



# DMF News

## Issue 26

## January 2017

The eighth annual DMF stakeholders forum will focus on the significant challenges public debt managers in developing and emerging markets are now facing.

The event will facilitate discussion on crucial issues such as increasing debt and fiscal vulnerabilities, managing fiscal risks from contingent liabilities and new sources of financing available to developing countries.



### Mark your Calendars:

Debt Management Facility  
Stakeholders' Forum 2017

May 22–23, 2017 | Vienna, Austria

Jointly organized by the World Bank and the  
Austrian Federal Ministry of Finance (BMF)

Formal Invitation and Registration Package to follow



## Agence UMOA-Titres (AUT) Joins DMF as a New Implementing Partner

The DMF community continues to grow, most recently with the appointment in September 2016 of Agence UMOA-Titres (AUT) as a new Implementing Partner (IP). AUT is the central agency for coordinating the issuance of treasury bills and bonds in the regional market by the governments of WAEMU countries—Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo. AUT was established in March 2013 following a decision by the WAEMU Council of Ministers to speed the emergence of a harmonized transnational market for government securities, in order to support the financing needs of member countries in line with their medium-term debt management strategies. The regional market already has become an important source of funds for WAEMU countries, and prospects are bright for further



### Inside this issue

Mark your calendars: DMF Forum 2017	Pg. 1
Agence UMOA-Titres (AUT) joins DMF as a new IP	Pg. 1
DMF Activities for the period Oct. to Dec. 2016	Pg. 2
Technical Assistance Missions	Pg. 2
DMF Training Activities	Pg. 3
Other DMF Activities	Pg. 5
Debt Management Practitioners' Program update	Pg. 5
DMN webinar	Pg. 6
International Debt Statistics 2017 edition	Pg. 6
Non-DMF Activities	Pg. 7
Pakistan: Advancing Subnational Debt Management	Pg. 7
Afghanistan: Moving Forward with Efforts to Strengthen Public Debt Management	Pg. 7
World Bank Treasury Debt Management Events	Pg. 8
Forthcoming Mission and Training Activities	Pg. 8

expansion. As an IP for the DMF, AUT will enhance the ability of the program to deliver technical assistance to African francophone countries which have been active recipients of DMF support. In acknowledging the appointment, Mr. Adrien Diouf, Director of AUT, said “We look forward to collaborating with the World Bank and other DMF partners to strengthen debt management capacity and institutions, so that government debt can be managed effectively, alongside sound macroeconomic policy making and fiscal planning.”

## DMF Activities for the Period October - December 2016

### Technical Assistance Missions

#### Medium-Term Debt Management Strategy (MTDS)

>>**Togo.** At the request of the Togolese authorities, a joint World Bank-IMF team visited Lomé, Togo, over November 3-15, 2016. UNCTAD and DRI contributed as implementing partners. The Minister of Finance, Mr. Sani Yaya, underlined the government's desire to continue to strengthen its debt management capacity, practices, and policies. Officials of the Ministry of Economy and Finance attended capacity building trainings on the development of a medium-term debt management strategy. In Togo, the National Public Debt Committee (CNDP) is responsible for elaborating the government's debt management strategy, and the MTDS document is annexed to the annual budget law. Several members of the technical secretariat of the CNDP participated in the workshop, including staff from the Treasury, Budget, Planning, and Economics departments of the Ministry.

#### Debt Management Performance Assessments (DeMPA)

>>**St. Vincent and the Grenadines.** At the request of the authorities, a joint World Bank—Eastern Caribbean Central Bank (ECCB) mission visited Kingstown, St. Vincent and the Grenadines, between October 31 and November 4, 2016, to assess progress in debt management since 2010, when the ECCB had undertaken a first DeMPA exercise. A second objective of the visit was to evaluate current performance against the revised DeMPA criteria as of July 2015, relative to the methodology in place for the previous evaluation. The mission met with a wide array of officials from the Ministries of Finance, Public Service, National Security, Legal Affairs and Grenadines Affairs; the Ministries of Economic Planning, Sustainable Development, Industry, Trade, Information and Labor; the Office of the Accountant General and the Office of the Director of Audit, and with Statutory Bodies including St. Vincent Electrical Services Limited, and Social Security, as well as with the Bank of St. Vincent and the Grenadines.

The assessment helped to track progress with ongoing efforts to include all debt records in a centralized debt recording system. A positive development was the drafting of a procedures manual. The DeMPA also facilitated identification of areas for improvement, such



Togolese, WB-IMF teams at MTDS sessions, Lomé

as including updates to the country's debt management strategy; debt management audits; coordination with macroeconomic policies and cash management practices.

>> **Sao Tome and Principe.** A World Bank team visited Sao Tome from November 14 to 22, 2016, with the purpose of conducting a follow-up DeMPA exercise to assess progress made since the previous DeMPA and Reform Plan missions of 2011. The team met with Mr. Américo de Oliveira Ramos, Minister of Finance and Public Administration (MoFPA), advisors to the Minister and Directors of the relevant departments in the MoFPA; officials from the Central Bank, the Director of the Treasury, and the Head of the Public Debt Management Office. Discussions were also held with other relevant government agencies, and private banks to complete the assessment. The mission's main findings were discussed in a wrap-up meeting with senior level policy makers. Of note, Sao Tome and Principe debuted two T-bill issuances, in June, 2015 and in February, 2016. And the government remains committed to: (i) implement the debt framework law; (ii) prepare a national debt management strategy; (iii) prepare a debt management procedures manual; (iv) update the existing debt database in the debt management system; and (v) strengthen overall debt management capacity.

>>**St. Lucia.** A team comprised of World Bank and ECCB staff visited Castries, St. Lucia, to work with the authorities in undertaking a DeMPA exercise over No-

ember 14-18, 2016. The effort was targeted towards updating views found in the previous DeMPA assessment carried out in 2010. The timing of the visit, following recent elections which yielded change in the national government, provided both challenges and opportunities for those participating in the DeMPA evaluation: shifts in Ministerial positions and organizational structures led to some uncertainty regarding the profile of debt management operations; at the same time, the transition offered a chance to take a fresh look at current practices and how these might evolve under new circumstances. The team was able to interact with a large number of Ministry of Finance/DMO management and staff, as well as representatives of agencies with close involvement in debt management processes. Partners from the ECCB provided useful insights from the perspective of the regional central bank. A follow-up video conference took place in mid-December, allowing discussion of preliminary results of the exercise and possible next steps with a wider group of senior policymakers.



St. Lucia DeMPA exercise, group photo, Castries

### Debt Management Reform Plan

>>**Tajikistan.** A World Bank team visited Dushanbe over December 5- 14, 2016, to undertake a Debt Management Reform Plan in close cooperation with the authorities. The mission was joined by World Bank country economists and by a representative from Debt Relief International, an implementing partner within the DMF. Following an earlier DeMPA the team worked jointly with the Debt Management Department of the Ministry of Finance (DMD), and drafted a medium term reform plan to guide an agenda of key improvements in debt management practices for the Ministry of Finance. Staff of the DMD were also provided with training sessions on formulation of a medium term

debt management strategy MTDS and debt sustainability analysis. The sessions were tailored to the expressed needs of the DMD, and delivered using Tajikistan's fiscal and debt data.

## DMF Training Activities

### DeMPA e-Learning

The fifth offering of the DeMPA e-learning course was delivered over October 3 to November 4, 2016, using the Open Learning Campus (OLC) platform. The program has been developed and produced in collaboration with the World Bank's OLC, with funding provided by the DMF and the South Korean Trust Fund. The online course comprises core readings, as well as multimedia presentations summarizing principal messages, a set of interactive quizzes, a series of hypothetical case-based assignments and a final assignment that builds on the cases.

Participants in the course originated from across a wide –and diverse set of countries, including Bangladesh, Chad, the Dominican Republic, Guyana, India, Indonesia, Maldives, Moldova, Mongolia, Namibia, Niger, Nigeria, Papua New Guinea, Rwanda, Samoa, Sierra Leone, Tanzania, the United Kingdom and Zimbabwe. To earn certificates of completion for the e-DeMPA program, participants were required to finish the coursework successfully, including a final assignment that requested design of a reform plan to improve debt management performance for a hypothetical country.

### Medium-Term Debt Management Strategy (MTDS)

>>**St. Kitts and Nevis.** The World Bank and IMF in collaboration with the ECCB, delivered a workshop on analyzing the cost and risk characteristics of a government debt portfolio, and developing a medium-term debt management strategy, in Basseterre, St. Kitts, over November 21-29, 2016. The workshop was one component of a multi-month training program organized by the ECCB for a cohort of technical-level officials from the finance ministries of Eastern Caribbean Currency Union countries. All of the participants will soon be taking up posts in the debt management units of their countries. The attendees gained experience in analyzing and interpreting cost and risk indicators, in assessing trade-offs between potential financing strategies and the consistency of various strategies with medium-term policy objectives and constraints, and in drafting a memorandum to ministers to recommend a strategy for approval. A workshop on the DeMPA framework is planned for the same cohort during 2017.

>>**Japan.** The World Bank, IMF and the Japan International Cooperation Agency (JICA) jointly organized an advanced workshop on developing an effective MTDS in Kobe and Tokyo, Japan over December 12–22, 2016. The training aimed to strengthen and broaden participants' knowledge of debt management, as well as improve their analytical capacity. This workshop targeted mid-level officials from Bangladesh, Malaysia, Mongolia, Pakistan, the Philippines and Vietnam, working in the finance or economic ministries (specifically, the debt departments), and central banks with direct involvement in the design of a debt management strategy. By the end of the workshop, based on own-country data, participants developed and presented their country-level MTDS. These will be submitted for review and approval by senior policymakers upon return to country—and hoped to increase awareness of debt management tools. The workshop also involved sharing of Japanese experience in sovereign- as well as prefecture level subnational-debt management practices in the country.

#### Debt Sustainability Analysis (DSA) Training

>>**Malaysia.** A joint World Bank-IMF team provided a week-long training program covering the framework and application of the Low-Income Country (LIC) DSA at the Bank's Training Center in Kuala Lumpur over November 7-11, 2016. More-than 20 representatives from countries in East- and South Asia, the Asian Development Bank (ADB) and selected World Bank staff participated in the sessions. These featured presentations and discussion of the theoretical underpinnings of the framework, and a full three days of hands-on practical exercises using the excel-based tool for the LIC-DSA. The ADB representative offered a well-received discussion on the development bank's application of the DSA in its lending decisions for LICs. At the end of the sessions, results of the applied exercises produced by smaller groups were



LIC-DSF training, Kuala Lumpur, November 2016, group photo.



Joint WB/IMF/JICA MTDS training, Tokyo, December 2016

presented to the full set of participants, examining key assumptions, change in risk ratings and factors supporting these. Survey returns highlighted a strong appreciation for the quality and content of the course; at the same time a number of attendees suggested that the 'MAC' DSA be incorporated in DMF-supported training programs more prominently as well, as countries move progressively toward improved access to global financial markets.

#### Annual Borrowing Plan for Issuance of Government Securities (ABP)

>>**Senegal.** The World Bank and IMF-AFRITAC West, together with Agence UMOA-Titres, a new DMF implementing partner (Newsletter cover page), delivered a workshop on developing and executing an annual borrowing plan for implementing the government's MTDS. Participants in the workshop were technical-level officials from the Treasury Departments and Debt Management Units of the Ministries of Finance of the eight WAEMU countries—Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo. Officials from Guinea-Conakry and Mauritania also participated. Topics covered during the workshop included the choice of financing instruments, issuance mechanisms, the construction of an auction calendar, buyback and exchange operations, the role of primary dealers and development of the investor base. Looking forward, workshops on the LIC-DSA and the DeMPA frameworks are scheduled for the WAEMU countries over the first half of 2017.

## Other DMF Events and related, October - December 2016

### Debt Management Practitioners' Program: Update on September –December 2016 developments

Two participants in the Debt Management Practitioners Program (DMPP), Messrs. Stephane Mady of Cote d'Ivoire and Ismael Mama of Benin, completed their 3-months stay at the World Bank at end-December 2016. Final results of practical undertakings and research efforts were presented to a webinar linking debt management specialists and staff of the Macroeconomics and Fiscal Management Global Practice on December 13. The DMF group would like to express their sincere thanks to these debt managers for their extraordinary efforts while working with us, and wish them success in future endeavors- as part of an expanded network of DMPP alumni.



Mark Thomas, Practice Manager, Macroeconomics and Fiscal Management, the World Bank Group, awarding certificates of completion to Ismael Moussa Yamkalla Mama from Benin (left) and Bahi Stephane Mady from Cote d'Ivoire (right).

Mr. Ismael Moussa Yamkalla Mama, Director of Strategy in the Debt Management Office of Benin, took part in several activities related to the development of a medium-term debt management strategy, the government securities market, operational risk management and application of the DeMPA methodology. During November he participated in a joint World Bank-IMF MTDS mission to Togo; Mr. Mama also completed the DeMPA e-learning course, and as part of his DMPP project, presented on establishing a link between the medium-term debt management strategy and annual borrowing plans, outlining the principal challenges for Benin

Mr. Bahi Stephane Mady, Head of Strategy Service, Public Debt Office, the Ministry of the Economy and Finance of Cote d'Ivoire, participated in the DeMPA mission to St. Vincent and the Grenadines, where he "... understood the fundamental importance that the debt manager should place on the methodology of this evaluation." During his stay, Mr. Mady made use of opportunities to complete the DeMPA e-learning course and the online DSAX course developed by the IMF and World Bank. Of particular focus for his DMPP project, Mr. Mady presented on the application of the Government Securities Market Development tool (GSDM) for the case of Côte d'Ivoire.

## Debt Managers Network (DMN) Webinar

At a DMN webinar held on December 14, Dr. Brian Pinto, consultant with the World Bank and the African Development Bank, presented the results of a new working paper from the latter institution's ADF Policy Innovation Lab, on *Debt Sustainability Implications of Hardened MDB Lending Terms to African Countries*. The ADF Working Paper may be found [here](#).

The paper underscores that there is growing tension between donor countries facing increasing economic challenges at home, and African countries needing growing volumes of development finance for public investment and social programs. Reconciling this supply-demand imbalance might require MDBs to harden lending terms: donors could be persuaded to supply more funding if terms are less concessional, and African countries may receive less concessional finance than in the past. A concern is that hardened lending terms might cause a new round of debt sustainability problems for African countries. From findings for eight Sub-Saharan African countries, the study finds that hardened lending terms will not be a pivotal factor in causing debt sustainability problems for the large majority of countries examined. However, it is important that larger volumes of financing be made available at 'hardened rates' to offset increasing costs of alternative (commercial) finance.

## International Debt Statistics 2017 Edition is Now Available from the World Bank

The World Bank Group's International Debt Statistics (IDS) 2017 presents statistics and analysis on the external debt and financial flows (debt and equity) for the world's economies for 2015. The IDS includes over 200 time-series indicators from 1970 to 2015 for most reporting countries, and pipeline data for scheduled debt service payments on existing commitments to 2024. IDS presents regional analysis of debt trends, and notes that the combined external debt stock of countries in the Sub-Saharan Africa region (excluding South Africa) continued on an upward trajectory in 2015, increasing by a large 7.5 percent. This is in marked contrast to a decline in external debt stocks reported by other low-and middle-income countries (LMICs) over the same period. The aggregate figure masks individual-level differences in the pace of debt accumulation, with some countries in Sub-Saharan Africa recording the fastest rising external debt levels of any LMICs. For more information and access to the database, click [here](#).

## Non-DMF Activities: Capacity Building and WB Treasury Debt Management Events

### Pakistan: Advancing Subnational Debt Management



Subnational DeMPA workshop participants and World Bank staff group photo, Lahore.

Pakistan has been advancing debt management support for subnational governments, financed through the Department for International Development of the United Kingdom with World Bank support. Developments include setting up Debt Management Units in the Governments of Sindh and Punjab provinces. And capacity building for staff has been undertaken through local trainings on the Subnational debt management performance assessment in Lahore (October 26-28, 2016), and on formulation of debt management strategies in Karachi (October 31 – November 2, 2016). Sixteen government officials from all sub-nationals of the country attended both trainings. In addition, support is being provided to Sindh Province to strengthen understanding of requirements for debt data as will be required for developing the analytic foundation for a medium term debt strategy.

*Contributed by Mehwish Ashraf, Economist, and Syedah Mohsina Atiq, Consultant, Macroeconomics and Fiscal Management Global Practice, the World Bank Group.*

### Afghanistan: Moving Forward with Efforts to Strengthen Public Debt Management



Ministry of Finance and Da Afghanistan Bank staff complete hands-on training exercises as part of MTDS training

The World Bank is providing debt management technical assistance and training to Afghanistan. This includes support to undertake a debt sustainability analysis (March 2016) and understanding the elements for developing a debt strategy. The Government of the Islamic Republic of Afghanistan (GoIRA) has been making substantial progress with a broad range of macroeconomic and public financial management reforms since the fall of the Taliban, in 2001. GoIRA has recognized the importance of establishing a sound institutional and policy framework and building up debt management capacities as prerequisites for increased external and domestic borrowing. These include, developing a sukuk market for domestic budgetary financing.

*Contributed by Tobias Haque, Senior Economist, Macroeconomics and Fiscal Management Global Practice, the World Bank Group.*

## World Bank Treasury Debt Management Events

### Government Debt and Risk Management Day

On October 18, 2016, the World Bank Treasury marked the fifth anniversary of the [Government Debt and Risk Management \(GDRM\) Program](#) with a stocktaking seminar for participating countries in Washington, DC. The seminar provided a forum to discuss the impact, delivery and future of the program and allowed for round-table discussions on the most demanded services: design and implementation of debt management strategies and contingent liabilities management. Click [here](#) to learn more about the event.

### Sovereign Debt Management Forum

Over October 19-20, 2016, the World Bank Treasury hosted the eighth Sovereign Debt Management Forum in Washington, D.C., with over 210 participants from more-than 70 developing and emerging market countries, 10 international organizations, as well as international experts and representatives from the private sector. The Forum reviewed recent trends and developments in sovereign debt management and provided debt managers with the opportunity to share their experiences. Speakers explored this year's theme- "Sovereign debt management in emerging markets: Is the party over?" -highlighting the challenges of the current environment and discussing possible response from the debt management community. The Forum also brought into focus a range of technical issues associated with implementing sound practices in public debt management.

Click [here](#) for the detailed agenda, presentations and video recordings of the Forum sessions.

### Forthcoming Mission Activities

(From January 2017 )

- Senegal: Joint MTDS Jan. 16 — 27, 2017
- Liberia: Joint MTDS, Jan. 30 — Feb. 10, 2017
- Lesotho: MTDS Baseline Feb. 13—24, 2017
- Mozambique: DeMPA Feb. 15—24, 2017
- Kosovo: MTDS Feb. 22—March 3, 2017

### Forthcoming Training Events

(January 2017 onwards )

- MTDS Workshop, Geneva, Switzerland, Feb. 6—10, 2017
- DSA Training, Arusha, Tanzania, Feb. 6—15, 2017
- DSA Training (AUT): Dakar, Senegal, Feb. 27—Mar. 3, 2017
- DeMPA e-learning: Mar. 6—April 7, 2017
- DSA Training, Abuja, Nigeria, Mar. 6—10, 2017
- MTDS Advanced (Spanish): Mexico City, Mexico, Mar 6—17, 2017
- DeMPA Training (AUT): Dakar, Senegal, May 22—26, 2017



## DMF News

### The World Bank Group

1818 H Street NW,  
Washington, DC

On the web  
[www.worldbank.org/debt](http://www.worldbank.org/debt)

#### Email

Mark Thomas  
mthomas1@worldbank.org

Abha Prasad  
aprasad@worldbank.org

Elliot (Mick) Riordan  
eriordan@worldbank.org

#### Telephone

(202) 473-5809

#### Fax

(202) 522-3740

## Debt Management Facility (DMF) Newsletter

Issue 26, January 2017

The DMF Newsletter is published quarterly and 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.

### DMF II Donors

Austria

Germany

The Netherlands

Norway

The Russian Federation

Switzerland



**WORLD BANK GROUP**