

## **AGENDA**

### **TWENTY-SECOND OECD GLOBAL FORUM ON PUBLIC DEBT MANAGEMENT**

**24-25 January, 2013**

***OECD Conference Centre  
2 rue André Pascal, 75016 Paris***

*Held under the aegis of the*

***OECD Working Party on Public Debt Management***  
[www.oecd.org/daf/publicdebtmanagement](http://www.oecd.org/daf/publicdebtmanagement)

*Sponsored by the*

***Government of Japan***

Thursday, 24th January 2013

## Day 1

08 h 00 – 09 h 00

Registration

09 h 00 – 09 h 20

Introductory Session

09 h 00 – 09 h 05

**Welcome by Chair: Mr. Pier Carlo Padoan**, Deputy Secretary-General and Chief Economist, OECD

09 h 05 – 09 h 10

**Overview of programme by Dr. Hans J. Blommestein**, Head of Bond Market and Public Debt Management Unit, OECD

09 h 10 – 13 h 00

Session 1: Policy implications for DMOs of structural changes in the investor base for government securities

Chair: **Mr. Pier Carlo Padoan**, OECD

09 h 10 – 09 h 30

**I. Structural changes in the investor base for government securities: trends and policy challenges**

- **Dr. Hans J. Blommestein**, OECD

09 h 30 – 10 h 45

**II. Foreign inflows and funding strategy: how stable are inflows? Round table with views from selected emerging markets**

- **Latin America**
  - **Ms. Azucena Arbeleche**, Director, Debt Management Unit, Ministry of Economy and Finance, Uruguay
  - **Mr. José Franco Medeiros de Moraes**, Deputy Head, Public Debt Operations Department, MoF, Brazil
- **Africa**
  - **Mr. Johan Krynauw**, Managing Director, Centre for African Public Debt Management and Bond Markets, Midrand/ Director-Debt Operations, National Treasury, South Africa
  - **Mrs. Patience Oniha**, Director Market Development, DMO, Nigeria
- **Asia**
  - **Mr. Suharman Tabrani**, Senior Dealer-Monetary Management Department, Bank of Indonesia

10 h 45 – 11 h 00

**Coffee Break**

11 h 00 – 12 h 30

**III. How important is the investor relations and communications strategy?**

**Chair:** *Mr. Ron Morrow, Chair of the Working Party on Public Debt Management (WPDM) and Chief, Funds Management and Banking, Bank of Canada*

11 h 00 – 11 h 20

**OECD Survey on investor relations and communications (leading practices in the OECD area)**

- *Mr. Mark Dooner, Senior Analyst, Bank of Canada*

11 h 20 – 12 h 05

**Round table discussion**

- *Mr. Rodney Mkansi, Senior Financial Analyst, National Treasury, South Africa*
- *Mr. Emile Spijkerman, Deputy Head Policy & Risk Management, DSTA, MoF, The Netherlands*
- *Mr. Rob Nicholl, Chief Executive Officer, Australian Office of Financial Management*

12 h 05 – 12 h 30

**General discussion and conclusions topics I, II and III**

12 h 30 – 14 h 00

**Lunch break**

14 h 00 – 16 h 00

**Session 1 (cont.): IV. How important are linkers for a diverse investor base? Are linkers cost effective?**

**Chair:** *Mr. Colin Kim, Director of the Office of Debt Management, US Treasury*

14 h 00 – 14 h 20

**Introduction and overview selected OECD markets**

- *Ms. Maya Atig, Deputy Chief Executive, Agence France Trésor, France*
- *Ms. Maria Cannata, Director General, Public Debt Management, Italian Treasury*

14 h 20 – 14 h 40	<p><b>Comments and discussion by panel:</b></p> <ul style="list-style-type: none"> <li>• <b>Mr. Johan Krynauw</b>, Managing Director, Centre for African Public Debt Management and Bond Markets, Midrand/Director-Debt Operations, National Treasury, South Africa</li> <li>• <b>Mr. Tim Riddington</b>, Co-Head of Policy Team, UK Debt Management Office</li> </ul>
14 h 40 – 15 h 40	<b>General discussion and conclusions</b>
<i>15 h 40 – 15 h 55</i>	<i><b>Coffee Break</b></i>
<b>15 h 55 – 18 h 15</b>	<b>Session 2: How to manage government guarantees?</b>
	<b>Chair: Dr. Hans J. Blommestein, OECD</b>
15 h 55 – 16 h 25	<p><b>Introduction of main issues:</b></p> <ul style="list-style-type: none"> <li>• <b>Mr. Philip Anderson</b>, Senior Manager, Government Debt and Risk Management, World Bank</li> <li>• <b>Mr. Luc Everaert</b>, Assistant Director - Sovereign Asset and Liability Management, IMF</li> </ul>
16 h 25 – 17 h 05	<p><b>Comments and discussion by panel:</b></p> <ul style="list-style-type: none"> <li>• <b>Mr. Edgardo Demaestri</b>, Financial Markets Lead Specialist, Inter-American Development Bank</li> <li>• <b>Mr. Lars Hörngren</b>, Chief Economist, Swedish National Debt Office</li> <li>• <b>Dr. Konstantin Vyshkovskiy</b>, Director, Department of State Debt and State Financial Assets Ministry of Finance, Russia</li> </ul>
17 h 05 – 18 h 15	<b>General discussion and conclusions</b>
18 h 15 – 18 h 30	<b>The Russian Presidency of the G20: the strategic agenda for government borrowing and debt sustainability</b> by <b>Mr. S. Storchak</b> , Vice-Minister of Finance, Russian Federation
<i>18 h 30 – 20 h 00</i>	<i><b>Reception hosted by the OECD</b></i> <i><b>Address by Mr. Rintaro Tamaki, Deputy Secretary-General OECD</b></i>

Friday, 25th January 2013

## Day 2

09 h 00 – 13 h 00

**Session 3: Central banks and public debt management in emerging market economies: to what extent are maturity decisions of debt managers influenced by explicit macroeconomic or financial market objectives?**

**Chair: Dr. Martha Oberndorfer**, Managing Director, Austrian Federal Financing Agency

09 h 00 – 09 h 20

**Dr. Hans J. Blommestein**: *What are the main issues from an advanced market perspective?*

09 h 20 – 09 h 40

**Mr. Madhusudan Mohanty**, Head of Emerging Markets, Monetary and Economic Department, BIS: *To what extent are maturity decisions of debt managers influenced by explicit macroeconomic or financial market objectives?*

09 h 40 – 11 h 00

### **Round Table with views from selected emerging markets**

- **Mr. Taşkın Temiz**, Director General, Undersecretariat of Treasury, Turkey
- **Mr. Mustafa Aycan**, Director, Central Bank of Turkey
- **Mr. Kapal Kumar Vohra**, Chief General Manager, Reserve Bank of India
- **Mr. José Franco Medeiros de Moraes**, Deputy Head, Public Debt Operations Department, MoF, Brazil
- **Mr. Jin Myung Kim**, Director of Government Bond Policy Division, Ministry of Strategy and Finance, Korea
- **Mr. Thierry de Longuemar**, VP (Finance and Risk Management), Asian Development Bank

11 h 00 – 11 h 15

**Coffee Break**

11 h 15 – 12 h 45

**General discussion**

12 h 45 – 13 h 00

Suggested conclusions

## ANNOTATIONS

### General annotations

In order to assure a timely circulation of the materials, documents must be made available **10 days prior to the meeting**.

The current policy of the OECD Working Party on Public Debt Management (WPDM) is to treat all information provided by Delegates as confidential. Authors of room documents will be consulted prior to making documents available to a wider audience via websites (such as the OECD- Italian Treasury PDM Network) or OECD publications (such as the OECD Working Paper Series on debt management and bond markets). ***Meanwhile, Delegates are requested not to circulate (room) documents outside the OECD Global Forum without prior permission.*** Requests can be sent to the OECD.

Recent information on OECD activities in the areas of public debt management and bond markets can be found at the following links:

[www.oecd.org/daf/publicdebtmanagement](http://www.oecd.org/daf/publicdebtmanagement)

### Specific annotations

**Session 1: Policy implications for DMOs of structural changes in the investor base for government securities?**

This session identifies the main policy implications associated with structural changes in the investor base for government securities. To that end, the following 4 questions will be addressed:

1. (I) What are the main structural changes in the OECD area? (Overview based on a Survey.)
2. (II) Foreign inflows and funding strategy: how stable are inflows? (Round Table with views from selected emerging markets)
3. (III) How important is the investor relations and communications strategy? (Overview based on an OECD Survey.)
4. (IV) How important are linkers for a diversified investor base? Are linkers cost effective?

### **Session 2: How to manage government guarantees?**

This session will focus on the policy framework for capturing, measuring and mitigating explicit contingent liabilities (= guarantees). A 2005 OECD report on best practices will be distributed as background. Participants will be invited to comment on the necessity of up-dates. The IMF, World Bank and IDB will provide an assessment of their respective country experiences, including lessons learnt. The speakers and panel will also address suggested best practices, making references to the aforementioned OECD report on guarantees.

### **Session 3: Central banks and public debt management in emerging market economies: to what extent are maturity decisions of debt managers influenced by explicit macroeconomic or financial market objectives?**

This session organised by the BIS and the OECD is a follow-up to discussions focused on OECD countries. In principle, the maturity decisions of debt managers are not influenced by explicit macroeconomic or financial market objectives. In practice, however, debt management decisions are to some extent discretionary – and depend on an assessment of market conditions. From this perspective decisions about the consolidated debt of the official sector (government and the central bank) will determine the size and the maturity structure of debt held by the private sector and, given imperfect substitutability of assets along the maturity spectrum, this will normally influence the shape of yield curve and monetary conditions in the economy.

In most emerging markets, both governments and central banks are active in sovereign bond markets. Over the past decade, combined official debt securities issued by emerging markets

(governments and central banks) have grown sharply, accompanied by an increase in short term debt, which financed a part of the acquisition of foreign exchange reserves by central banks. This raises issues about the impact of changes in debt maturity on interest rates, the shape of the yield curve, bank credit and monetary conditions, more generally.

One question concerns the primary motivation behind central bank debt management and whether such motivations systematically differ from those of the government. When central banks intervene in the foreign exchange market to resist appreciation pressures on the exchange rate, they issue their own securities to banks to ensure that short term interest rates do not fall below their policy target. But debt issuance by central banks also exposes them to several financial risks and could lead to segmentation of debt markets. Should central banks issue debts, if so, of what maturity? How could this be coordinated with the Treasury?

Second, short-term debt securities can affect the effectiveness of monetary policy. There is a long standing view that issuance of short term securities is akin to monetary deficit financing. Banks can, in particular, easily sell or leverage up on short term securities and then expand credit to the private sector. Converting short-term debt into long-term bonds (funding) reduces liquidity of these assets because bonds cannot be liquidated without a capital loss. This is why selling long-term government bonds can be regarded as non-monetary financing. How far do macroeconomic and monetary policy objectives influence the choice of debt maturity? Should there be limits on short-term issuance by the government or the central bank?

Finally, debt management operations have implications for the yield curve, particularly in volatile financial markets. The relevant channel is the term premia, which can change depending on the relative demand for and supply of various securities. To what extent should the government or the central bank actively manage debt to affect the yield curve? How could the unintended effects of debt maturity on monetary policy be avoided?

See also:

- [OECD Working Papers on Sovereign Borrowing and Public Debt Management](#)
- [Interactions Between Sovereign Debt Management and Monetary Policy Under Fiscal Dominance and Financial Instability by Hans Blommestein and Philip Turner](#).