

IAN STORKEY
INTERNATIONAL CONSULTANT

ADB

Debt Management Performance Assessment (DeMPA)

Presentation at the
Fourth Asian Public Debt Management
Forum

Tbilisi, Georgia
23-25 April 2014

Drivers for DeMPA

- 1 -

Guidelines for Public Debt Management

Prepared by the Staffs of the International Monetary Fund and the World Bank

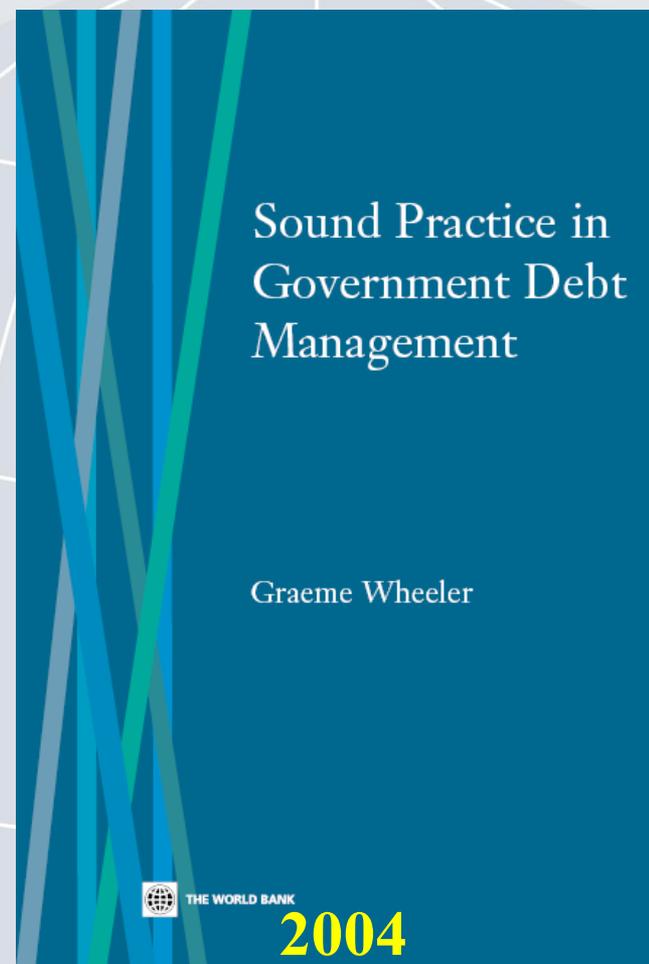
Amendments December 9, 2003

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December 2003

Initially published March 2001

Accompanying Document published November 2002



DeMPA Timeline

- DeMPA initiated September 2006
- Pilot studies February – May 2007
- DeMPA version #1 February 2008
- DeMPA revision November 2008
- Subnational initiated April 2011
- Subnational version #1 August 2012

**Revision to Central Government DeMPA
is currently underway**

DeMPA Tool and Guide

Central Government

Subnational Government

DEBT MANAGEMENT PERFORMANCE ASSESSMENT (DeMPA) TOOL

Revised December 2009
Economic Policy and Debt Department (PRMED)
Banking and Debt Management Department (BDM)



GUIDE TO THE DEBT MANAGEMENT PERFORMANCE ASSESSMENT (DeMPA) TOOL

Revised December 2009
Economic Policy and Debt Department (PRMED)
Banking and Debt Management Department (BDM)



August 15, 2012

SUBNATIONAL DEBT MANAGEMENT PERFORMANCE ASSESSMENT (DeMPA) TOOL

 THE WORLD BANK
Economic Policy and Debt Department (PRMED)
Poverty Reduction and Economic Management Network (PREM)
DEBT MANAGEMENT PERFORMANCE ASSESSMENT TOOL PAGE 1 OF 37

August 17, 2012

GUIDE TO THE SUBNATIONAL DEBT MANAGEMENT PERFORMANCE ASSESSMENT (DeMPA) TOOL

 THE WORLD BANK
Economic Policy and Debt Department (PRMED)
Poverty Reduction and Economic Management Network (PREM)
1

December 2009

Previous Versions: February 2008 & November 2008

August 2012

DPIs → Areas for Reform

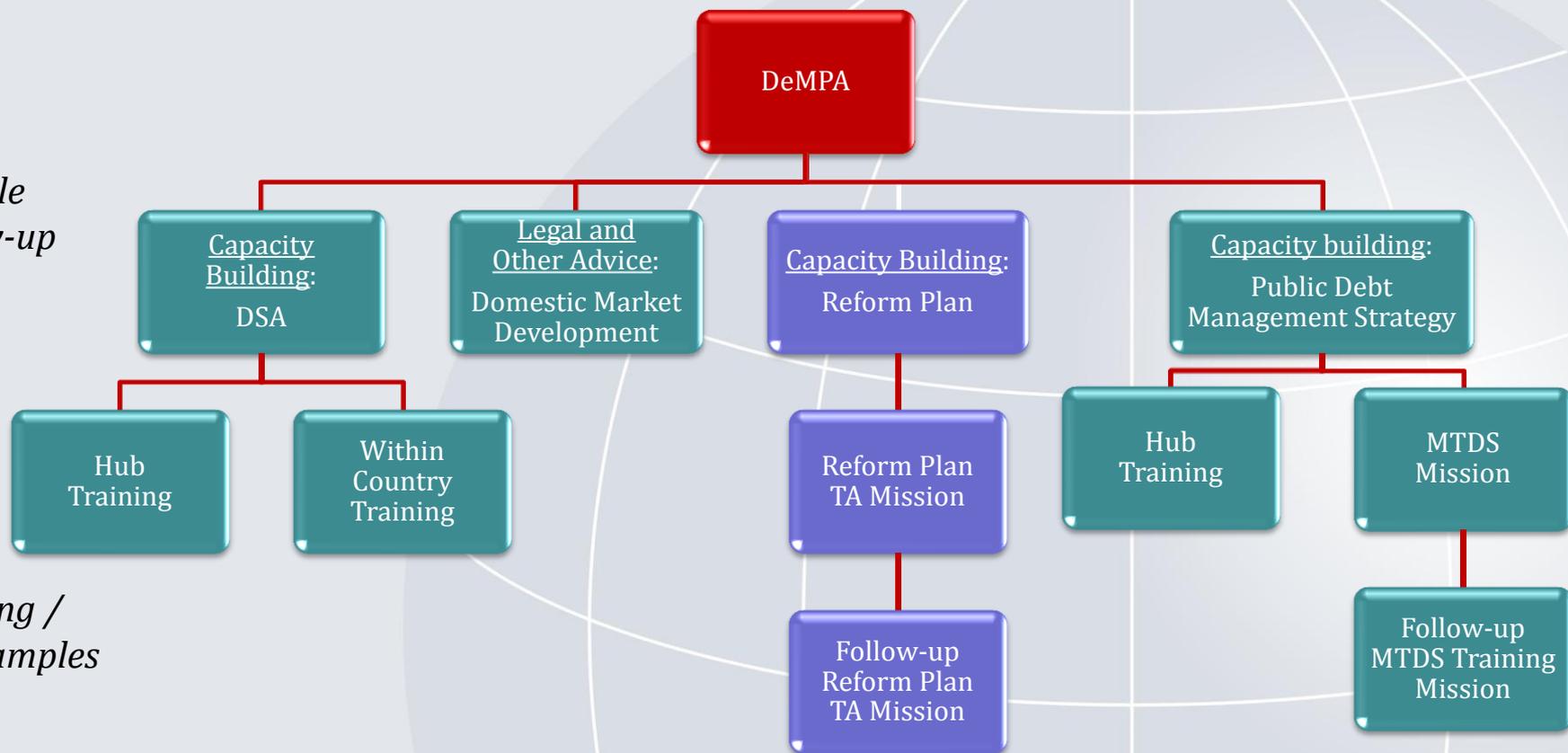
Governance and Strategy Development	
DPI-1	Legal Framework
DPI-2	Managerial Structure
DPI-3	Debt Management Strategy
DPI-4	Evaluation of Debt Management Operations
DPI-5	Audit
Coordination with Macroeconomic Policies	
DPI-6	Coordination with Fiscal Policy
DPI-7	Coordination with Monetary Policy
Borrowing and Related Financing Activities	
DPI-8	Domestic Borrowing
DPI-9	External Borrowing
DPI-10	Loan Guarantees, On-lending and Derivatives
Cash Flow Forecasting and Cash Balance Management	
DPI-11	Cash Flow Forecasting and Cash Balance Management
Operational Risk Management	
DPI-12	Debt Administration and Data Security
DPI-13	Segregation of Duties, Staff Capacity and Business Continuity
Debt Records and Reporting	
DPI-14	Debt Records
DPI-15	Debt Reporting

Areas for Reform



Technical Assistance Road Map

*Possible
Follow-up*



*Training /
TA Examples*

Case Study: The Gambia

Debt Management Performance Assessment (DeMPA)

The Gambia



April 2010



Public Debt Management Reform Plan

The Gambia



June 2011



Gambia DeMPA (April 2010)

	Performance Indicators and Dimensions	Score			
DPI-1	1. The existence, coverage and content of the legal framework.	C	DPI-10	1. Availability and quality of documented policies and procedures for approval and issuance of central government loan guarantees.	D
Legal Framework			Loan Guarantees, On-lending, Derivatives	2. Availability and quality of documented policies/procedures for on-lending borrowed funds.	D
DPI-2	1. The managerial structure for borrowings and debt-related transactions.	C		3. Availability/quality of a DeM system, procedures to handle derivatives.	N/R
Managerial Structure	2. The managerial structure for preparation and issuance of loan guarantees.	B	DPI-11	1. Effectiveness of forecasting aggregate level of cash balances in government bank accounts.	D
DPI-3	1. The quality of the DMS document.	C	Cash Flow Forecasting, Cash Balance Management	2. Effectiveness of managing aggregate cash balance in government bank account(s), including integration with the domestic debt borrowing program.	D
DeM Strategy	2. The decision-making process, updating, publication of the DeM strategy.	C	DPI-12	1. Availability/quality of documented procedures for processing debt service.	C
DPI-4	1. Level of disclosure of government DeM activities, central government debt, evaluation of outcomes, and compliance with the government's DMS.	C	Debt Administration and Data Security	2. Availability and quality of documented procedures for debt data recording, validation, storing of agreements and debt administration.	D
Evaluation of DeM Operations				3. Availability and quality of documented procedures for controlling access to government debt recording and management systems.	C
DPI-5	1. Frequency of internal/external audit of central government DeM activities, policies, operations, publication of external audit reports.	D		4. Frequency and off-site, secure storage of debt recording system backups.	B
Audit	2. Degree of commitment to address the outcomes from audits.	N/R	DPI-13	1. Segregation of duties for some key functions, presence of a risk-monitoring and compliance function.	C
DPI-6	1. Coordination with fiscal policy—through the provision of accurate and timely forecasts on total and debt service under different scenarios.	C	Segregation of Duties, Capacity, Business Continuity	2. Staff capacity and human resource management.	C
Fiscal Policy Coordination	2. Availability of key fiscal variables and a DSA, and the frequency of DSA.	C		3. Presence of an operational risk management plan, business-continuity, disaster- recovery arrangements.	D
DPI-7	1. Separation between monetary policy operations and DeM transactions.	D	DPI-14	1. Completeness and timeliness of central government debt records.	B
Monetary Policy Coordination	2. Coordination, regular information sharing on debt transactions and government's cash flows with the central bank.	D	Debt Records	2. Complete and up-to-date records of all holders of government securities in a secure registry system.	A
	3. Extent of a limit to direct access of resources from the Central Bank.	D			
DPI-8	1. Market-based mechanisms to issue debt, preparation and publication of a borrowing plan for government bonds—wholesale and retail markets.	C	DPI-15	1. Meet statutory/contractual reporting requirements of central government debt to all entities.	D
Domestic Borrowing	2. Availability and quality of documented procedures for domestic borrowing.	C	Debt Reporting	2. Meeting statutory and contractual reporting requirements for total nonfinancial public sector debt and loan guarantees to all entities.	D
DPI-9	1. Assessment of most beneficial/cost-effective borrowing terms/conditions.	D		3. Quality/timeliness of debt statistical bulletin covering central government debt.	D
External Borrowing	2. Availability and quality of documented procedures for external borrowings.	D			
	3. Degree of involvement of legal advisers before signing the loan contract.	B			

Gambia Reform Plan (June 2011)

First Pillar of Reform

Consolidate the Directorate of Loans and Debt Management (DLDM):

- Organizational Structure and Business Plan
- The Middle Office
- The Back Office
- Staffing and Training
- Physical infrastructure of DLDM

Second Pillar of Reform

Updating the Legal and Inter-Institutional Framework for Public Debt Management:

- Legal and Regulatory Framework
- Debt Management Advisory Committee (DMAC)
- MOF-CBG Memorandum of Understanding
- Service Level Agreement (SLA) between MOF and CBG

Third Pillar of Reform

Design And Implement a Strategy for Development of Domestic Market for Government Securities

Update of the Reform Plan September 2013

