

GOVERNMENT DEBT MANAGEMENT WORKSHOPS

Designing Government Debt Management Strategies

June 3-7, 2019 | Joint Vienna Institute

AGENDA

Day 1 Introduction		June 3, 2019
8:30 a.m.	<i>Registration and Administrative Briefing (JVI)</i>	
9:00 a.m.	Welcoming Remarks and Introduction to Topics of Day 1	Antonio Velandia
9:10 a.m.	Introductions/Ice-breaker	
9:40 a.m.	Introduction to Debt Management Strategy Design:	Antonio Velandia
	Case Study: Presentation and Discussion of Scenario 1	Lars Jessen
	Group #1	
	Antonio Velandia	
	Group #2	
	Lars Jessen	
11:00 a.m.	<i>Coffee Break</i>	
11:15 a.m.	Case Study: Presentation and Discussion of Scenario 2	
12:00 p.m.	Presentation Synthesizing Key Concepts	Antonio Velandia
12:30 p.m.	<i>Lunch (participants' own arrangements)</i>	
2:00 p.m.	Debt Management Strategies of Five Participant Countries: Argentina, Colombia, Gambia, Hungary & Indonesia	
3:45 p.m.	<i>Coffee Break</i>	
4:00 p.m.	Debt Management Strategies of Five Participant Countries (cont'd) Argentina, Colombia, Gambia, Hungary & Indonesia	
4:55 p.m.	Daily Course Evaluation	
6:30 p.m.	<i>Welcome Dinner</i>	

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Day 2 Understanding Cost and Risk

June 4, 2019

8:45 a.m. **Introduction to Topics of Day 2**

9:00 a.m. **Measuring Cost and Risk**

Lars Jessen

- Notions of cost and risk
- General approach to risk measurement of a public debt portfolio
- Defining and measuring interest rate, refinancing and currency risk
- Risk indicators as strategic targets

10:15 a.m. *Coffee Break*

10:30 a.m. **Measuring and Managing Refinancing Risk**

Antonio Velandia

- Issues in measuring and managing refinancing risk
- Country examples
- Lessons learned

11:30 a.m. **Measuring and Managing Interest Rate Risk**

Lars Jessen

- Issues in measuring and managing interest rate risk
- Measuring and managing interest rate risk in OECD countries
- Lessons learned

12:45 p.m. **Group Photo**

1:00 p.m. *Lunch (participants' own arrangements)*

2:15 p.m. **Hands-on Exercise: The Calculation of Risk Indicators**

Andrew Lee

- Deriving the cash flows
- Indicators of interest rate risk
- Indicators of refinancing risk

3:15 p.m. *Coffee Break*

3:30 p.m. **Hands-on Exercise: The Calculation of Risk Indicators (cont'd)**

Andrew Lee

5:15 p.m. **Discussion with Participants on Financial Risk Management in their Countries and Use of Risk Indicators**

5:30 p.m. **Daily Course Evaluation**

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Day 3 Scenario Analysis

June 5, 2019

8:45 a.m. **Introduction to Topics of Day 3**

9:00 a.m. **Links Between Debt Management and Debt Market Development**

Antonio Velandia

- Issuance strategy
- Money and repo markets
- Institutional investors
- Market infrastructure
- Regulation

10:30 a.m. *Coffee Break*

10:45 a.m. **A Primer on Cash Flow Modeling and Scenario Analysis**

Lars Jessen

- What is a risk model? Why is it useful?
- The structure of a simple scenario analysis model
 - Model input, engine and output
 - Description of the simulation process
- Implementation issues:
 - How are scenario models used in practice?
 - Off-the-shelf or in-house developed model?
 - Scenario analysis vs. stochastic modeling

11:30 a.m. **Projecting Financial Variables for Scenario Analysis**

Antonio Velandia

- What is scenario analysis?
- How to use scenario analysis; why is it useful?
- How to develop baseline scenario?
- How can risk scenarios be constructed?

12:45 p.m. *Lunch (participants' own arrangements)*

2:00 p.m. **Hands-on Exercise: Scenario Analysis**

Andrew Lee

- Projection of the borrowing requirements
- Generation of future debt servicing flows
- Alternative market scenarios
- Comparing different borrowing strategies

3:30 p.m. *Coffee Break*

3:45 p.m. **Hands-on Exercise: Scenario Analysis (cont'd)**

Andrew Lee

5:00 p.m. **Conclusions and discussion**

5:25 p.m. **Daily Course Evaluation**

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Day 4 Other Topics and Case Study Preparation

June 6, 2019

8:45 a.m. **Introduction to Topics of Day 4**

9:00 a.m. **Measuring and Managing Foreign Currency Risk**

Antonio Velandia

- Why do governments borrow in foreign currencies?
- Risks related to debt in foreign currencies
- Quantification of foreign currency risks
- Implications for debt management strategies
- Choosing between USD and EUR denominated bonds

10:15 a.m. **Institutional Arrangements for Effective Debt Management**

Andrew Lee

11:30 a.m. *Coffee Break*

11:45 a.m. **Links Between Debt Management and Macroeconomic Policies**

Antonio Velandia

- Policy objectives and instruments
- Asset and liability management (ALM) framework for analysis
- Linkages between debt management, fiscal policy and monetary policy
- Application of the framework

12:30 p.m. *Lunch (participants' own arrangements)*

1:45 p.m. **An Integrated Perspective: Framework for a Medium-Term Debt Management Strategy (MTDS)**

Lars Jessen

- Framework for an MTDS: 8 step process
- Main elements in the strategy document
- Example of a strategy document

2:30 p.m. *Coffee Break*

3:45 p.m. **Case Study Preparation**

Each group prepares a review of one (of a total of three) case studies for presentations on Friday morning

6:30 p.m. **Daily Course Evaluation**



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Day 5 Case Study Presentation and Wrap-Up

June 7, 2019

8:45 a.m. **Introduction to Topics of Day 5**

9:00 a.m. **Exercise: Presentation and Discussion of three case studies**

- Present the case to the group:
 - summary of background
 - questions to respond to
- Present and substantiate your position
- Open the discussion to the plenary after presentation

10:45 a.m. *Coffee Break*

11:00 a.m. **Exercise: Presentation and Discussion of three case studies: (contd.)**

12:15 p.m. **Final Course Evaluation**

12:30 p.m. **Workshop Wrap-up & Awarding of Certificates**