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
            Phillip Anderson, Senior Manager, World Bank Treasury

9:10 a.m.  Introductions/Ice-breaker

9:20 a.m.  Level II Evaluation (pre-test)

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

11:00 a.m.  COFFEE BREAK

11:15 a.m.  Case Study:
            Presentation and Discussion of Scenario 2
            Group #1: Phillip Anderson, Senior Manager, World Bank Treasury
            Fritz Bachmair, Junior Professional Officer, World Bank Treasury
            Group #2: Lars Jessen, Lead Financial Officer, World Bank Treasury
            Rodrigo Cabral, Senior Financial Officer, World Bank Treasury
12:30 p.m. LUNCH (participants’ own arrangements)

2:00 p.m. Debt Management Strategies of Four Participant Countries (15 minutes each; tbc)

3:00 p.m. The Global Financial Crisis and its Aftermath: Lessons for Debt Managers in Emerging Markets
Phillip Anderson, Senior Manager, World Bank Treasury
- 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: South Africa’s Debt Management Strategy
Mmakganya C. Mphahlele, Analyst, National Treasury of South Africa
- Background
- Government Framework
- Debt Management Strategy
- Conclusions

4:55 p.m. 5 minutes for course evaluation
DAY 2 - TUESDAY, JUNE 3

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

10:15 a.m. Measuring and Managing Refinancing Risk
Rodrigo Cabral, Senior Financial Officer, World Bank Treasury
- 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
Fritz Bachmair, Junior Professional Officer, World Bank Treasury
- Issues in measuring and managing interest rate risk
- Measuring and managing interest rate risk in OECD countries
- Country examples: lessons learned
DESIGNING GOVERNMENT DEBT MANAGEMENT STRATEGIES
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12:00 p.m. GROUP PHOTO

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

6:30 p.m. WELCOME DINNER
Philip Anderson, Senior Manager, World Bank Treasury
DAY 3- WEDNESDAY, JUNE 4

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

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

Phillip Anderson, Senior Manager, 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
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11:15 a.m.  Projecting Financial Variables for Scenario Analysis
Rodrigo Cabral, Senior Financial 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?

12:15 p.m.  LUNCH (participants’ own arrangements)

1:15 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

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
DAY 4 - THURSDAY, JUNE 5

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

9:00 a.m. Measuring and Managing Foreign Currency Risk
Lars Jessen, 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, Senior Financial Officer, World Bank Treasury

- 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. An Integrated Perspective: Framework for a Medium-Term Debt Management Strategy (MTDS)
Fritz Bachmair, Junior 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
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12:15 p.m.  LUNCH (participants’ own arrangements)

1:15 p.m.  Institutional Arrangements for Effective Debt Management
Lars Jessen, Lead Financial Officer, World Bank Treasury

2:15 p.m.  COFFEE BREAK

2:30 p.m.  Using IBRD Financial Products as Inputs for Implementation of a Debt Management Strategy
John Balafoutis, Lead Financial Officer, World Bank Treasury

3:30 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
DAY 5 - FRIDAY, JUNE 6

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 incorporated
- 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)

12:05 p.m.  Level II Evaluation (post-test)

12:25 a.m.  5 minutes for course evaluation.

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