



FISCAL AFFAIRS



Course: Fiscal Risks Management in Low and Middle Income Countries

Module I: Fiscal Risks and Debt Sustainability

Team: Camilo Gomez Osorio (AFS), Sybi Hida (FAD), Jyoti Rahman (AFS), Bryn Welham (AFS), Leonardo Martinez (ICD), and Cristina Dimande (MEFMI)

September 13 – 22, 2021

Agenda	Key Themes	Central Africa Time (CAT)
Monday, September 13		
Opening Remarks	<ul style="list-style-type: none"> - Ms. Carolina Renteria Rodriguez Division Chief, Public Financial Management M1 Fiscal Affairs Department, IMF - Mr. Abdoul Aziz Wane, ATI/AFRITAC South Center Coordinator - Dr. Sehliselo Mpofo Director of the Macroeconomic Management Programme, MEFMI 	1 – 1:30pm
Fiscal risks theory, concepts, and monitoring	<p>Course overview and Module I program (Camilo Gomez O.)</p> <ul style="list-style-type: none"> - <i>Pre-Quiz</i> - <i>Lecture 1: What are fiscal risks?</i> (Bryn Welham) <ul style="list-style-type: none"> o Fiscal risks classification (nature, type, trigger) o Fiscal risks management cycle (toolkit) o Contingent liabilities o Q&A - <i>Exercises: What are fiscal risks?</i> (Bryn Welham) <ul style="list-style-type: none"> o Fiscal risk analysis and quantification o Menti-meter exercise (Camilo Gomez O.) - <i>Assignment 1 and wrap up</i> (Bryn Welham) <ul style="list-style-type: none"> o Summarizing the day o Setting the homework 	<p>1:30 – 2:45pm</p> <p>2.45 – 3:45pm</p> <p>3:45 – 4.00pm</p>

Tuesday, September 14		
Sources of fiscal risks (1 of 2)	- Recap of the previous day and outline of today's session (Bryn Welham)	1 -1:10pm
	- <i>Lecture 2 - Analyzing and mitigating risks (1/2)</i> (Jyoti Rahman) <ul style="list-style-type: none"> o State-owned enterprises o Natural disasters o Subnational governments o Financial Sector o Q&A 	1:10 – 2.30pm
	- <i>Lecture 3 - FAD Fiscal Risks Program and SOE Health Check tool</i> (Sybi Hida) <ul style="list-style-type: none"> o Q&A 	2:30 – 3:45pm
	- <i>Assignment 2 and wrap up</i> (Jyoti Rahman) <ul style="list-style-type: none"> o Summarizing the day o Setting the homework 	3:45 -4pm
FAD Fiscal Risks Program and SOE health check tool		
Sources of fiscal risks		

Wednesday, September 15		
Sources of fiscal risk (2 of 2)	- Recap of the previous day and outline of today's session (Camilo Gomez O.)	1 -1:10pm
	- <i>Assignment 1 feedback</i> (Bryn Welham)	1:10-1:30pm
	- <i>Lecture 4 - Analyzing and mitigating risks (2/2)</i> (Jyoti Rahman) <ul style="list-style-type: none"> o General Economic fiscal risks o Public Private Partnerships o Legal claims against the government o Financial sector o Q&A 	1:30 –3pm
	- <i>Lecture 5 - Good practices in fiscal risks reporting</i> (Bryn Welham) <ul style="list-style-type: none"> o Content of fiscal risk statements o IMF Fiscal Transparency Code and good practices o Country examples 	3 -4pm
Fiscal risks reporting		
Office Hours	Q&A session (optional)	4 -5pm

Thursday, September 16		
Fiscal Sustainability: Theory and concepts Debt Sustainability Indicators Debt Sustainability Analysis -Public DSA	- Recap of the previous day and outline of today's session (Bryn Welham)	1 -1:10pm
	- <i>Assignment 2 feedback</i> (Jyoti Rahman)	1:10 -1:30pm
	- <i>Lecture 6 – Fiscal sustainability and debt dynamics</i> (Jyoti Rahman) <ul style="list-style-type: none"> o Fiscal and external sustainability o Public debt dynamics, liquidity, solvency, vulnerability o Interest rate – growth differential o Debt stabilizing primary balance o Q&A 	1:30 –2:30pm
	- <i>Lecture 7 – Indicators of fiscal sustainability and risk of debt distress</i> (Cristina Dimande, MEFMI) <ul style="list-style-type: none"> o Sustainability indicators and thresholds 	2:30 –3:15pm
	- <i>Lecture 6 - Public debt management and debt risks</i> (Jyoti Rahman) <ul style="list-style-type: none"> o Q&A 	3:15 -3:45pm
- <i>Assignment 3 and wrap up</i> (Bryn Welham) <ul style="list-style-type: none"> o Summarizing the day o Setting homework 	3:45 -4pm	
Office Hours	Q&A session (optional)	4 -5pm

Friday, September 17		
Debt Sustainability for Low Income Countries IMF Public Debt Dynamics Tool (DDT)	- <i>Lecture 8 – The new DDT Debt Tool</i> (Jyoti) <ul style="list-style-type: none"> o Inputs, outputs, and the baseline o Interpreting results o Overall and stabilizing primary balance 	1 -2pm
	- <i>Presentation - Fiscal Adjustment Paths to Achieve a Public Debt Target</i> (Leonardo Martinez) <ul style="list-style-type: none"> o Using the DDT template to model adjustment paths 	2 -3pm

Monday, September 20		
Fiscal Risk Analysis and Scenarios with the DDT Debt Template (1/3)	<ul style="list-style-type: none"> - Recap of Week I and outline of today's session (Jyoti Rahman) 	1:00 -1:10pm 1:10 -1:30pm
	<ul style="list-style-type: none"> - <i>Assignment 3 feedback</i> (Bryn Welham) - <i>Lecture 9 – How to model different kinds of shocks in the DDT template (1 of 2)</i> <ul style="list-style-type: none"> o Overview of the DDT functions (Jyoti) o Class exercises 1: Stress Tests and Macro shocks (Jyoti) o Class exercise 2. Debt Stock and PPP/contingent liabilities (Bryn Welham) o Interpreting the DDT debt results (Jyoti) - <i>Assignment 4 and wrap up</i> (Jyoti Rahman) <ul style="list-style-type: none"> o Summarizing the day o Setting homework 	1:30 -3:45pm 3:45-4pm
Office Hours	Customization of DDT Template to your country (optional)	4 -5pm

Tuesday, September 21		
Fiscal Risk Analysis and Scenarios with the DDT Debt Template (2/3)	<ul style="list-style-type: none"> - Recap of previous day and outline of today's session (Jyoti Rahman) 	1 – 1:10pm
	<ul style="list-style-type: none"> - <i>Class exercises:</i> Simulations on the impact of fiscal risks and contingent liabilities with the DDT template (Bryn Welham, Jyoti Rahman) <ul style="list-style-type: none"> o Q&A o Country presentations of results 	1:10 – 2:30pm 2:30 – 4pm
Office Hours	Customization of DDT Template to your country (optional)	4 -5pm

Wednesday, September 22		
Fiscal Risk Analysis and Scenarios with the DDT Debt Template (3/3)	- Recap of previous day and outline of today's session (Bryn Welham)	1 – 1:10pm
	- <i>Assignment 4 feedback</i> (Jyoti Rahman) - <i>Simulating shocks with the DDT Template</i> (Jyoti Rahman) <ul style="list-style-type: none"> o Preparing alternative scenarios -Exercises o Analyzing results o Discussion and Q&A 	1:10 –3:45pm
Closing Remarks	- <i>Overview of Module II Fiscal Stress Tests</i> - <i>Evaluation</i> (Camilo Gomez O.) - Closing Remarks	3:45 -4pm
Office Hours	Customization of DDT Template to your country (optional)	4 -5pm