



Prudent Debt Management for Sustainable Growth in the age of Digital Transformation

AGENDA

WEDNESDAY, 13 June 2018

8:30 am–9:00 am **Registration**
Venue: Foyer, Nora Buri Conference Room

9:00 am–9:30 am **Opening Remarks**
Venue: Nora Buri Conference Room

Mr. Apisak Tantivorawong, Minister of Finance, Thailand
Mr. Pierre Van Peteghem, Treasurer, Asian Development Bank

9:30 am–9:45 am **Group Photo**

9:45 am–10:45 am **Session 1: Global and Regional Economic Outlook**
Format: Panel Discussion

This session will focus on the global economic prospects, with emphasis on Asia and the Pacific region. It will cover major developments and their potential impact on economic growth – including Fed interest rate hikes, future of EU, China's transformation towards a consumption led economy, and Asian Economic Integration.

Panelists:	Ms. Fatos Koc, Head of the Public Debt Management Unit, Financial Affairs Division, OECD
	Mr. Donghyun Park, Principal Economist, ADB
	Mr. Joselito Basilio, Acting Deputy Director, Department of Economic Research, Bangko Sentral Ng Pilipinas

Moderator: Mr. Ian Storkey, Consultant, ADB

10:45 am–11:00 am **Open Discussion**

11:00 am–11:30 am **Coffee Break**
Venue: Foyer, Nora Buri Conference Room

11:30 am–12:45 pm **Session 2: Debt Management in Response to the Changing Funding Requirement**
Format: Presentation

Debt management offices will continue to face many challenges, with increased uncertainty in the global financial markets. In some cases, higher debt levels will reduce the scope for debt managers to meet the potential risk of increasing financing requirements and risks of contingent liabilities. Debt managers continue to face additional funding pressures to meet government infrastructure development requirements and growth targets. Against this backdrop, debt managers are already seeing an increasing interest rate environment now that the US Federal Reserve has begun raising rates, thereby leading to higher debt service costs. This session will draw on the experiences of experts from a selection of debt management offices to outline the challenges that they each are facing in the current environment.



Speakers:	Ms. Rosalia de Leon, Treasurer, Bureau of the Treasury, Philippines
	Ms. Eiko Kimata, Director, Debt Management and JGB Investor Relations, Ministry of Finance, Japan
	Mr. Paroche Hutachareon, Senior Expert in Bond Market Development, PDMO, Thailand
	Mr. Artak Marutyan, Head of Accounting and Servicing Division, Deputy Head of Public Debt Management Department, Ministry of Finance, Armenia

Moderator: Mr. Pierre Van Peteghem, Treasurer, Asian Development Bank

12:45 pm–1:00 pm

Open Discussion

1:00 pm–2:00 pm

Lunch Break

Manora Restaurant, Nora Buri

2:00 pm–2:45 pm

Session 3: Update on Borrowing in International Markets

Format: Panel Discussion

There has been an increase in governments across the Asia-Pacific region tapping the international markets to issue global, Euro, and other international bonds (e.g. Samurai, Panda, Kauri, Kangaroo, and other markets). For first-time sovereign issuers, this can be a major task for debt managers, particularly in dealing with a range of complex issues in unfamiliar jurisdictions such as the planning, execution, settlement and servicing of such issues. Countries considering a sovereign issue rely heavily on investment banks to advise on pricing, syndication and placement. However, debt managers have benefitted from the experiences of fellow sovereigns that have undertaken recent international issues to obtain useful insights and experiences in accessing international capital markets.

Panelists:	Ms. Rosalia de Leon, Treasurer, Bureau of the Treasury, Philippines
	Mr. Herman Sary Tua, Manager, International Financial Market Analysis, Directorate General of Budget Financing and Risk Management, Ministry of Finance, Indonesia
	Mr. Kim Eng Tan, Senior Director, Standard and Poor's

Moderator: Ms. Ana Kotamraju, Principal Treasury Specialist, ADB

2:45 pm–3:00 pm

Open Discussion

3:00 pm–3:30 pm

Coffee Break

3:30 pm–5:00 pm

Session 4A: Models to Assess the Fiscal Risks of Contingent Liabilities and PPPs

Format: Presentation

There is an increasing focus across ADB member countries to assess fiscal risks of contingent liabilities particularly as governments revert to the use of Public Private Partnerships (PPPs). Governments have difficulty not only identifying and recording explicit contingent liabilities including from PPPs, but also how they can provision for contingent liabilities should they have to be realized. Some countries are considering a risk-based framework for contingent liabilities and looking to put in place disaster risk financing initiatives. This technical session will draw on specialists that have developed such models and to explain how such models are used in practice.

Speakers:	Mr. Coskun Cangoz, Manager, Head of Government Debt and Risk Management, Financial Advisory and Banking, World Bank
	Mr. Ömer Karademir, Head of Credit Risk Management Department, Turkish Treasury, Directorate General of Public Finance
	Mr. Chavajate Soontornwit, Plan and Policy Analyst, State Enterprise Policy Office, Thailand

Moderator: Mr. Deepak Taneja, Principal Treasury Specialist, ADB



Session 4B: Benchmark Reforms

Format: Presentation

Global bank regulators are clearly signaling a need to transition away from using LIBOR as an interest rate benchmark. There is no guarantee that LIBOR will be a reliable benchmark as UK Authorities have mentioned that it will no longer be quoted after 2021. Many countries have already chosen various alternative rates to replace LIBOR and have laid out somewhat varying timelines for the transition. For example, US regulators have picked the Secured Overnight Financing Rate (SOFR) as the alternative reference rate, and the New York Fed will begin publishing the rate in Quarter 2, 2018. SOFR is only an overnight rate, however, and term rates will ultimately be derived from the overnight rate. This session will provide an update on the reforms and changes which have taken place after several concerns were raised regarding the integrity and reliability of LIBOR and foreign exchange benchmarks and set out what alternatives are being proposed.

Speakers:	Mr. Vijay Chander, Executive Director-Fixed Income, Asia Securities Industry and Financial Markets Association
	Mrs. Vanaporn Laksanasut, Director, Financial Markets Department, Bank of Thailand
	Mr. Rudra Narayan Kar, CFO, Financial Benchmarks India Pvt Ltd
	Mr. Giorgi Laliashvili, Head of Financial Markets, National Bank of Georgia
	Mr. Stephen Schuster, Principal Financial Sector Specialist, ADB

Moderator: Mr. Jonathan Grosvenor, Head, Treasury Client Solutions Unit, ADB

5:00 pm–5:15 pm

Open Discussion

6:30 pm–9:00 pm

Dinner hosted by PDMO, Thailand

Venue: Nora Beach Hotel

Welcome Remarks: Mr. Poomsak Aranyakasemsuk, DG, PDMO, Thailand

THURSDAY, 14 June 2018

8:30 am–9:00 am

Registration

Venue: Foyer, Nora Buri Conference Room

9:00 am–10:00 am

Session 5: Debt Management Office and Central Bank Coordination

Format: Break-out Group Discussion and Presentation

While sound practice should have clear separation of debt management and monetary policy, different practices have quite diverse roles and responsibilities of the debt management office and central bank. Some countries have formal arrangements in an agency agreement or memorandum of understanding to cover domestic debt and banking functions. Recently, some central banks have opted to outsource the registry and paying agency functions, and some have opted to transfer domestic debt issuance functions to the debt management office. Whichever structure is in place, it is important to have good coordination between the debt management office or ministry of finance and the central bank. This session will set out the important factors in coordination and set out recent innovations and the reasons, results and benefits of such innovations.



Speaker:	Ms. Chanutaporn Boonsongsawat, Assistant Director, Financial Markets Department, Bank of Thailand
Facilitators:	Mr. Giorgi Laliashvili, Head of Financial Markets, National Bank of Georgia
	Mr. Joao Pedro Farinha, Senior Financial Sector Economist, ADB
	Ms. Archana Mangalagiri, Chief General Manager, Internal Debt Management Department, Reserve Bank of India
	Mr. Joselito Basilio, Acting Deputy Director, Department of Economic Research, Bangko Sentral Ng Pilipinas

Moderator: Mr. Ian Storkey, Consultant, ADB

10:00 am–11:00 am

Group Presentations

11:00 am–11:15 am

Coffee Break

Venue: Foyer, Nora Buri Conference Room

11:15 am–12:30 pm

Session 6: Government Bond Markets and Implications of Financial Technology

Format: Presentation

The growth of local currency bond markets across the Asia-Pacific region has been significant over the past 10-15 years and many ADB member countries now have well-developed bond markets. The domestic market has the benefit of providing a secure financing source, particularly when international market conditions become more difficult and volatile. The threshold to develop a government bond market has declined significantly due to falling cost of market infrastructure and bond administration with the advancement of information technology including digital platforms. This session will examine the development and growth of bond markets and extent to which debt managers embrace such technological changes for transitioning to a digitized bond market.

Panelists:	Ms. Upama Jaihong, Director of the Bond Market Development Bureau, PDMO, Thailand
	Ms. Shu (Grace) Tian, Economist, ADB
	Mr. Herman Sary Tua, Manager, International Financial Market Analysis, Directorate General of Budget Financing and Risk Management, Ministry of Finance, Indonesia
	Mr. Alexandre Kech, Head of Securities and FX Markets, Asia Pacific, SWIFT

Moderator: Mr. Tada Phutthitada, President, The Thai Bond Market Association

12:30 pm–12:45 pm

Open Discussion

12:45 pm–1:45 pm

Lunch Break

Venue: Manora Restaurant, Nora Buri

1:45 pm–3:00 pm

Session 7A: Models for Assessing Credit Risk of Guarantees and Onlending

Format: Presentation

A number of ADB member countries are beginning to develop models for assessing the credit risks of guarantees and onlending given the pressure on governments to guarantee or finance state-owned enterprises or subnational governments. Where a country has established local credit rating agency(s), this can make the modeling task easier as the risk of default can be set based on the credit rating assigned. For countries that do not have local credit rating agency(s), the government will need to establish a model that determines the credit risk through calculation of the probability of default using, for example, a Morton scorecard. Such models will enable the government to establish a policy that set differential pricing for credit or default risk and the calculation of guarantee fees. This technical session will draw on specialists that have developed such models and to explain how such models are used in practice.



Speakers:	Mrs. Sunee Eksomtramate, Director of Debt Management Bureau II, PDMO, Thailand
	Mr. Ömer Karademir, Head of Credit Risk Management Department, Turkish Treasury, Directorate General of Public Finance
	Mr. Coskun Cangoz, Manager, Head of Government Debt and Risk Management, Financial Advisory and Banking, World Bank
	Mr. Albertus Kurniadi, Debt Management Analyst, Directorate General of Budget Financing and Risk Management, Ministry of Finance, Indonesia

Moderator: Ms. Siree Jongdee, Senior Economist, PDMO, Thailand

Session 7B: Challenges of Managing Public Debt in a Small Nation

Format: Presentation

Natural disasters such as cyclones and earthquakes/tsunamis can severely impact the whole nation with significant impact on the fiscal and economic outcomes and subsequent increase in levels of public debt. There is often limited scope to develop the domestic market for government securities with the investor base limited to commercial banks and the national provident fund. Increasingly, small nations are also looking to disaster risk financing initiatives. There is also the challenge as nations transition to lower-middle income status and the effect that this has on borrowing costs as concessional funding is no longer available. This session will draw on the experiences of several small nations and how they have overcome the challenges they face.

Speakers:	Mr. Abdulla Ali, Director General, Resource Mobilization and Debt Management Division, Ministry of Finance and Treasury, Maldives
	Mr. Lekzang Dorji, Director General, Department of Macroeconomic Affairs, Ministry of Finance, Bhutan
	Ms. Farida Nasreen, Additional Secretary, Foreign Aid Budget and Accounting, Economics Relations Division, Ministry of Finance, Bangladesh
	Mr. Mang Sopheara, Director, Department of Debt Management, GDICDM, Ministry of Economy and Finance, Cambodia
	Mr. Perames Vudthitornetiraks, President, Neighbouring Countries Economic Development Cooperation Agency (Public Organization), Thailand

Moderator: Mr. Deepak Taneja, Principal Treasury Specialist, ADB

3:00 pm–3:15 pm

Open Discussion

3:15 pm–4:30 pm

Session 8A: Development of Derivatives Market

Format: Presentation

As debt management offices look to hedge the risk of the public debt portfolio, a developing or well-developed capital market can provide opportunities for debt managers to hedge using the derivatives market. This normally begins with currency and interest rate swaps, but some debt management offices have utilised the futures and options markets, whether for hedging currency or interest rate risks. Derivatives can be valuable instruments to manage the risks of a public debt portfolio within the benchmarks and/or limits set in the medium-term debt management strategy. This session will draw on the experiences of countries to kick start a derivatives market which involves derivatives law, changing related taxation and reviewing infrastructure. It will also draw on the experiences of debt management offices that use derivatives to explain what is required to put in place the necessary systems and procedures and how derivatives are used to manage the risks of the public debt portfolio.

Speakers:	Mr. Vijay Chander, Executive Director-Fixed Income, Asia Securities Industry & Financial Markets Association
	Mr. Jonathan Grosvenor, Head, Treasury Client Solutions Unit, ADB
	Mr. Tornike Revishvili, Senior Specialist, Foreign Exchange Reserves Management Division, Financial Markets Department, National Bank of Georgia

Moderator: Mr. Stephen Schuster, Principal Financial Sector Specialist, ADB



Session 8B: Debt Sustainability Analysis

Format: Presentation

Debt sustainability analysis is important for any government to assess the risk of debt distress and impact of debt to the balance sheet risk of government. Many countries, particularly LICs, use the IMF and World Bank DSA template to undertake the analysis. Other countries use the MTDS toolkit or have developed their own models. This session will demonstrate what a DSA involves, what it delivers, the relation to balance sheet of government such as introducing tools of primary balance and balance sheet analysis, and how it integrates with the formulation of the debt strategy and the development of the domestic market for government securities.

Speakers:	Mr. Irakli Katcharava, Head of Division, Domestic Public Debt Instruments Development Division, Ministry of Finance, Georgia
	Ms. Bonita Dun, Deputy Chief, Office of Debt Analysis, Department of Debt Management, GDICDM, Ministry of Economy and Finance, Cambodia
	Ms. Masuda Begum, Senior Assistant Chief, Foreign Aid Budget and Accounting, Economics Relations Division, Ministry of Finance, Bangladesh
	Ms. Akeneta Temo Davui, Debt Management Unit
	Mr. Terry Peri, Funds Manager, Ministry of Finance and Economic Management, Cook Islands
	Dr. Norabajra Asava-vallobh, Director of Economic and Investor Relations Division, Fiscal Policy Office, Ministry of Finance, Thailand

Moderator: Mr. Asad Alamgir, Senior Treasury Specialist, ADB

4:30 pm–4:45 pm

Open Discussion

4:45 pm–5:00 pm

Coffee Break

Venue: Foyer, Nora Buri Conference Room

5:00 pm–6:15 pm

Session 9A: Management of Portfolio of Financial Assets

Format: Presentation

A number of debt management offices are required to manage a portfolio of financial assets to provide greater flexibility in managing the risks of the liabilities. Financial assets can provide scope for hedging exchange rate, interest rate, refinancing/rollover and liquidity risk. The financial assets may be the result of surplus cash balances that the debt managers are charged with managing, assets built up from pre-funding to cover large maturities, and funds that the debt manager may be assigned by state owned enterprises or subnational governments. This session will draw on the experiences of debt managers that manage financial assets in addition to the financial liabilities and the approaches that they use, and the benefits from using Asset-Liability Management (ALM).

Speakers:	Ms. Fatos Koc, Head of the Public Debt Management Unit, Financial Affairs Division, OECD
	Mr. Myrvin Linden Anthony, Senior Economist, Debt and Capital Market Instrument Division, Monetary and Capital Markets Department, IMF
	Mr. Ian Storkey, Consultant, ADB

Moderator: Mr. Michael de los Reyes, Senior Treasury Specialist, ADB

Session 9B: Green and Sustainable Finance

Format: Presentation

The rapid growth of the green bond market has sparked interest from many audiences including sovereigns that have begun to issue green bonds. Green bonds are innovative financial instruments where the proceeds are invested exclusively (either by specifying the use of the proceeds, direct project exposure, or securitization) in green projects that generate climate or other environmental benefits, for example in renewable energy, energy efficiency, sustainable



waste management, sustainable land use (forestry and agriculture), biodiversity, clean transportation and clean water. Their structure, risk and returns are otherwise identical to those of traditional bonds. While the ADB, IFC and World Bank among other IFIs have been issuing green bonds for many years. Poland, France, Fiji and Indonesia are four sovereigns that have now issued green bonds (Fiji is the first for emerging markets, and Indonesia is the first sukuk) and Nigeria is set to issue Africa's first sovereign green bond. This session will explain more about green bonds and how sovereigns can tap this market.

Speakers:	Mr. Mark Austen, CEO, Asia Securities Industry and Financial Markets Association
	Mr. Abhishek Dangra, Director, Sector Lead, Infra, SSEA; Country Lead: S. Asia, S&P Global Ratings
	Ms. Shu (Grace) Tian, Economist, ADB
	Mr. I Gede Yuddy Hendranata, Deputy Director, Investor Relation, Directorate of Financing Strategy and Portfolio, Directorate General of Budget Financing and Risk Management, Ministry of Finance, Indonesia

Moderator: Mr. Pierre Van Peteghem, Treasurer, ADB

6:15 pm–6:30 pm

Open Discussion

FRIDAY, 15 June 2018

8:30 am–9:00 am

Registration

Venue: Foyer, Nora Buri Conference Room

9:00 am–10:15 am

Session 10: Oversight of Public Debt Management

Format: Presentation

The governance arrangements and oversight of debt management can be complicated but are very important given the political and institutional structure and framework applicable in each country. Oversight at the highest level is provided by public debt committees, advisory boards, or board of directors, that are often complemented by technical committees such as for developing the debt strategy and for cash flow forecasting and cash balance management. Increasingly, debt managers are required to meet for rigorous reporting and frequent internal and external audits. This session will cover the different approaches used in countries to provide oversight of debt management operations and how the debt managers should prepare for and meet the oversight obligations.

Speakers:	H.E. Pen Thirong, Director General, General Department of International Cooperation and Debt Management, Ministry of Economy and Finance, Cambodia
	Mr. Jiajia Cao, Deputy Chief, Government Debt Management Division, Budget Department, Ministry of Finance, People's Republic of China
	Ms. Aliya Hajiyeva, Head of External Debt Management Department, Public Debt Management Agency, Ministry of Finance, Azerbaijan
	Mr. Tharwon Seareeprayoon Senior Expert on Public Debt and Treasury, PDMO Thailand
	Ms. Peresitene Kirifi, Principal Debt Management Officer, Aid Coordination and Debt Management Division, Ministry of Finance, Samoa

Moderator: Mr. Paroche Hutachareon, Senior Expert in Bond Market Development, PDMO Thailand

10:15 am–10:30 am

Open Discussion

10:30 am–11:00 am

Coffee Break

Venue: Foyer, Nora Buri Conference Room



11:00 am–12:15 pm

Session 11: Challenges to Avoid Financial Technology Disruption

Format: Presentation

Technology continues to change the working environment at an incredible rate with new IT systems and communication media changing faster than governments can keep up with and manage the speed of change. This session will cover the data deluge referred to as “big data” and its significance to financial markets and debt management, the impact from social media influences, the use of cloud computing services that include DMOs opting to rely on service providers to host their debt reporting and management systems via an internet portal rather than maintain the software in-house, and the introduction of blockchain systems. These all present new challenges and risks to debt managers, particularly the risk of technology disruption caused by for example cyber-attacks that could significantly affect the DMO’s critical business operations. This session will examine how DMOs can meet the challenging debt dynamics brought about by these technology changes and how to minimize or mitigate such risks.

Speakers:	Mr. Enoch Ch'ng, former Associate Professor of Information Systems (Education), Singapore Management University
	Mr. Buncha Manoonkunchai, Senior Director, Financial Technology Department, Bank of Thailand
	Mr. Ian Storkey, Consultant, ADB
	Mr. Alexandre Kech, Head of Securities and FX Markets, Asia Pacific, SWIFT

Moderator: Ms. Sukhumarn Phanachet, Assistant Treasurer, ADB

12:15 pm–12:30 pm

Open Discussion

12:30 pm–1:00 pm

Closing Remarks

Mr. Theeraj Athanavanich, Bond Market Advisor, PDMO, Thailand
Mr. Jonathan Grosvenor, Head, Treasury Client Solutions Unit, ADB

1:00 pm–2:00 pm

Closing Lunch

Venue: Manora Restaurant, Nora Buri

2:00 pm–6:00 pm

Half-day Tour (optional)

Koh Samui City Tour