

THE WORLD BANK GROUP:

HELPING CLIENTS BUILD EXPERTISE IN:

- ◆ PUBLIC DEBT MANAGEMENT
- ◆ CAPITAL MARKET ACCESS
- ◆ DOMESTIC GOVERNMENT DEBT MARKET DEVELOPMENT
- ◆ DEBT MANAGEMENT TOOLS
- ◆ DEBT SUSTAINABILITY FRAMEWORKS FOR LOW INCOME COUNTRIES

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

Services and advice are provided by seasoned practitioners and are grounded in the experiences of public debt management practices in industrial and emerging market governments. We also draw experiences from the funding operations and management of the financial risks on the balance sheet of the World Bank.

RESOURCES

- World Bank and IMF (2009), Developing a Medium-Term Debt Management Strategy (MTDS) – Guidance Note for Country Authorities.
- ____ (2009), “Managing Public Debt: Formulating Strategies and Strengthening Institutional Capacity”.
- ____ (2008), Staff Guidance Note on the Application of the Joint Bank-Fund Debt Sustainability Framework for Low-Income Countries.
- ____ (2007), Strengthening Debt Management Practices: Lessons from Country Experiences and Issues Going Forward.
- ____ (2006), Guidelines for Preparing LIC DSA.
- ____ (2003), Amendments to the Guidelines for Public Debt Management.
- ____ (2001), Guidelines for Public Debt Management.
- ____ (2001), Developing Government Bond Markets: A Handbook.
- World Bank (2007), Managing Public Debt: From Diagnostics to Reform Implementation.

- ____ (2007), Developing Domestic Government Debt Market: From Diagnostics to Reform Implementation.
- ____ (2007), Debt Management Performance Assessment Tool (DeMPA) and Guide.
- Wheeler, Graeme (2004), Sound Practice in Government Debt Management.

CONTACT US

On the Web:

<http://www.worldbank.org/debt>

<http://treasury.worldbank.org>

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

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THE WORLD BANK GROUP

DEBT MANAGEMENT ADVICE, PRODUCTS AND SERVICES



ADVISORY SERVICES

TRAINING AND OUTREACH

RESEARCH AND RESOURCES

THE WORLD BANK GROUP

DEBT MANAGEMENT ASSISTANCE PROVIDERS

- ◆ The Economic Policy and Debt Department (PRMED) works on debt policy, strategy and sustainability analysis for developing countries. PRMED helps developing countries on a demand driven-basis to improve their debt management performance. Services include application of the Debt Management Performance Assessment (DeMPA) tool, capacity building to develop and implement a comprehensive Medium-Term Debt Management Strategy (MTDS) and debt sustainability assessment 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 expertise in the areas of asset management; public debt management; and strategies and implementation techniques for access to international capital markets.
- ◆ The Securities Markets Group of the Global Capital Markets Development Department (GCMSM) 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 the performance and risk characteristics of their public debt portfolios, we offer advice on areas such as:

- ◆ Governance, including legal frameworks, authorizing environments, and debt office organization and management
- ◆ Staff training and professional development
- ◆ Cost and risk trade-off analysis and approaches to determining the debt management strategy reflecting the country's macroeconomic conditions, level of market development, and risk tolerance
- ◆ Coordination with other macroeconomic policies
- ◆ Dissemination of sound practices and measuring performance

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, including areas such as:

- ◆ Creating funding program strategies
- ◆ Managing investor and rating agency relations
- ◆ Establishing and managing relations with banks
- ◆ 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.

For more information about the capital market access strategy and implementation program, access the World Bank's Website at: <http://treasury.worldbank.org>.



DEBT MANAGEMENT FACILITY (DMF)

The DMF, a multidonor trust fund, was established to help developing countries strengthen their debt management capacity. Among other products, the DMF finances the following debt management activities:

- ◆ **The Government Debt Management Performance Assessment (DeMPA).** The DeMPA evaluates strengths and weaknesses in public debt management, through a comprehensive set of performance indicators covering six core areas of public debt management. A DeMPA report can help guide the design of actionable reform programs, facilitate monitoring of performance over time, and enhance donor harmonization based on a common understanding of priorities.
- ◆ **The Medium-Term Debt Management Strategy (MTDS).** The MTDS framework has been developed and implemented in the partnership with the IMF. The 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 indicators and the market environment. The MTDS is useful for illustrating a government's cost and risk tradeoffs associated with different debt management strategies.

DEBT SUSTAINABILITY FRAMEWORK FOR LOW-INCOME COUNTRIES (DSF)

The joint World Bank-IMF DSF helps promote 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 risk of sovereign debt distress in LICs. The framework's 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 while staying within their means to repay loans.

For more information about the DeMPA, the MTDS, and the DSF, access the World Bank's Website at: <http://go.worldbank.org/debt>.

DOMESTIC GOVERNMENT DEBT MARKET DEVELOPMENT

For clients interested in developing their domestic government bond market and implementing sound debt management practices, we help identify and address constraints to building:

- ◆ 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), which is aimed at strengthening and enhancing the investability of local currency bond markets. The other two components are (i) a private sector investment manager that will promote investment in local currency bonds, and (ii) a new global emerging markets local currency bond index (GEMX).

The advisory services program consists of:

- ◆ **Country-specific work.** This includes a wide variety of advisory services tailored to individual country needs, that help countries develop and implement debt market 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, and facilitates online discussions between counterparts from different countries to exchange views, experiences, as well as share materials.
- ◆ **Applied research.** The program provides practical, empirically based research on developing local currency bond markets.

For more information about the Gemloc Advisory Services Program, access the World Bank's Website at: <http://www.gemloc.org>, or contact us at: gemlocta@worldbank.org.

OTHER SERVICES

The World Bank Group facilitates knowledge sharing by organizing training and other outreach events, and through research and publications. These services are available to the World Bank Group member country officials, staff, and other related stakeholders.

TRAINING

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

OUTREACH

Longer-term outreach events include a practitioners program for debt management officials from LICs and the implementation of a network for debt managers focusing on Sub-Saharan Africa.

Periodically, the World Bank Group also organizes conferences that bring together practitioners and experts in the relevant field. Examples include 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 World Bank conducts research and brings out publications on critical areas of debt policy and public debt management. Research focuses on areas such as: legal frameworks; institutional arrangements; the asset liability management frameworks for public debt management; foreign currency portfolio composition; subnational debt management; information technology systems; typical training needs and a database of assistance providers; contingent liabilities; and the links between sovereign debt and market development.

