

Debt Management Facility

*Expert Advice on Public Debt
Management for Developing Countries*

May 2024



Debt financing is an important tool for development — when it is transparent, well-managed, and used in the context of a credible macro-fiscal policy. Sound public debt management plays a critical role in meeting the government's financing needs in a timely fashion, helping ensure lowest possible debt servicing costs over the medium- to long-term at a prudent degree of risk.

About the DMF

The [Debt Management Facility \(DMF\)](#) is a multi-donor trust fund administered by the World Bank and jointly implemented by the World Bank and International Monetary Fund. It provides expert advice on public debt management to 86 developing countries.

The DMF's objective is to strengthen public debt management by reducing debt-related vulnerabilities and improving debt transparency. It does so through capacity building activities, including the design and application of tailored advisory services and technical assistance, applied analytical work, trainings, webinars and peer-to-peer learning.



[Lilia Razlog](#)

DMF Program Manager,
Macroeconomics, Trade and
Investment Global Practice

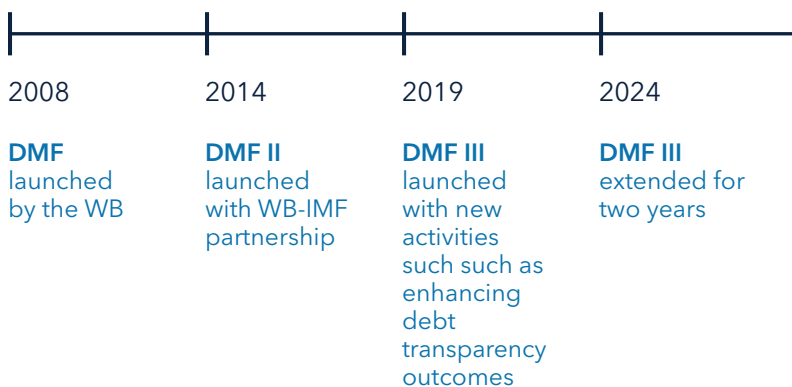
lrazlog@worldbank.org

Expansion of Offerings

Launched in 2008, the DMF has progressively expanded support on public debt management to address evolving needs of countries. The latest phase, DMF III, was launched in 2019 and has been implemented as of 2020.

DMF III introduced several activities to help countries enhance debt transparency outcomes, such as technical assistance on debt reporting and monitoring, debt-related contingent liabilities and other relevant fiscal risks. DMF III also scaled up capacity development to support countries in their efforts to implement debt management reforms. Further, DMF III enhanced focus on results and on adopting a programmatic approach to support countries enhanced debt management outcomes – from assessment to implementation.

Key Milestones



DMF Activities

- ▶ Debt Management Performance Assessment (DeMPA)
- ▶ Debt Management Reform Plans
- ▶ Medium-Term Debt Management Strategy (MTDS)
- ▶ DMF Stakeholders' Forum
- ▶ Debt Managers' Network (DMN)
- ▶ Debt Managers Practitioners' Program (DMPP)
- ▶ Local Bond Market Development Diagnostic (LCBM)
- ▶ Low-Income Country Debt Sustainability Framework (LIC DSF)
- ▶ Domestic Debt Market Development (DDMD)
- ▶ Cash Management
- ▶ Guarantee Management
- ▶ International Capital Market Access
- ▶ Risk Management
- ▶ Annual Borrowing Plan (ABP)
- ▶ Asset Liability Management (ALM)
- ▶ Debt Reporting and Monitoring
- ▶ Debt Related Contingent Liabilities and Relevant Fiscal Risks
- ▶ Legal, Institutional and Operational Frameworks for Debt Management
- ▶ Bilateral Debt Sustainability Analysis Training
- ▶ Innovative Outreach Programs, such as with Parliamentarians
- ▶ Debt Managers' Workshop
- ▶ Debt Transparency Heatmap

Advisory Services

DMF offers customized, high-quality advisory services to strengthen debt-management capacity, institutions, and processes in eligible countries. It responds to country demand, through the design and application of analytical tools and the delivery of in-person and remote technical assistance.

Improving Governance and Institutions

The DMF provides Debt Management Performance Assessment (DeMPA) diagnostic tools, both at the sovereign and at the subnational level. The DMF also provides technical assistance to design Debt Management Reform Plans that lay out a detailed, sequenced, country-owned, capacity-building project program. It also advises on the design of institutional arrangements to strengthen institutional and legal frameworks for debt management.

Enhancing Strategy and Policy

The DMF provides technical assistance in the design and implementation of debt-management strategies. The technical assistance ranges from strategy formulation and cost-risk analysis using the Medium-Term Debt Management Strategy (MTDS) tool, to strategy implementation through Annual Borrowing Plans, Liability Management Operations, Asset and Liability Management and Cash Management advisory.

Developing Debt Markets

The DMF delivers advisory services to support countries in diversifying their funding sources by developing domestic government-securities markets and improving access to international markets in line with sound debt-management practices. The launch of the IMF/WB Local Currency Bond Market (LCBM) diagnostic framework in 2021 draws on the extensive experience that both the IMF and the WB have in delivering TA to help countries develop their domestic debt markets. The framework provides a comprehensive and systematic evaluation across six building blocks forming the basis for developing a staged reform plan with identified targets.

Boosting Debt Transparency

The DMF works with countries to improve their debt transparency outcomes. This work includes (i) technical assistance on debt reporting and monitoring activities; (ii) advisory services to assist countries in identifying and managing debt-related contingent liabilities and fiscal risks, and related tools such as the Public-Private Partnerships Fiscal Risk Assessment Model (PFRAM) and Framework for Guarantees; and (iii) training on Debt Sustainability Analysis and the Debt Sustainability Framework for Low-Income Countries.

Training

The DMF offers comprehensive training on globally recognized frameworks, related analytical tools, and sound practice on public debt management topics. The regional, customized, week-long, in-person or virtual workshops are complemented with innovative modalities of delivery such as facilitated or self-paced online courses and interactive tools.

- *In person and/or virtual workshop*
- *E-learning course*
- *MOOC (Massive Online Open Course)*

- ● **Debt Management Performance Assessment (DeMPA)** training familiarizes participants with the comprehensive set of debt management performance indicators (DPis) for assessing debt management functions in their countries and the latest DeMPA tool.
- ● **Medium-Term Debt Management Strategy (MTDS)** training strengthens capacity in analyzing the characteristics of a government debt portfolio and developing a medium-term debt management strategy. It explains the joint World Bank-IMF MTDS framework and provides comprehensive training on the accompanying analytical tool. A refresher workshop with a focus on the additional changes of the latest MTDS analytical tool (cash buffers, liability management operations, and inflation-linked bonds) is also available, as is a complementary interactive manual.
- ● A complementary training on the **Annual Borrowing Plan (ABP)** tool is available to strengthen capacity in the implementation of the MTDS.
- ● **Debt Sustainability Framework for Low-Income Countries (LIC DSF)** training provides an overview of the World Bank-IMF LIC DSF, to help low-income countries achieve their development goals while minimizing the risk of debt distress. It also familiarizes the participants with the LIC DSF tool and the steps involved in its application. A complementary Interactive Guide and MOOC is available.

- **Domestic Debt Market Development training** builds capacity on the fundamentals of domestic borrowing programs and the different steps involved in developing the domestic debt market. The training is based on the LCBM diagnostic framework and bring a more systematic approach to domestic market development. The framework identifies enabling conditions, six key building blocks allowing users of the framework to develop a staged reform plan with identified targets.
- **Legal Aspects of External Debt Obligations** training builds capacity on legal aspects of sovereign debt management to inform participants about sovereign-debt market structure and regulation, debt contract negotiation, credit enhancement, and debt restructuring, among other matters.
- **International Bond Issuance** training puts the issuer in the driver's seat when issuing international bonds, takes participants through the issuance process, and provides guidance on operational matters as well as issues related to pricing of international bonds.
- **Sovereign Risk and Debt Sustainability Framework (SRDSF) for Market Access Countries (MAC)** course delivers customized training to Ministry of Finance officials to support drafting the public debt borrowing and debt-repayment plans using the SRDSF-MAC Excel-based tool. Forthcoming in 2022.
- **Public Debt, Investment, and Growth** course explains how to analyze the relation between public investment, growth, and public debt dynamics, using two dynamic structural models: the Debt, Investment, and Growth (DIG) model and the Debt, Investment, Growth and Natural Resources (DIGNAR) model.

Other training: the DMF also offers extensive training on other debt management areas such as debt and cash management, asset and liability management, and debt reporting and monitoring.

Peer-to-peer Activities

The DMF offers various peer-to-peer learning programs to serve as an impetus for successful reform implementation. These activities provide opportunities for countries to share learnings and experiences with peers and understand how other countries have tackled the similar challenges so they can derive lessons learned and apply them in their own context.

The Debt Manager Practitioners' Program (DMPP) enables government officials from debt management offices in eligible countries to be seconded to the World Bank for three-month assignments to be a part of the DMF's work program. The DMF Stakeholders' Forum brings together senior debt managers, economic policymakers, academics, members from international organizations, market participants and independent consultants to discuss strategies and policies to manage debt, assets, risk, and funding as well as to share experiences and network.

- ▶ The **Debt Managers' Network** is a community of government debt-management practitioners aimed at sharing experience, exchanging information, and helping to foster peer learning through virtual meetings for information sharing and discussions. The program has offered varied webinars over the years on topical debt-management issues to share knowledge and build lasting capacity.



- ▶ **Debt Managers' Workshops:** targeted, two-day workshops bringing together debt managers from a select group of countries to focus on one specific topical debt management issue and share their experiences. Under World Bank facilitation, country representatives discuss their current challenges and methodologies about the topic and produce a knowledge-sharing document to summarize the learnings.
- ▶ **Innovative Programs:** the DMF leads innovation to expand outreach beyond ministries of finance and central banks to include key stakeholders with a role in debt management: parliamentarians and auditors. As parliaments play formal roles in approving and overseeing management of public debt, the Parliamentarians Outreach pilot program builds debt-management capacity among Parliamentarians through workshop and peer-to-peer events.



Debt Management Practitioners' Program

Under the Debt Management Practitioners' Program (DMPP), officials from DMF-eligible countries are given an opportunity to receive an in-depth training on the debt management tools (DeMPA, DSA, MTDS) in Washington, D.C. The program is a three-month long assignment and officials from all LICs are eligible to apply. The selection criteria is pertinent to official's debt management responsibility, level of seniority, and academic credentials.



Allison K. Telee is the Head of the Middle Office in the Debt Management Unit (DMU), Ministry of Finance and Development Planning in Liberia

"Participating in the World Bank's DMPP came at the right time, as Liberia is involved with an ongoing debt management reform program. My assignment with the Bank gave me the opportunity to share my experience with Liberia's public debt management. It was a pleasure to be supervised by debt experts in the MTI Global Practice unit. I acquired a better understanding of Medium-Term Debt Management Strategy (MTDS) and Bond Market Operations. I also helped prepare for the DMF Stakeholders' Forum. I wrote a research paper on "Domestic Bond Market Assessment of Liberia." I joined the Bank on a training course on the Management and Evaluation of Government Guarantees at the Joint Vienna Institute. My experience in Washington, was remarkable. I greatly enjoyed the knowledge-sharing activities and building a network with professionals from the World Bank and IMF. It was a pleasure interacting with my fellow DMPPs from Ghana and Malawi. Upon my return to Liberia, I provided technical support for the preparation of Liberia's 2024-2026 MTDS and 2024 Annual Borrowing Plan."



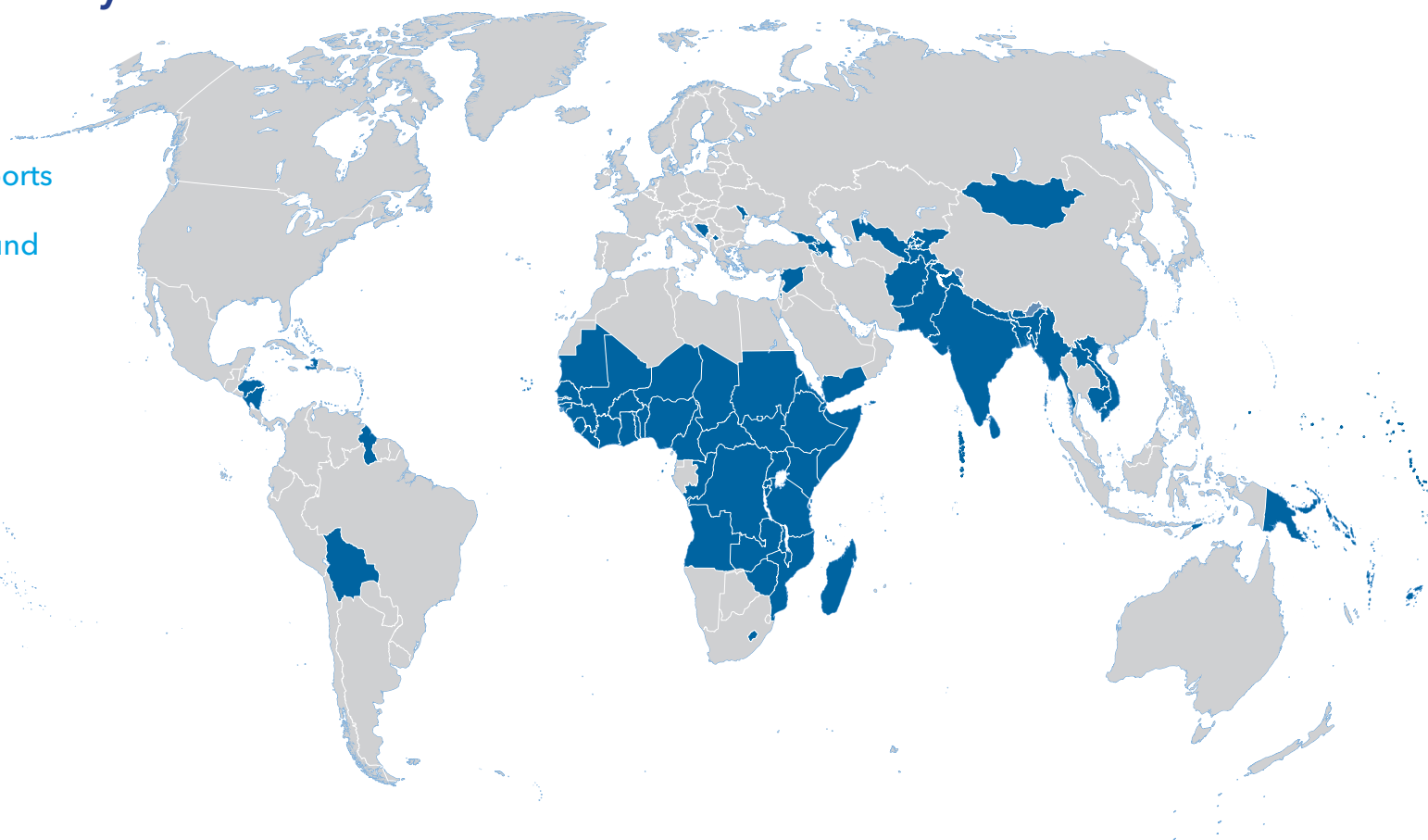
Doris Adzo Dzidzornu, Group Head, Debt and Debt Risk Management Sector at the Treasury and Debt Management Division, Ministry of Finance, Ghana

"I am very pleased to have participated in the DMPP program, which helped me and Ghana build debt management capacity. Ghana is currently restructuring domestic and external debt. I participated in many projects, including updating the links to countries' Debt Management Strategies and Annual Borrowing Plans (ABP) published on the Bank's website, reviewing draft pre-mission Debt Sustainability Analysis (DSA) reports, and selecting topics for DMF knowledge events. I also participated in the DeMPA Mission to Vietnam, where I identified the strengths and weaknesses of public debt management operations. During my stay, I completed e-courses on cybersecurity awareness, social media engagement, access to information, and other topics on the Bank's Opening Learning Campus/ Program. As part of my DMPP project, I presented the Framework for Compiling State-Owned Enterprise (SOE) debt and Contingent Liabilities in Ghana."



DMF Beneficiary Countries

The DMF Supports
86 Developing
Countries Around
the World



Afghanistan
Angola
Armenia
Azerbaijan
Bangladesh
Benin
Bhutan
Bolivia
Bosnia and Herzegovina
Burkina Faso
Burundi
Cabo Verde
Cambodia
Cameroon
Central African Rep.

Chad
Comoros
Congo, Dem. Rep.
Congo, Rep.
Côte d'Ivoire
Djibouti
Dominica
Eritrea
Ethiopia
Fiji
Gambia, The
Georgia
Ghana
Grenada
Guinea

Guinea-Bissau
Guyana
Haiti
Honduras
India
Kenya
Kiribati
Kosovo
Kyrgyz Rep.
Lao PDR
Lesotho
Liberia
Madagascar
Malawi
Maldives

Mali
Marshall Islands
Mauritania
Micronesia, Fed. Sts.
Moldova
Mongolia
Mozambique
Myanmar
Nepal
Nicaragua
Niger
Nigeria
Pakistan
Papua New Guinea
Rwanda

Samoa
São Tomé and Príncipe
Senegal
Sierra Leone
Solomon Islands
Somalia
South Sudan
Sri Lanka
St. Lucia
St. Vincent and the
Grenadines
Syrian Arab Rep.
Sudan
Tajikistan
Tanzania

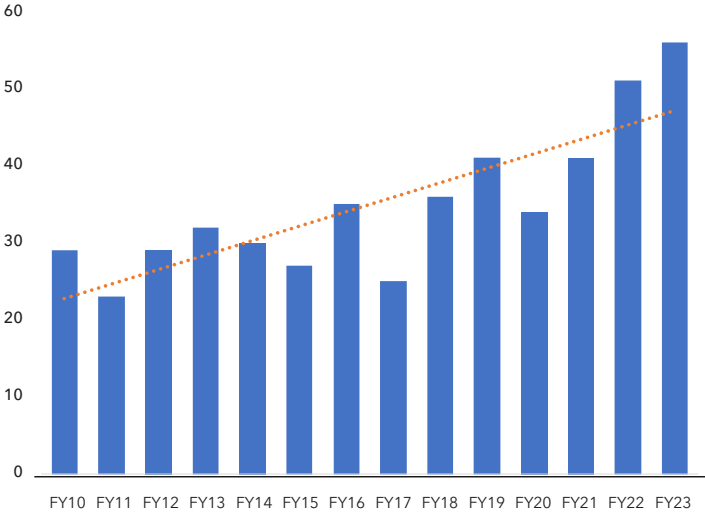
Timor-Leste
Togo
Tonga
Tuvalu
Uganda
Uzbekistan
Vanuatu
Vietnam
West Bank and Gaza
Yemen, Rep.
Zambia
Zimbabwe

DMF Impact

The DMF has created a tangible impact on debt-management practices across the countries it serves. Since its inception, the DMF has responded to demands from over 83 countries and regional entities, and 20 subnational governments via more than 517 technical assistance activities.¹

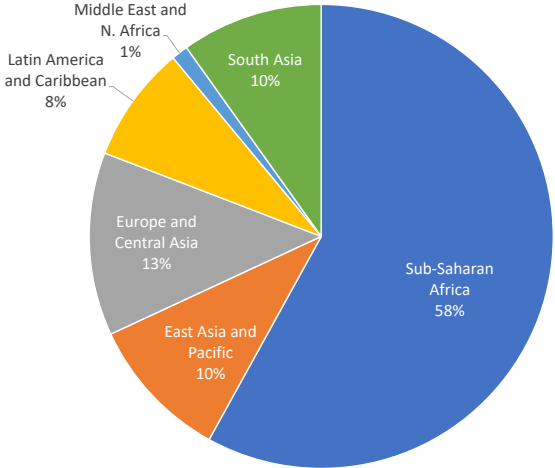
¹ As of end-December 2023

Number of DMF TA per Fiscal Year



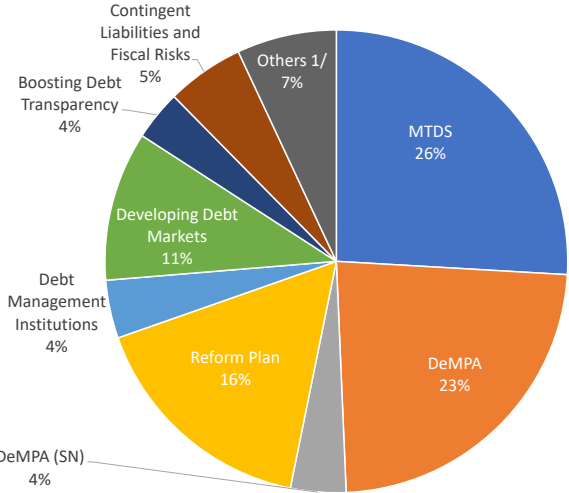
Source: DMF Secretariat, as of end-June 2023. DMF Annual Reports. Federal and Subnational TA.

DMF TA Activities by Region



Source: DMF Secretariat, as of end-June 2023. DMF Annual Reports. Federal and Subnational TA.

Share of TA by Type



Source: DMF Secretariat, as of end-June 2023. DMF Annual Reports. Federal and subnational. SN = subnational. 1/ Includes TA on cash management, debt management strategies and implementation, debt management institutions, and guarantee and on-lending framework.

- ▶ **Mainstreaming sound practices:** Knowledge products and tools, such as DeMPA, DSF and MTDS, supported by the DMF have contributed to the global knowledge base on debt management. For example, more than 80% of DMF countries have undertaken at least one DeMPA, a recognized diagnostic and monitoring tool in debt management.
- ▶ **Enhancing debt-management performance:** DeMPA ratings have improved over time in many areas such as legal framework, managerial structure, quality of the debt management strategy, publication of statistical bulletins, coordination with the central bank, documented procedures for domestic market borrowing, and staff capacity. Improvements in DeMPA ratings were positively correlated with DMF interventions, especially in non-fragile states.
- ▶ **Improving debt-management strategies:** Debt management strategies are the cornerstone of public debt management. The MTDS methodology and toolkit, rolled out by the DMF, has been a game changer in supporting the development of debt management strategies. The number of countries with an approved or published Debt Management Strategy has increased. Moreover, additional countries are fulfilling the DeMPA quality requirements for debt management strategy indicators.
- ▶ **Improving debt transparency:** The number of debt management strategies published by DMF-eligible countries increased from 35 by end-2019 to over 46 by the end of 2023. DeMPA indicators point to increases in the quality and timeliness of debt statistical bulletin and reporting to the legislature.
- ▶ **Fostering learning through peer-to-peer programs:** The Debt Manager Practitioners' Program (DMPP) participation has led to successful implementation of debt-related reforms after the program. DMF Stakeholders forum, Debt Management Network and DMF Newsletters promote sharing of knowledge and experiences and keep debt management practitioners connected.

Supporting countries make more informed debt management decisions, since 2008

DMF III Development Partners

The Debt Management Facility's ambitious agenda depends on mobilizing adequate financial capacity and flexibility to respond to the urgent needs of our member countries. Our development partners provide more than \$40 million² in contributions to help us move the needle for greater impact. The third phase of the Debt Management Facility is supported by eleven development partners.

² As of April 2021, development partners have provided more than \$40 million towards the DMF III five-year budget of \$60 million.



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPPEMENT

 Federal Ministry
Republic of Austria
Finance



 **MINISTÈRE
DE L'ÉCONOMIE,
DES FINANCES
ET DE LA SOUVERAINETÉ
INDUSTRIELLE ET NUMÉRIQUE**
*Liberté
Égalité
Fraternité*




The Commonwealth



財務省
Ministry of Finance, JAPAN



 Norwegian Ministry
of Foreign Affairs

 Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO



Strengthening Coordination among Debt Management TA Providers

Since inception, the DMF has played an important role in strengthening coordination among technical assistance providers in the area of debt management. Coordination enables leveraging knowledge, making efficient use of scarce resources, and providing the best possible advice to client countries.

DMF III Implementing Partners

The DMF's implementing partners support the implementation of the Debt Management Facility work program. Implementing partners participate in DMF missions and also assist with the organization of regional training events.

www.dmfacility.org

Contact Information

DEBT MANAGEMENT FACILITY

Lilia Razlog
DMF Program Manager,
MACROECONOMICS, TRADE AND
INVESTMENT GLOBAL PRACTICE
lrazlog@worldbank.org

WORLD BANK

Frederico Gil Sander
Practice Manager,
GLOBAL MACROECONOMICS AND DEBT UNIT
fgilsander@worldbank.org

INTERNATIONAL MONETARY FUND

Peter Kunzel
Division Chief,
GLOBAL PARTNERSHIPS DIVISION
+1 202 623 7570
globalpartnerships@imf.org



www.dmfacility.org