



Meeting of Inter-Agency Task Force on Finance Statistics
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Commonwealth Secretariat

*Debt Management Section
Special Advisory Services Division*

I.

II. REVIEW OF MAIN DEBT MANAGEMENT ACTIVITIES

March 2010 – February 2011

III. MARCH 2011

Review of Main Debt Management Activities March 2010 – February 2011

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 the preparation and 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 debt data methodology and standards. For this purpose, the Secretariat is 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.

The Secretariat continued to play an active role in developing the Handbook for Securities Statistics and participated in the Review Group Meeting in March 2010. During the period under review DMS participated in a Workshop on External Debt and Balance of Payment Statistics, organized by the IMF and WAIFEM in Banjul, **The Gambia** in April, 2010 and organized regional workshops on Developing Public Debt Bulletins in the Caribbean and West African Regions. These events were held in **Barbados** and **Sierra Leone** respectively. In addition the following countries were assisted in developing Public Debt Bulletins, **Dominica, Sierra Leone, Seychelles**. The Secretariat trains client countries to ensure that all concepts, definitions and methodology used in the preparation of statistics in the Debt Bulletin documents are consistent with the Debt Guide.

Debt data quality and integrity issues continue to be a focal point for training and capacity building initiatives of the Secretariat's Debt Management Section (DMS). To this end, CS-DRMS is constantly being enhanced to cater for new data dissemination requirements. To improve debt data quality, country specific missions were undertaken to **Barbados, Kenya, Cook Islands, Maldives, The Gambia, Dominica, Seychelles, Cameroon, Samoa, Solomon Islands, India, Mauritius and Botswana**.

The reporting capabilities in CS-DRMS are being enhanced, through collaboration with the World Bank, to comply with Statistical Data and Metadata Exchange - SDMX specifications.

2. Development of CS-DRMS 2000+

DMS continues to work on improving the reporting and recording functionality in CS-DRMS. Earlier this year, DMS released the Service Pack 2 for CS-DRMS which included the following enhancements:

1. The addition of Form 4 to the CS-DRMS World Bank Bridge so that countries can use the facility to electronically report across both public and private sector external debt;
2. New reports for better monitoring lending to local agencies in terms of revenue receipts and outstanding loans; and
3. A new Data Bridge for the World Bank/IMF Debt Sustainability Assessment (DSA) Framework to enable countries extract relevant debt data from the CS-DRMS database to populate the templates used for the DSA exercise.

DMS continued working on the project to link CS-DRMS to Integrated Financial Management and Information Systems 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 keeping. As part of the project, DMS undertook a country mission to **Barbados and The Gambia** in November and December 2010 respectively. Findings from these missions will form the core document for the Secretariat's plans on fully integrating CS-DRMS to financial management systems in client countries.

The next version of CS-DRMS to be released in mid-2011 will facilitate the recording and compilation of various liability management loan products like embedded options offered by multilateral institutions and also other risk management products like swaps and debt conversions in CS-DRMS.

3. Commonwealth Secretariat – Securities Auctioning System (CS-SAS)

The Secretariat continues to enhance the newly developed Securities Auction System (CS-SAS). The module, which captures the processing of data on government securities right from the issuance to settlement stage is currently installed for testing in **Sierra Leone, Malta, The Gambia, Samoa, Solomon Islands, Guyana and Maldives**. The Secretariat is in the process of finalising an on-line bidding tool that would allow investors direct place their electronic bids in CS-SAS through web-based on-line connections. This would facilitate debt offices for better management of the issuance of Government Securities.

4. Commonwealth Secretariat Public Debt Analytical Tool (PDAT)

The Secretariat is strengthening the analytical side of its software suite to support the middle and front office functions of debt management. The software suite will assist debt managers in their endeavor to make better informed borrowing decisions based on prudent risk management principles. In this context, the Secretariat is developing a software product, called the **Public Debt Analytical Tool (PDAT)**. The PDAT will be designed as a decision support system to assist debt managers formulate debt management strategies, develop and implement annual borrowing plans and undertake liability management operations to attain better portfolio structure. In March 2010, DMS held a roundtable discussion which brought together debt experts of select countries to brainstorm and validate the requirements of the public debt analytical tool.

5. Training on Public Debt Analysis

In recent years there has been an ever increased demand from member countries for assistance in the area of debt analysis. In September 2009, DMS participated in a Joint World Bank-IMF-ComSec mission on Medium-term Debt Management Strategy (MTDS) to **Kenya**. In response to build capacity in Kenya to continue formulate and design a debt management strategy, DMS in partnership with the World Bank in April 2010 carried out an demand in-country hands-on training on the MTDS toolkit. . The training helped in developing national capacity to carry out formulation of debt management strategy. In May 2010, The Commonwealth Secretariat organised a **pan-Commonwealth** training workshop on domestic debt management and development of the debt market in Johannesburg in partnership with the South African National Treasury. The hand-on training workshop was complemented with the application of CS-DRMS, CS-SAS and excel based exercises. The

workshop was attended by 35 debt managers across the globe. In November 2010, the Secretariat organised an in-country workshop in Banjul, **The Gambia** to train officials from the government and central bank on conducting a Debt Sustainability Analysis based on the IMF-World Bank's DSA-DSF framework. The hands-on training workshop created national capacity in the country to undertake DSA analysis on a regular basis.

6. Policy Support on Debt Management

In response to the needs of Commonwealth countries, the Commonwealth Secretariat assisted a number of countries by providing policy support on various aspects of public debt management including legal reforms, institutional arrangements and the formulation of a debt management strategy. In **June 2010** DMS assisted **Dominica** through an advisory report on developing a comprehensive medium term debt management strategy that would guide future borrowing decisions. The advisory report also spelt out the institutional reforms required in Dominica to undertake effective debt management with a sustainable capacity. In August 2010, DMS supported **Ghana** along with the IMF and World Bank for a follow up on the development of a MTDS. DMS assisted **Botswana** in **September 2010** by recommending on a host of issues related to institutional arrangements for public debt management so as to enable the country moving to an active and strategic debt management framework. In November 2010, DMS assisted **Kenya** through an advisory report to recommend ways so as to develop middle office capabilities within the debt office in the Ministry of Finance so as to undertake a comprehensive analysis and policy support for public debt management. In December 2010, DMS provided advisory support to the Ministry of Finance in **Jamaica** on the reorganisation of the Debt Unit into an integrated Debt Management Office. In January 2011, DMS assisted **Mauritius** through an advisory report on the institutional and policy reforms to enable sound debt management in a sustainable and effective manner.

7. Developing a Public Debt Database in CS-DRMS

DMS is working with countries to develop a comprehensive public debt database in CS-DRMS and is has been assisting **Barbados, Botswana, Lesotho, Malawi, Sri Lanka and Tanzania** during the reporting period to interface their Central Depository System (CDS) with CS-DRMS.

8. Developing a Statistical Bulletin for Public Debt

Due to the increasing need for countries to report on their debt positions in a timely and accurate manner, using best standards of debt data methodology and compilation principles, the Secretariat has embarked on a project to assist member countries develop statistical bulletins on Public Debt using the reporting facility available in CS-DRMS. The bulletins provide an array of analytical information on the debt portfolio and operations including risk indicators. **Sierra Leone** was the first country to benefit from this support in January 2010. Other countries which benefitted during 2010/11 are **Dominica** and **Seychelles**. In the next few months, **Lesotho, Maldives, Papua New Guinea and Tanzania** will benefit from this initiative.

9. Assistance on Debt Data Quality

To develop capacity in debt recording and management, DMS successfully ran an eLearning course on the use of CS-DRMS for external debt management. The course which was run

by the Commonwealth of Learning in Vancouver, Canada trained 70 learners in the external debt recording and management using CS-DRMS. DMS responded to a request from **Cook Islands** and provided assistance through the services of a consultant in debt data validation and the use of CS-DRMS for debt data compilation in April 2010. DMS also assisted **Maldives** in April 2010 on debt data validation and provision of training on CS-DRMS. A similar debt data validation and training on CS-DRMS was held in **Guyana** in **May** 2010. In November 2010, DMS provided training on the use of CS-DRMS and debt data quality to **Barbados** through the services of a consultant.

In October 2010 DMS undertook a review of the sub-national project in **India** to assist states record state debt liabilities in CS-DRMS. In the same month, DMS also undertook a mission to validate the CS-DRMS database in **Nigeria**.

In a bid to further assist member countries integrate the debt management system with IFMS, DMS responded to a request from the Government of The Gambia by fielding a mission to **Banjul, in November-December 2010** to review the infrastructure for integrating CS-DRMS with the IFMS applications. The mission made a number of recommendations which will be implemented during the course of the year.

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

The 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.

11. Training Activities

- In **May 2010**, DMS organized an eLearning Course for External Debt Management. The course, which was managed by the Commonwealth of Learning in Vancouver, Canada provided training for 70 CS-DRMS users worldwide.
- In **April 2010**, at the request of The International Organisation of Supreme Audit Institutions (INTOSAI), DMS provided training to Debt Management Auditors from a number of Supreme Audit Institutes at a Workshop held in Nairobi, Kenya.
- In **April 2010**, DMS provided training on developing a Medium Term Debt Strategy for officials in **Kenya**.
- In **April 2010**, DMS, through the services of a consultant provided training to officials in the Ministry of Finance, **Cook Islands** in debt data quality.

In **June 2010**, DMS in collaboration with the Ministry of Finance, **Barbados**, organised a regional workshop on preparing a Public Debt Bulletin for debt managers from Caribbean Countries.

- A joint ComSec/MEFMI workshop on Public Debt Statistics was held in **Tanzania**, in July 2010 for the East and Southern African Regions.
- A joint ComSec/WAIFEM workshop on Developing a Public Debt Bulletin was held in **Sierra Leone**, in October, 2010 for debt managers in the West African sub-region.

In addition, DMS collaborates with regional organisations and other development partners by sending resource personnel to facilitate in debt management and CS-DRMS related workshops. To this end, DMS provided resource persons for the CS-DRMS IT Workshop organised by the Eastern Caribbean Central Bank, the Debt Analysis Workshop organised by MEFMI, and the Debt Bulletin Workshop organised by WAIFEM during the year 2010.

12. Commonwealth Finance Minister's Forum; other conferences and Meetings

DMS participates and plays an active role in the annual Commonwealth Ministerial Meetings.

In addition, DMS participated in a number of conferences/meetings organized by other organizations as indicated below:

- Intosai Development Initiative (IDI) Public Debt Management Audit (PDMA) Planning Meeting in March 2010 - Kenya
- World Bank Stakeholder's Conference on "Sovereign Debt and the Financial Crisis: Will This Time be Different?" in March 2010 - Tunisia
- World Bank Sovereign Debt Management Forum in October 2010 - Washington DC, USA.
- Debt Forum on Quantitative Models held at the Brunel University, in December 2010 - London, UK.
- OECD's Global Forum on Public Debt Management in January, 2010 - Paris, France.
- Meeting of IMF Government Finance Statistics Advisory Committee, in February 2011, Washington DC, USA

**Debt Management Section
Commonwealth Secretariat
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Annex 1**Review of Debt Management Activities: March 2010 -February 2011**

Dates	Event	Location
March 2010	Financial Management Information Systems (FMIS) Mission: Interfacing of FMIS with CS-DRMS	Bridgetown, Barbados
March 2010	MEFMI Debt Managers' Conference	Harare, Zimbabwe
March 2010	Round Table on Public Debt Analytical Tool	London
March 2010	First Cohort of E-Learning on CS-DRMS with Commonwealth of Learning	Vancouver, Canada
March 2010	Review Group Meeting on Handbook on Debt Securities Holdings: European Central Bank	Frankfurt, Germany
March 2010	Intosai Development Initiative (IDI) Public Debt Management Audit (PDMA) Planning Meeting	Nairobi, Kenya
March 2010	Technical Advisory Group Meeting of International Aid Transparency Initiative	Oxford, UK
March 2010	Domestic Debt Data Migration and Validation in CS-DRMS	Nairobi, Kenya
March 2010	Meeting on Auctioning System with National Bank of Rwanda	Kigali, Rwanda
March 2010	World Bank Stakeholder's Conference on <i>"Sovereign Debt and the Financial Crisis: Will This Time be Different?"</i>	Tunis, Tunisia
March 2010	Technical Advisory Group (DMF) Meeting	Tunis, Tunisia
April 2010	Training Workshop on Medium-term Debt Strategy Formulation	Nairobi, Kenya
April 2010	Mission to Study On-lending practice in Kenya	Nairobi, Kenya
April 2010	Debt Data Validation Mission and Training on the Use of CS-DRMS	Avarua, Cook Islands
April 2010	MEFMI Regional workshop on "CS DRMS IT Support Training"	Mbabane, Swaziland
April 2010	World Bank Workshop on DeMPA	Washington D.C., USA
April 2010	Meeting with World Bank Treasury	Washington D.C., USA
April 2010	IMF-WAIFEM Workshop on External Debt Statistics	Banjul, The Gambia

May 2010	CS-DRMS Database Validation and Data Quality Mission	Georgetown, Guyana
May 2010	Development of Debt Statistics Bulletin	Freetown, Sierra Leone
May 2010	Pan-Commonwealth Training Workshop on Domestic Debt Management and the Use of CS-DRMS 2000+	Johannesburg, South Africa
May 2010	Needs Assessment Mission and meetings on AfDB and AfDF Loan Products	Maseru, Lesotho
June 2010	Developing a Debt Strategy for Dominica	Roseau, Dominica
June 2010	Caribbean Regional Workshop: Using CS-DRMS to Develop a Public Debt Statistics Bulletin	Bridgetown, Barbados
July 2010	MEFMI Regional Workshop on Public Debt Statistics and Reports Workshop	Arusha, Tanzania
August 2010	Data Quality Assessment and Training Mission	Yaounde, Cameroon
August 2010	CS-DRMS IT Training Workshop for ECCU Countries	Basseterre, St. Kitts
August 2010	World Bank MTDS Training	Vienna, Austria
August 2010	Joint World Bank-IMF-Comsec Mission on MTDS	Accra, Ghana
September 2010	Review of Institutional Arrangements for Public Debt Management	Gaborone, Botswana
September 2010	MEFMI Workshop on Debt Analysis	Nairobi, Kenya
September 2010	Training on the On-lending business process in CS-DRMS	Nairobi, Kenya
September 2010	Meeting on Public Debt Management	Port Louis, Mauritius
October 2010	ComSec/WAIFEM Regional Workshop on Debt Bulletin	Freetown, Sierra Leone
October 2010	Review Mission on Sub-national Debt Management in India	Bangalore, New Delhi, Mumbai; India
October 2010	World Bank Sovereign Debt Management Forum	Washington D.C., USA
November 2010	Installation of CS-SAS (Auctioning System) in Central Bank of Guyana	Georgetown, Guyana
November 2010	Data Quality Assessment and Training Mission	Bridgetown, Barbados
November 2011	Public Debt Management in Kenya: - Strengthening the Middle Office Functions	Nairobi, Kenya
November 2010	Training on Debt Sustainability Analysis using IMF-World Bank DSA-DSF Framework	Banjul, The Gambia
November 2010	Implementation of Interfacing CS-DRMS with Book Entry System for Domestic Debt Data	Port Louis, Mauritius

December 2010	Mission to Recommend Interface of IFMIS with CS-DRMS	Banjul, The Gambia
December 2010	Developing a Public Debt Bulletin	Roseau, Dominica
December 2010	Advisory Mission on Reorganisation of Debt Unit in Jamaica	Kingston, Jamaica
December 2010	Debt Forum on Quantitative Models: Brunel University	London, UK
December 2010	Debt Expert Group Meeting on CS-DRMS Redevelopment	London, UK
January 2011	Review Mission on Institutional Arrangements, Policy and Market Development for Public Debt Management in Mauritius	Port Louis, Mauritius
January 2011	OECD Global Forum on Public Debt Management	Paris, France
January 2011	Business Process Validation for Redevelopment of CS-DRMS	Maseru, Lesotho
January 2011	Interfacing Domestic Debt Data with CS-DRMS and use of CS-SAS in Maldives	Male, Maldives
February 2011	Developing a Debt Bulletin in Seychelles	Victoria, Seychelles
February 2011	Business Process Validation for Redevelopment of CS-DRMS	Ankara, Turkey
February 2011	Meeting of IMF Government Finance Statistics Advisory Committee	Washington D.C., USA