



An Introduction to DeMPA



1. Objectives and features
2. Coverage and process of implementation
3. Preliminary results
4. Next steps



What is DeMPA?

- DeMPA is a methodology for assessing public debt management performance through a comprehensive set of performance indicators spanning the full range of government debt management (DeM) functions
 - It is firmly grounded in the Public Expenditure and Financial Accountability (PEFA) methodology and offers a “drill down” on debt management
- It may be applied in all developing countries



Objectives

- To assess debt management performance and monitor it over time
- To enable design of actionable reform programs
- To enhance donor harmonization based on common understanding of priorities



DeMPA Tool-Kit

- DeMPA Tool
 - » 15 Debt Performance Indicators (DPIs) with 35 Dimensions
 - » Most DPIs have more than one dimension
 - » Covers six core debt management functions
 - » Scoring method
 - » Performance Report
- Indicators complemented by Guide
 - » background information and rationale on each indicator
 - » a list of supporting documentation
 - » indicative questions



Features of DeMPA

- DeMPA Indicators
 - » Standardized metric – helps to measure DeM performance
 - » Highlights strengths and weaknesses
 - » Indicators are outcome-based not input-based (except DPI 13)
 - » Based on “sound practice”
 - » Neutral regarding institutional arrangements for DeM in country
 - » Monitor progress over time
- Assess performance of DeM operational functions



	Governance and Strategy Development
DPI-1	Legal Framework
DPI-2	Managerial Structure
DPI-3	Debt Management Strategy
DPI-4	Evaluation of Debt Management Operations
DPI-5	Audit
	Coordination with Macroeconomic Policies
DPI-6	Coordination with Fiscal Policy
DPI-7	Coordination with Monetary Policy
	Borrowing and Related Financing Activities
DPI-8	Domestic Borrowing
DPI-9	External Borrowing
DPI-10	Loan Guarantees, On-lending and Derivatives
	Cash Flow Forecasting and Cash Balance Management
DPI-11	Cash Flow Forecasting and Cash Balance Management
	Operational Risk Management
DPI-12	Debt Administration and Data Security
DPI-13	Segregation of Duties, Staff Capacity and Business Continuity
	Debt Records and Reporting
DPI-14	Debt Records
DPI-15	Debt Reporting



Coverage of Indicators

Coverage: Central Government DeM and connected activities

- Borrowing and use of derivatives
- Issue of loan guarantees
- On-lending
- Cash flow forecasting and cash balance management

Exception: DSA and debt reporting include total non-financial public sector debt and loan guarantees

Flexible: applicable in sub-national context



DeMPA: Scoring Method

Scoring method - quantifiable scores (A to D)

- Meet minimum requirement = Score C
 - Important for effective debt management
- Absence of minimum requirement = Score D
 - Signals an area of priority attention
- Sound practice = Score A (B intermediate for more granularity)
- Not rated – if process/system does not exist (e.g., derivatives)



Implementation Process

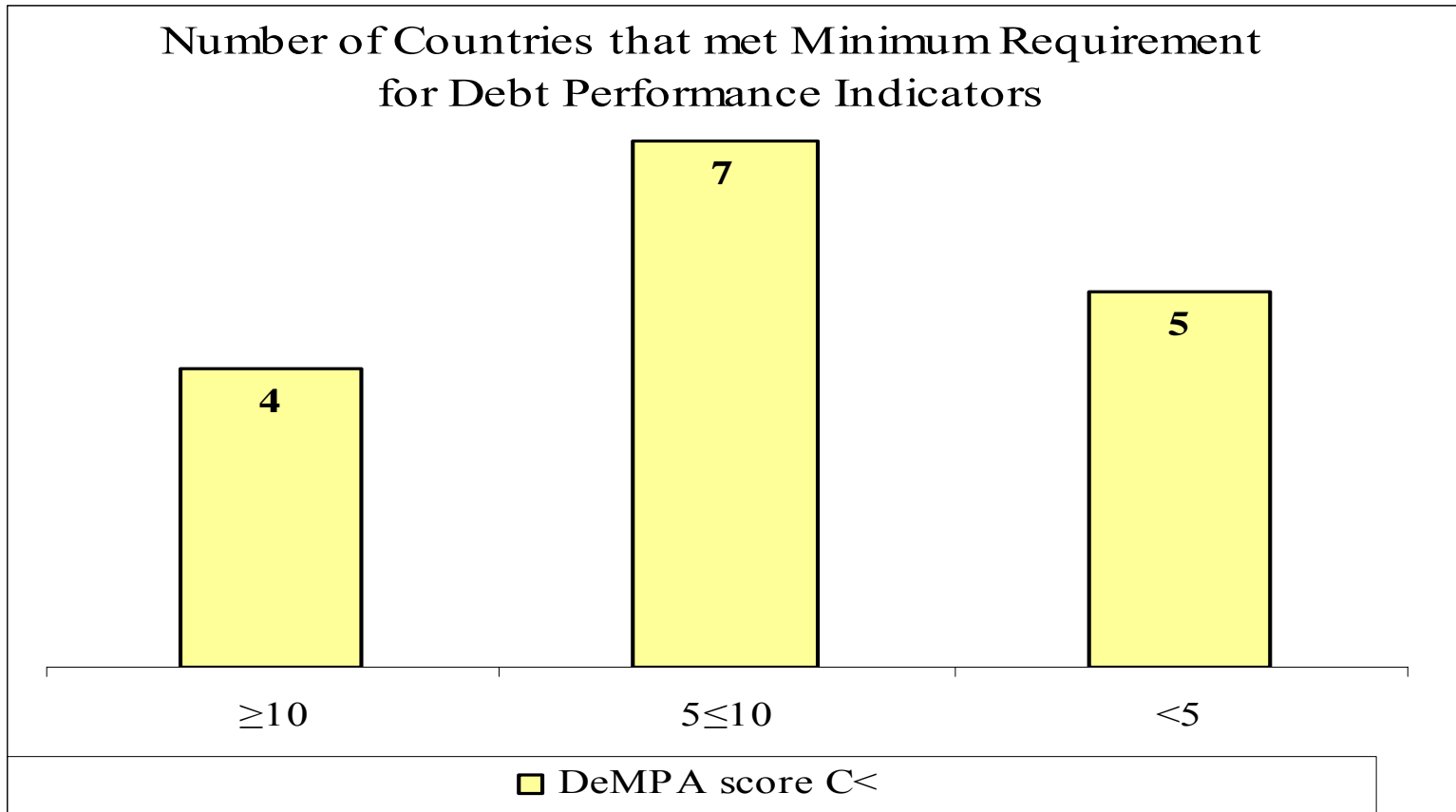
- Assessment
 - Country-team led initiative
 - Evaluation of existing and available evidence
 - In-country assessments, based on both qualitative and quantitative data
 - Meetings with stakeholders, including on the ground donors, TA providers
- Performance Report:
 - Evaluates debt management performance based on indicators (20 pages)
 - Assessment developed and finalized with country authorities
 - Highlights strengths and areas for improving performance in debt management
 - » No recommendations
 - » No conditionality
 - » Reports released by country authorities



Preliminary Results



Preliminary Results – DeMPA Exercise in a Variety of DeM Environments





Preliminary Results (2)

Picks up priority areas of reform and monitors progress

DPI/ Country	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Legal Framework	✓	✓	✓	✓	D	✓	D	✓	D	✓	✓	✓	✓	✓	✓	D
Managerial Structure	✓	D	✓	✓	D	D+	D	D	D	D	✓	✓	✓	✓	✓	D
Debt Management Strategy	✓	D	D	D	D	D	D	D	D	D	D	D	✓	D	D	D
Evaluation of Debt Management Operations	✓	D	D	D	✓	D	D	✓	✓	D	D	D	✓	D	✓	D
Audit	✓	D	D	D+	D	D	D	✓	D	D	D	D	✓	✓	D	D
Coordination with Fiscal Policy	D+	D+	✓	✓	✓	✓	D	✓	D	✓	D+	✓	✓	✓	✓	D
Coordination with Monetary Policy	✓	✓	✓	D+	✓	✓	✓	D+	✓	D	D+	✓	✓	✓	✓	✓
Domestic Borrowing	✓	✓	✓	✓	✓	✓	D	✓	N/R	✓	D	✓	✓	✓	✓	D
External Borrowing	D	D	D+	D	D+	✓	D+	D+	D	D	D	D+	✓	D+	✓	D
Loan Guarantees, Onlending Derivatives	✓	D	D	✓	D	✓	N/R	D	N/R	D	D	✓	✓	D	✓	D
Cash Flow Forecasting and Cash Balance Management	✓	D	D+	✓	D+	D	D	D	D+	✓	D	D+	D	D	✓	D
Debt Administration and Data Security	✓	✓	✓	D+	D	✓	D	D	D	D	D	D	D	D	D+	D
Segregation of Duties, Staff Capacity and BCP	D+	D+	D+	D+	D	✓	D	D	D	D	D	D+	D	D	D	D
Data Records	✓	✓	✓	✓	D+	✓	D	✓	D	D	D+	D+	✓	D+	✓	D
Debt Reporting	✓	✓	✓	✓	✓	✓	D	D+	D+	D	D	D	✓	✓	✓	D

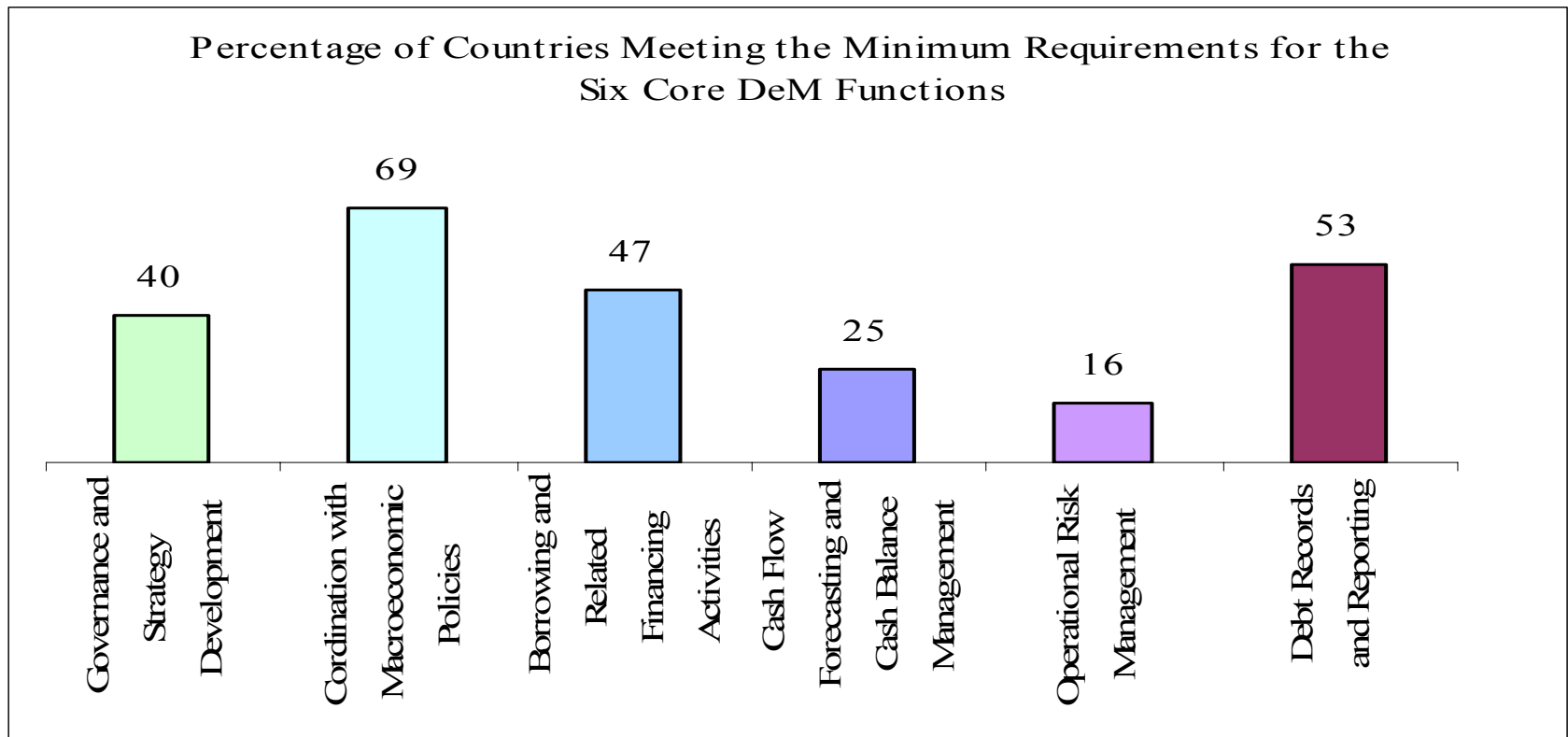
X indicates deficiency

✓ indicates meeting with requirements



Preliminary Results (3)

- Across the six core functions





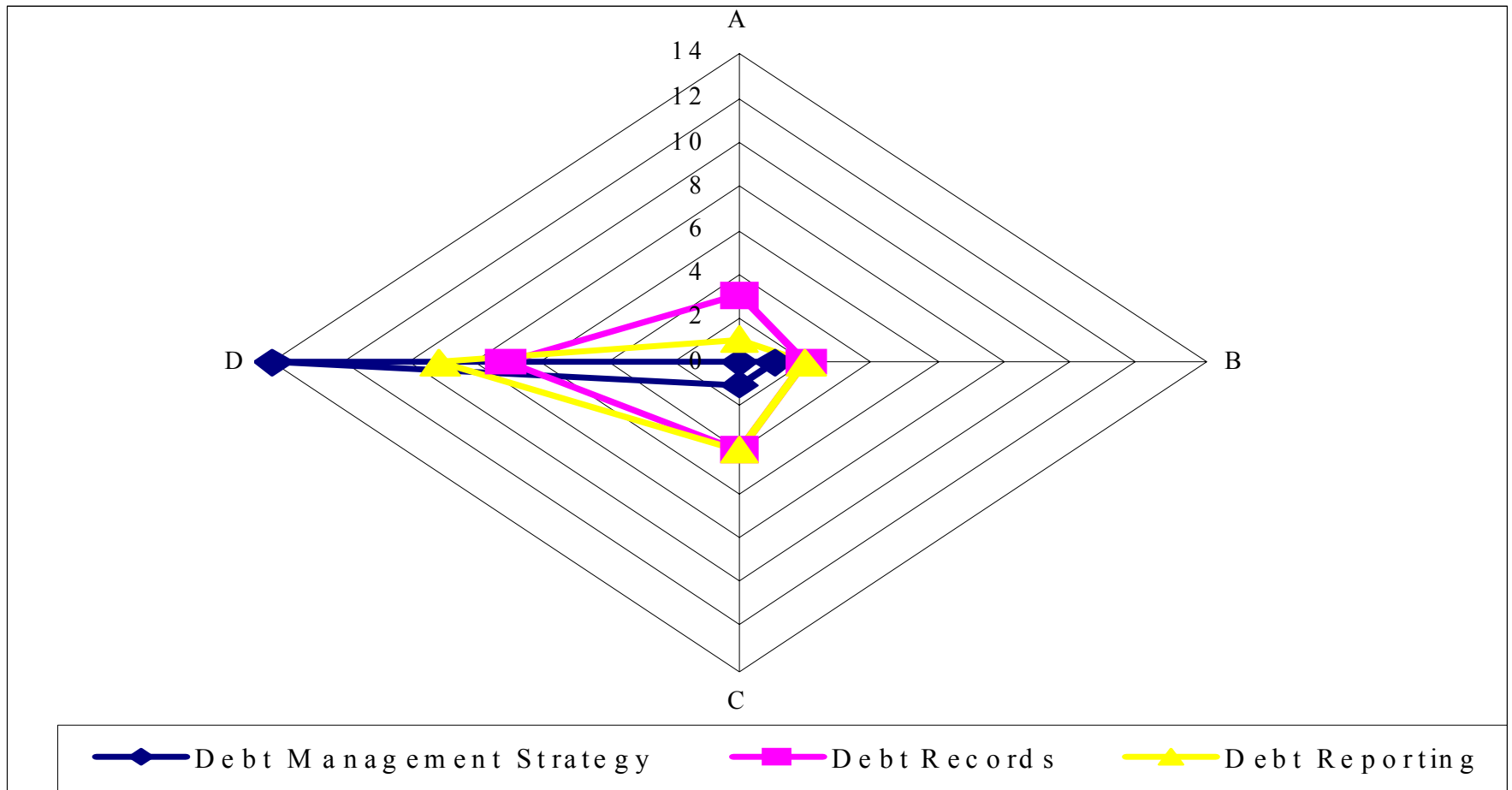
Lead-lag pointers

		Year 1	Year 3
DPI 1	Legal framework	√	√
DPI 2	Managerial Structure	√	√
DPI 3	Debt Management Strategy	√	X
DPI 4	Evaluation of Debt Management Operations	√	√
DPI 5	Audit	√	√
DPI 6	Coordination with Fiscal Policy	√	X
DPI 7	Coordination with Monetary Policy	√	√
DPI 8	Domestic Borrowing	√	√
DPI 9	External Borrowing	X	X
DPI 10	Loan Guarantees, Onlending Derivatives	√	√
DPI 11	Cash Flow Forecasting, Cash Balance Mgt.	√	√
DPI 12	Debt Administration and Data Security	√	√
DPI 13	Segregation of Duties, Staff Capacity and BCP	X	X
DPI 14	Debt Records	X	X
DPI 15	Debt Reporting	X	X

- Deficiencies today may impact future performance in other DPIs



Relationship between Indicators



- Sequence of reforms?



Thank You

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