



# Sovereign Debt Management Newsletter

Storkey & Co Limited  
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## What's New

The main focus of activity over the past three months has been on-going consulting assignments, primarily in the Asia-Pacific region. Also, our attendance at the inaugural Asian Regional Public Debt Management Forum hosted jointly by the Asian Development Bank (ADB) and Bank Negara Malaysia in Kuala Lumpur from 3 to 5 November and a Local Government Treasury Cash Management Seminar in Sanya, People's Republic of China from 10 to 11 December 2009.

In this Newsletter, there are articles covering:

- Local Government Treasury Cash Management Seminar in Sanya from 10-11 December 2009.
- Update of the Debt Management Performance Assessment tool.

## Storkey & Co Update

Over the past 3 months, we have:

- continued to assist the World Bank with the Public Financial Management Reform Project for the Ministry of Finance in Vietnam.
- continued to assist the World Bank in implementing the DeMPA tool across low-income countries.
- continued to assist the ADB with the Asian Regional Public Debt Management Forum.

- Annoying features of a selection of debt management websites.
- The Debt Management Facility Stakeholders' Forum to be held in Tunis, Tunisia from March 29-30, 2010.

As with 2009, our work program for 2010 is looking very heavy with continuation of many of the consultancy assignments that we have been involved with over the past few years.

This is also a busy time for DMOs, particularly in the northern hemisphere where the fiscal year is the calendar year. Many DMOs have published their medium term debt management strategies and annual borrowing programs for 2010. Details can be found in the list of Debt Management Unit Publications & Websites on page 4.

- continued to assist the Commonwealth Secretariat to document public debt management business processes and workflows.
- contracted by the ADB to assist the People's Republic of China to review Local Government Treasury Cash Management.
- contracted by the Commonwealth Secretariat to undertake a review of debt management for the Government of Namibia.

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### Special points of interest:

Debt management training courses for 2010 have been posted on our website:

<http://www.storkeyandco.com/Events/Training/training.html>.

The World Bank has a Public Debt Management Training Providers Database on their website:

[http://treasury.worldbank.org/bdm/htm/training\\_providers.html](http://treasury.worldbank.org/bdm/htm/training_providers.html).

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## Local Government Treasury Cash Management

International agencies have mainly focussed their technical assistance efforts on central government cash management, involving consolidation of government bank accounts and establishment of a Treasury Single Account or (TSA), development of accurate and timely cash flow forecasting, improvement of government banking arrangements with often the move of transactional banking services from the central bank to commercial banks, and integration of cash and debt management. These are equally important for local governments so it was timely that

the Asian Development Bank (ADB) facilitated the 2009 International Seminar on Local Government Treasury Cash Management that was held in Sanya, Hainan Province, People's Republic of China from December 10 to 11, 2009.

Company director, Ian Storkey, was one of the international speakers along with other speakers from the IMF, World Bank, Canada and USA. What the Seminar did highlight was the limited information that is available internationally on local governments and the need to document what effective treasury

cash management is at the local government level.

Storkey & Co Limited is assisting the ADB and People's Republic of China to document international practices covering countries such as Australia, Brazil, Canada, France, India, New Zealand, South Africa, UK and USA. However, as there appears to be limited information published or on local government websites (in English) we would welcome any information that could be included in the documentation. If you have any information, please feel free to send it by email to: [contactus@storkeyandco.com](mailto:contactus@storkeyandco.com).



*The 2009 International Seminar on Local Government Treasury Cash Management was held in Sanya, Hainan Province, People's Republic of China from December 10 to 11, 2009.*

## Debt Management Performance Assessment Tool

The World Bank has updated the Debt Management Performance Assessment (DeMPA) tool and Guide.

The DeMPA comprises a set of 15 Debt Management Performance Indicators (DPIs) that in turn are differentiated into 35 dimensions. These encompass the full spectrum of government debt management operations, as well as

the overall environment in which these operations are conducted.

For the previous DeMPA, an aggregate score of each indicator was based on the assessments for the individual dimensions of the DPI. However, important information was lost in the aggregation, and as such the DeMPA methodology now disaggregates the scores for the different dimensions

and does not aggregate these for any one indicator.

The other major change has been the addition of a dimension to one DPI and deletion of a dimension for another DPI.

To obtain the updated copy of the DeMPA tool and Guide, refer:

<http://go.worldbank.org/4VX651FHB0>



## Annoying Features of Websites

To research new debt management developments, announcements and publications, we rely on websites as the primary source. Unfortunately, this is made more difficult by the annoying features of some websites and practices of the webmasters.

The following are the five most annoying features or practices:

1. **Only available in the native language:** an English version is needed as the primary language of financial markets—this is even more critical for the written languages in, for example, Thailand, China (PRC) and the Middle East.
2. **Not updated or little information:** the DMO should publish relevant laws, debt statistics, and other debt related documents which need to be regularly updated—many DMOs do not!
3. **Changed without notice:** it is standard to send out a notice of a change and to have an automatic link from the old website—the World Bank Treasury website was recently changed; we did not receive or see any notification, the old webpage now goes to an authentication log-in, and other links have changed.
4. **Inconsistent naming and location of documents :** consistent naming and location of documents for downloading makes it easy to track annual, quarterly and monthly publications—many websites do not adhere to this policy (refer to the example of the Indonesian DMO below)!
5. **Links that are not functional:** webmasters should ensure that their website links to pages or documents for downloading and to regularly check their website links.

## Debt Management Facility Stakeholders Forum

The World Bank's Economic Policy and Debt Department, in cooperation with the African Development Bank, is organizing the Debt Management Facility (DMF) Stakeholders' Forum on "Sovereign Debt and the Financial Crisis: Will This Time Be Different?".

This Forum will be held in Tunis from March 29-30, 2010 and will provide an opportunity for discussion of policy-relevant research on the current debt challenges which developing and emerging market

economies face. In particular, the conference will help better understand the risks associated with sovereign debt, while reviewing experiences with debt restructuring and discussing debt management practices that help advance financial stability.

Launched in November 2008, the DMF for Low-Income Countries a grant facility financed through a multi-donor trust fund to support the scaling up and accelerated implementation of the Bank's

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debt management work program in IDA eligible countries.

A copy of the Agenda can be obtained from the website:

<http://go.worldbank.org/082IPOO2HQ>

## Recent Developments or Announcements

The 4th OECD Regional Workshop on African Debt Management and Bond Markets will be held in Johannesburg from 5-7 May 2010. This event is part of the OECD Project on African Public Debt Management and Bond Markets sponsored by the Icelandic Ministry of Foreign Affairs, the National Treasury of South Africa, and the Johannesburg Stock Exchange.

The WAIFEM website URL has changed to: <http://www.waifem-cbp.org>.

The World Bank Public Debt Management group website URL has changed to: <http://treasury.worldbank.org/bdm/htm/index.html>.

The newly-redesigned OECD-Italian Treasury Public Debt Management (PDM) Network for

Emerging Markets website is now online at: <http://www.publicdebt.net.org>.

We have located the Quarterly Debt Statistical Bulletins published by the Indonesian DMO since the 3rd Quarter of 2007 in the Bahasa section (not the English section) of the DMO website, refer to: <http://www.dmo.or.id/content.php?section=92>.

# Storkey & Co Limited

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Ian Storkey  
Director  
90 Larsen Crescent  
PO Box 51096  
Tawa  
Wellington 5249, New Zealand  
Phone: +64 (04) 232-4594  
Fax: +64 (04) 232-9465  
Mobile: +64 (021) 414-510  
Email: [contactus@storkeyandco.com](mailto:contactus@storkeyandco.com)  
Web: [www.storkeyandco.com](http://www.storkeyandco.com)



Storkey & Co Limited is an international management consultancy providing independent specialist advice on government debt management to central and sub-national governments.

The company employs or works in partnership with recognised experts who have considerable international experience in the finance markets and in public sector debt, cash and risk management. With their extensive project and change management expertise, they have developed an international reputation for delivering the highest quality practical solutions.

These experts have gained practical experience from working in a government debt office and on technical assistance projects internationally for all the major donor agencies.

Since the company was established in early 2001, assignments have been undertaken in Australia, Brazil, Canada, Cambodia, China, Ethiopia, Fiji, Ghana, Guyana, Hungary, India, Indonesia, Laos, Lithuania, Malaysia, Malawi, Mauritius, Mongolia, Nauru, New Zealand, Nicaragua, Nigeria, Papua New Guinea, Philippines, Samoa, Solomon Islands, Thailand, The Gambia, Uzbekistan and Vietnam.

## Debt Management Unit Publications & Websites

Key publications released by DMUs over the past 3 months:

- **Belgium** Review 2009 Outlook 2010
- **Brazil** Annual Public Debt Report 2009 and Annual Borrowing Plan 2010
- **Canada** Debt Management Strategy 2009-10
- **Canada** Debt Management Report 2007-08
- **Czech Republic** Financing and Debt Strategy 2010
- **Czech Republic** Quarterly Review Dec 2009
- **Denmark** Danish Government Borrowing and Debt 2010
- **Ethiopia** Public External Debt Statistical Bulletin No 3
- **Greece** Public Debt Bulletin No 56
- **Hungary** Government Securities Report 4th Qtr 2009
- **India** External Debt Status Report 2008-09
- **Italy** Guidelines for Public Debt Management 2010
- **Japan** Japanese Government Bonds Jan 2010
- **Jordan** Public Debt Bulletin Dec 2009
- **Latvia** Quarterly Bulletin Q4 2009
- **Mexico** Borrowing Plan 2010
- **Netherlands** Dutch Annual Outlook 2010
- **Netherlands** DSTA Quarterly Outlook Dec 2009
- **PNG** Medium Term Debt Strategy 2010-14
- **Poland** Debt Management Strategy 2010-12
- **South Africa** ALM Budget Chapter 6 2010
- **Turkey** Public Debt Management Reports Nov, Dec 2009, Jan 2010
- **UK** DMO Quarterly Review Oct-Dec 2009

Also Released:

- **MEFMI** Update No 50 Sep/Oct 2009
- **UNCTAD** 2009 Conference Papers

