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## 2015 DMF Stakeholder's Forum

**DMF Stakeholders' Forum: June 3-4, 2015.** The Sixth Annual Stakeholders' Forum of the Debt Management facility (DMF II) is being organized jointly by the World Bank and the Asian Development Bank (ADB) to be held at ADB Headquarters in Manila, over June 3-4, 2015. The Forum is entitled: *Debt Management in a Dynamic World: Coping with Capital Flows and Hidden Risks*. As in previous years, the objective is to provide a forum for discussion of a policy-relevant agenda on debt management; to discuss current debt management challenges faced by developing countries; and to foster knowledge exchange among participants. Invitees include policy-makers and debt managers from developing countries, international and regional technical assistance providers, representatives of civil society organizations, as well as bilateral donors and multilateral development banks.

A preliminary agenda has been established, and a line-up of speakers with exceptional expertise in the conference topics is being finalized. We are pleased to invite you to attend! Please visit the [forum's website](#) for information on registration, accommodation and the preliminary agenda. There is no fee to attend the Forum; all other expenses such as travel, hotel etc., are to be paid by the participant.

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## DeMPA Methodology Revised

The Debt Management Performance Assessment (DeMPA) is a methodology for assessing public debt management performance through a comprehensive set of indicators spanning the full range of government debt management functions. It was initially developed by the World Bank in cooperation with its international partners over 2007-2008, and revised and adopted in 2009. It is adapted from the Public Expenditure and Financial Accountability (PEFA) framework.

The existing DeMPA tool presents 15 debt performance indicators along with a scoring methodology and is complemented by a guide that provides supplemental information for the use of the indicators. Six core areas of public debt management are covered by the DeMPA tool: governance and strategy development; coordination with fiscal and budgetary policies; borrowing planning, borrowings, and other financing activities; cash flow forecasting and cash balance management; operational risk management; and debt and loan guarantee records and reporting.

The objective of the revision of the DeMPA methodology is to adjust the evaluation criteria in light of the changing global environment, enhanced international practices for government debt management and requirements of the client countries, as well as to take into account lessons learned during the 5 years of DMF implementation.

Proposed changes will affect all the areas of assessment.

The revised methodology will combine the DeMPA Tool and Guide into one unified methodological framework. The guidance for evaluation of each dimension of government debt management practices (DPI) consists of: rationale and background (by dimension), areas to be assessed, scoring criteria, supporting documentation and indicative questions to ask. Substantial revisions and additions were made in order to address the issues that arose during the earlier assessments.

In addition, it is proposed to eliminate one indicator (DPI 15- Debt reporting) and combine reporting requirements in DPI 4 – Reporting and Evaluation. The rationale is that both concern the transparency and accountability of government debt management duties. Further “Debt Records” (DPI 14) is combined with “Operational Risk Management”.

As a result, the revised DeMPA tool (2015) comprises five core areas, 14 DPIs and 33 dimensions, compared with six core areas, 15 DPIs and 35 dimensions.

## Subnational Debt Challenges in Nigeria as viewed by WAIFEM

Many countries across the world have moved toward a greater decentralization of fiscal revenue and spending responsibilities because of the important role they play in the implementation of public policies aimed at social and human development. In Nigeria the trend is no different, especially since 1999 when the country returned to democratic governance with the state government’s assuming increased responsibilities. Of importance is the reality, in Nigeria’s context, of the mismatch between states’ increased responsibilities and the available funds to finance them. The growing importance of Sub-national Government (SNG) finances and the recognition that the trend could pose dangers to macroeconomic stability have informed different institutional responses to the difficulties of decentralized decision-making, especially addressing the need to improve policy coordination across levels of government and contain sub-national borrowing. This short [article](#), authored by Professor Akpan H. Ekpo, Director of WAIFEM, in collaboration with the Institute’s Debt Management Department, covers developments and issues on the Nigerian financial landscape.

## World Bank Treasury holds Webinar on International Bond Issuance

The Financial Advisory and Banking unit of the World Bank Treasury (FABDM) on March 11 arranged a well-attended and received [webinar](#) covering issues related to the issuance of sovereign debt on international capital markets. The trend of international bond issuance is now gaining momentum in so-called frontier markets, after becoming a fixture of external finance for middle-income countries and emerging markets. The objective of the webinar was to examine various aspects of issuance—such as selection of lead managers, pricing considerations and other concerns—from the perspective of the World Bank, and reviewing processes and practices in the cases of Romania and Egypt. Given the timeliness and importance of the topic, the webinar attracted a quite diverse audience, including debt managers and other financial market participants ranging from low-income countries in Africa to high-income ones in Western Europe.

## Activities for the period January through March 2015

### DMF Missions

#### Medium Term Debt Management Strategy (MTDS) 2 MTDS missions were undertaken.

>>**Cameroon.** A joint IMF/World Bank team visited Yaoundé over February 2–12, 2015 at the invitation of the Ministry of Finance to provide technical assistance to develop a medium term debt management strategy. And as this was one in a series of MTDS-related missions, the conceptual aspects of the MTDS framework, as well as the more-technical data preparation process and use of the Analytic Tool were covered- with a special focus on country officials not yet familiar with the exercise. Moreover, following training and the preparation of a baseline strategy (reflecting current conditions and expectations), the team worked with a larger group of officials to produce a new medium term debt management draft report that will define the Country's strategy over 2015-2019.

>>**Guinea.** In response to a request from the Guinean authorities to provide technical assistance for developing a medium-term debt management strategy, a team from the IMF and the World Bank visited Abidjan, Cote d'Ivoire during the period March 9–20, 2015. The mission was hosted by the IMF's West African Regional Technical Assistance center, as IMF missions to Guinea are prohibited owing to the Ebola outbreak. The mission introduced authorities to the MTDS framework and its toolkit, discussed underlying concepts and methods, and devoted considerable time to discussing and advising on possible new options for domestic financing in light of emerging funding requirements. The main objectives of the mission were to assist the authorities in finalizing the development and structure of a domestic financing strategy for 2015, given large crisis-driven financing needs, and develop a medium-term debt strategy. The team helped the authorities to strengthen their analytical capacity and discussed relevant institutional and capacity-related requirements with a bearing on the debt management strategy.

### Debt Management Reform Plans

#### 2 Debt Management Reform Plan missions were undertaken.

>>**Sudan.** At the request of the Government (Ministry of Finance and National Economy (MoFNE)) a World Bank team visited Khartoum over January 14-22, 2015 to work with the authorities on a follow up to their debt management reform agenda. An earlier reform plan team had visited in 2013, and the specific objective of this mission was to provide additional technical assistance for updating the plan in light of changes to regulatory- and macroeconomic conditions in the country. MoFNE reform priorities set in 2013 included: the legal framework, organizational restructuring, operational risk management and domestic debt market development. The authorities discussed progress to date in these areas, while the team underscored actions to increase reform momentum. Dialogue will continue on the overall process, and potential tie-ins to work programs in MFM and the CMU will be explored.

>>**Georgia.** At the request of the Government, the World Bank fielded a Debt Management Reform Plan team to Tbilisi, Georgia over March 18–26, 2015, to develop jointly with the Ministry of Finance a detailed and structured reform plan for debt management in the country. In addition, the team provided training on conceptual aspects of topics including cash and debt management. Earlier DeMPA work (June 2013) and related technical assistance from the World Bank and other donors provided the foundation for scoping of the key pillars for reform, among which are improving the legal framework, finalizing and making operational a medium term debt strategy and development of the domestic debt market. For the latter reform plan element, the team conducted interviews with the MoF, National Bank of Georgia and commercial banks to assess the feasibility for enhancing domestic market activities and promote market development.

## Debt Management Performance Assessments (DeMPA)

### 1 DeMPA mission was undertaken.

>>**Tanzania.** At the request of the Ministry of Finance, the World Bank fielded a Debt Management Performance Assessment team to Dar-es-Salaam from March 23-31, 2015 to undertake a full DeMPA exercise in conjunction with the authorities. This represents the second DeMPA mission to Tanzania, and an opportunity to assess changes in debt management practices since the first assessment of April 2010. The team used the DeMPA methodology to assess progress made- and remaining opportunities for improvement since 2010, and shared the initial findings with the authorities on site. A detailed evaluation report will be drafted, and importantly, as a pilot case, the DeMPA findings will be mapped to the on-going revisions to the methodology for the tool.

## DMF Trainings

>>**Nairobi, Kenya.** The DMF financed a Debt Sustainability training workshop for government officials, held in Nairobi, Kenya from February 16-20, 2015. The workshop was organized by the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) and included 30 participants from Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Tanzania, Uganda, and Zimbabwe. The initiative was in response to demand from low income countries for enhanced technical capacity to conduct their own debt sustainability analyses (DSAs), in light of changing public debt levels and dynamics following the global crisis, and to inform their fiscal and debt policies. Participants were trained to understand and use the Low-Income Country Debt Sustainability Framework (LIC DSF) developed jointly by the World Bank and IMF through a combination of lectures and hands-on group exercises. The training also covered recent innovations to the LIC DSF, including: revised thresholds for public and publicly guaranteed external debt; new benchmarks for total public debt; revised guidance on incorporating remittances; an additional probability approach that uses country-specific information to help determine the risk of external debt distress; and a new assessment of the overall risk of debt distress.

>>**Vienna, Austria.** A training workshop on developing a Medium-term Debt Management Strategy (MTDS) was held at the Joint Vienna Institute over the period February 23–27, 2015. The workshop was delivered jointly by the International Monetary Fund and the World Bank, and was attended by officials from thirteen countries. It provided an overview of the MTDS framework, illustrating its linkages with macroeconomic and fiscal settings. It also presented how the toolkit can be used in developing a debt management strategy, including by providing hands-on training on the formulation of strategies and interpretation of results. At the end of the workshop, participants prepared presentations based on the strategies of their choice, using the framework and toolkit taught in the course. Participants praised the workshop as enhancing their knowledge in formulating a DM strategy through the utilization of rigorous quantitative analysis. The feedback received from participants was very positive and similar training programs are expected.

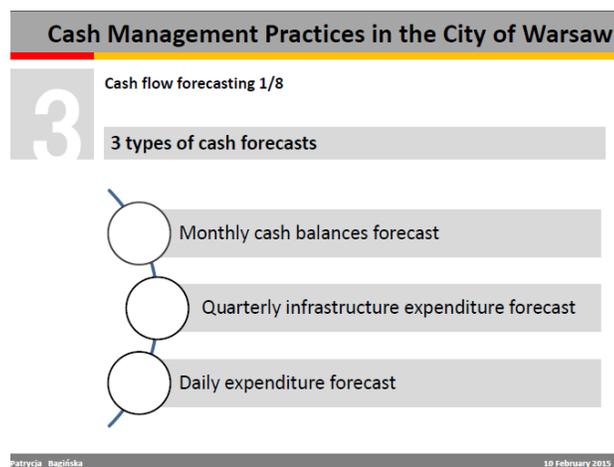


Photos taken at the DMF 2014 Stakeholder's Forum.

## DMF Meetings

### >>DMN Webinar: Cash Management in Warsaw--a Complex Municipal Environment

The Debt Managers' Network (DMN) played host to a webinar on February 10, 2015 on the interesting topic of cash management at the subnational-urban level. The presenter was Ms. Patrycja Bagińska, Senior Financial Analyst in the Debt and Financial Policy Department of the City of Warsaw, Poland, responsible for many debt management activities, among which budget and financial forecasting, bond issuance and analysis of the City's debt and liquidity are paramount. Ms. Bagińska offered an inside view of the complex cash management practices as practiced in Warsaw, including achievements made in analyzing and projecting funding requirements and smoothing cash flows, institution of cashless receipts collection, application of new IT solutions; as well as challenges remaining for her Department.



>> **Implementation Coordination Group (ICG) of DMF II** meeting took place on February 26th.



### Forthcoming DMF Training Events (April 2015 onward)

- DeMPA (in Portuguese), Brazil, April 6-10
- MTDS, Tanzania, May 4-13
- LIC Debt Sustainability Analysis (DSA), Mexico, May 25-29

### Forthcoming Mission Activities (April 2015 onward)

- Ghana, MTDS Follow up, April 23-May1
- Niger State, Nigeria, Subnational DeMPA, May 4-14
- Kyrgyz Republic, Reform Plan, May 6-14
- Tanzania, Domestic Debt Market Development, May, TBD
- Bosnia and Herzegovina, MTDS Follow up, June 10-22
- Cote D'Ivoire, DeMPA, June, TBD
- Republic of Yemen, MTDS, June, TBD
- Democratic Rep. of Congo, DeMPA, July, TBD
- Vietnam, MTDS, TBD
- Cameroon, DeMPA, TBD
- Armenia, Reform Plan, October, TBD
- Sierra Leone, MTDS, TBD
- Mongolia, Debt Market Development, TBD
- Maldives, MTDS, TBD
- Bolivia, Reform Plan/MTDS, TBD
- Burundi, MTDS, TBD

## A Further Look Ahead at DMF Training Programs

The following table provides information to give a perspective of the availability of DMF training courses over the course of the second half of 2015 and into 2016. Though precise timing has not been assigned for the majority of the programs, a likely range of dates has been established. We anticipate that for each of DeMPA, MTDS, and DSA (Debt Sustainability Analysis), 4 to 5 trainings will be undertaken at various regional locations and in close cooperation with DMF Implementing Partners as well as with the IMF. We will update this schedule as arrangements for training dates become firmer, and will keep this information posted on the DMF Website.

<http://www.worldbank.org/en/topic/debt/brief/debt-management-facility>

### DMF Training Programs: Fiscal Year 2016 (starting July 2015)

Training program	Location	Dates	Implementing Partners
<b>DeMPA</b>	Vienna, Austria (JVI)	August 10-14, 2015	
Regional training	Asia, Vietnam	October-Dec 2015	
Regional training	Latin America	January-March, 2016	CEMLA
Regional training	East and Southern Africa	January-March, 2016	MEFMI/WAIFEM
Regional training	ECA and Africa	April-June, 2016	UNCTAD
<b>MTDS</b>	Vienna, Austria (JVI)	July 13-24, 2015	Joint with IMF
Regional training	Latin America, Mexico	September 21-25, 2015	CEMLA
Regional training	Western Africa	January-March, 2016	WAIFEM, DRI
Regional training	Asia	Post December 2015	UNCTAD
<b>DSA</b>	Vienna, Austria (JVI)	July-September, 2015	Joint with IMF
Regional training	Asia, Shanghai, China	November 16-20, 2015	Joint with IMF, AFDC
Regional training	East and Southern Africa	January-March, 2016	Joint with IMF, MEMFI
Regional training	Western Africa	January-March 2016	Joint with IMF, WAIFEM
Francophone training	TBD	April-June 2016	Joint with IMF

## IMF Report: Reform of the Policy on Public Debt Limits in Fund-Supported Programs

A newly available IMF Staff Report looks at suggested reforms of the Fund's policy on the use of conditionality on public external debt in Fund-supported programs ("the debt limits policy"). The paper and discussions at the IMF Board take place against a background where lower income countries are seeking to boost growth through public investment- in particular, large infrastructure projects, while facing both a wider range of external financing opportunities and limits on the supply of traditional concessional financing. The report makes essential reading, as well as offering a rich data source on debt accumulation and sustainability risks for LICs.

<http://www.imf.org/external/np/pp/eng/2014/111414.pdf>

**Ms. Cristina Americo Dimande (Mozambique).** It was a great experience to attend the three months DMPP with the WBG. During this time I had the opportunity to enhance my knowledge and skills as a debt manager, through leaning and sharing of knowledge with WBG economists and participation in various conferences, courses and meetings on issues related to debt management tools (MTDS, DSA and DeMPA) and international bond markets. I also had the chance to participate on a DSA mission to Kenya, organized jointly by the WBG, IMF and MEFMI, attended by the participants from MEFMI member countries, in which I had the opportunity to learn more on DSA issues from cross-countries experiences.



My participation in the Program, provided me a chance to write a paper on “Mitigating Risk from Loans Guarantees and On-Lending: The Case of Mozambique”; given the importance of prudent fiscal risk management to secure fiscal stability in my country. I hope this work will contribute to designing a risk management strategy for Mozambique. I would like to express my gratitude to all GMFDR team and Colleagues from the WBG Treasury for their collaboration, openness, support and guidance. Last but not least, I thank my colleagues from Yemen and Nigeria for the knowledge and experiences shared.

**Mr. Riyadh Farea Rajab (Yemen).** I wish to use this opportunity to thank the GMFDR Department for selecting me to participate in the DMPP program, which gave me the best opportunity to work with respected World Bank economists and technical experts on debt management issues. During the 3-month secondment program, I attended a variety of training sessions, conferences and meetings related to debt management in DeMPA, DSA, Reform Plans and I had a chance to participate in MTDS training in Vienna, Austria, which helped me to design and create a prototype MTDS report for my country, Yemen. It was a good chance to exchange knowledge and experiences with the other participants in DMPP. These will help to improve my capacity and skill in debt management in Yemen. I would like to express my gratitude to GMFDR team and Mr. Lars Jessen of the World Bank's Treasury Department for their guidance and support and to my colleagues from Nigeria and Mozambique.



**Monday Isioma Usiade (Nigeria).** My 3-month (January 8 – April 11, 2015) attachment with the WBG under the laudable DMPP of the GMFDR was a time of great learning. I met with experts across the various fields of public debt management and gained further insights into the workings of the 3 main analytical tools – DeMPA, DSA and MTDS. The regular meetings held with renowned economists and specialists to review countries' reports on the application of the tools, Webinar conferences and presentations helped to broaden my knowledge on several subjects. The MTDS training mission to Austria (JVI, Vienna), attended by 27 debt practitioners from 17 countries drawn from Africa, Europe and Asia enabled me to interact and share knowledge with people with different skill levels in debt management.



I was encouraged by Ms. Abha Prasad and Mr. Lars Jessen to build more capacity on fiscal risks and



contingent liabilities as these will be very relevant to Nigeria going forward. I wish to extend my profound appreciation to both of them, as well as to Mr. Elliot (Mick) Riordan, Mr. Fritz Florian Bachmair and Ms. Cigdem Aslan all of whom provided the needed materials and guidance in the development of the presentation on “Fiscal Risks and Contingent Liabilities: Management of Debt Guarantees in Nigeria.” My debt management skills have been significantly enriched and this would enable me to make better contributions in Nigeria. My appreciation also goes to Ms. Detre Dyson and Ms. Ivana Ticha. I had mutually beneficial working relationships with my colleagues – Riyadh Farea Rajab (Yemen) and Cristina Americo Dimande (Mozambique) – and I wish them good success in future endeavors.

### DMF Engagements around the World

The following figure and table provide a more detailed view than offered in the past of the country engagements in debt management technical assistance supported by the DMF I-and II Trust Funds. The Debt Management Facility has supported World Bank activities, in conjunction with the IMF and the group of Implementing Partners in some 70 countries over the period November 2008 to February 2015, covering over 200 DeMPAs, MTDS and Reform Plan programs. We continue to look forward to implementing the expanded range of offerings under the DMF-II initiative.



Country	Missions: FY09-FY14	DMFII: FY15 (through 2/28/2015)	Country	Missions: FY09-FY14	DMFII: FY15 (through 2/28/2015)
Afghanistan	DeMPA		Liberia	DeMPA, Reform Plan, MTDS (2)	
Angola		DeMPA, MTDS	Madagascar	DeMPA, Reform Plan	
Armenia	DeMPA, MTDS		Malawi	DeMPA (2), Reform Plan (2), MTDS (2)	
Azerbaijan	MTDS		Maldives	DeMPA, Reform Plan	
Bangladesh	DeMPA (2), Reform Plan, MTDS		Mali	DeMPA (2)	
Benin	DeMPA		Mauritania	DeMPA, Reform Plan, MTDS	
Bhutan	DeMPA (2), Reform Plan, MTDS		Moldova	DeMPA, Reform Plan, MTDS (2)	
Bolivia	MTDS		Mongolia	DeMPA (2), MTDS (2)	
Bosnia and Herzegovina	DeMPA, Reform Plan, SN DeMPA	MTDS, SN Reform Plan	Mozambique	DeMPA, MTDS (2)	MTDS
Burkina Faso	DeMPA (2), MTDS (2)	Reform Plan	Nepal	DeMPA	Dempa
Burundi	DeMPA (2), Reform Plan, MTDS		Nicaragua	DeMPA (2), Reform Plan (2), MTDS (2)	
Cambodia	DeMPA		Niger	DeMPA, Reform Plan	
Cameroon	DeMPA (2), Reform Plan, MTDS (2)	MTDS	Nigeria	DeMPA (2), Reform Plan (2), MTDS (3), SN DeMPA (4)	
Cape Verde	DeMPA (2), Reform Plan, MTDS (3)		Pakistan	DeMPA, MTDS (3), SN DeMPA (2)	
Chad	DeMPA		Papua New Guinea	DeMPA	
Central African Republic	DeMPA (2), Reform Plan		Rwanda	DeMPA (2), MTDS; DSF (under DMF II)	
Comoros	DeMPA, Reform Plan, MTDS		Samoa	DeMPA, Reform Plan (2)	
Congo, Dem. Rep.	DeMPA, Reform Plan		Sao Tome and Principe	DeMPA (2), Reform Plan, MTDS	
Congo, Rep	DeMPA, Reform Plan		Senegal	DeMPA, MTDS	
Cote D'Ivoire	DeMPA, Reform Plan, MTDS	Domestic Debt Market Devt.	Sierra Leone	DeMPA, Reform Plan, MTDS	
Djibouti	DeMPA, Reform Plan, MTDS		Solomon Islands	DeMPA, Reform Plan	
Ethiopia	DeMPA, Reform Plan, MTDS (2)	MTDS	St. Vincent & the Grenadines	MTDS	
Gambia	DeMPA (2), Reform Plan (2), MTDS (2)	MTDS	Sudan	DeMPA, Reform Plan	Reform Plan
Georgia	DeMPA		Tajikistan	DeMPA, Reform Plan, MTDS	
Ghana	DeMPA (2), Reform Plan, MTDS (2)		Tanzania	DeMPA, Reform Plan, MTDS (3)	
Grenada	DeMPA	MTDS	Timor Leste	Reform Plan	
Guinea	DeMPA		Togo	DeMPA (2), Reform Plan	
Guinea-Bissau	DeMPA		Tonga	Reform Plan, MTDS	MTDS
Guyana	DeMPA		Uganda	DeMPA, SN DeMPA	
Haiti	DeMPA		Vanuatu		DeMPA
Honduras	DeMPA (2), MTDS (2)	Reform Plan	Vietnam	DeMPA, Reform Plan, MTDS	SN DeMPA
Kenya	MTDS (2)	DeMPA	Yemen	DeMPA	
Kosovo	DeMPA		Zambia	DeMPA, Reform Plan, MTDS	MTDS
Kyrgyz Republic	MTDS		Zimbabwe	DeMPA, Reform Plan	
Lesotho	DeMPA, MTDS				

# DMF News

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