

**DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES**  
**July 11-15, 2016**

JOINT VIENNA INSTITUTE

**Agenda**

**DAY 1- MONDAY, JULY 11**

- 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**  
*Rodrigo Cabral, Senior 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: *Antonio Velandia-Rubiano, Lead Financial Officer, World Bank Treasury*  
*Emre Balibek, Senior Debt Specialist, Macroeconomics & Fiscal Management  
Global Practice, World Bank*  
Group #2: *Rodrigo Cabral, Senior 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)

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- 2:00 p.m.            **Debt Management Strategies of Five Participant Countries (20 minutes each)**
- 3:45 P.M.            COFFEE BREAK
- 4:00 p.m.            **Debt Management Strategies of Five Participant Countries (cont'd)**
- 4:55 p.m.            Course Evaluation
- 6:30 p.m.            WELCOME DINNER

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**DAY 2- TUESDAY, JULY 12**

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

9:00 a.m.                   **Measuring Cost and Market Risk**  
*Rodrigo Cabral, Senior 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**  
*Antonio Velandia-Rubiano, 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

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- 1:00 p.m. LUNCH (participants' own arrangements)
- 2:00 p.m. **Hands-on Exercise: the Calculation of Risk Indicators**  
*Antonio Velandia-Rubiano, Lead Financial Officer, World Bank Treasury*  
*Rodrigo Cabral, Senior Financial 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**  
*Antonio Velandia-Rubiano, Lead Financial Officer, World Bank Treasury*  
*Rodrigo Cabral, Senior Financial Officer, World Bank Treasury*
- 5:25 p.m. Course Evaluation

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**DAY 3- WEDNESDAY, JULY 13**

- 8:45 a.m.                    **INTRODUCTION TO TOPICS OF DAY 3**
- 9:00 a.m.                    **Links Between Debt Management and Debt Market Development**  
*Rodrigo Cabral, Senior 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**  
*Sébastien Boitreaud, 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

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- 11:30 a.m.            **Projecting Financial Variables for Scenario Analysis**  
*Emre Balibek, Senior Debt Specialist*  
*Macroeconomics & Fiscal Management Global Practice, World Bank*
- 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**  
*Antonio Velandia-Rubiano, Lead Financial Officer, World Bank Treasury*  
*Rodrigo Cabral, Senior Financial 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

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**DAY 4- THURSDAY, JULY 14**

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**  
*Antonio Velandia-Rubiano, 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)**  
*Emre Balibek, Senior Debt Specialist*  
*Macroeconomics & Fiscal Management Global Practice, World Bank*

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

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- 12:45 p.m. LUNCH (participants' own arrangements)
- 1:45 p.m. **Institutional Arrangements for Effective Debt Management**  
*Antonio Velandia-Rubiano, Lead Financial Officer, World Bank Treasury*
- 2:45 p.m. **Managing Risks Related to Contingent Liabilities**  
*Sebastien Boitreaud, Lead Financial Officer, World Bank Treasury*
- Defining and categorizing different types of contingent liabilities
  - Framework for contingent liabilities 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 case study for presentations on Friday morning
- 6:00 p.m. Course Evaluation



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**Agenda****DAY 5- FRIDAY, JULY 15**

- 8:45 a.m.                    **INTRODUCTION TO TOPICS OF DAY 5**
- 9:00 a.m.                    **EXERCISE:**  
**Presentation and Discussion of three case studies:**
- Present the case to the group: (i) news article and (ii) questions to respond to
  - Provide a summary of the relevant background
  - Present and substantiate your position
  - Open the discussion to the group after the presentation of the 2<sup>nd</sup> group
- 10:45 p.m.                    **COFFEE BREAK**
- 11:00 a.m.                    **EXERCISE:**  
**Presentation and Discussion of three case studies (cont'd)**
- 12:15 a.m.                    Final Course Evaluation
- 12:30 p.m.                    **Workshop Wrap-up & Awarding of Certificates**  
*Rodrigo Cabral, Senior Financial Officer, World Bank Treasury*