

WEBINAR: THE ROLE OF PARLIAMENT
IN PUBLIC DEBT MANAGEMENT



IS THERE ROOM FOR AN EXPANDED ROLE FOR PARLIAMENT IN DEBT MANAGEMENT?



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THE ROLE OF PARLIAMENT IN DEBT MANAGEMENT

- The Guidelines for Public Debt Management describe a relatively narrow role for parliaments in debt management
- In practice, the roles revolves around:
 - Legislation for public debt management
 - Oversight of public debt
 - Ensuring debt transparency and accountability
 - Approving individual (external) loan transactions
- In discussing the role of parliament, who are the key entities?
 - Members of Parliament
 - Clerks, Parliamentary Budget Offices (PBOs) and similar technical staff
 - Public Debt Management Offices (DMOs)

WHY CONSIDER AN EXPANDED ROLE?

- Borrowing and debt management decisions can have substantial budget impact
 - The Medium-Term Economic Framework is approved by parliament – the parallel is the DMS which is typically approved by the executive
- There is evidence from DeMPAs that more LICs publish a DMS – this is a very positive development!
 - More difficult to provide evidence that these strategies are actually guiding borrowing decisions ...
- Recent engagements show that there is room to clarify roles and responsibilities among the parties involved – and to establish processes to exchange information

WHAT IS THE ROLE OF THE PBO IN DEBT MANAGEMENT?

- **Parliament:**
 - MPs may lack the technical expertise when analyzing strategies and loans
 - MPs often face challenges in accessing detailed and easily digestible information
- **DMO:**
 - Have the technical capacity to analyze borrowing options taking into account constraints – but not necessarily the capacity to engage with MPs
 - May not be seen as neutral by MPs
- **PBOs:**
 - **Honest broker, high technical capacity**
 - **Link btw parliament and DMOs**

WHAT ARE WE DOING?

- Exploring various options for a closer engagement btw. parliament and DMOs
 - In collaboration with Westminster Foundation of Democracy, MEFMI, and WAIFEM, we have delivered two Roundtables with participation of members of parliament, technical staff from parliaments, and debt managers
 - A knowledge product is being prepared
- Exploring ways to meet demand from both parliamentarians and PBOs for training and capacity building in debt management
- Looking forward:
 - Developing a training program focusing on technical staff from parliament (PBOs, etc.)
 - Continue our explorations and learn about practices in different jurisdictions