April 2023
Guinea	National	LCBM	April 2023
Bhutan	National	Domestic Debt Market Development	May 2023
Nigeria	National	Fiscal Risks	May 2023
Burundi	National	DeMPA	June 2023
DRC	National	Reform Plan	June 2023

Upcoming Training, April–June, 2023

COUNTRY	ACTIVITY	NAME	DATES
Regional	JVI Training	Fiscal Risk	April 2023
Bhutan	Bilateral Training	LCBM	May 2023
Gambia	Bilateral Training	DMM Virtual	June 2023
Regional	JVI Training	GDM	June 2023

V. Recent Debt Management Network Webinars and Publications

WEBINAR

Credit Risk Assessment Tool for Public Corporations

The activities of public corporations can pose significant fiscal risks to governments. These can stem from explicit and implicit contingent liabilities (e.g., guaranteed and non-guaranteed debt) and the impairment of assets (e.g., in the form of on-lent loans). To reduce a country's vulnerability to such risks, risks should be assessed and quantified to support the fiscal policy setting. The World Bank has developed a technical assistance package that includes an Excel-based credit risk assessment tool and a guidance note on how to use the tool to assess and quantify credit risk from public corporations. The webinar presented the credit risk tool and the importance of a contingent liabilities assessment for the government based on countries' experience and how the DMF countries could apply this tool. The recording of the webinar is available [here](#).

WEBINAR

DSA for Market Access Countries: The Sovereign Risk and Debt Sustainability Framework (SRDSF)

The IMF reviewed its debt sustainability framework for market-access countries in January 2021. A new staff guidance note for using the Sovereign Risk and Debt Sustainability Framework (SRDSF) was published in August 2022, replacing the Debt Sustainability Framework for Market Access Countries. A new template was created. The rollout of the new framework to all market-access countries is ongoing. The webinar provided a high-level presentation of the new framework, conceptualizing the main tools included in the new framework and how their results can guide staff's assessment of the risk of sovereign stress and risks to debt sustainability. The recording of the webinar is available [here](#).

WEBINAR

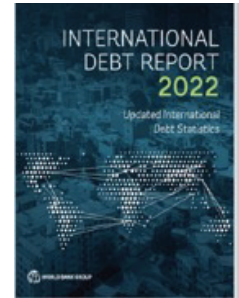
Presenting the Sovereign ESG Data Portal

The World Bank curates and maintains a wide range of ESG data for policymakers, financial market participants, and academic researchers. The webinar introduced the content of the Environment, Social, and Governance (ESG) portal and highlighted its relevance for sovereign debt investors implementing an ESG strategy and Debt Managers, followed by Practitioner's perspectives. The Environment pillar measures the sustainability of a country's economic performance given its natural resource endowment, management, its risk, or resilience to climate change and other natural hazards. It pays particular attention to the internalization of environmental externalities created by economic activity. It also accounts for sustainable energy access and food security, crucial factors for stable long-term economic growth. The Social pillar quantifies the sustainability of a country's economic performance regarding its efficacy in meeting the basic needs of its population, reducing poverty, managing social and equity issues, and investing in human capital and productivity. This category also includes demographic criteria, pertinent to stable long-term economic growth. The Governance pillar describes the sustainability of a country's economic performance in the context of its institutional capacity to support long-term stability, growth, and poverty reduction. This category also accounts for the strength of a country's political, financial, and legal systems and its capacity to address environmental and social risks. The recording of the webinar is available [here](#).

BLOG

Slowing Debt Accumulation, Growing Risks: Unveiling the Complexities of Sub-Saharan Africa's Debt Burdens

With the global economic challenges that followed the COVID-19 pandemic, the combined debt stock of low- and middle-income countries rose by 5.6%, from \$8.6 trillion in 2020 to \$9 trillion in 2021. Globally, countries have devised policy responses to alleviate the economic shocks induced by the pandemic. However, debt accumulation is not evenly distributed across countries or regions. Some economies with existing debt vulnerabilities have become even more fragile, while others have seen their external debt stock reduced. In fact, statistics for country groups and regions mask the deterioration of debt outlook at the individual country level. This blog examines the [International Debt Report \(IDR\) 2022's](#) findings in greater detail at regional and individual country levels. More information is [here](#).



BLOG

Time for Meaningful Debt Restructuring

In advance of the 2023 Spring Meeting of the Sovereign Debt Roundtable on April 12, the World Bank President David Malpas provided a quick update on recent developments and reiterate his call for prompt action toward debt sustainability for debt distressed countries. International Debt Report (IDR) formerly International Debt Statistics (IDS), is a longstanding annual publication of the World Bank featuring external debt statistics and analysis for the 121 low- and middle-income countries that report to the World Bank Debtor Reporting System.

In his [remarks](#) at the G20 Finance Ministers and Central Bank Governors on February 24, 2023, he outlined the core debt challenges facing many developing countries. He referred to Zambia, Ghana, and Ethiopia where the debt restructuring process has stalled or is in urgent need of acceleration. Several middle-income countries are also facing a high risk of debt distress and need a path toward meaningful debt restructuring. In the Debt Roundtable meeting held in Bengaluru on February 25, he outlined three principles for meaningful debt restructuring. More details are [here](#).



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Newsletter, January–March 2023

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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