



Lifecycle of a Loan

DeMPA Workshop
UNCTAD, Geneva
3-5 September 2008



Introduction

- Lifecycle is effectively the same for each of the following:
 - Multilateral, bilateral, and commercial loans
 - Treasury bills and government bonds
 - International, euro, and global bonds
 - Other forms of borrowing
 - Investment of cash balances
 - Derivative transactions



Agenda

- We will examine the lifecycle in four stages:
 - Planning
 - Contracting
 - Servicing
 - Reporting
- We will show how each DPI fits into these four stages



Planning

The planning process is needed to ensure that the following are in place for the government to borrow and transact:

1. Legislation (primary and secondary)
2. Managerial structure and policy setting
3. Government debt strategy
4. Co-ordination mechanisms with macroeconomic policies (fiscal and monetary policy)



DPI 1



DPI 2



DPI 3



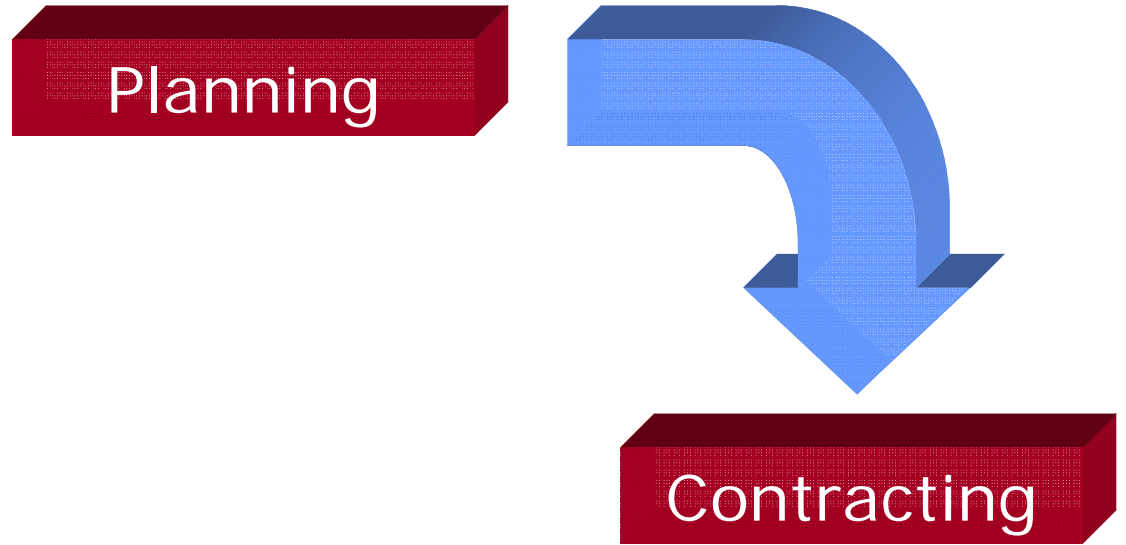
DPI 6



DPI 7



Debt Management Performance Indicators





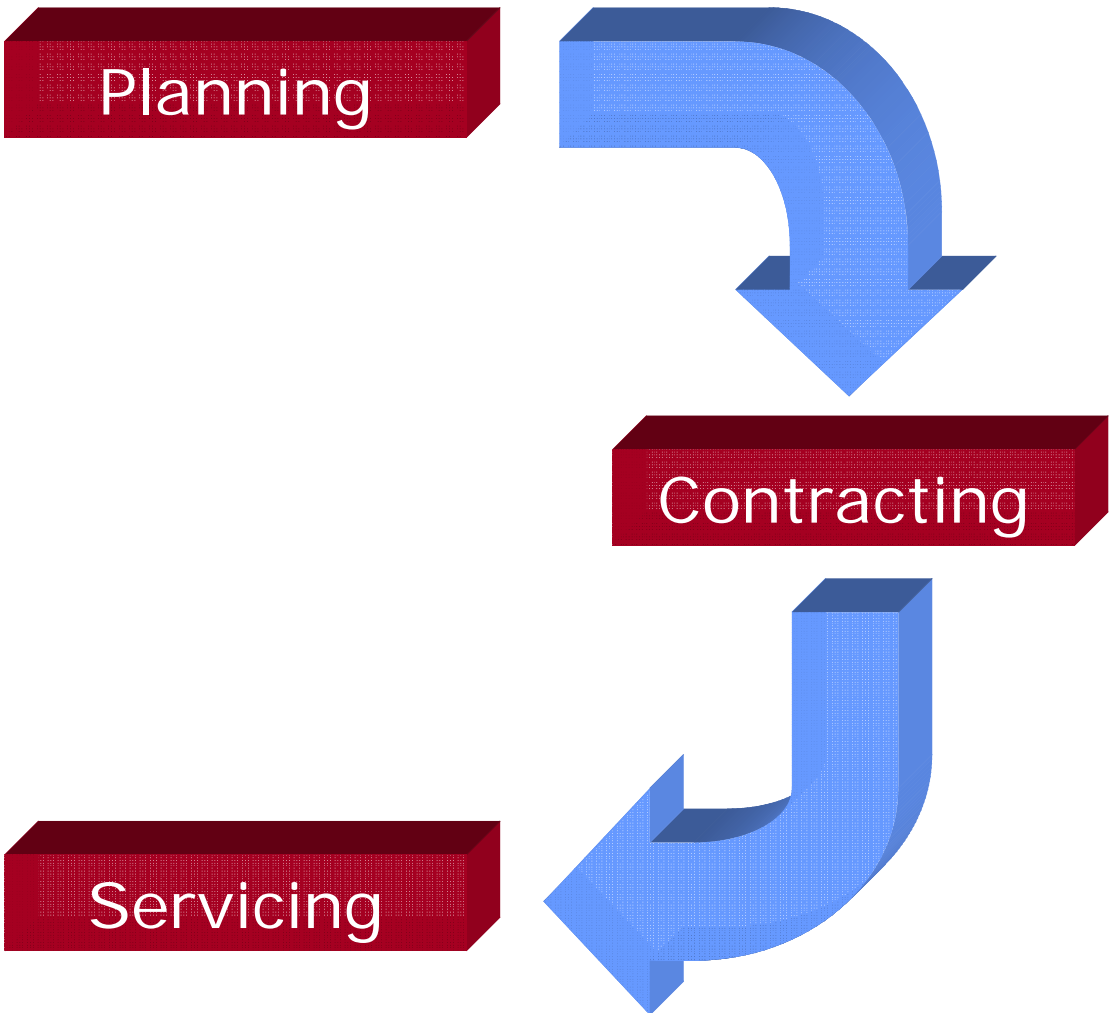
Negotiating and contracting should be undertaken within authorities and limits, and in accordance with the debt strategy, covering:

1. Domestic borrowing
2. External borrowing
3. Loan guarantees
4. Lending/on-lending
5. Derivatives





Debt Management Performance Indicators





Debt Management Performance Indicators

Systems and procedures are needed for recording, monitoring, settling, and accounting for all debt and debt-related transactions in a secure and controlled environment:

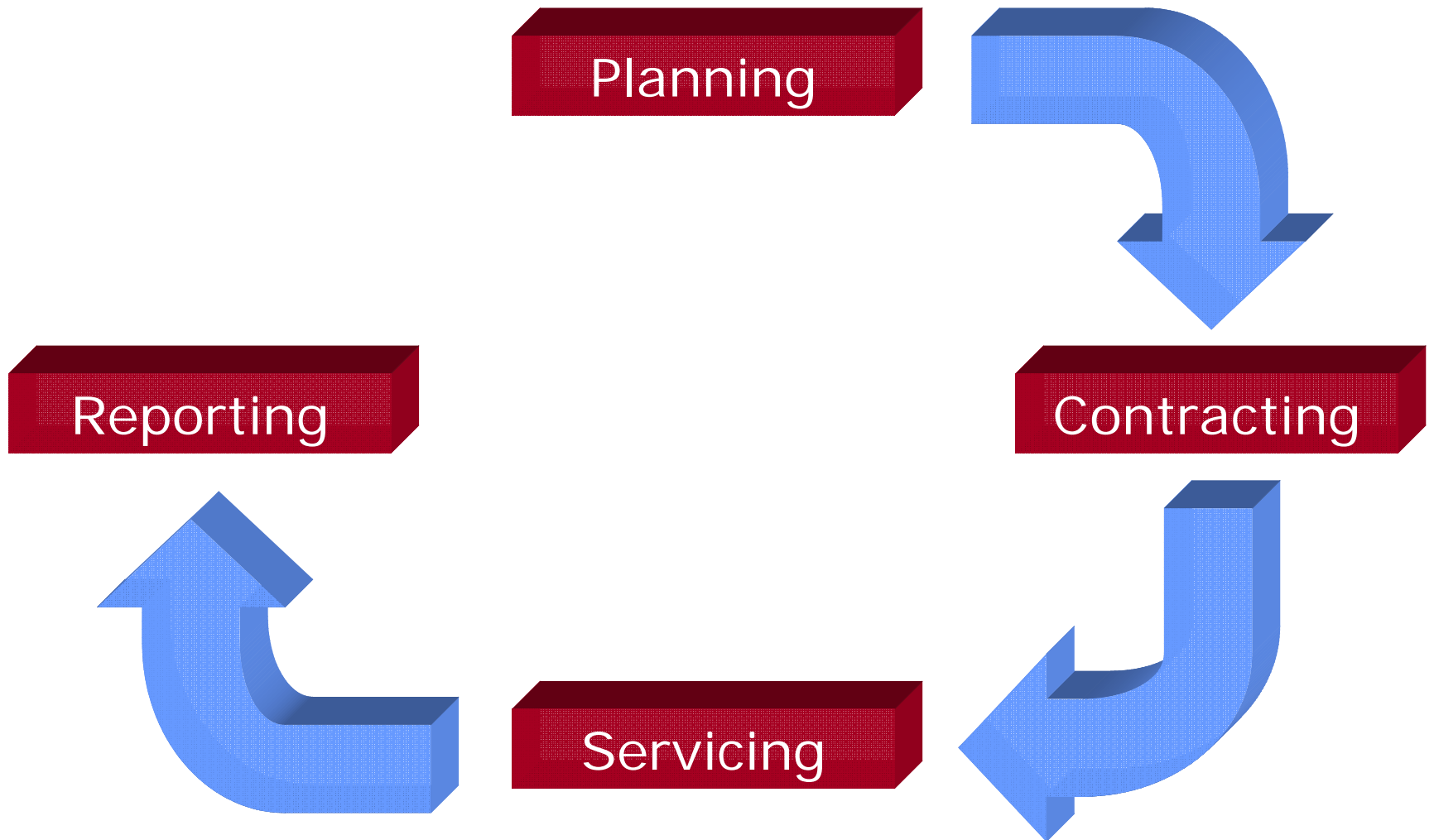
1. Cashflow forecasting and cash balance management
2. Debt administration and data security
3. Capacity and resources – segregation of duties, staff capacity, and business continuity
4. Debt recording



Servicing



Debt Management Performance Indicators





Reporting

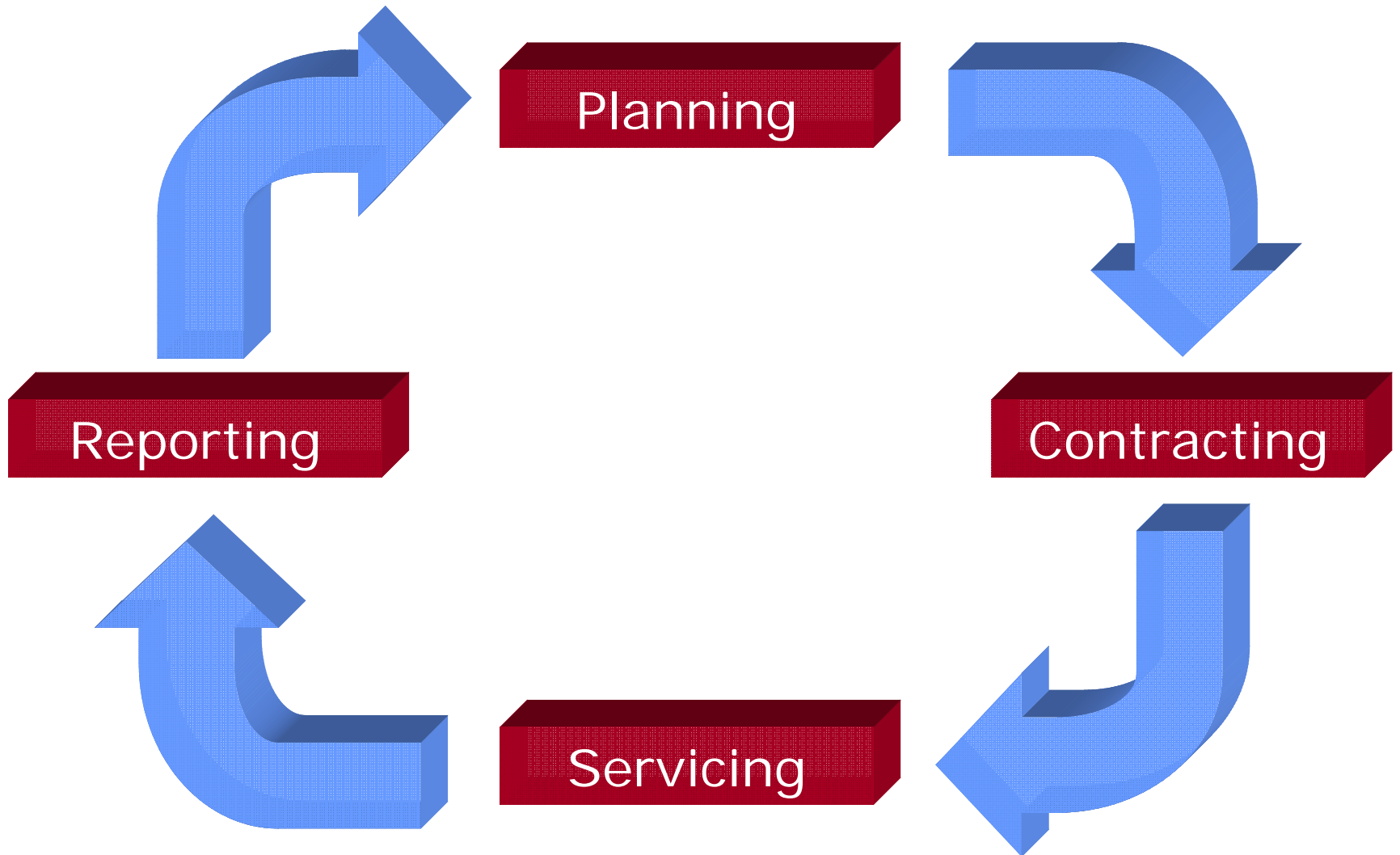
Reporting ensures transparency and accountability for debt management policy and operations:

1. Evaluation of debt management operations
2. Internal and external audit
3. Reporting



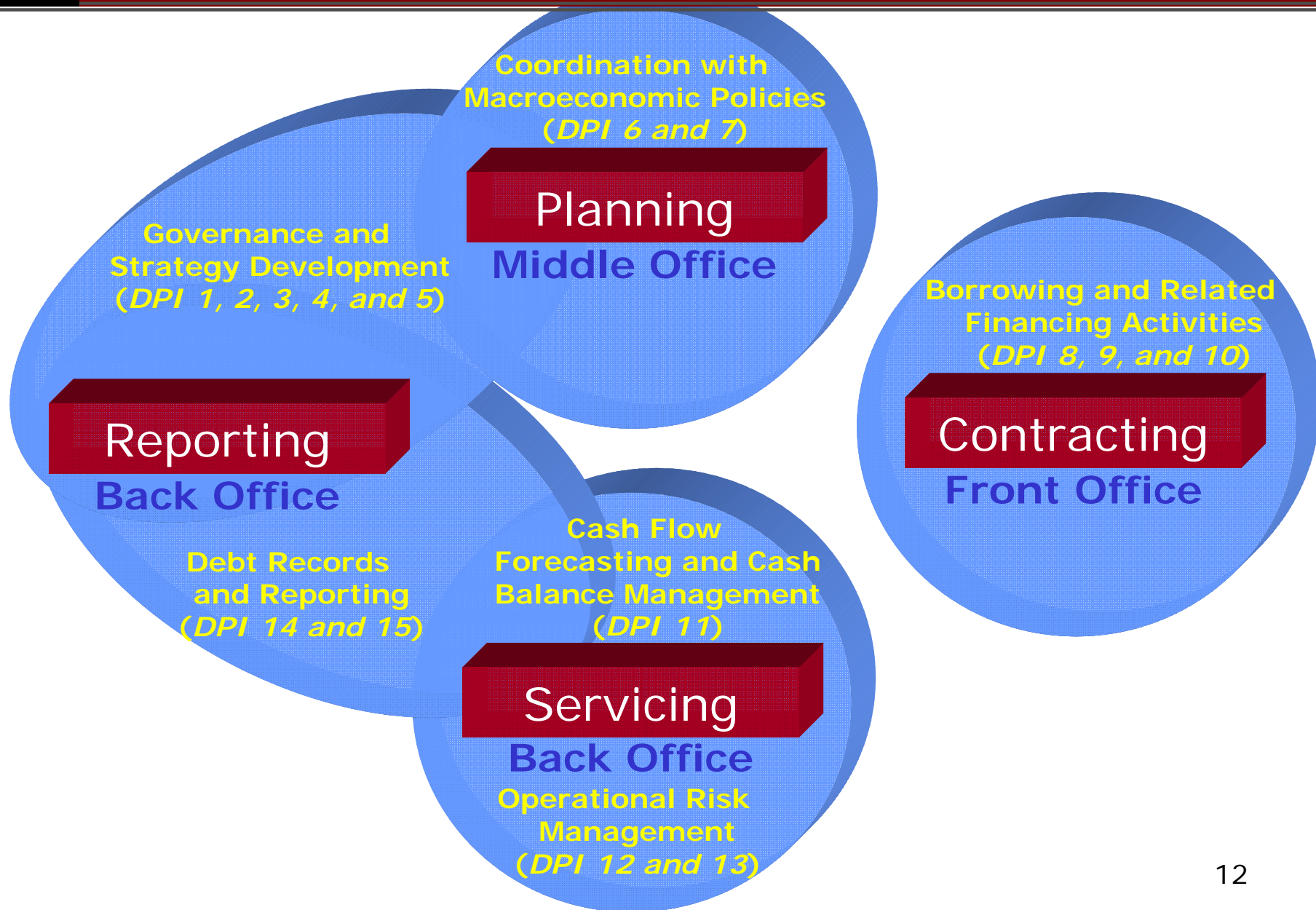


Debt Management Performance Indicators





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Thank you!

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