Overview of Technical Assistance Activities under the DMF II Program, July 1, 2015 – June 30, 2016

Technical Assistance Missions. The DMF II program supported a total of 35 technical assistance missions from July 1, 2015 to June 30, 2016, including:

- DeMPA missions (15), to Cabo Verde¹, Democratic Republic of Congo, Grenada, India (Assam and Rajasthan²), Kyrgyz Republic, Liberia, Nigeria (Niger State), Pakistan (Punjab), Papua New Guinea, Rwanda, Sri Lanka, Tajikistan, Togo and Zimbabwe;
- Reform Plan missions (7), to Cabo Verde, Federation of Bosnia and Herzegovina (subnational), the Gambia, Ghana (two missions), Nicaragua and Uganda;
- MTDS Missions (12), to Benin, Cote d'Ivoire, the Gambia, Kenya, Kyrgyz Republic, Maldives, Niger, Nigeria, Tanzania, Uganda, Vietnam and Zambia;
- Domestic Debt-Market Development missions (3), to Mongolia, Nicaragua and Tanzania.

The significant increase in the number of technical assistance missions to 35 during fiscal year 2016 is explained primarily by greater demand for DeMPA missions, including at the subnational level.

Technical assistance missions included implementing partner (IP) participation in 21 of 35 activities jointly working with the World Bank.

The IMF co-organized and participated in 9 MTDS missions: to Benin, Cote d'Ivoire, Kenya, the Kyrgyz Republic, Niger, Nigeria, Uganda, Vietnam and Zambia; a Reform Plan/Domestic Debt-Market development mission to Nicaragua, and a Domestic Debt-Market Development mission to Tanzania. In addition, the Fund independently fielded missions to Mongolia (domestic debt market development); Tanzania (MTDS), Ghana and the Gambia (Reform plans). Continued on Pg. 2.

¹ This was a joint DeMPA/Reform Plan mission, and is included in both individual categories; the overall count of missions has been adjusted to avoid double-counting.
² Co-financed by the World Bank budget.
³ This was a joint Reform Plan/Domestic Debt Market development mission, and is included in both individual categories; the overall count of missions has been adjusted to avoid double-counting.
The Subnational DeMPA (SN-DeMPA) is a methodology for assessing debt management performance at the level of local government through a comprehensive set of indicators spanning the full range of subnational debt management functions. The objective of the 2016 update of the SN-DeMPA methodology was to revise the evaluation criteria in line with the changing practices for subnational debt management and requirements of client countries, as well as to take into account revised criteria for the sovereign DeMPA methodology which was implemented in 2015.

The revised methodology combines the original SN-DeMPA Tool and Guide into one unified framework. Substantial revisions and additions have been made in order to address issues that arose during earlier assessments. A revised SN-DeMPA tool (2016) comprises five core areas, 13 DPIs and 31 dimensions, which are applied to evaluate the capacity of the subnational borrower to manage its debt portfolio. This methodology is being applied as of September 2016. To access the revised Subnational DeMPA tool, please click here.

Mapping for Subnational DeMPAs*

*China: Subnational DeMPA methodology applied

Trainings. The demand for training activity remained strong during the period, with over 400 government officials—the majority (60 percent) from Sub-Saharan Africa—benefitting from face-to-face training workshops.

In sum, 17 training events (including DeMPA, Subnational DeMPA, MTDS and Low-Income Country Debt Sustainability Analysis (LIC-DSA)) were delivered from July 2015 to June 2016; and almost half of the events were organized jointly with IPs. The World Bank also completed two offerings of the DeMPA e-learning course, while the IMF together with the Bank developed and delivered the online Debt Sustainability for Low-Income Countries, and Debt Management (DSLx) courses in French.
Announcing the New Co-Chair of the DMF Steering Committee

Please join us in welcoming Ms. Paloma Anos-Casero as the new co-chair of the Debt Management Facility Steering Committee. She is the Director for the Macroeconomics and Fiscal Management Global Practice. Ms. Anos Casero, a Spanish National, joined the World Bank in 2001 as a Young Professional. She has since held various technical and managerial positions in operational departments in several regions, her most recent assignment being as Adviser in the Trade & Competitiveness Global Practice of the World Bank.

In this new position, Ms. Anos-Casero's three top priorities will be to: (i) support laying out and implementing the strategic direction(s) for the Global Practice on Macroeconomics and Fiscal Management, which will include shaping and overseeing the Global Practice's country/regional programs; (ii) provide oversight over operations and analytic and advisory products and represent the Practice in regional decision meetings; (iii) work in collaboration with other global practices to help operationalize the twin goals.

She brings with her vast experience in the preparation and implementation of financing operations and research in the areas of economic management, labor market, poverty, and public sector management. She led high level policy engagements in high-income, middle-income and low income countries, spanning several regions (Latin America, Eastern Europe and Central Asia, European Union, Sub-Saharan Africa, North Africa and the Middle East), and strategic partnerships with multilateral organizations, academic institutions, and the media. Prior to joining the World Bank, Ms. Anos-Casero worked for the United Nations, the European Union, and PriceWaterHouseCoopers.

Ms. Anos-Casero obtained her Masters in Economics and Public Policy at The London School of Economics (LSE, London), Masters in International Economics at the Universite Libre de Bruxelles (ULB, Brussels), and Masters in Economics and Finance at the Universidad Pontificia de Comillas (ICADE, Madrid). Her language skills include English, Spanish, French, Portuguese, and Russian.

DMF II Implementation Coordination Group Elects a New Chair

In May 2016, Mr. Baba Yusuf Musa of WAIFEM was elected to chair the Implementation Coordination Group (ICG) of the DMF II, as a successor to Mr. Gerry Teeling, Chief, DMFAS Program, UNCTAD. Under the DMF II Charter, the ICG is chaired by an elected member from among the Implementing Partners, serving for a two-year period.

Baba Yusuf Musa is the Director of the Debt Management Department at the West African Institute for Financial and Economic Management (WAIFEM). Prior to joining WAIFEM, Mr. Musa was engaged at the Central Bank of Nigeria’s Research and International Economic Relations departments for some 21 years; he retired as Assistant Director of Research.

During 2008-2013, Mr. Musa was a member of the Technical Advisory Committee (TAC) of the Debt Management Facility. Mr. Musa is also a member of the Debt Management Strategy Team in many Anglophone West African Countries.

For two decades, Mr. Musa has been facilitating debt management training and capacity building activities for public sector officials in West Africa and beyond (the Gambia, Ghana, Liberia, Nigeria, Sierra Leone and the Republic of Guinea) and has partnered through WAIFEM with many international organizations involved in debt management (at both national and subnational levels). He has published many articles in economic journals. Mr. Musa holds a Bachelor's degree in Economics and a Master’s of Business Administration.
Designing and implementing an issuance plan for government securities is an important ongoing activity for government debt managers. A well-designed issuance plan can advance the government’s debt management objectives in terms of securing stable financing at prudent levels of risk in a manner that supports the overall development of the debt market.

The issuance plan sets out the government’s intentions for the issuance of its debt securities in the domestic capital markets. It includes the bonds and bills to be issued and the timing of issuance, and may include general information on other operations which the government intends to undertake with its debt securities, such as buybacks and exchanges. The issuance plan is part of the annual borrowing plan, which presents information on the government’s total financing strategy, including in the domestic capital market, but also borrowing from commercial banks, multilateral development banks, and external markets.

Issuance Plan for Government Securities - Guidance Note (April 2015) describes the key considerations for the debt manager and the steps involved in developing and implementing the issuance plan. After providing context (section ii) and outlining the scope (section iii), the note discusses the main steps in developing and implementing an issuance plan (section iv); describes key linkages between the issuance plan and other relevant activities (section v); and concludes (section vi). The Annex provides an illustration of the main steps in developing and implementing an issuance plan. Notably, the guidance note is part of a toolkit on “Issuance Plan for Government Securities” that also comprises an Excel-based analytical tool. It complements a series of background notes produced under the World Bank Group’s Government Bond Market Advisory Services Program to support the development of liquid local currency bond markets. Click here to access this and other background papers/notes.

Debt Sustainability: “Traffic Lights”

The Debt Sustainability Framework for Low-Income Countries (LIC-DSF) was initiated jointly by the World Bank and IMF in 2006, and has been a principal application used for debt sustainability analysis at these institutions. The assessment of ‘external risk of debt distress’ for public- and publicly-guaranteed external debt is the principal output of the analysis. A country may be rated at low- moderate- or high risk, based upon the relationship between a series of debt- and debt service indicators with relevant thresholds for same. The latter are grounded in empirical review of past debt events and episodes for a large number of countries.

The figure (left) highlights the evolution of external risk for the 61 countries for which DSA analysis and reports have been produced over the period since 2006- known informally as the ‘Traffic Lights’. Continued on Pg. 5.
Several medium-term trends may be discernable: (i) a post-HIPC narrowing of the number of countries in high risk, as countries improved to moderate ratings- and some from moderate to low; (ii) effects of the financial crisis of 2008-2012 on risk ratings may have been less-than anticipated by many observers, and (iii) the more recent deterioration in global commodity prices, uncertainty in financial markets and the strong dollar have been echoed in a worsening of the composition of the traffic lights toward high and moderate risk. For example, over 2016 to date net movements to high risk numbered 3 countries, as Maldives, Mozambique and Yemen shifted to high risk from moderate, while Tajikistan moved from low to moderate risk of debt distress.

Launch of the IMF-World Bank Online Course on Debt Sustainability and Debt Management for Low-Income Countries in French

Following the success of the online course on debt sustainability and debt management (DSAx), an IMF-World Bank team created and delivered a three-module course on debt sustainability and debt management for low-income countries (LICs) in French (DSLx-F). Making a LIC-specific course in French was possible thanks to financial support from the DMF II.

The DSLx-F course, hosted on the edX on-line platform, introduced the main principles of debt sustainability, covered the IMF-World Bank framework (LIC DSF) for assessing how much debt a country without regular market access can safely carry, and presented the IMF-World Bank framework for developing a medium-term debt management strategy (MTDS).

DSLx-F was first offered free of charge to government officials over April-June 2016. And more-than two hundred officials from 32 countries actively participated in the program. Countries with the highest representation included Benin, Burkina Faso, Cameroon, Chad, the DRC, Madagascar, Mauritania and Niger, with an impressive total of 127 officials.

Course participants expressed high levels of satisfaction with the course’s quality, including professionally produced lecture videos and additional interactive features, as well as relevance to their country experiences. Ninety-two percent of participants agreed that the knowledge and skills learned would be useful for their jobs and professional development. In their comments participants wrote:

While the course materials will remain available for technical assistance and training recipients under DMF II, the next offering is featuring free access for the general public, through so-called massive open online courses (MOOCs). The next DSLx-F MOOC is scheduled for November 9-December 7, 2016.

Participant Testimonials

“I recommend this course to anyone learning more about debt sustainability analysis. For those who work in official entities, this course is repeated during the annual Article IV discussions with each IMF member country. ”

“Thank you for offering this course in French. The problem for French speakers, is that most of the documentation concerning debt is in English, which creates a number of problems when it comes to capacity building.”
DMF Newsletter

Debt Management Practitioners’ Program – September 2016 Intake

The Debt Management Practitioners’ Program (DMPP) is a peer-learning initiative aimed at facilitating the sharing of knowledge and experience by participating public debt managers. The program gives debt managers the opportunity to learn from cross-country experiences; to work closely with experienced World Bank debt management staff, and to be introduced and trained in the latest tools and products developed through the DMF II. Selected debt managers work as part of the World Bank Group’s Macroeconomic and Fiscal Management team and contribute across the full range of activities in the area of public debt management, including technical assistance missions.

Under the DMPP for Fiscal Year 2017, the DMF Secretariat will host- and warmly welcomes- two debt management specialists over the three-month period from end-September 2016:

Mr. Bahi Stephane Mady, is Head of the Strategy Service of the Public Debt Office, of the Ministry of the Economy and Finance of Cote D’Ivoire. Mr. Mady leads the work of the Strategy Service, including developing drafts of the government’s medium-term debt management strategy and debt sustainability analysis, as well as providing support for the work of the National Committee on Public Debt.

Mr. Ismael Moussa Yamkalla Mama, is Director of Strategy at the Government’s Debt Management Office in Benin. He is responsible for formulating the government’s debt management strategy and for monitoring its implementation, as well as preparing debt sustainability analyses. He is also responsible for coordinating the activities of the National Debt Commission, preparing periodic debt management reports and statistical bulletins on the government’s debt portfolio.


In a study completed during his DMPP tenure at the World Bank, Yasantha Weerasinghe (Public Debt Department, Central Bank of Sri Lanka) examined the existing Primary Dealer (PD) system in in his country and addressed certain drawbacks in the system - both in regulation and operations.

Discussion about the evolution of PD systems around the world and a review of their relevance for developing Government Securities Markets leads off the paper. The role played by regulation and its importance in maintaining vibrant PD systems through its effects on investor protection; ensuring fairness, efficiency and transparency in the markets, and minimizing systemic risk is reviewed. But noting that unnecessarily rigid regulation can act as a hindrance to development and efficiency of markets, it is emphasized that PDs should be regulated at appropriate levels.

The study highlights some fundamental weaknesses in the case of Sri Lanka associated with the PD system and government securities market, among these are, inefficiency at primary auctions associated with poor competitiveness; and issuance distributed among a handful of PDs, with over 75 percent of PDs unsuccessful with sizeable auctions. The majority of PDs are also disengaged from trading in the secondary market, which could be attributed to illiquidity of securities given the existence of a large number of domestic debt series, prevalence of non-market determined interest rates, buy and hold policy of investors largely supported by other prevailing regulation, and prohibition of short-selling. In light of these drawbacks, a cross-country comparison of operations and regulation mechanisms of seven emerging-and developing economies and two advanced economies is undertaken to assess how similar issues have been addressed internationally. The analysis recommends that a limited share of primary issuance be opened for large scale registered investors and intermediary traders (at weighted average) thereby enhancing cost effective-
ness through broader participation at primary auctions; and to introduce optional issuances of further volumes of securities among successful PDs at competitive auctions, under special Non-Competitive Allocations.

The paper concludes that regulation of the market per se would not be sufficient for improved efficiency of the government securities market. Prevalence of appropriate market infrastructure and establishment of a sound macroeconomic environment are vital for development and maintenance of efficient markets for government securities.

**Domestic Debt Dynamics in Zimbabwe: Towards an Auction Based System in a Dollarized Economy - Highlights of a Study by Edwin Chihava, Debt Management Practitioners’ Program Participant**

Mr. Edwin Chihava, Senior Economist, Zimbabwe Debt Management Office, and DMPP participant (March-June 2016) completed a study entitled "Domestic Debt Dynamics in Zimbabwe: Towards an Auction Based System in a Dollarized Economy" as part of his DMPP work program at the World Bank. The report provides economic background and sovereign debt challenges facing the country, underlining the importance of the MTDS process for an assessment of debt vulnerabilities, potential sources of financing, and cost and risk considerations. The paper also describes the debt management objectives of the country, stressing the importance of developing the domestic debt market.

Zimbabwe faces substantial financial challenges, effectively cut off from international markets, and Mr. Chihava lays out options for customizing the MTDS template for the country’s unique circumstances. The MTDS can assist in evaluating and depicting a path for arrears clearance, as well as provide analytical backing for the development of the domestic debt market, in particular, for government bonds.

Domestic borrowing in Zimbabwe is currently managed through private placement and is mainly limited to Treasury Bills, as the market is thin and investors (mainly banks) are averse to mismatch risk as their liabilities (deposits) are mainly short-term. There is also limited disclosure with regard to the government’s borrowing plans. Against this background the study recommends:

- transition gradually to market-based mechanisms for issuance of debt;
- produce an issuance calendar based on annual borrowing plans informed by a quality Debt Management Strategy;
- develop an auction schedule considering seasonal fluctuations for cash-flow within the fiscal year;
- determine Primary Dealership: eligibility criteria, number of PDs, appointment length, duties and privileges; and
- issue the country's first Public Debt Bulletin to enhance transparency--crucial for investors' decision-making.

**Voice Secondment Program: Feedback from Abdulla Ali, Director General, Resource Mobilization and Debt Management Division, Ministry of Finance and Treasury of the Maldives**

As a participant in the Voice Secondment Program (VSP) of the World Bank, in the Macroeconomics and Fiscal Management Global Practice, the main objective of my assignment was to support the Bank's work related to strengthening debt management performance and institutions. A particular focus was to provide technical assistance in developing Medium-Term Debt Management Strategies (MTDS) using the joint Bank-Fund MTDS toolkit and to understand salient debt management issues related to small island economies.

I was a member of a team that provided technical assistance to the authorities of Niger in developing a debt management strategy. I also assisted the World Bank's host unit in organizing the annual DMF Stakeholders' Forum and assisted in reviewing debt sustainability analyses for several countries.
The Bank’s Secondment program offers a range of learning, knowledge-sharing and networking opportunities. The most rewarding aspect of the program was to get a chance to work with very experienced debt managers at the Bank, especially during the technical assistance missions, as we spent a lot of time together and thus I was able to learn much from their own experiences.

The knowledge and experience I gained during the secondment period at the Bank will help to improve debt management operations in the Maldives. I hope to be able to play a significant role to improve the dialogue between the Bank and the Maldives in the future.

“The most rewarding aspect of the program was to get a chance to work with very experienced debt managers at the Bank, especially during the technical assistance missions, as we spent a lot of time together and thus I was able to learn much from their experience.”

The Emergence of Sukuk: Malaysia Continues to Lead with Innovative Issuance

*Sukuk* commonly refers to the Islamic equivalent of bonds. However, in contrast with conventional bonds, via which a lender loans funds to the issuer for a defined period of time at a variable or fixed interest rate, Sukuk grants the investor undivided, pro-rata ownership rights to the underlying assets and/or income they generate. While a traditional bond can be created easily backed by the full faith and credit of the country, Sukuk relies on the transfer of benefits of an underlying asset.

The first ever Sukuk issuance in modern times was accomplished by an international firm in 1990, with the issue denominated in Malaysian Ringgit. Eleven years passed before the first international Sukuk was issued by a Malaysian company in U.S. dollars. In 2002, the Malaysian government concluded a second international issue, which also became the first Sukuk appraised by international credit-rating agencies. Since these initial transactions, the Sukuk market has grown significantly, and Sukuk has emerged as a viable asset class.

Growth in issuance was initially driven by Malaysia, concentrating on domestic markets; this was followed by international issues by members of the Gulf Cooperation Council. Recently, other countries, with predominantly Muslim populations, such as Indonesia and Turkey, became regular issuers. Meanwhile, inaugural sovereign issues from countries not characterized by majority Muslim populations, including Hong Kong, Luxembourg, South Africa and the United Kingdom underpinned a new significance for the market. Cote d’Ivoire and Senegal are among latest issuers.

Several other countries are now considering expansion of the instrument set available to public debt managers by including Sukuk, with a view to enlarge and diversify the investor base. Today, Sukuk markets link issuers, sovereigns and corporations to a wider pool of investors around the world, seeking to diversify their holdings beyond traditional asset classes. Malaysia’s recent Global Sukuk offerings issued in April 2016, and maturing in 2016 and 2046, using the Wakalah structure, marks a breakthrough in sovereign issuance. This is the first sovereign Sukuk issued without utilizing physical assets (such as land or buildings) or commodities. The underlying assets for the offering consist of 100 percent non-physical assets, namely, vouchers representing entitlement to a specified number of travel units and shares. This innovative Sukuk structure sets an example for other sovereigns, and confirms Malaysia’s lead in the field. (We would like to thank Emre Balibek of the DMF team for contributing this note).
Debt Management Events

INTOSAI Annual Conference, 5-7 July 2016, Nanjing, China

This year’s Annual Meeting of the INTOSAI Working Group on Public Debt (WGPD) was held over 5-7 July 2016, in Nanjing, China. The meeting agenda included a range of discussion topics: Fiscal Austerity and Public Debt; the WGPB Chair’s Report; Analysis of Existing WGPD Products and Potential Investigation Themes, and Underlying Risks for Sustainability of Public Finances.

Mr. Antonio Velandia-Rubiano, Lead Financial Officer, Financial Advisory and Banking, of the World Bank Treasury, delivered a presentation on the Role of the Debt Management Strategy in Public Debt Management Auditing Functions. During the meeting, the World Bank offered support to INTOSAI in building capacity for the community of Supreme Audit Institutions to improve their understanding of debt management practices and the quality of public debt audits. Such support is likely to be provided through selected webinars as part of a capacity building program.


The current volatile global environment poses significant challenges for debt managers and fiscal policy makers. The prolonged decline in commodity prices has wracked terms of trade, diminished fiscal buffers and dampened growth in many countries. In addition, the prospect of the Federal Reserve raising policy interest rates, together with increasing risk aversion could put upward pressure on borrowing costs. Hence, fiscal authorities and debt managers will need to develop new strategies in order to achieve economic growth and ensure the sustainability of public debt.

Against this backdrop, the World Bank’s Macroeconomics and Fiscal Management Global Practice had organized “Borrow without Sorrow: Managing Debt in a Volatile Global Economy”, a plenary session associated with 2016 Annual Meetings of the International Monetary Fund and World Bank Group. The session took place on October 6, 2016, from 2:15pm to 4:00 pm EST at the World Bank’s Preston Auditorium.

Opening remarks:
Jan Walliser, Vice President for Equitable Growth, Finance and Institutions (EFI).

Speakers/Panelists:

Moderator: Francine Lacqua, Anchor, Bloomberg Television
Mauricio Cardenas, Minister of Finance, Colombia
Pravin Gordhan, Minister of Finance, South Africa
Moritz Kraemer, Global Chief Ratings Officer Sovereigns, Standard and Poor's
Lilian Rojas Suarez, Senior Fellow, Center for Global Development
Apisak Tantivorawong, Minister of Finance, Thailand

The Institute of International Finance - Annual Membership Meeting 2016

The Institute of International Finance (IIF) is a global association for the financial industry, with close to 500 members from 70 countries. Its mission is to support membership in prudent management of risks; to develop sound industry practices; to advocate for regulatory, financial and economic policies that are in the broad interests of its members, and help foster global financial stability and sustainable economic growth. IIF members include commercial and investment banks, asset managers, insurance companies, sovereign wealth funds, hedge funds, central banks and development banks. Continued on Pg. 10.
IIF held its 2016 Annual Membership Meeting over October 6-8, 2016 in Washington DC. More than 1,500 participants representing the financial industry from over 75 countries were expected to attend. Held in parallel with the IMF and World Bank Annual Meetings, the three-day session included over 150 speakers and 50 panels on the future of finance; sovereign debt management; regulatory challenges; innovation, fin-tech; global and regional economic outlooks; implications of Brexit, and developments in frontier markets. For more information, click here.


During October 2016, the Government Debt and Risk Management (GDRM) program, a World Bank Treasury initiative sponsored by the Swiss State Secretariat for Economic Affairs (SECO), will celebrate five productive years in operation, providing assistance to middle-income countries to improve macroeconomic and fiscal management by reducing vulnerability to financial and other shocks. The World Bank will host a seminar in Washington, DC on October 18, 2016 for countries in the program which currently include: Azerbaijan, Colombia, Egypt, Ghana, Indonesia, Peru, Serbia, South Africa, Tunisia, and Vietnam.


The World Bank Treasury will host its eighth Sovereign Debt Management Forum over October 19-20, 2016. The forum is held every two years, with the main objectives to review recent trends and developments in sovereign debt management- and to provide debt managers, primarily from developing and emerging market countries, with an opportunity to share their experiences. The agenda will explore the challenges of the current environment and discuss possible responses from the debt management community. In addition, the Forum will bring into focus a range of technical issues associated with implementing sound practices in public debt management.

DMF Activities for the Period July - September 2016

Technical Assistance Missions

Debt Management Reform Plan

2 Reform Plan missions were undertaken

>> Rwanda: Based on a government request, the World Bank undertook a Debt Management Reform Plan mission to Kigali, Rwanda, over July 5-14, 2016. In close cooperation with the Debt Management Unit of the Ministry of Finance and Economic Development, the mission team designed a customized medium-term plan for reforms in the area of government debt management. The reform plan pillars were selected based on the findings of the 2015 Debt Management Performance Assessment (DeMPA) for Rwanda and grounded in consultations with the central government representatives held during the reform plan mission.

The preliminary recommendations of the mission were discussed with the authorities from the Ministry of Finance and the central bank. Related technical assistance in the area of public-finance management was taken into account while framing the recommendations. In addition to reform plan formulation, the World Bank team also held training sessions on debt management strategy formulation; debt management risk monitoring indicators; domestic market development; calculation of yield curves for government bonds; application of excel tools for analysis of externally funded borrowing proposals and development of an annual borrowing plan.

>> Mongolia: In response to a request from the Mongolian authorities, a World Bank technical assistance mission visited Ulaanbaatar, Mongolia, over September 8-20, 2016, to assist in developing a reform plan in the area of public debt management. Based on the DeMPA mission undertaken in August of this year, the main objective of the mission was to develop--jointly with the debt management team in the Ministry of Finance--a detailed and sequenced reform plan for debt management. The mission met with entities within and outside of the Ministry of Finance and focused on identifying areas in need of improvement. In addition, training was provided as requested, and served to set the stage for generating inputs to the update of the 2016-18 debt management strategy.
Debt Management Performance Assessments (DeMPA)

2 DeMPA missions were undertaken

>> Comoros: At the request of the authorities, the World Bank fielded a DeMPA mission to Moroni from July 26 to August 4, 2016. The team worked closely with main counterparts in the Debt Division of the Ministry of Finance and met with relevant government officials. Two days of training in development of the Medium-Term Debt Management Strategy (MTDS) and the use of the analytical/modeling tool were also delivered.

This was a second DeMPA assessment for Comoros, following that carried out in 2011. It is expected to contribute to the government’s evaluation of the overall public financial system and compliment the findings of a recent PEFA diagnostic report for Comoros. Results of both DeMPA and PEFA assessments are expected to help the authorities to design medium-term priority reforms in line with identified areas requiring further improvement.

>> Mongolia: A World Bank mission visited Ulaanbaatar, Mongolia over August 2-9, 2016, to undertake an assessment of the government’s debt management capacity and institutions. UNCTAD joined the mission as a DMF Implementing Partner.

The main objective of the DEMPA mission was to assess, jointly with the Ministry of Finance and other public entities, the state of current debt management performance in Mongolia. The revised 2015 DeMPA methodology was applied for the evaluation. The team met with representatives involved in government debt management, including officials from the Ministry of Finance, the Bank of Mongolia and commercial banks active in the government securities market. In addition, the timing and content of a requested Debt Management Reform Plan mission was discussed, expected to take place in September/October 2016.

Medium-Term Debt Management Strategy (MTDS) Missions

2 MTDS missions were undertaken

>> Papua New Guinea: In response to a request from the authorities, a joint World Bank-IMF team, with participation from DRI, visited Port Moresby over August 2-15, 2016 to deliver technical assistance on developing an MTDS. The objective of the mission was to build capacity among technical officials in the Department of Treasury to develop a medium term debt strategy. To that end, the mission provided training in applying the MTDS guidance note and the analytical/modeling tool. The team discussed cost and risk characteristics inherent in the current debt portfolio, as well as in the potential portfolios that could arise from a range of illustrative issuance strategies--this in light of factors such as the macroeconomic and financial market environment, the availability of financing from different creditors and markets, and vulnerabilities that may have an impact on future borrowing requirements and debt-service costs.

>> Bosnia and Herzegovina: A World Bank team visited Sarajevo, Bosnia and Herzegovina, from September 21-29, 2016, in response to a request from the State of Bosnia and Herzegovina (BiH), the Federation of Bosnia and Herzegovina (FBiH), Republika Srpska (RS), and the District of Brcko (DB), to provide technical assistance on developing a medium-term debt management strategy.

This was a follow-up mission to build on previous technical assistance on the subject. The team has worked with the authorities to complete a consolidated cost-risk analysis and will invest further efforts to assist with overall strategic guidelines for BiH by the end of the mission. In the workshop, the technical staff also agreed on a calendar for regular production of a consolidated debt management strategy on an annual basis.

Training Activities

DeMPA Training

1 DeMPA workshop was delivered

>> JVI, Vienna, Austria: A World Bank mission conducted a DeMPA workshop over August 8-12, 2016 at the Joint Vienna Institute (JVI), Austria.

The objective of the course was to familiarize participants with the debt management performance assessment methodology and its 2015 update. Participants included those from: Angola, Azerbaijan, Belarus, Bosnia-Herzegovina, Cameroon, Georgia, India, Indonesia, Kenya, Korea, Kosovo, the Kyrgyz Republic, Lebanon, Moldova and Uzbekistan; staff from the African Development Bank and the World Bank’s country offices in Bishkek and Sarajevo also attended the training.

This five-day course achieved the following results: (i) informed participants about the main areas of performance measurement while evaluating central government debt activities, (ii) familiarized participants with the application techniques for evaluating debt management performance, and (iii) informed participants about cross country experiences and recent trends in sound debt management practices at the central government level. The course format included presentations and hands-on case studies with discussions about operational application of DeMPA. And five countries’ representatives de-
livered specific presentations on debt management practices in home countries and shared progress in reforms implementation.

MTDS Training

1 MTDS Training was delivered during this period

>> Joint MTDS for WAEMU countries, Dakar, Senegal: A World Bank and IMF mission team visited Dakar/Somone, Senegal, over 19–23 September 2016 to deliver a workshop on government debt management. The participants at the workshop were technical-level officials from the treasury departments of the ministries of finance of the eight WAEMU countries—Benin, Burkina Faso, Cote d’Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo. The workshop was delivered in cooperation with Agence UMOA-Titres, the central agency for the issuance of treasury bills and bonds by WAEMU governments in the regional market.

The workshop objective was to build capacity in analyzing the cost and risk characteristics of a government debt portfolio and in developing a medium-term debt management strategy. The trainings also discussed a range of issues, including (i) the objectives and scope of debt management; (ii) concepts and measures of cost and risk; (iii) cost, risk, feasibility, and market-development considerations associated with different financing instruments; (iv) macroeconomic, financial-market, and structural factors that a debt management strategy must take into account; (v) identification of potential financing strategies that have desirable cost/risk characteristics and that are implementable; and (vi) documentation and dissemination of a debt management strategy.

Forthcoming Mission Activities

(Oct. 2016 onwards)

- Togo: MTDS, Oct. 2016 (dates being confirmed)
- Liberia: Joint MTDS (dates being confirmed)
- Sao Tome & Principe: DeMPA/Reform Plan, Nov. 10—18, 2016
- Mozambique: DeMPA Nov. 30—Dec. 9, 2016

Forthcoming Training Events

(Oct. 2016 onwards)

- In-country MTDS Workshop, Kigali, Rwanda, Sept. 26—Oct. 5, 2016
- DeMPA e-Learning Oct. 3—Nov. 4, 2016
- DSA Training, Kuala Lumpur, Malaysia, Nov. 7—11, 2016
- Annual Borrowing Plan (WAEMU countries), Dakar, Senegal Dec. 12—16, 2016
- DSA Training, Nairobi, Kenya, Feb. 6—10, 2017
- MTDS Workshop, Geneva, Feb. 6—10, 2017
- DSA Training, Abuja Nigeria, Mar. 6—10, 2017
Debt Management Facility (DMF) Newsletter
Issue 25, October 2016

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.

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