



**DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES
JUNE 2-6, 2014
JOINT VIENNA INSTITUTE
Draft Agenda**

DAY 1- MONDAY, JUNE 2

- 8:30 a.m. **REGISTRATION AND ADMINISTRATIVE BRIEFING (JVI)**
- 9:00 a.m. **Welcoming Remarks and Introduction to Topics of Day 1**
- Administrative Information**
- 9:10 a.m. **Introductions/Ice-breaker**
- 9:20 a.m. **Introduction to Debt Management Strategy Design:
Case Study – Technique Overview
Presentation and Discussion of Scenario 1**
- 11:00 a.m. **COFFEE BREAK**
- 11:15 a.m. **Case Study:
Presentation and Discussion of Scenario 2**
- 12:30 p.m. **LUNCH (participants’ own arrangements)**
- 2:00 p.m. **Debt Management Strategies of Three Participant Countries (20 minutes each; tbc)**

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- 3:00 p.m. **The Global Financial Crisis and its Aftermath: Lessons for Debt Managers in Emerging Markets**
- EMs before the crisis
 - Impact of the global financial crisis
 - Debt managers' response to the crisis
 - EMs in current environment of search for yield
 - Lessons learned
- 3:45 P.M. COFFEE BREAK
- 4:00 p.m. **Country Case Study:**
- Background
 - Government Framework
 - Debt Management Strategy
 - Conclusions
- 4:55 p.m. 5 minutes for course evaluation

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DAY 2 - TUESDAY, JUNE 3

- 8:45 a.m. **INTRODUCTION TO TOPICS OF DAY 2**
- 9:00 a.m. **Measuring Cost and Market Risk**
- Notions of cost and risk
 - Time horizon and currency considerations
 - 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. **Measuring and Managing Refinancing Risk**
- Issues in measuring and managing refinancing risk
 - Country examples
 - Lessons learned
- 11:00 a.m. **COFFEE BREAK**
- 11:15 a.m. **Measuring and Managing Interest Rate Risk**
- Issues in measuring and managing interest rate risk
 - Measuring and managing interest rate risk in OECD countries
 - Country examples: lessons learned
- 12:00 p.m. **GROUP PHOTO**

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- 12:30 p.m. LUNCH (participants' own arrangements)
- 1:30 p.m. **Hands-on Exercise: The Calculation of Risk Indicators**
- Deriving the cash flows
 - Indicators of interest rate risk
 - Indicators of refinancing risk
- 3:00 p.m. COFFEE BREAK
- 3:15 p.m. **Hands-on Exercise: The Calculation of Risk Indicators (cont'd)**
- 5:00 p.m. **Discussion with participants on financial risk management in their countries and use of risk indicators**
- 5:25 p.m. 5 minutes for course evaluation

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DAY 3- WEDNESDAY, JUNE 4

- 8:45 a.m. **INTRODUCTION TO TOPICS OF DAY 3**
- 9:00 a.m. **A Primer on Cash Flow Modeling and Scenario Analysis**
- 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
 - Summary
- 10:00 a.m. **Measuring and Managing Foreign Currency Risk**
- Why do governments borrow in foreign currencies?
 - Risks related to debt in foreign currencies
 - Quantification of foreign currency risks
 - Implications for debt management strategies
- 10:50 a.m. **COFFEE BREAK**

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- 11:00 a.m. **Projecting Financial Variables for Scenario Analysis**
- What is scenario analysis?
 - How to use scenario analysis; why is it useful?
 - How to develop baseline scenario?
 - How can risk scenarios be constructed?
- 12:00 p.m. **Hands-on Exercise: Scenario Analysis**
- Projection of the borrowing requirements
 - Generation of future debt servicing flows
 - Alternative market scenarios
 - Comparing different borrowing strategies
- 1:00 p.m. LUNCH (participants' own arrangements)
- 2:00 p.m. **Hands-on Exercise (CONT.)**
- 3:30 p.m. COFFEE BREAK
- 3:45 p.m. **Hands-on Exercise: Scenario Analysis (cont'd)**
Conclusions and discussion
- 5:25 p.m. 5 minutes for course evaluation

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DAY 4 - THURSDAY, JUNE 5

8:45 a.m. **INTRODUCTION TO TOPICS OF DAY 4**

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

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

10:00 a.m. **Links Between Debt Management and Macroeconomic Policies**

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

10:50 a.m. **COFFEE BREAK**

11:00 a.m. **Institutional Arrangements for Effective Debt Management**

12:00 p.m. **LUNCH (participants' own arrangements)**

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- 1:00 p.m. **A Medium-Term Debt Management Strategy (MTDS):
Process of Strategy Design, Documentation and Reporting**
- The eight-step process
 - Main elements in the strategy document
 - Strategy documents in developed and developing countries
 - Reporting
- 2:15 p.m. COFFEE BREAK
- 2:30 p.m. **Case Study Presentation**
- Groups will prepare a review of a country's debt management strategy, for presentation on Friday morning (by groups)**
- 5:00 p.m. 5 minutes for course evaluation



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DAY 5 - FRIDAY, JUNE 6

- 8:45 a.m. Introduction to topics of Day 5
- 9:00 a.m. **Using IBRD Financial Products as Inputs for Implementation of a Debt Management Strategy**
- 10:00 a.m. COFFEE BREAK
- 10:15 a.m. **EXERCISE:**
Presentation and Discussion of CASE STUDY: A Country's Debt Management Strategy
- Identify strengths and weaknesses of the strategy, and how the content could be improved
 - Identify areas that need more explanation or justification
 - Evaluate the analysis that supports the strategy; identify any aspects that have not been incorporated
 - Evaluate the process used to develop the strategy and propose improvements
- 12:25 a.m. 5 minutes for course evaluation.
- 12:30 p.m. **Workshop Wrap-up & Awarding of Certificates**