

THE WORLD BANK  
GROUP

DEBT MANAGEMENT  
ADVICE,  
PRODUCTS AND  
SERVICES



ADVISORY SERVICES

TRAINING AND OUTREACH

RESEARCH AND RESOURCES

THE WORLD BANK  
1818 H STREET, NW  
WASHINGTON, DC, 20433 USA

# THE WORLD BANK GROUP

## DEBT MANAGEMENT ASSISTANCE PROVIDERS

- ◆ Economic Policy and Debt Department (PRMED) works on debt policy, strategy and sustainability analysis for developing countries. It assists developing countries on a demand driven basis to improve their debt management performance, through application of the Debt Management Performance Assessment (DeMPA) tool, through capacity building to develop and implement a comprehensive Medium Term Debt Management Strategy (MTDS) and to assess debt sustainability through the Debt Sustainability Framework (DSF) approach.
- ◆ The World Bank Treasury offers a range of financial and related advisory services to members of the International Bank for Reconstruction and Development (IBRD) and other official institutions. The services offered leverage Treasury's expertise in the areas of asset management, public debt management and international capital market access, strategy and implementation.
- ◆ The Capital Markets Advisory Group (CCGCM) helps countries develop and promote deeper, liquid and more stable capital markets, including public and private bond markets. With regard to public debt markets, the group provides technical support to implement debt strategies, build capacity and introduce reforms.



# DEBT MANAGEMENT ADVICE AND SUPPORT

## PUBLIC DEBT MANAGEMENT

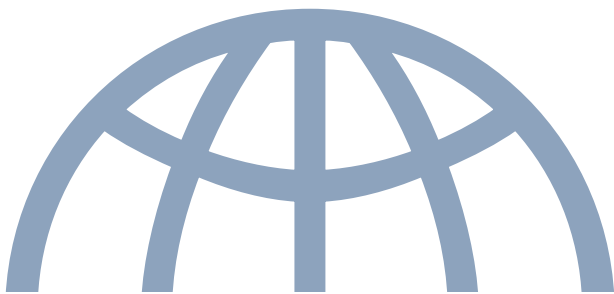
For clients seeking to improve their debt management practices, including the performance and risk characteristics of public debt portfolios, the Public Debt Management (PDM) team offers a full range of advisory services. Our public debt management specialists are drawn from senior positions in sovereign debt offices worldwide, and are available to provide advice in a range of topics including:

- ◆ Governance: including the legal framework, institutional arrangements, reporting and transparency
- ◆ Debt management strategy and risk management: determining the composition of public debt
- ◆ Capacity and management of internal operations: skill mix of staff, processes and procedures, and systems
- ◆ Coordination with cash management, macroeconomic policy, and debt market development
- ◆ Debt management strategy implementation and access to the capital and derivatives markets (with input from Treasury staff responsible for managing the World Bank's balance sheet)

Advisory engagements are customized based on client needs, and can focus on the entire debt management process, or on a specific aspect of the debt management practice such as institutional arrangements, legal framework, risk analysis, strategy design, cash management, execution capacity, contingent liabilities, market access and reporting and investor relations. For all engagements our experts start with a diagnostic, which usually maps the current situation against international sound practice. This is followed by an action plan that addresses the gaps found in the diagnostic. Finally, these actions are implemented either by members of the PDM team itself, or by international consultants closely supervised by the team.

For more information:

[http://treasury.worldbank.org/bdm/html/public\\_debt.html](http://treasury.worldbank.org/bdm/html/public_debt.html)



## CAPITAL MARKET ACCESS STRATEGY AND IMPLEMENTATION PROGRAM

For clients seeking access to international bond markets as part of their strategy, we offer advice on all aspects of the process for funding or executing hedging strategies:

- ◆ Funding program strategy
- ◆ Investor relations and rating agency relationships
- ◆ Establishing and managing relationships with bankers
- ◆ Setting up issuance platforms for frequent borrowings
- ◆ Designing, selecting and executing transactions—ranging from global bonds to private placements
- ◆ Evaluating and executing structured financing proposals and other uses of derivatives as part of a sovereign liability portfolio

For more information:

[http://treasury.worldbank.org/bdm/htm/capital\\_markets.html](http://treasury.worldbank.org/bdm/htm/capital_markets.html)

## DEBT MANAGEMENT FACILITY

The Debt Management Facility (DMF)—a multi-donor trust fund—has been established to assist developing countries in strengthening their debt management capacity. Among other products, the DMF finances the following debt management activities:

- ◆ The Government Debt Management Performance Assessment (DeMPA) assesses strengths and weaknesses in public debt management, through a comprehensive set of 15 performance indicators that cover six core areas of public debt management: governance and strategy development; coordination with macroeconomic policies; borrowing and related financing activities; cash flow forecasting and cash balance management; operational risk management; and debt records and reporting. A DeMPA assessment report is useful in guiding the design of actionable reform programs, facilitating the monitoring of performance over time, and enhancing donor harmonization based on common understanding of priorities.
- ◆ Medium-Term Debt Management Strategy (MTDS) provides a framework for formulating and implementing a debt management strategy for the medium term. It is primarily focused on determining the appropriate composition of the debt portfolio, taking

into account macroeconomic framework and market environment. MTDS is useful for illustrating government's cost and risk tradeoffs associated with different debt management strategies.

For more information:

on DMF; <http://go.worldbank.org/5V9TDV0DH0>

on DeMPA; <http://go.worldbank.org/5AHEF2KF70>

on MTDS; <http://go.worldbank.org/3EXKDHVJB0>

## DEBT SUSTAINABILITY FRAMEWORK

The Debt Sustainability Framework (DSF) promotes appropriate lending and borrowing decisions in low-income countries (LICs), whose main source of financing is official loans. To prevent the accumulation of unsustainable debt, the DSF annually monitors LIC's risk of sovereign debt distress. Its forward-looking approach helps clients balance the need for funds with the ability to repay their debts. It encourages creditors and donors to provide financing on terms that allow clients to pursue the Millennium Development Goals (MDGs) while staying within their means to repay loans.

For more information:

<http://go.worldbank.org/VW1LCJFDJ0>

## SUBNATIONAL FISCAL AND DEBT MANAGEMENT

Subnational fiscal and debt management is emerging as an important public policy agenda for developing countries. The work program provides for technical assistance, policy advice and trainings on conceptual and operational aspects of subnational fiscal and debt management, including the regulatory frameworks for subnational borrowing and debt management. The subnational DeMPA tool and fiscal sustainability tools are being developed.

For more information: <http://go.worldbank.org/debt>

## DOMESTIC GOVERNMENT DEBT MARKET DEVELOPMENT

For clients interested in developing the domestic government bond market and facilitating the implementation of sound debt management practices, we provide support in identifying and addressing constraints to build:

- ◆ Efficient money and primary markets
- ◆ Active secondary markets

- ◆ Access to a diversified investor base
- ◆ Sound securities custody and settlement systems
- ◆ Robust debt market regulation

## GEMLOC ADVISORY SERVICES PROGRAM

The advisory services program is one of three components of the Global Emerging Markets Local Currency Bond Program (Gemloc), aimed at strengthening and enhancing local currency bond markets. The other two components are (1) a private sector investment manager that will promote investment in local currency bonds and (2) a new global emerging markets local currency bond index —GEMX.

The advisory services program consists of:

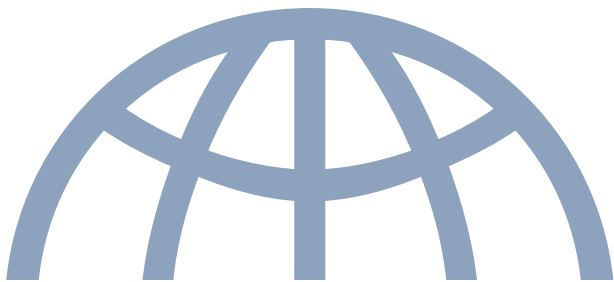
- ◆ **Country-specific work:** A wide variety of advisory services tailored to individual country needs, designed to help countries to develop a road map for debt market reforms, and advising and supporting countries in implementing these reforms.
- ◆ **Cross-country dialogue:** Countries often face similar issues in implementing debt market reforms and may benefit from sharing experiences. The dialogue brings together countries with similar reform agendas for focused roundtable discussions, and facilitates online discussion groups between counterparts from ministries of finance, central banks and securities regulators from different countries to exchange views and experiences, as well as share materials.
- ◆ *Applied research:* Practical, empirically based research on developing local currency bond markets.

For more information:

<http://www.gemloc.org> or contact us at:

[gemlocta@worldbank.org](mailto:gemlocta@worldbank.org)

<http://www.ifc.org/securitiesmarkets>



## OTHER SERVICES

Through an extensive program of training, conferences, and research the World Bank Group provides opportunities for knowledge sharing and networking. These opportunities are available to the World Bank Group member countries, staff and other stakeholders.

## TRAINING

Training is structured to provide current thinking on sound practices in sovereign debt management, debt market development, debt performance assessment, debt strategy, and debt sustainability analysis with hands on training techniques. In many instances, the World Bank co-sponsors and delivers training events together with related institutions and debt management assistance providers.

## OUTREACH

Other outreach events include a practitioners program for debt management officials from low income countries and the implementation of a network for Sub-Saharan African debt managers.

Periodically, the World Bank Group also organizes conferences that bring together practitioners and experts in the relevant field e.g. the Sovereign Debt Management Forum, the World Bank-OECD-IMF Bond Market Forum, Government Borrowers' Forum, the Gemloc Conference and others.

## RESEARCH AND PUBLICATIONS

The Bank conducts original research and is a leader in new thinking in critical areas of debt policy and public debt management. Research areas focus on: legal framework; institutional arrangements; Asset Liability Management Framework for Public Debt Management; the foreign currency portfolio composition; IT systems; contingent liabilities, and the links between sovereign debt and market development.

## THE WORLD BANK GROUP:

SUPPORTING CLIENTS BUILD EXPERTISE IN:

- ◆ PUBLIC DEBT MANAGEMENT
- ◆ CAPITAL MARKET ACCESS
- ◆ DOMESTIC GOVERNMENT DEBT MARKET DEVELOPMENT

- ◆ DEBT MANAGEMENT FACILITY
- ◆ DEBT SUSTAINABILITY FRAMEWORKS

The World Bank Group offers a range of debt policy advisory services, including debt management strategy design, debt sustainability analysis, and the assessment of debt management performance in developing countries.

The services and advice are provided by seasoned practitioners and are grounded by the experiences of public debt management practices in industrial and emerging market governments, as well as the funding operations and management of the financial risks on the balance sheet of the World Bank.

Our experts are available to support the reform process through the three main stages: (1) needs assessments/diagnostic, (2) design of reform plan, and (3) implementation.

## CONTACT US

*For services related to the Debt Management Facility (DMF),  
the Debt Sustainability Framework (DSF),  
or subnational fiscal and debt management:*

### **Economic Policy and Debt Department**

Sudarshan Gooptu [sgooptu@worldbank.org](mailto:sgooptu@worldbank.org)  
Fernando L. Hernandez [fhernandez@worldbank.org](mailto:fhernandez@worldbank.org)  
Telephone: +1.202.458.0339  
<http://worldbank.org/economicpolicyanddebt>

*For other public debt management services  
or international capital markets access strategy:*

### **World Bank Treasury**

Phillip Anderson [prdanderson@worldbank.org](mailto:prdanderson@worldbank.org)  
Antonio Velandia-Rubiano [avelandia@worldbank.org](mailto:avelandia@worldbank.org)  
+1.202.458.1122  
<http://treasury.worldbank.org/>

*For domestic debt market services:*

### **Capital Markets Advisory Group**

Alison Harwood [aharwood@ifc.org](mailto:aharwood@ifc.org)  
Anderson Silva [asilva3@worldbank.org](mailto:asilva3@worldbank.org)  
Telephone: +1.202.458.0195  
Fax: +1.202.522.1604  
[http://www.ifc.org/ifcext/economics.nsf/Content/CG-Corporate\\_Governance\\_Department](http://www.ifc.org/ifcext/economics.nsf/Content/CG-Corporate_Governance_Department)

**October 2010**

