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*Debt Management Section
Special Advisory Services Division*

Review of Main Debt Management Activities

March 2011 – February 2012

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Review of Main Debt Management Activities March 2011 – February 2012

1. ACTIVITIES RELATED TO THE INTER-AGENCY TASK FORCE ON FINANCE STATISTICS

The Commonwealth Secretariat (ComSec) continues to collaborate with Task Force members on activities related to the preparation and dissemination of the Public Sector Statistics 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, World Bank and its regional partner organisations to offer a series of workshops on the Guide and its application in CS-DRMS for external and public sector debt data compilation and dissemination.

During the period under review, ComSec in collaboration with the International Monetary Fund organized a workshop for the Asian Region on Developing a Public Debt Bulletin. The workshop, which was held in **Singapore**, discussed methodological issues and concepts from the Public Sector Debt Statistics Guide (PSDSG) and dissemination of public debt statistics through the use of CS-DRMS. Furthermore, ComSec participated in the IMF course on External Debt Statistics, in **Washington, D.C, USA** and workshops on PSDSG held in **Austria and Tunisia**. In addition, the following countries were assisted in developing Public Debt Bulletins, **Lesotho and Swaziland**. As part of the data preparation for the Public Debt Bulletin exercise, the Secretariat develops capacity in countries to ensure compliance with the Debt Guides, where data is fully available. This effort is fully supported through the CS-DRMS reporting.

Debt data quality and integrity 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 internationally accepted standards for compilation and accounting of debt statistics and new data dissemination requirements. Through the collaboration with the World Bank, the World Bank Debtor Reporting System in CS-DRMS is being improved to comply with Statistical Data and Metadata Exchange - SDMX specifications. To improve debt data quality, country specific missions were undertaken to **Guyana, The Gambia, Barbados, Cameroon, Solomon Islands and Jamaica**. This is being complemented through data assessment missions designed to determine the integrity of public debt data. At the same time, data coverage is being expanded by uploading domestic debt data into CS-DRMS to create a complete public debt dataset in a single computerized system. Countries assisted under the domestic debt data upload scheme include **Sri Lanka, Botswana, Ghana, Barbados, Malawi, Maldives, Nigeria and Tanzania**. This intervention provided countries with a more comprehensive Public Debt Database which would support the seamless compilation and reporting of debt data under standards as specified in the Public sector Debt Statistics Guide.

2. DEVELOPMENT OF CS-DRMS 2000+

DMS continues to work on improving the recording, reporting and analytical functionalities in CS-DRMS. To this end, the following enhancements have been included in CS-DRMS:

1. A new data export facility for the Quarterly Public Sector Debt Statistics (QPSDS) Template, to enable countries extract relevant data from the CS-DRMS database to populate the template used for reporting under the QPSDS framework;
2. New reports for better monitoring and analysis of risks in the portfolio;
3. SDMX compliant World Bank Debtor Reporting; and
4. A new facility to forecast debt service flows, taking into consideration non-business days for more accurate reporting of debt service.

DMS continued working on the project to link CS-DRMS to Integrated Financial Management and Information Systems (IFMS) related to public sector financial management. The project aims at building an interface between CS-DRMS 2000+ and IFMS for more efficient, timely and accurate records of public financial transactions and also to avoid duplication of recording activities. As part of the project, DMS organized a Seminar in **London, U.K.** in October 2011 titled, *Leveraging Debt Management for Effective Public Financial Manage: A Framework for Interfacing Debt Management Systems with IFMS*. Findings from this Seminar fed into the core document for the Secretariat's plans on fully integrating CS-DRMS to financial management systems. During the review period, IFMS missions were fielded to **Ghana, Botswana and The Gambia**.

In collaboration with the International Organisation of Supreme Audit Institutions (INTOSAI), under the capacity building initiative for Supreme Audit Institutes (SAI), ComSec assisted countries in finalizing the audit process for debt management, and further enhanced the audit functionality in CS-DRMS. As part of this partnership with INTOSAI, ComSec participated in the Audit Review Meetings and Public Debt System Training Courses in **Kenya and Zambia**.

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 in operation. The Secretariat is in the process of finalising an on-line bidding tool that would allow investors to directly place electronic bids in CS-SAS through web-based on-line connections. This would enhance management of the issuance of Government Securities.

4. COMMONWEALTH SECRETARIAT PUBLIC DEBT ANALYTICAL TOOL (PDAT)

ComSec continues to 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 development of a new software - **Public Debt Analytical Tool (PDAT)**, which is a decision support system to assist debt managers formulate debt management strategies, develop and implement annual borrowing plans and undertake liability management operations, will be released this year after an initial trial period in June/July 2012.

5. DEVELOPING DEBT DATABASES FOR SUB-NATIONAL DEBTS

The issue of sub-national debt has been receiving increased attention due to the rising incidence of contingent liabilities. To this end, ComSec has responded to requests from State governments in India and Nigeria and provided the CS-DRMS and associated capacity building for developing sub-national debt databases. As of now, 7 states in India and 6 states in Nigeria are using the system for sub-national debt management. During the review period, ComSec assisted Government of Maharashtra, Andhra Pradesh and Karnataka to develop complete databases in CS-DRMS. A review mission will visit Nigeria in June 2012 to assess progress with work in this area.

6. TRAINING ON PUBLIC DEBT ANALYSIS

ComSec continues to experience an ever increased demand from member countries for assistance in the area of debt analysis. In August 2011, DMS participated in a Joint ComSec/ West African Institute for Financial and Economic Management (WAIFEM) mission on Debt Sustainability Analysis (DSA) to **Sierra Leone**. Furthermore, in February 2012, DMS responded to a request from the Government of **Seychelles** to build capacity in carrying out a DSA exercise. DMS conducted a comprehensive training workshop for national economists, and debt managers in conducting DSAs for informing future fiscal and macro policies. These training workshops, which were based on the IMF-World Bank's DSA-DSF framework, helped both countries in developing national capacity in debt sustainability analysis. In September 2011, the Commonwealth Secretariat facilitated a Crown Agents workshop held in **Slovenia** on "Helping Countries Better Manage Their Debt Portfolios". The workshop was attended by debt managers from Eastern European countries. In addition, ComSec organized In-country training workshops on using CS-DRMS for more effective debt management, in **India, Cameroon, Solomon Islands, The Gambia and Nigeria**.

7. 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 institutional arrangements, deepening of the domestic market and the formulation of debt management strategies. In **June 2011** DMS assisted **Malawi** through an advisory mission, on reforming public debt management. The mission report spelt out the institutional reforms required in Malawi to undertake effective debt management with a sustainable capacity. Based on the agreed recommendations, a mission will be visiting Malawi in April 2012 to formulate an effective and efficient legal framework for public debt management. In July 2011, DMS supported **Swaziland** in reviewing the domestic securities market in the face of fiscal consolidation. Following this, in October 2011, ComSec fielded a follow-up mission to **Swaziland** to assist in the formulating of a domestic debt market development roadmap. The mission provided Swaziland with several recommendations which would guide the authorities on the way forward for domestic debt market development. In August 2011, the Secretariat assisted **Jamaica** in restructuring the Public Debt Unit in the Ministry of Finance, into a fully fledged Public Debt Office. In October 2011, missions were fielded to Cook Islands, Solomon Islands and Tonga to review debt and cash management operations. The missions identified a number of areas for

reform and will work with the countries in implementing recommendations. In March 2012, the Secretariat will provide policy advisory support to **Sierra Leone**, on domestic debt market development.

8. MONITORING PRIVATE SECTOR EXTERNAL DEBT

In collaboration with WAIFEM and Bank Negara, Malaysia, ComSec facilitated a workshop for the West African Sub-region, in Monrovia, **Liberia**, on Monitoring Private Sector External Debt, in August 2011. The workshop was attended by Central Bankers and Debt Managers from **Nigeria, Ghana, Sierra Leone, Liberia and The Gambia**.

9. DEVELOPING A PUBLIC DEBT DATABASE IN CS-DRMS

The Secretariat continues to work with countries to develop a comprehensive public debt database in CS-DRMS and assisted **Sri Lanka, Ghana, Barbados, Malawi, Maldives, Nigeria and Tanzania**, to interface their Central Depository System (CDS) with CS-DRMS.

10. DEVELOPING A COMPREHENSIVE PUBLIC DEBT BULLETIN

Due to the increasing need for countries to report on their debt portfolios in a timely and accurate manner, the Secretariat has embarked on a project to assist member countries develop Public Debt Bulletins using the reporting and portfolio analysis facilities available in CS-DRMS. The Public Debt Bulletins provide an array of analytical information on the debt portfolio, debt management operations, risk indicators, and includes a statistical annex on debt levels and positions. **Sierra Leone** was the first country to benefit from this support followed by **Dominica, Lesotho and Seychelles**. In the next few months, **Mauritius and Papua New Guinea** will benefit from this initiative. In June 2011, an Asian Regional Workshop on developing a Public Debt Bulletin was organized, in **Singapore** in collaboration with the **International Monetary Fund**.

11. ASSISTANCE ON DEBT DATA QUALITY

DMS responded to a request from **Cameroon, The Gambia, Nigeria, Solomon Islands, Jamaica and Ghana** and provided assistance in debt data validation and the use of CS-DRMS for data compilation. These missions were supplemented by a database audit missions in Jamaica **and The Gambia**.

12. 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.

13. CAPACITY BUILDING ON DEBT MANAGEMENT

To develop capacity in debt recording and management, the Secretariat 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 module of CS-DRMS. As a follow-up to the eLearning course, the Secretariat organized a face-2-face Workshop for Cohorts of the eLearning course in London, **U.K**, in May 2011. This workshop trained participants from 20 member countries on advanced features of CS-DRMS.

14. TRAINING ACTIVITIES

- In **March 2011**, at the request of INTOSAI Development Institute, the Secretariat provided training in the *Audit Review Meeting on Public Debt Management Systems*. The workshop was held in **Zambia**.
- In **May 2011**, the Secretariat organized a workshop in London for the eLearning Cohort on *Advanced features of CS-DRMS for External Debt Management*. The workshop was jointly organized with the Commonwealth of Learning.
- In **May 2011**, at the request of the Crown Agents, the Secretariat provided training to Debt Managers from Eastern Europe on "*Selected Topics in Debt Management and Introduction to Debt Systems*". The workshop was held in **Macedonia**.
- In **June 2011**, the Secretariat provided training on the *use of CS-DRMS for recording sub-national debt*, to officials in the States of Andhra Pradesh, Karnataka and Maharashtra in **India**.
- In **July 2011**, the Secretariat, through the services of a consultant provided training to officials in the Ministry of Finance, **Cameroon** in *debt data quality*.

In **August 2011**, the Secretariat organised an In-country Training on *use of CS-DRMS for public debt management for officials* in Nigeria. The workshop catered for officials from the central government's Debt Management Office as well as the Sub-national governments.

- A Joint ComSec-WAIFEM In-Country *DSA Training* Workshop was held for officials in **Sierra Leone** in August 2011.
- In **August 2011**, a joint ComSec-WAIFEM/Bank Negara, (Malaysia) Regional Course on *Monitoring Private Sector External Debt* was run in **Liberia** 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 International Monetary Fund's Workshops on the Public and External Debt Guides in Washington, D.C, Vienna and Tunis.

15. COMMONWEALTH DEBT MANAGEMENT FORUM; OTHER CONFERENCES AND MEETINGS

In March 2011, the Secretariat organized the Second Commonwealth Secretariat Stakeholders' Conference on Public Debt Management and CS-DRMS User Group Meeting.

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

- INTOSAI Development Institute Audit Review Meeting, March, 2011 - Lusaka, Zambia
- SDMX Global Conference, Washington, DC, May, 2011 - USA
- 12th OECD-WBG-IMF Global Bond Market Forum, May, 2011 - Paris, France
- World Bank Debt Management Facility Stakeholders' Forum, June, 2011- Berne, Switzerland.
- OECD's Global Forum on Public Debt Management, January, 2010 – Paris, France.
- Fifth OECD Forum on African Public Debt Management and Bond Markets, June, 2011 - Pretoria, South Africa,
- Central Banking Debt Management Seminar, September, 2011 - Cambridge, UK,
- Joint CARTAC-ComSec-IADB "Caribbean Regional Debt Management Forum" and Latin and Caribbean (LAC) Group Debt Managers Meeting organised by IADB, October, 2011 - Montego Bay, Jamaica
- UNCTAD Debt Management Conference, November 2011, - Geneva, Switzerland

**Debt Management Section
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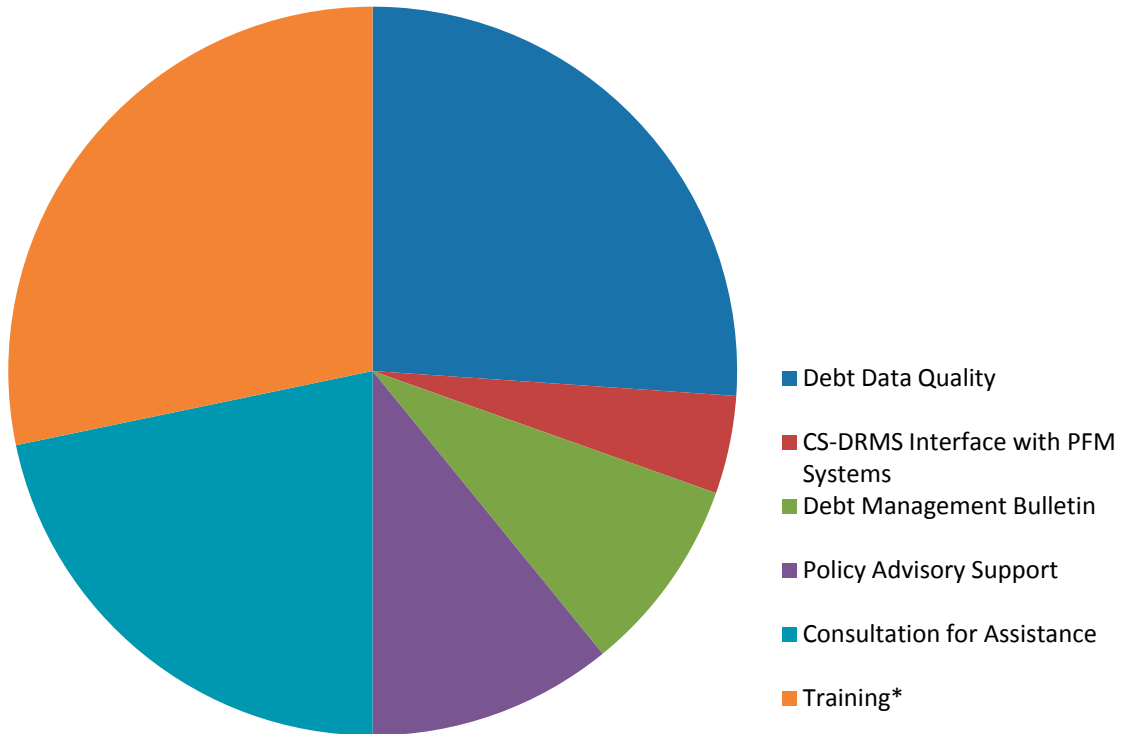
ANNEX 1: REVIEW OF DEBT MANAGEMENT ACTIVITIES: MARCH 2011 -FEBRUARY 2012

Dates	Event	Location
March 2011		
	Inter-Agency Task Force on Finance and Statistics Meeting	London, UK
	INTOSAI Development Institute: Audit Review Meeting and Public Debt System Training Course	Lusaka, Zambia
	Asian Development Bank: Asian Regional Public Debt Management Forum	Phuket, Thailand
	PDAT Prototype Presentation: Meeting with Debt Experts	London, UK
	Commonwealth Secretariat Debt Management Program: User Group Meeting	London, UK
April 2011		
	Second Commonwealth Secretariat Stakeholders' Conference on Public Debt Management	London, UK
	Developing Debt Bulletin	Maseru, Lesotho
May 2011		
	SDMX Global Conference	Washington D.C.
	12 th OECD-WBG-IMF Global Bond Market Forum	Paris, France
	External Debt Data Validation in CS-DRMS	Georgetown, Guyana
	Pan-Commonwealth Workshop with Cohorts of E-Learning on CS-DRMS	London, UK
	Interfacing Domestic Debt Data with CS-DRMS and Project Review Mission to Sri Lanka	Colombo, Sri Lanka
	Review of Sub-national Debt Project in India	Mumbai, Hyderabad, Delhi, Bangalore; India
	Review Mission for Interfacing Domestic Debt Data in CS-DRMS and GABS	Botswana
	Crown Agents Workshop on "Selected Topics in Debt Management and Introduction to Debt Systems"	Skopje, Macedonia
June 2011		
	World Bank Debt Management Facility Stakeholders' Forum	Berne, Switzerland
	Meeting with South African National Treasury	Pretoria, South Africa
	Review of Public Debt Management and CS-DRMS	Lilongwe, Malawi
	Assistance on Completion of Public Debt Database for the Government of Maharashtra, India	Mumbai, India
	Assistance on Completion of Public Debt Database for the Government of Karnataka, India	Bangalore, India
	Developing a Debt Bulletin	Singapore
	India Sub-National Debt Training Workshop on CS-DRMS	India

	In-Country Training on CS-DRMS and External Debt Database Validation : Phase 1	Yaounde, Cameroon
	Fifth OECD Forum on African Public Debt Management and Bond Markets	Johannesburg, South Africa
July 2011		
	Review of Public Debt Management and CS-DRMS	Mbabane, Swaziland
	Project Management Meeting and First Iteration of PDAT development	Bengaluru, India
	Meeting with MoF, India	New Delhi, India
	Assistance on interfacing Domestic Debt Data in CS-DRMS; interfacing GIFMIS & CS-DRMS; assess feasibility of using CS-DRMS for aid management & collection & building PSED database	Accra, Ghana
	In-country Training on use of CS-DRMS for public debt management	Abuja, Nigeria
	Joint ComSec-WAIFEM In Country DSA Training Workshop	Freetown, Sierra Leone
August 2011		
	Restructuring the Debt Management Unit, Kingston Jamaica	Kingston, Jamaica
	WAIFEM / ComSec Regional Course on Monitoring Private Sector External Debt	Monrovia, Liberia
	Review Mission on Public Debt Management	Georgetown, Guyana
September 2011		
	Centre of Excellence in Finance (CEF) and hops	Ljubljana, Slovenia
	IMF Course on External Debt Statistics	IMF Institute, Washington D.C., USA
	IMF Workshop on Public Sector Debt Statistics	JVI, Vienna, Austria
	WAIFEM / ComSec Regional Debt Manager's Seminar and User Group Meeting	Lagos, Nigeria
	Debt Management Seminar – Central Banking	Cambridge University, UK
October 2011		
	Interfacing Domestic Debt Data in CS-DRMS	Lilongwe, Malawi
	Joint CARTAC-ComSec-IADB “Caribbean Regional Debt Management Forum”	Montego Bay, Jamaica
	Latin and Caribbean (LAC) Group Debt Managers Meeting organised by IADB	Montego Bay, Jamaica
	Interfacing Domestic Debt Data in CS-DRMS	Dar es Salam, Tanzania
	Scoping missions on debt and cash management to Tonga, Cook and Solomon Islands	Cook Islands Solomon Islands Tonga
	Seminar on Leveraging Debt Management for Effective Public Financial Management: Framework for Interfacing Debt Management	London, UK

	Systems with FMIS	
	Advisory Mission for Formulating Domestic Debt Market Development Roadmap	Mbabane, Swaziland
	Discussion on PDAT Development	Chennai, India
November 2011		
	Meeting with Maharashtra Government on Sub-national Debt Project	Mumbai, India
	In-country mission on Compilation of ADB loans in CS-DRMS and training	Honiara, Solomon Islands
	Advisory Support on Interfacing CS-DRMS with IFMIS in The Gambia	Banjul, The Gambia
	UNCTAD Debt Management Conference	Geneva, Switzerland
December 2011		
	No Activities	
January 2012		
	Training on CS-DRMS and External Debt Data Validation	Banjul, The Gambia
	Validation of External Debt Database in CS-DRMS	Bridgetown, Barbados
	ASLF / PALU Regional Seminar for North Africa for Lawyers	Tunis, Tunisia
	Interfacing Domestic Debt Data in CS-DRMS	Male, Maldives
February 2012		
	Audit of Debt Database Quality	Kingston, Jamaica
	Interfacing Domestic Debt Data in CS-DRMS	Dar es Salam, Tanzania
	IMF Workshop on Public Sector Debt Statistics	Tunis, Tunisia
	Testing on PDAT and Meeting with Developer	Chennai, India
	Training on Debt Sustainability Analysis	Victoria, Seychelles

Commonwealth Secretariat-Debt management Programme: Areas of Assistance (Mar 2011 - Feb 2012)



* Includes In-country, Regional and Pan-Commonwealth Trainings.