

DMF STAKEHOLDERS' FORUM:
Managing Debt in a High Interest Rate Environment
 Organized by the World Bank
 June 15-16, 2023 – Berlin, Germany

High-Level Agenda

The 13th Debt Management Facility (DMF) Stakeholders' Forum, titled "Managing Debt in a High Interest Rates Environment" is organized by the World Bank. The pandemic reversed years of progress towards achieving the Sustainable Development Goals, which is now under further threat due to the post-Covid trade disruptions, commodity market turbulence and the war in Ukraine. However, debt burdens were surging, and growth was slowing down in many developing countries even before the pandemic.

Elevated debt levels, high gross financing needs, and rising global interest rates have made effective public debt management more important than ever. With extended negative effects of global and regional shocks and high inflation dynamic, leading to higher cost of borrowing, many EMDEs will find it increasingly difficult to service their debts and borrow at reasonable costs. Particularly, the composition of their debt during the last decade has shifted due to increased borrowing on commercial terms. Moreover, creditor landscape also shifted towards non-Paris Club members and private creditors. Those trends created new challenges for an increased number of EMDEs and the Forum aims to provide insights on helping debt managers to tackle these issues.

June 15, 2023 - DAY ONE	
9:00-9:05	Introduction: Lilia Razlog, DMF Program Manager, World Bank
9:05-9:30	Opening Remarks: Pablo Saavedra, Vice President, Equitable Growth, Finance and Institutions, World Bank Niels Annen, Parliamentary State Secretary, Federal Ministry for Economic Cooperation and Development (BMZ), Germany
9:30-11:00	<p>Session 1: Debt Vulnerabilities and Debt Management Amid High Uncertainty</p> <p>Policy makers in LICs face challenging trade-offs both in the near term and in the long run. Many developing countries with high debt servicing burdens do not have enough fiscal buffers to provide support to critical pro-growth and development spending. While fiscal policy is the main driver of public debt, effective debt management is essential to help safeguard debt sustainability, reduce economic and financial volatility and encourage development of the financial sector. Other issues to be discussed may include growth enhancing policies, fiscal policy tools and reforms, and crisis response measures.</p> <p>Moderator: Pablo Saavedra, Vice President, Equitable Growth, Finance and Institutions, World Bank</p> <p>Speakers:</p> <ul style="list-style-type: none"> • H.E. Suahasil Nazara, Vice Minister of Finance, Indonesia (Keynote Speaker) • H.E. Felix Nkulukusa, Secretary to the Treasury, Zambia • Dr. Jürgen Zattler, Director General, Federal Ministry for Economic Cooperation and Development (BMZ), Germany • Mary Goodman, Assistant Director, IMF
11:00-11:15	Coffee Break
11:15-12:45	<p>Session 2: Post COVID challenges: Restoring Market Confidence and Sustained Market Access</p> <p>In this session countries will share their experience, views, and the difficulties that they foresee. Panel will focus on how countries are coping, in the post-Covid environment, with the significant tightening of global liquidity conditions, raised financial sector risks, and especially issues related to liquidity management and market access. Practical issues such as MTDS, investor relations, cash management, LCBM etc. could be highlighted as well.</p> <p>Moderator: Phillip Anderson, International Debt Management Expert, New Zealand</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Patience Oniha, Director General of Debt Management, Nigeria • Yigit Yasar, Director General of Debt Management, Turkey • Samuel Arkhurst, Director of Debt Management, Ghana • Frank Gill, Senior Director, S&P Global Ratings

12:45-14:00	Lunch at Friedrichs Restaurant – Ground Floor
14:00-15:30	<p>Session 3: Debt transparency: How to make meaningful progress?</p> <p><i>Public debt transparency has become a pressing issue for the international community, reflecting an evolution of the creditor and instrument landscape and recent cases where disclosure was found to be inadequate. The panel will discuss the underlying arguments for debt transparency and identify actions for improvements from a borrower perspective. The session will highlight the importance of debt transparency, with a focus on debt recording, publication of policy documents, debt statistics, as well as market communication advantages and the role of creditors in enhancing debt transparency.</i></p> <p><i>Moderator: Thordur Jonasson, Deputy Division Chief, IMF</i></p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> • <i>H.E. Eduard Hakobyan, Deputy Minister of Finance, Armenia</i> • <i>Zoltan Kurali, CEO, Government Debt Management Agency, Hungary</i> • <i>Dian Lestari, Director for Loans and Grants, Indonesia</i> • <i>Frederico Gil Sander, Practice Manager, World Bank</i>
15:30-15:45	Coffee Break
15:45-17:15	<p>Session 4: Strengthening Sovereign Debt Management Legislation to Enhance Transparency</p> <p><i>Recent developments in sovereign debt markets have amplified certain governance-related debt vulnerabilities and raised the stakes for sound practices in sovereign debt management. Diverse governments and government entities borrowers are accessing the international markets for the first time or after a long hiatus. For their part, these markets now attract a great variety of public bilateral and multilateral, private, and hybrid investors with more complex and varied debt instruments. New creditors, new instruments, and new liquidity have been a welcome addition on balance: developing countries have vast unmet needs, and benefit from diversifying their funding sources. The discussion will focus on the sovereign legal arrangements.</i></p> <p><i>Moderator: Idah Pswarayi-Riddihough, Country Director for Mozambique, World Bank</i></p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> • <i>H.E. Delina Ibrahimaj, Minister of Finance, Albania</i> • <i>H.E. Veronica Sireteanu, Minister of Finance, Moldova</i> • <i>Lee Buchheit, Honorary Professor at the University of Edinburgh Law School</i> • <i>Madhavi Gosavi, Head of Banking and Finance, EMEA Norton Rose Fulbright LLP</i>
18:30-20:00	Reception at Federal Ministry for Economic Cooperation and Development (BMZ)
June 16, 2023 - DAY TWO	
9:00 - 10:30	<p>Session 5: Managing Foreign Currency Risk Through the Development of Local Currency Bond Markets</p> <p><i>High foreign currency exposure of public debt and local currency depreciation are often the primary sources of financial distress. As countries are graduating from concessional borrowing, they need to decide on the desired currency composition of the public debt. Developing local currency bond markets (LCBM) is the traditional remedy to reduce foreign currency exposure. An efficient LCBM can increase the resilience of the country; however, achieving remarkable results in LCBM development takes time and requires a strong stakeholder commitment. In addition, recent debt restructuring cases demonstrate that even domestic debt could become a challenge through the potential spillover effect in the banking system (sovereign-bank nexus) and domestic investor base. Is the local currency debt indeed the challenge? Is it the same challenge as foreign currency debt?</i></p>

	<p>The session will discuss policy options and challenges for LCBM development. What are the key considerations at different economic and market development stages? How can countries develop LCBM without making it the source of the problem in case of financial distress?</p> <p><i>Moderator:</i> Niraj Verma, Practice Manager, FCI Long-Term Finance, World Bank</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> • Firoz Ahmed, Joint Secretary, Finance Division, MoF, Bangladesh • Ho Viet Huong, Head of Capital Markets Division, Banks and Financial Institutions, Ministry of Finance, Vietnam • Oulimata Ndiaye, Head of Advisory Services, UMOA-Titres, WAEMU
10:30-10:45	Coffee Break
10:45-12:15	<p>Session 6: State Contingent Debt Instruments (SCDIs): Pros and Cons</p> <p>These instruments explicitly link debt service obligations to pre-defined variables or states of the world. They are designed to alleviate pressure on debt obligation and/or financing needs in times of difficulty. SCDIs can include continuous adjustment features, for instance by linking debt to GDP or commodity prices; or discrete adjustment features, which kick-in when a certain event (such as a natural disaster) or threshold (such as a pre-defined interest rate) is reached.</p> <p>By linking debt service to a measure of the sovereign’s capacity to pay, SCDIs can increase fiscal space, and thus allow greater policy flexibility in bad times. They can also broaden the sovereign’s investor base, open opportunities for risk diversification for investors, and enhance the resilience of the international financial system. The case for SCDIs as a countercyclical and risk-sharing tool has been around for some time and remains appealing; but take-up has been limited. The panel will discuss the use of SCDIs in normal and distressed times and implementation challenges. The session will also touch upon other mitigating features such as climate resilient clauses and catastrophe risk insurance and ESG/labeled bonds).</p> <p><i>Moderator:</i> Mary Goodman, Assistant Director, IMF</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> • Edd Wilson, Head of Debt & Development Finance Unit, HM Treasury • Spencer Jones, Senior Managing Director, Ankura • Lars Bane, Senior Advisor, Farallon Capital Management • Oumar Dissou, IMF Regional Debt Management Advisor
12:15-13:30	Lunch at Friedrichs Restaurant – Ground Floor
13:30-15:00	<p>Session 7: Managing Fiscal Risks and Debt Related Contingent Liabilities</p> <p>Fiscal risks are deviations from fiscal outcomes expected at the time of budget formulation. This deviation might create significant impact on government finances and impair the capacity of governments to use fiscal policy to stabilize economic activity and support long-term growth. The panel will discuss the policy frameworks for capturing, measuring, and mitigating explicit contingent liabilities (guarantees). Participants will be invited to comment on the current tools/mechanisms and provide an assessment of their respective country/institutional experiences as well as the risks emerging in the financial sector.</p> <p><i>Moderator:</i> Manuela Francisco, Global Director, Equitable Growth, Finance and Institutions, World Bank</p>

	<p><i>Speakers:</i></p> <ul style="list-style-type: none"> • <i>Shota Gunia, Head of Fiscal Risks Management Department, Georgia</i> • <i>Carolina Renteria, Division Chief, IMF</i> • <i>Baba Musa, Director, WAIFEM</i> • <i>Delphine Moretti, Senior Policy Analyst, OECD</i>
15:00-15:15	Coffee Break
15:15-16:30	<p><i>Session 8: Role of Parliament in Public Debt Management</i></p> <p><i>The Revised Guidelines for Public Debt Management describe a relatively narrow role for parliaments in debt management. The narrow framing does not limit parliament’s potential to contribute to debt management more broadly, though. The clear intersection between debt and fiscal policy and parliament’s formal fiscal policy and oversight responsibilities means legislatures already possess a clear mandate for broader engagement on the debt management front. The pressing question is what this engagement entails and how can parliaments incorporate this policy element into their routine budgetary governance functions.</i></p> <p><i>Moderator: Lars Jessen, Lead Debt Specialist, World Bank</i></p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> • <i>Haron Sirima, Director General, Public Debt Management Office, Kenya</i> • <i>Mitchell O’Brien, Fiscal Governance Lawyer</i> • <i>Franklin De Vrieze, Head of Accountability Practice, Westminster Foundation for Democracy</i>
16:30-17:00	<p><i>Closing Remarks:</i> <i>Manuela Francisco (DMF co-chair), World Bank</i> <i>Mary Goodman, Assistant Director, IMF</i> <i>Julia Lehmann, Head of Division, Federal Ministry for Economic Cooperation and Development (BMZ)</i></p>
17:00-19:00	Reception at Hotel

VENUE:


The Forum will take place at the **NH Collection Berlin Friedrichstrasse Hotel**
 Friedrichstrasse 96 D-10117 Berlin-Germany

* **All sessions** will take place at the meeting room “**Madrid**” on the **1st Floor**.

* **Lunch** will be served at the **Friedrichs Restaurant** of the Hotel located on the **Ground Floor**.

SPEAKERS’ BIOGRAPHIES:


We strive to minimize our carbon footprint and reduce paper waste. Thus, we have decided to go digital with our speaker biographies. By scanning the QR code below with your smartphone or tablet, you will have instant access to their profiles.

