DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES
JUNE 1-5, 2015

JOINT VIENNA INSTITUTE

Agenda

DAY 1- MONDAY, JUNE 1

8:30 a.m. REGISTRATION AND ADMINISTRATIVE BRIEFING (JVI)

9:00 a.m. **Welcoming Remarks and Introduction to Topics of Day 1**

9:10 a.m. **Introductions/Ice-breaker**
Lars Jessen, Lead Financial Officer, World Bank Treasury

9:40 a.m. **Introduction to Debt Management Strategy Design:**
Case Study – Technique Overview
Presentation and Discussion of Scenario 1
Group #1: *Lars Jessen, Lead Financial Officer, World Bank Treasury*
Fritz Bachmair, Jr Professional Officer, World Bank Treasury
Group #2: *Rodrigo Cabral, Lead Financial Officer, World Bank Treasury*
Sébastien Boitreaud, Lead Financial Officer, World Bank Treasury

11:00 a.m. COFFEE BREAK

11:15 a.m. **Case Study:**
Presentation and Discussion of Scenario 2

12:30 p.m. GROUP PHOTO

12:45 p.m. LUNCH (participants' own arrangements)

DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES
JUNE 1-5, 2015

JOINT VIENNA INSTITUTE

Agenda

2:00 p.m.	**Debt Management Strategies of Four Participant Countries (15 minutes each; tbc)**
3:45 P.M.	COFFEE BREAK
4:00 p.m.	**Country Case Study**
4:55 p.m.	Course Evaluation

DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES
JUNE 1-5, 2015

JOINT VIENNA INSTITUTE

Agenda

DAY 2- TUESDAY, JUNE 2

8:45 a.m. **INTRODUCTION TO TOPICS OF DAY 2**

9:00 a.m. **Measuring Cost and Market Risk**
Lars Jessen, Lead Financial Officer, World Bank Treasury

- 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

10:30 a.m. COFFEE BREAK

10:45 a.m. **Measuring and Managing Refinancing Risk**
Sébastien Boitreaud, Lead Financial Officer, World Bank Treasury

- Issues in measuring and managing refinancing risk
- Country examples
- Lessons learned

11:45 a.m. **Measuring and Managing Interest Rate Risk**
Rodrigo Cabral, Lead Financial Officer, World Bank Treasury

- Issues in measuring and managing interest rate risk
- Measuring and managing interest rate risk in OECD countries
- Lessons learned

DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES JUNE 1-5, 2015

JOINT VIENNA INSTITUTE

Agenda

12:45 p.m.	LUNCH (participants' own arrangements)
1:45 p.m.	**Hands-on Exercise: the Calculation of Risk Indicators** *Lars Jessen, Lead Financial Officer, World Bank Treasury* *Fritz Bachmair, Jr Professional Officer, World Bank Treasury* • 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** *Lars Jessen, Lead Financial Officer, World Bank Treasury* *Fritz Bachmair, Jr Professional Officer, World Bank Treasury*
5:25 p.m.	Course Evaluation
6:30 p.m.	WELCOME DINNER

DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES
JUNE 1-5, 2015

JOINT VIENNA INSTITUTE

Agenda

DAY 3- WEDNSDAY, JUNE 3

8:45 a.m. **INTRODUCTION TO TOPICS OF DAY 3**

9:00 a.m. **Links Between Debt Management and Debt Market Development**
Rodrigo Cabral, Lead Financial Officer, World Bank Treasury

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

10:30 a.m. COFFEE BREAK

10:45 a.m. **A Primer on Cash Flow Modeling and Scenario Analysis**
Lars Jessen, Lead Financial Officer, World Bank Treasury

- 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

DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES JUNE 1-5, 2015

JOINT VIENNA INSTITUTE

Agenda

11:30 a.m. **Projecting Financial Variables for Scenario Analysis**
Fritz Bachmair, Jr Professional Officer, World Bank Treasury

- What is scenario analysis?
- How to use scenario analysis; why is it useful?
- How to develop baseline scenario?
- How can risk scenarios be constructed?

12:45 p.m. LUNCH (participants' own arrangements)

1:45 p.m. **Hands-on Exercise: Scenario Analysis**
Lars Jessen, Lead Financial Officer, World Bank Treasury
Fritz Bachmair, Jr Professional Officer, World Bank Treasury

- Projection of the borrowing requirements
- Generation of future debt servicing flows
- Alternative market scenarios
- Comparing different borrowing strategies

3:30 p.m. COFFEE BREAK

3:45 p.m. **Hands-on Exercise: Scenario Analysis (cont'd)**
Conclusions and discussion

5:25 p.m. Course Evaluation

DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES
JUNE 1-5, 2015

JOINT VIENNA INSTITUTE

Agenda

DAY 4- THURSDAY, JUNE 4

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

9:00 a.m. **Measuring and Managing Foreign Currency Risk**
Sébastien Boitreaud, Lead Financial Officer, World Bank Treasury

- Why do governments borrow in foreign currencies?
- Risks related to debt in foreign currencies
- Quantification of foreign currency risks
- Implications for debt management strategies

10:00 a.m. **Links Between Debt Management and Macroeconomic Policies**
Rodrigo Cabral, Lead Financial Officer, World Bank Treasury

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

11:15 a.m. COFFEE BREAK

11:30 a.m. **An Integrated Perspective: Framework for a Medium-Term Debt Management Strategy (MTDS)**
Fritz Bachmair, Jr Professional Officer, World Bank Treasury

- Framework for an MTDS: 8 step process
- Main elements in the strategy document
- Example of a strategy document

DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES
JUNE 1-5, 2015

JOINT VIENNA INSTITUTE

Agenda

12:45 p.m.	LUNCH (participants' own arrangements)
1:45 p.m.	**Institutional Arrangements for Effective Debt Management** *Lars Jessen, Lead Financial Officer, World Bank Treasury*
2:45 p.m.	**Managing Risks Related to Contingent Liabilities** *Fritz Bachmair, Jr Professional Officer, World Bank Treasury* • Defining and categorizing different types of contingent liabilities • Framework for contingent liabilityes risk management • Country example of managing risks related to government guarantees
3:30 p.m.	COFFEE BREAK
3:45 p.m.	**Case Study Presentation** Groups will prepare a review of a country's debt management strategy for the group presentations on Friday morning
6:25 p.m.	Course Evaluation

DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES
JUNE 1-5, 2015

JOINT VIENNA INSTITUTE

Agenda

DAY 5- FRIDAY, JUNE 5

8:45 a.m. **INTRODUCTION TO TOPICS OF DAY 5**

9:00 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 incoprorated
- Evaluate the process used to develop the strategy and propose improvements

10:45 p.m. COFFEE BREAK

11:00 a.m. **EXERCISE:**
Presentation and Discussion of CASE STUDY: A Country's Debt Management Strategy (cont'd)

12:15 a.m. Final Course Evaluation

12:30 p.m. **Workshop Wrap-up & Awarding of Certificates**
Lars Jessen, Lead Financial Officer, World Bank Treasury