



# The Assessment Process



World Bank Treasury



**ECONOMIC POLICY AND  
DEBT DEPARTMENT**

Sound Economics for Growth and Poverty Reduction



## Important Steps of a Typical Assessment

0. Demand for a DeMPA assessment
  1. Review existing information
  2. Schedule meetings
  3. Main field work-mission
  4. Discuss assessment
  5. Wrap-up presentation
  6. Draft performance report
  7. Quality review – peer review
  8. Submit final report to authorities



# Assessment Considerations

- Sources of information
- Scoring and calibration
- Performance report
- Quality assurance arrangements



# Sources of Information

- Existing information (pre-mission)
  - » PEFA, CPIA, HIPC reports, WB reports, WB Debtor Reporting System (DRS), IMF Article IV, TA providers, donors
- DPI
  - » Coverage of the Dimensions
  - » Period
- Indicative sources of information
  - » Supporting documents
  - » Availability (see word file)
  - » Meetings – questions
  - » Judgment



# Scoring and Calibration

- Four point scale (A,B,C,D)
  - » Score C is minimum for effective DeM
    - » Determine score by starting from C going upwards
    - » A reflects internationally accepted “sound practice” – B for more granularity between A and C
    - » D signals the need for priority attention and corrective action
    - » Not rated – if the function/process is not in place
- Most DPIs indicators have 2,3,4 dimensions
  - » Each dimension must be rated separately
  - » Aggregate dimension scores across indicators
  - » Intermediate scores B+, C+, D+ for multi-dimensional indicators where the dimensions score separately



# Performance Report

- Performance Report (10-20 pages): evaluates debt management performance based on indicators
- Three main sections (and a summary)
  1. Debt situation
  2. Assessment with DPIs
  3. Recent and ongoing reforms



# DeM Performance Report

- Assessments developed and finalized with country authorities
- Highlight strengths and areas for improving performance in debt management
  - No recommendations
  - No conditionality
  - Report released by country authorities
  - In case views diverge – both opinions recorded



# Quality Assurance and Progress

## Quality assurance arrangements

- » Peer review assessment reports
- » Provide supporting evidence to PRMED/DeMPA Secretariat
- » Check content, sources of evidence to arrive at assessment
- Tracking progress overtime
  - Improved scores reflect progress



# Field-Tests Assessments



## Synthesis of field-tests

(adjusted to revised 14 Debt Performance Indicators)

	Legal Framework	Managerial Structure	Debt Management Strategy	Evaluation of Debt Management Operations	Audit	Coordination with Macroeconomic Policies	Domestic Borrowing
2007	DPI-1	DPI-2	DPI-3	DPI-4	DPI-5	DPI-6	DPI-7
Country 1	A	A	B+	B	C+	C+	B
Country 2	C	D	D	D	D	D+	B
Country 3	C+	C	D	D	D	C+	C+
Country 4	C	C	D	D	D+	D+	C+
Country 5	A	D+	D	D	D	B	C+
	External Borrowing	Loan Guarantees, Onlending Derivatives	Cash Flow Forecasting and Cash Balance Management	Debt Administration and Data Security	Segregation of Duties, Staff Capacity and BCP	Debt Records	Debt Reporting
2007	DPI-8	DPI-9	DPI-10	DPI-11	DPI-12	DPI-13	DPI-14
Country 1	D	C	C+	B	D+	D+	C
Country 2	D	D	D+	B	D+	C+	C
Country 3	C	D	D+	B	D+	C+	C+
Country 4	D	C	C+	D+	D+	B	C+
Country 5	B+	C	D	B+	C+	A	B

\*Grey areas require priority attention



## Links to Possible Assistance

### Assessment Result

Separate databases for external and domestic debt



### Possible Assistance

Integrated debt recording system

Absence of a debt strategy/DSA



Training, policy advice

Inadequate cash management



Cash management system

Debt policy not coordinated with other macro-policies



Capacity building

Build-up of domestic arrears



Securitization of arrears

Debt market under-developed



Reform and development strategy



## Key Lessons from Testing

- Avoid “indicator fatigue” – try to coordinate with other indicator assessments, e.g. PEFA
- Assessment process is collaborative – a dialogue not an examination
- Score on quantitative and documentary evidence
- Interact with relevant in-country DeM stakeholders: various government agencies – not just debt manager, market players, donor community, TA providers, etc.



DeMPA

**Thank you!**

**Dweist@worldbank.org**  
**aprasad@worldbank.org**