

DRAFT PROGRAMME

Managing government cash (explicit financial assets) and government debt (explicit financial liabilities) either in their integrated or separated form may be considered long standing tasks of public financial management in their main domain of public debt management with the cross-cutting risk management, which gradually emerged since the past few financial crises as an important tool to quantify debt and cash management objectives.

However, managing (or mismanaging) contingent liabilities (explicit or implicit) arising beyond the central and/or general government with or without the underlying risk management has seen many countries come under close scrutiny and receive negative publicity as a consequence of that. The challenges posed by COVID-19 in managing public finances globally in the last two to three years may warrant going back briefly to the description of government's financial obligations of which contingent liabilities are a part and how these differ across categories.

Through the Policy Dialogue on contingent liabilities management post COVID-19, CABRI aims to document recent and ongoing practices in two East African countries over and above the a set of case studies previously produced by CABRI on practices of managing contingent liabilities in Western Africa (looking at a number of countries) and Southern Africa (only South Africa). Key lessons on how to further strengthen the legal, institutional, quantitative, monitoring and reporting structures/framework of contingent liability management will be shared with public debt managers in Africa.

Tuesday, 26 March 2024	
11:00-11:10	Welcoming Remarks by Dr Kay Brown - Executive Secretary, CABRI (10 Minutes)
11:10-11:20	Introductory Remarks and Overview of the programme by Mr. Andisile Best – Executive: Public Finance, CABRI (10 minutes)
Session 1 11:20 -12:50	<p>Setting the scene and Panel Discussion (Policy & Political Perspectives)</p> <p><i>“How the increasing use and/or mismanagement of Contingent Liabilities exacerbated by the effects of COVID-19 contributes to unsustainable debt levels in Africa, compromises debt transparency and accountability and threatens sustainability of public finances”.</i></p> <p>Objectives:</p> <ol style="list-style-type: none"> 1.1. To share insights on the extent to which a rise or realisation of contingent liabilities post covid-19 has resulted in unsustainable debt levels and measures that can be taken to reduce these vulnerabilities in order to ensure sustainable public finances. 1.2. Country policy responses since COVID-19 differ, but where should policy efforts within the legal framework be more exerted – on the governance of SOEs assuming they are the main causes. 1.3. The power and/or energy sector seem to be the main beneficiary of government support either through budgetary (liquidity) support or guarantee support, what other sectors are emerging as needing more guarantee support and what might this picture spell about the capabilities and tools to manage contingent liabilities? <p>Panellists:</p> <ul style="list-style-type: none"> • Mr. Jason Braganza (<i>Executive Director</i>) / Dr Yungong Theophilus Jong (<i>Policy, Advocacy and Research Manager</i>) – AFRODAD (15-20 Minutes) • Mr. Hugues Oscar LOKOSSOU (<i>Director-General</i>), Ministry of Economy and Finances – Benin (15-20 minutes) - Tentative • Ms. Unathi Ngwenya (<i>Chief Director: Strategy & Risk Management</i>), Assets & Liability Management Division – National Treasury, SA (15-20 minutes) <p>Q and A (20-30 Minutes)</p>
12:50-13:10	Tea and Coffee Break
Session 2 13:10 -15:00	<p>Discussion Paper on Contingent Liability Management Practices in Rwanda and Kenya</p> <p>Objectives:</p> <ol style="list-style-type: none"> 2.1 To determine whether Rwanda and Kenya have successfully implemented the legal framework for the issuance and management of loan guarantees and other contingent liabilities 2.2 To examine government’s broad policy objectives of issuing government guarantees and other contingent liabilities

- 2.3 To understand the credit risk assessment framework of analysing government's risk exposure from contingent liabilities and how the risk pricing should reflect this increasing exposure
- 2.4 To understand how government's loan guarantee is managed alongside other direct forms of debt such as bond(s) or loan(s) portfolio, is there a limit or ceiling that encompass both?
- 2.5 To learn about the institutional arrangements that are in place to approve applications of loan guarantees and other borrowing requests
- 2.6 To understand how government guarantees and other contingent liabilities are reported as part of government's fiscal risks through publication of a fiscal risk statement

Presenter: Mr. Anthony Julies (*Consultant & Former Deputy Director-General: Assets & Liability Management, National Treasury, SA*) **(20-25 minutes)**

Panellists:

- **Mr. Jacob Mkandawire** (*Director: Debt Management Programme*) – **MEFMI (10 minutes)**
- **Mr. Gerard Gakunzi** (*Acting Head*) – **Debt Directorate General Office, Ministry of Finance and Economic Planning, Rwanda (10 minutes)**
- **Mr. Livingstone Bumbe** (*Deputy Director: Debt Policy, Strategy & Risk Management*) – **Public Debt Management Directorate, National Treasury, Kenya (10 minutes)**
- **Mr. Fritz Bachmair** (*Senior Economist*) - **IMF (10 minutes)**

Q and A (20 Minutes)

Key takeaways:

14:40-14:50

- **Jim Matsemela** (*Head: Sustainable Public Debt Management*) – **CABRI (5-10 minutes)**

14:50-15:00

Closing Remarks

- **Dr Kay Brown** (*Executive Secretary*) – **CABRI (10 minutes)**