

## AGENDA

### Monday, October 25

8:00 a.m. **FORUM REGISTRATION AND BREAKFAST**

**Venue:** Outside Preston Auditorium

9:30 a.m. **CONFERENCE OPENING**

**Venue:** Preston Auditorium

**Speaker:** Sri Mulyani Indrawati, Managing Director, World Bank

10:00 a.m. **PLENARY 1**

**Challenges for sovereign debt management in volatile markets: Outlook and strategies**

**Venue:** Preston Auditorium

The global financial crisis uncovered serious macroeconomic imbalances in the world's largest economies and highlighted deficiencies in the regulation of global financial markets. The repercussions tested debt managers' ability to deal with severe market fluctuations both in advanced and emerging market economies. While most emerging market countries navigated the crisis comparatively well, global imbalances remain and market turbulence remains an ever present risk. The sessions in this plenary will provide views on the crisis, market trends, and actions that policy-makers and debt managers should take.

**Moderator:** Kenneth G. Lay, Vice President and Treasurer, World Bank

**Session 1**

This session will set the scene highlighting the causes and impact of the changes in the cost of accessing the international capital markets for emerging market economies compared to more advanced countries. Particular attention is given to those factors that may derail the progress attained since the crisis and the actions that should be taken to avoid backtracking.

**Speaker:** Otaviano Canuto, Vice President and Head of Network, Poverty Reduction and Economic Management (PREM), World Bank

10:40 a.m. **Session 2**

This session will focus on the debt management during the crisis, particularly in emerging market countries, and the approaches used to respond to dysfunctional markets and increased funding needs. Lessons from this experience will be drawn.

**Speaker:** Phillip Anderson, Acting Director, Banking and Debt Management Department, World Bank

11:15 a.m. **COFFEE BREAK**

**PLENARY 1 (continued)**

**Challenges for sovereign debt management in volatile markets: Outlook and strategies**

**Venue:** Preston Auditorium

11:30 a.m. **Session 3**

The European sovereign debt crisis has fundamentally changed perceptions about sovereign risk in the Eurozone. This session will examine the impact that this is having on public debt management and how it is likely to develop in the future. The speaker will also comment on the potential implications of financial market regulatory change for public debt management.

**Speaker:** Thomas Olofsson, Director, Swedish National Debt Office

12:15 p.m. **Session 4**

The fourth session will review the effects of the crisis on emerging markets, the changes in the market landscape and perspectives for the future. Particular emphasis will be placed on the success of emerging market debt as an asset class and the impact this has had on the portfolio flows and funding costs for emerging markets. The session will also discuss how investors are broadening their fixed-income portfolios to include local markets and the corporate sector rather than simply focusing on sovereign debt.

**Speaker:** Joyce Chang, Managing Director and Global Head of the Emerging Markets Research, J.P. Morgan

1:00 p.m. **LUNCHEON**

**Venue:** MC 12<sup>th</sup> Floor Gallery

2:30 p.m. **PARALLEL WORKSHOPS 1 AND 2**

**WORKSHOP 1 - Sound practice in debt management legislation**

**Venue:** MC2-800

In the last two decades, a new performance and evaluation orientation for public management has evolved which, coupled with an increased emphasis on government debt management in general as a result of higher debt levels and innovations in financial instruments, has had a substantial impact on the institutional arrangements for government debt management. New public debt management legislation is more policy-based, with objectives, strategy development and accountability. This workshop will discuss some key articles found in public debt management laws, and the rationale behind them.

**Moderator:** Tomas I. Magnusson, Technical Adviser, Public Debt Management, World Bank

**Speakers:** John Gardner, Technical Assistance Advisor, International Monetary Fund

Sahr L. Jusu, Head of Debt Management Unit, Ministry of Finance and Economic Development, Sierra Leone

Mike Williams, Consultant, Public Debt Management

## **WORKSHOP 2 - Policy and practical issues in increasing non-resident participation in domestic government securities markets**

**Venue:** MC13-121

Non-resident investors and intermediaries can have a positive influence on domestic government securities markets. This session will examine successes, challenges, policies and practical issues for governments in increasing and sustaining non-resident participation in their domestic government securities markets. Issues to be addressed include: the investment preferences of foreign investors vis-a-vis local investors, the role of foreign institutions in primary dealer systems, the importance of market infrastructure and implications for the capital account.

**Moderator:** Anderson Caputo Silva, Senior Debt Specialist, World Bank/IFC Securities Markets Group

**Speakers:** André Proite, Manager, Investor Relations Office, Brazilian National Treasury

László Buzás, Deputy CEO, Government Debt Management Agency (AKK), Hungary

Sung Cheol Kim, Deputy Director, Public Enterprise Management Division, Treasury Bureau, Ministry of Strategy and Finance, Korea

4:00 p.m. **COFFEE BREAK**

4:15 p.m. **PARALLEL WORKSHOPS 3 AND 4**

## **WORKSHOP 3 - Portfolio risk modeling: Progress, major obstacles**

**Venue:** MC13-121

Public debt managers have been developing and using cost-risk models for a number of years to support strategy development. Models are useful to clarify the cost-risk trade-offs that senior decision-makers must make, and provide a framework for analyzing the financing choices available. The workshop will discuss trends and developments in the area of cost-risk modeling for government debt portfolios including the impact of the recent global financial crisis on the design of stress tests.

**Moderator:** Lars Jessen, Lead Financial Officer, World Bank

**Speakers:** André Proite, Manager, Investor Relations Office, Brazilian National Treasury  
Étienne Lessard, Principal, Funds Management and Banking Department, Bank of Canada  
Marek Szczerbak, Head of Debt Forecast and Strategy Division, Public Debt Department, Ministry of Finance, Poland

**WORKSHOP 4 - Market development in Lower Income Countries (LICs): Relevance for financial sector development and structural constraints**

**Venue:** MC2-800

Market development principles or standard best practices that have arisen from advanced-market countries over the last couple of years have not been always effective in developing markets, particularly in LICs. The latter face, in different degrees, a number of constraints in their efforts to develop debt markets including: small market size, low number of market participants, high concentration in the financial sector and captive state-owned institutions as their main funding sources. These challenges may lead some countries to decide not to develop their debt markets. Using examples from Africa and other regions, the workshop will explore the relevance of debt markets for LICs, and will discuss different approaches that LICs may use in dealing with these constraints. The session will review how some countries evaluate the importance of debt market development in the context of their overall development agenda, and will discuss the implications of relying on non-marketable funding sources to meet their budget needs. The workshop will also touch on the less researched area of the costs (financial, infrastructure and capacity) that governments of small countries have to absorb to implement a debt market development program and will analyze the issues related to regionalization as a way of solving problems related to economies of scale in debt market development.

**Moderator:** Catiana García-Kilroy, Senior Security Specialist, World Bank/IFC Securities Markets group

**Speakers:** John Murugu, Director, Debt Management Department, Ministry of Finance, Kenya  
Tadashi Endo, Consultant, World Bank/IFC Securities Markets Group  
John Ngumi, Business Development Director, Investment Banking Coverage, Standard Bank Africa – STANBIC, Kenya

6:00 p.m. **COCKTAIL RECEPTION**

**Venue:** MC12th Floor Gallery

**Tuesday, October 26**8:00 a.m. **BREAKFAST****Venue:** Outside Preston Auditorium9:00 a.m. **PLENARY 2****Capital flows and debt market development: A double-edged sword?****Venue:** Preston Auditorium

After the 1997 Asian financial crisis, developing domestic debt markets became a key strategy to address foreign exchange risk in Government finances, as well as a protection against uncertain capital market flows. Since then, the position of emerging market economics in the global economy has drastically changed. Most of them show sound macroeconomic balances, low currency risk exposure, growing current account surpluses and a steady trend in developing efficient domestic debt markets. In this new scenario, questions arise about the impact of capital flows on domestic debt markets. In some countries, capital flows have been essential for investor diversification and longer debt duration, but in others they have caused a number of market distortions and imposed a high cost to central banks' sterilization policies. The session will explore how capital flows may become a double-edged sword for domestic debt market development, drawing from the experience of an international institutional investor and country cases with opposing policies towards capital flows.

**Moderator:** Alison Harwood, Manager, World Bank/IFC Securities Markets Group**Speakers:** Marco Alberto Oviedo, Deputy General Director, General Directorate of Public Credit, Ministry of Finance, Mexico

Hakan Tokac, Deputy General Director, Undersecretariat of Treasury, Turkey

Peter Marber, Global Head of Emerging Market Fixed Income and Currency, Halbis Capital Management, USA

10:30 a.m. **COFFEE BREAK**10:45 a.m. **PARALLEL WORKSHOPS 5 AND 6****WORKSHOP 5 - Developing and implementing financial solutions for IBRD Clients: Country experiences****Venue:** MC2-800

IBRD client countries look for the World Bank to provide them with a full menu of flexible financial products and services to help them manage their balance sheets risks. The availability of these financial products is particularly important at times of crisis, in order to reduce and/or

eliminate the impact of volatile market conditions. This session looks at real cases of client-Bank collaboration in the development and application of new financial products across different regions.

**Moderator:** Luis de la Plaza, Lead Financial Officer, Banking and Debt Management, World Bank

**Speakers:** Juan Carlos Pacheco, Public Credit Director, Ministry of Finance, Costa Rica  
Jamel Belhaj, General Director, General Directorate of Debt and Financial Cooperation, Tunisia  
Antonio Davila-Bonazzi, Senior Financial Officer, Banking and Debt Management, World Bank  
Ricardo Tejada, Financial Officer, Banking and Debt Management, World Bank

#### **WORKSHOP 6 - A Programmatic approach for debt management in LICs: Where do we stand and next steps**

**Venue:** MC13-121

Low income countries (LICs) face policy, operational and capacity challenges in debt management. These challenges have become more acute because of the ongoing financial crisis. The World Bank's work program with LICs, aimed at strengthening debt management, is based on a three-step programmatic approach: (i) diagnostic through application of the DeMPA tool, (ii) provision of technical assistance to develop medium-term debt management strategies, and (iii) support to design and implement actionable reform plans. The objective of the workshop is to hear from countries about their experiences with these programs, draw lessons and discuss next steps for those that have "graduated" from this programmatic approach or more generally, because of the changing global environment. The workshop will target representatives from low income countries and technical assistance providers on debt management policy and systems.

**Moderator:** Sudarshan Gooptu, Sector Manager, Economic Policy and Debt, World Bank

**Speakers:** Ramon Uriel Pérez, General Director, Public Credit, Nicaragua  
Ibrahim Natagwandu, Assistant Director, Debt Management Office, Nigeria  
Gerry Teeling, Director, DMFAS Programme, Debt & Development Finance Branch, UNCTAD, Switzerland

12:30 p.m. **BUFFET LUNCH**

**Venue:** MC 12th Floor Gallery

2:00 p.m. **PARALLEL WORKSHOPS 7 AND 8****WORKSHOP 7 - IT systems for debt managers****Venue:** MC13-121

Sound, reliable and appropriate IT systems are essential for sound debt recording, for reducing operational risk, and they provide a basis for dependable analytical information. However, the needs in this area vary widely among different debt management offices. This workshop will present examples of how countries go about establishing sound IT systems, including in-house developed systems and systems acquired off-the shelf, and will discuss the links between the debt portfolio and borrowing instruments and system needs.

**Moderator:** Oscar A. Olortegui, Consultant, Public Debt Management

**Speakers:** Mohamed Assaad, Advisor to the Minister for Public Debt Management, Ministry of Finance, Egypt  
Ibrahim Natagwandu, Assistant Director, Debt Management Office, Nigeria  
Daniel Bytčánek, Director, Debt and Liquidity Management Agency, Minister of Finance, Slovak Republic  
Feyza Alkan, Assistant Treasury Expert, Undersecretariat of Treasury, Turkey

**WORKSHOP 8 - Investor relations and reporting****Venue:** MC2-800

The global crisis, combined with extraordinary funding needs facing some countries have increased the importance of timely and accurate communication, given the need to manage the expectations of the investment community and other parties such as credit rating agencies. This session will discuss the impact of the crisis on sovereign debt managers' relationship management, communications and information dissemination. Insights from country experiences will complement the session.

**Moderator:** Elizabeth Currie, Lead Financial Officer, Banking and Debt Management, World Bank

**Speakers:** André Proite, Manager, Investor Relations Office, Brazilian National Treasury  
Patricio Sepúlveda, Head, Debt Office, Ministry of Finance, Chile  
Enrique Fernández, Deputy Director, Public Debt Office, Ministry of Finance, Dominican Republic  
Mikis Hadjimichael, Deputy Director, Capital Markets/Emerging Market Policy, Institute for International Finance, USA

3:30 p.m. **COFFEE BREAK****Venue:** Outside Preston Auditorium

3:45 p.m. **PLENARY 3**

## **Cash and debt management coordination that help governments survive financial crises**

**Venue:** Preston Auditorium

In the context of the global financial crisis, refinancing risk management has led to the re-appraisal of the relationship between the size of a government's cash buffer and the maturity profile of its public debt and, related to this, the extent to which "prefunding" should be undertaken. Some countries have also implemented more intensive cash management T-bill issuance for dealing with the crisis and managing timing mismatches. The alternatives highlight the need for rigorous analysis of the trade-off between cost and risk reduction, as well as having in place institutional arrangements that promote good coordination between cash and debt management.

**Moderator:** Elizabeth Currie, Lead Financial Officer, Banking and Debt Management, World Bank

**Speakers:** László Buzás, Deputy CEO, Government Debt Management Agency (AKK), Hungary

Carlos Steneri, Consultant, Public Debt Management

Mike Williams, Consultant, Public Debt Management

**Wednesday, October 27**8:00 a.m. **BREAKFAST****Venue:** MC2-800 and MC13-1219:00 a.m. **PARALLEL WORKSHOPS 9 AND 10****WORKSHOP 9 - Managing operational risk: progress in identifying and quantifying operational risk and prioritizing mitigation actions****Venue:** MC13-121

Size of potential loss due to operational risk can be much higher than most other risks, despite low awareness in many countries. This workshop will investigate the progress achieved by some debt management offices in identifying different risk factors as well as in quantifying the impact and likelihood of these risk factors. Establishment of an operational risk management framework and prioritization of the mitigating actions determined according to the risk profile will be discussed.

**Moderator:** Lars Jessen, Lead Financial Officer, Banking and Debt Management, World Bank**Speaker:** Hakan Tokac, Deputy General Director, Undersecretariat of Treasury, Turkey**WORKSHOP 10 - Government guarantees and on-lending to sub-national and parastatal borrowers****Venue:** MC2-800

In many cases, sub-nationals and parastatals can only access development financing institutions, including multilateral development banks. However, the central government typically needs to enter into an on-lending arrangement or provide counter-guarantees. In this workshop, speakers working with sub-national financing will share their experiences with their peers, and the Bank will provide cross-country perspectives to stimulate the discussions.

**Moderator:** Hiroshi Tsubota, Lead Financial Officer, Banking and Debt Management, World Bank**Speaker:** David Duarte, Head of Contingent Liabilities and Concessions, Budget Directorate, Ministry of Finance, Chile

Lars Mayland Nielsen, Senior Advisor, Debt Management Office, Denmark

Jeremias N. Paul, Undersecretary for Corporate Affairs Group, Department of Finance, Philippines

Cigdem Aslan, Senior Financial Officer, Banking and Debt Management, World Bank

10:30 a.m. **COFFEE BREAK**

11:00 a.m. **PARALLEL WORKSHOPS 11 AND 12**

**WORKSHOP 11 - Monitoring and managing commodity-price risk for sovereign governments: Parallels with sovereign debt management**

**Venue:** MC13-121

Because of the serious problems caused by the food and oil price shocks of 2008/9, a number of governments have become interested in commodity hedging programs. Historically speaking, this area of public policy tends to attract attention only after price shocks have already taken place, when managing the impact is costly and difficult. Government officials need more information and better tools to help manage this fiscal risk, but to date there are very few real world examples that can provide guidance. This session will draw on experiences from a few countries that are trying to manage commodity price shocks. It will also present a business case for strengthening commodity risk management frameworks using the type of tools and approaches now viewed as best practice by public debt managers.

**Moderator:** Julie Dana, Senior Financial Officer, Banking and Debt Management, World Bank

**Speakers:** Mahesh C. Khemlani - Director of Public Credit, Ministry of Economy and Finance, Panama

Rodrigo A. Chaves - Sector Manager, Economic Policy Sector, World Bank

Alberto Chiesara, Executive Director, Morgan Stanley, USA

**WORKSHOP 12 - Developing and implementing financial solutions for IBRD Clients: Country experiences**

**Venue:** MC2-800

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Jamel Belhaj, General Director, General Directorate of Debt and Financial Cooperation, Tunisia

Antonio Davila-Bonazzi, Senior Financial Officer, Banking and Debt Management,  
World Bank

Ricardo Tejada, Financial Officer, Banking and Debt Management, World Bank

12:30 p.m. **LUNCHEON AND CLOSING REMARKS**

**Venue:** MC 12<sup>TH</sup> Floor Gallery