
Meeting of the Inter-Agency Task Force on Finance Statistics
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COMSEC Occasional Paper on Main Debt Management Activities
March 2008 – February 2009

Prepared by COMSEC



Commonwealth Secretariat

*Debt Management Section
Special Advisory Services Division*

**Review of Main Debt Management Activities
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1. Activities related to the Inter-Agency Task Force on Finance Statistics

The Commonwealth Secretariat continues to collaborate with Task Force members on activities related to external debt statistics, including the dissemination of the Debt Guide. The Secretariat remains proactive at sensitizing users of the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) to the new Debt Guide and to debt data methodology and standards. For this purpose, the Secretariat has been collaborating with the IMF and its regional partners to offer a series of workshops on the Guide and its application in CS-DRMS for external debt data compilers/back office staff.

During the period under review DMS participated in a Workshop on IIP and External Debt Statistics, organized by the IMF in Pune, **India** in September, 2008 and organized a **global** seminar on "QEDS-GDDS and External Debt Statistics" in London, **UK** in December 2008. The seminar in London, which was attended by the International Monetary Fund and World Bank, sensitized government officials on the QEDS/GDDS initiative and encouraged countries to participate in the debt reporting initiatives. Since then, nine more CS-DRMS user countries have subscribed to the QEDS-GDDS initiative.

As part of the Secretariat's effort to contribute to international standards in debt data, DMS participated in the meeting of the Working Group of Securities Database, held at the Bank for International Settlements in **Basel, Switzerland** in October 2008. The work of this group will culminate in the development of a Handbook on Securities Statistics relating to statistics on debt securities issues.

The Secretariat also attended the World Bank Conference on Statistical Data and Metadata eXchange (SDMX), held in **Paris, France** in January 2009.

DMS continues to focus on debt data quality and integrity issues and assists users in data dissemination to the World Bank, IMF and other international organizations. To improve external debt data quality, country specific missions were undertaken to **Mauritius and Seychelles** during the review period. DMS is also supporting debt data validation in **The Gambia**.

2. Development of CS-DRMS 2000+

In response to a number of system issues identified by the Secretariat's debt management team, as well as those raised by the CS-DRMS user community, the Secretariat released a new version of the software in March 2008. This release incorporates several enhancements on the functional, architectural and usability fronts. Major changes include an improved reporting module which allows concurrent running of several reports; enhanced instrument status screen providing up-to-date accounting status of loans; and better conformity of participant, category and sector classification to the External Debt Guide.

In April 2008, the Secretariat released the Securities Auction System (CS-SAS) which allow for better management of the issuance of Government Securities. The module captures the

processing of data on government securities right from the issuance to settlement stage. Data could then be transmitted to the domestic debt module for further analysis of liabilities at the post-issuance stage. The module has been installed in **Nigeria, Sierra Leone, Malta, The Gambia, Sri Lanka, Kenya and Ghana.**

DMS continued working on a project to link CS-DRMS to national Integrated Financial Management and Information System related to public sector financial management. The project aims at building interfaces between CS-DRMS 2000+ and other public sector financial management systems used by countries for efficient and accurate data management. As part of the project, DMS undertook cross-country missions to **Kenya and Tanzania** in September 2008. Previous missions covered **Barbados, Jamaica and Ghana.** Findings from these missions will form the core document for the Secretariat's plans on integrating CS-DRMS to financial management systems.

3. Domestic Debt Recording and Monitoring

With an increasing number of countries now experiencing lowered levels of external debt, due to debt relief initiatives and in some cases, early retirement of debt, there is a greater reliance on market borrowings from the domestic capital market. As a result, an increasing number of countries are experiencing growing internal debt levels. In a bid to address this problem, a growing number of member countries are seeking assistance from DMS in the area of domestic debt management. In response, DMS has further intensified its assistance in this area by: - (a) enhancing the institutional capacity for managing domestic debt; (b) initiating the use of the domestic debt module in CS-DRMS 2000+ for capturing data on domestic debt; and (c) organizing training workshops on the development of domestic debt markets.

In achieving these objectives, DMS carried out country missions to Swaziland, Ghana and Zambia, and organized a number of workshops on Developing Domestic Debt Markets, in Hong Kong (Joint COMSEC-World Bank and Asian Development Bank) and on Domestic Debt Management: Reporting and Analysis, in London in 2008. A joint MEFMI-COMSEC regional workshop for on Domestic Debt Markets is scheduled for April 2009 and a regional workshop on domestic debt analysis is planned for the Pacific region in April/May 2009. DMS continues to work in the development of the analytical module in CS-DRMS 2000+ to assist users in domestic debt analysis.

4. Regional CS-DRMS/Debt Management Advisers

In our last report, DMS reported a marked improvement in the level and quality of assistance we offer to our client countries. Together with an increase in training activities and country interventions, the Commonwealth Secretariat, in collaboration with its regional partners, namely, **WAIFEM, MEFMI, the Eastern Caribbean Central Bank (ECCB), and the Ministry of Finance and Economic Planning in Suva, Fiji,** implemented a successful project by placing a Regional CS-DRMS/Debt Adviser in each of the following regions: - West Africa, East and Southern Africa, the Caribbean and Pacific region. The project, which commenced in May 2005, ended in June 2008. DMS is considering other options for a second round of the Regional Adviser Project.

5. Training on Portfolio and External Debt Sustainability Analysis (DSA)

In recent years there has been an ever increased demand from member countries for assistance in the area of debt analysis and policy issues. As a response to this need, DMS has carried out in-country Debt Sustainability Analysis (with training) for The Gambia. This DSA provided the Gambian authorities with a second (independent) opinion on the country's capacity to sustain its debt.

DMS also provided training in debt analysis and portfolio analysis for the Government of Belize using the Portfolio Analysis module in CS-DRMS called Management Tools module.

To deepen the use of this module, several training workshops were held to benefit the member countries. Under the reporting period, three regional workshop on Portfolio Analysis using CS-DRMS were held:- (i) in **Nigeria** for the West African member countries in collaboration with WAIFEM, (ii) in **Lesotho** for Eastern and Southern African, and (iii) in **Cameroon** for francophone countries.

DMS was part of a joint IMF-World Bank-COMSEC mission for developing a Medium Term Debt Strategy in Ghana in March 2008. DMS also participated in a number of World Bank Workshops on the Debt Management Performance Assessment Tool (DeMPA).

7. Upgrades to the French Version of CS-DRMS 2000+ and training in its use

The French version of CS-DRMS 2000+ continues to be upgraded in tandem to upgrades of the English version of the application. This development is made possible through funding from the **Organisation Internationale de la Francophonie** (OIF). The French version of CS-DRMS 2000+ is currently used by eight countries, all in the African sub continent. The Organisation Internationale de la Francophonie, which acts as the Commonwealth Secretariat's partner for the French version, continues to support the francophone use of the software.

8. Implementation of CS-DRMS 2000+ in non-Commonwealth countries

The Crown Agents currently acts as the sole distributor of CS-DRMS to non-member countries. In early 2009, both **Kosovo and Afghanistan** became the 58th and 59th countries to install CS-DRMS through assistance from the Crown Agents.

9. Training Activities

- In **March 2008**, DMS organized a regional workshop for East and Southern African clients on External Debt Management in collaboration with MEFMI. The workshop was held in **Lesotho**.
- In **April 2008**, DMS provided training to debt management officials in the West African sub-region on portfolio analysis using the Management Tools facility in CS-DRMS. The workshop, which was held in collaboration with WAIFEM, was held in **Abuja, Nigeria**.

- An in-country Debt Sustainability Analysis was conducted in **August 2008** for the government of The Gambia. This DSA provided the Gambian authorities with an independent opinion of the debt sustainability situation of the country. In order to develop local capacity in carrying out DSA's, country officials were invited to participate in the exercise. At the end of the exercise, COMSEC presented the findings to government officials through a workshop, where government personnel were trained to carry out DSAs. DMS involved local staff in the entire DSA process in order to develop the capacity within the government for personnel to carry out future DSA without the support of external agencies.
- In **September 2008**, a regional workshop on "Developing Domestic Debt Markets" was jointly organised with the World Bank and Asian Development Bank in **Hong Kong**. The workshop was attended by 35 participants from the Asian and Pacific regions.
- A global workshop on "the QEDS-GDDS Initiatives and External Debt Reporting" was organized in **December 2008** in **London, UK**. The workshop was held in partnership with the International Monetary Fund and World Bank and attracted 40 participants.
- In January 2009, DMS held a roundtable conference on the benefits of e-learning in debt management. The seminar, which was organised in collaboration with the Commonwealth of Learning (COL), was held in **Vancouver, Canada**. DMS will collaborate with COL to develop an e-learning programme on the use of CS-DRMS for debt recording. The eLearning course, which will be piloted in late 2009 is expected to replace some of the face-to-face workshops on the use and functionality of CS-DRMS.

10. Advisory work in debt management

In **June 2008**, a pan-commonwealth Debt Management Forum was held in London, UK to discuss analytical issues in debt management.

To assist **Belize** develop the capacity to better analyze the countries debt portfolio and carry out in-depth debt analysis, DMS organized a workshop in on 'External Debt Portfolio Management, in Belize City, Belize. The workshop, which was held in **September, 2008** was attended by officials from the Ministry of Finance and the Central Bank.

In order to acquaint Financial Secretaries with the Secretariat's work in Debt Management in the Caribbean region, DMS participated in a High Level Debt Management Forum, organised by the Crown Agents, at the Eastern Caribbean Central Bank's Headquarters in **St Kitts**. The forum was attended by 14 Financial Secretaries senior officials from Organisation of Eastern Caribbean States (OECS) member countries and was held in **September 2008**

DMS worked extensively with the IMF and World Bank on the framework for developing medium-term debt strategy and debt sustainability framework analysis. DMS participated as part of a pilot mission in Ghana in February/March 2008 to develop a MTDS for Ghana. DMS is

scheduled to participate in future MTDS exercises to be jointly undertaken with the IMF and World Bank in **member countries**.

To develop capacity in domestic debt management, DMS responded to a request from the government of Zambia and fielded an assessment mission to **Lusaka, Zambia** in December 2008. Based on the mission, a number of recommendations are being made to strengthen debt management capacity in Zambia.

In a bid to further assist member countries strengthen debt management capacity, DMS responded to a request from the Government of Seychelles by fielding a needs assessment mission to **Victoria, Seychelles**, to review the capacity development and institutional needs of Seychelles. The Secretariat will work closely with the IMF in responding to the needs of Seychelles. The mission was held in **February 2009**.

In February 2009, DMS, in collaboration with the World Bank, participated in a Debt Management Performance Assessment (DeMPA) Mission, in the Solomon Islands and Tonga. DMS used this opportunity to carry out a Needs Assessment for debt management in these countries. Future assistance in debt management strategies is planned for **ST Kitts, Jamaica and Maldives** in 2009.

We are currently assisting a number of countries in various areas related to debt management including:

- **The Gambia:** Developing a debt management strategy.
- **India:** Improving the debt recording and management of Sub-national debt.
- **Mozambique:** Full implementation of CS-DRMS 2000+ maintenance release and the rationalizing of institutional arrangements for debt recording roles between the Ministry of Finance and Central Bank. As part of this activity, a short-term Adviser (jointly funded by MEFMI and ComSec) has implemented CS-DRMS 2000+ and refined the debt database.
- **Mauritius:** Improving debt recording and management at Central Bank.
- **Botswana:** Monitoring and recording of Private Sector Debt.
- **Seychelles:** Implementation of CS-DRMS 2000+ and development of a national debt strategy.
- **Cameroon:** Capacity building and full implementation of the new release of CS-DRMS 2000+.
- **The Gambia:** Capacity building in debt sustainability analysis and the development of a national debt strategy.
- **Kenya:** Setting up of a debt office, review of institutional arrangements for debt management and implementation of CS-DRMS 2000+ in the Ministry of Finance and Central Bank of Kenya.

11. Stakeholders Meetings on Debt Management

The Secretariat held a regional CS-DRMS User Group Meeting for the West African Region in **Abuja, Nigeria** in April/May 2008.

In collaboration with the World Bank, DMS participated in the Debt Management Capacity Building Programme Stakeholders Meeting, which was held in Washington, DC in October 2008. In the same month, DMS participated in the World Bank Sovereign Debt Management Forum also held in **Washington DC, USA**.

DMS actively participates and plays an active role in the annual Commonwealth Debt Sustainability Meetings. DMS will thus participate in the forthcoming meeting to be held in Washington, DC, USA in April 2009

**Debt Management Section
Commonwealth Secretariat
London
March 2009**

Annex 1

Review of Debt Management Activities: March 2008-March 2009

5-6 March 2008	World Bank Stakeholder's Conference on Debt Management	Oslo, Norway	Completed
10-14 March 2008	Regional Workshop on External Debt Analysis 10-19 March (jointly organised with MEFMI)	Lesotho	Completed
10-20 March 2008	Funding Mauritius' participation in MEFMI workshop	Lesotho	Completed
26 March 2008	Participation through telephonic conversation on the paper presented in Pacific Financial Technical Assistance Centre (PFTAC) Annual Conference on "Debt and Asset Management"	Palau	Completed
3-4 April 2008	DMS participation in the TFFS	Washington USA	Completed
7-11 April 2008	Launch of Auctioning Module – Workshop	Pretoria, South Africa	Completed
21-29 April 2008	Management Tools Workshop (jointly organised with WAIFEM)	Abuja Nigeria	Completed
30 April – 1 May 2008	Regional User Group Meeting – Western Africa	Abuja Nigeria	Completed
17-18 April 2008	World Bank Workshop on Debt Management Performance Assessment (DeMPA) Tool	Washington, USA	Completed
12-23 May 2008	CS-DRMS IT personnel Workshop	UK	Completed
2-13 June 2008	CS-DRMS Workshop on Sub-national Debt	NIFM Faridabad	Completed
2-6 June 2008	Swaziland: Needs Assessment Mission on Domestic Debt	Mbane, Swaziland	Completed
2-13 June 2008	Cameroon: Management Tools workshop (organised with Pole Dette and OIF)	Douala Cameroon	Confirmed
2-13 June 2008	CS-DRMS Workshop on Sub-national Debt	NIFM Faridabad	Confirmed
26-27 June 2008	Commonwealth Secretariat Debt Management Forum	London	Completed
28-31 July 2008	First Phase of Mission for Debt Sustainability Assessment Exercise	Banjul, The Gambia	Completed
1-15 August 2008	Work on the DSA Template for The Gambia	DMS, London	Completed
18-20 August 2008	Presentation of DSA Report and Training to Debt Managers in the Gambia	Banjul, The Gambia	Completed
8-9 September 2008	Workshop on Domestic Debt Management: Reporting and Analysis	London	Completed
17-20	Workshop on Management Tools in Belize	Belize City	Completed

September 2008			
24 September 2008	ComSec participation in High Level Debt Management Forum organized by Crown Agents	St. Kitts	Completed
18-19 September 2008	Facilitate in workshop on “IIP and External Debt Statistics”, organised by IMF (8-19 September 2008)	IMF Regional Training Institute, Pune, India	Completed
22-26 September	Meeting with CAA&A and study of information system in CAA&A	Delhi	Completed
23 September 2008	India Sub-national Debt Review Mission	Delhi,	Completed
25-27 September 2008	Joint Comsec-World Bank-ADB Workshop on Developing Domestic Debt Markets	Hong Kong	Completed
29 September – 10 October 2008	IFMIS Mission to Kenya and Tanzania	Nairobi and Dar e Salam	Completed
6-8 October 2008	Commonwealth Finance Minister’s Meeting: Commonwealth Minister’s Debt Sustainability Forum	St. Lucia	Completed
10 October 2008	Debt Management Capacity Building Programme : Stakeholder’s Meeting	Washington D.C.	Completed
27 October – 7 November 2008	Training Workshop on CS-DRMS	Kingston, Jamaica	Completed
27-29 October 2008	World Bank Sovereign Debt Management Forum	Washington D.C.	Completed
30-31 October 2008	World Bank Conference on Debt and Development: Debt Relief and Beyond	Washington D.C.	Completed
28-29 October 2008	Meeting of Working Group of Securities Database organized by IMF	BIS, Basle, Switzerland	Completed
24 November – 5 December 2008	Training Workshop on CS-DRMS in Bank of Mauritius	Mauritius	Completed
24-28 November 2008	Domestic Debt Needs Assessment Mission to Zambia	Lusaka	Completed
1-3 December 2008	Workshop on QEDS-GDDS Project and External Debt Reporting Requirement	London	Completed

7-8 December 2008	World Bank-MEFMI Workshop on Debt Management Performance Assessment (DeMPA)	Nairobi Kenya	Completed
8-12 December 2008	Training Workshop on CS-DRMS	Yaoundé Cameroon	Completed
19-21 January 2008	World Bank Conference on SDMX	Paris	Completed
19 January – 13 February 2009	Training on CS-DRMS and Validation of external debt database in Central Bank of Mauritius	Port Louis	Completed
28-30 January 2009	E-Learning Roundtable in Commonwealth of Learning	Vancouver, Canada	Completed
26 January – 6 February 2009	Validation of Domestic Debt Database in CS-DRMS	Accra, Ghana	Completed
9-13 February 2009	Needs Assessment Mission to Seychelles: Strengthening of Debt Management	Victoria, Seychelles	Completed
20 -27 February 2009	Joint World Bank – Comsec Debt Management Performance Assessment (DeMPA) Mission	Solomon Islands	Completed
25 February – 2 March 2009	Needs Assessment Mission on Use of CS-DRMS	Solomon Islands	Completed
5-6 March February 2009	Needs Assessment Mission on Use of CS-DRMS	Papua & New Guinea	Completed
10-12 March 2009	Needs Assessment Mission on Use of CS-DRMS	Tonga	Completed
19-20 March 2009	Meeting of Task Force on Finance and Statistics	BIS, Basle, Switzerland	Confirmed
23-27 March 2009	Developing E-learning Course for CS-DRMS	Vancouver, Canada	Confirmed
9 -18 March 2009	MEFMI Regional Workshop on Training of Trainers on CS-DRMS	Lilongwe, Malawi	Confirmed
23 March – 3 April 2009	Joint World Bank-IMF-Comsec Mission on Medium-term Debt Strategy	Nairobi, Kenya	Tentative

For a list of forthcoming activities, please visit our web site: www.csdrms.org

Enquires about this document should be directed to: csdrms@commonwealth.int