



Meeting of the Task Force on Finance Statistics
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Occasional Paper on Review of Main Debt Management Activities
March 2015–February 2016

Prepared by the Commonwealth Secretariat





Commonwealth Secretariat

Debt Management Unit

REVIEW OF MAIN DEBT MANAGEMENT ACTIVITIES

March 2015 – February 2016

Review of Main Debt Management Activities March 2015 – February 2016

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 debt statistics work including initiatives on the Public Sector Statistics Debt Guide, External Debt Statistics Guide and various debt statistics dissemination standards. The Secretariat remains proactive at sensitizing users of the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) to the Debt Guide and debt data methodology and standards. For this purpose, the Secretariat is collaborating with the IMF and regional partners to offer a series of workshops on the Guide and its application in CS-DRMS for public sector debt data compilers and back office staff.

During the period under review, ComSec in collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) organized a workshop for the Southern and Eastern Africa Region on the Public Sector Debt Statistics. The workshop, which was held in **Lesotho**, discussed methodological issues and concepts from the Public Sector Debt Statistics Guide (PSDSG) and introduced participants to the functionality in CS-DRMS for compiling and reporting on PSDS in conformity with the Guide's instrument and institutional classification. In addition, ComSec participated in the IMF Workshop on Public Debt Statistics held in **Washington D.C.** and made a presentation on "Debt Statistics Reporting through CS-DRMS". The ComSec further collaborated with the World Bank for presentation on External Debt Statistics and Public Sector Debt Statistics in the Pacific Regional Workshop on CS-DRMS organized at **Fiji**.

The project on assisting countries to develop Public Debt Bulletin initiated in 2011 continued during the period under review. Under the project, **Barbados** was assisted during the review period. 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, along with reporting of other analytical and operational aspects of debt management, where data is fully available. This effort is fully supported through the CS-DRMS reporting module.

Debt data quality and integrity continue to be an important area for training and capacity building initiatives of the Secretariat's Debt Management Unit (DMU). During the period under review **Fiji** was assisted with creation of a good quality debt data base.

2. Re-engineering of CS-DRMS

A new public debt management system is currently being developed by the Secretariat, which is targeted to be released in late 2017. The new system, which will be web-based, developed using Microsoft.Net technology and run on Windows platform will ultimately replace the existing CS-DRMS. The system will reflect latest industry trends and standards and represent a significant improvement over the existing system. It will be based on a workflow model for improved control, support SWIFT connectivity, cash and accrual accounting and incorporate an auditing functionality along with a range of functionalities allowing debt managers to effectively record, report, monitor and analyse public and

publicly guaranteed debt, lending portfolio and derivatives. Some of the new features of the system that will be designed to improve data quality, reporting and coverage include:

a. Measurement for accounting purposes

The system will be compatible with the following measures of an instrument's value, which could also be used to generate accounting journals:

- Nominal Value
- Face Value
- Present Value
- Amortized Cost
- Capital Value
- Fair Value

b. Contingent Liability and Lending Risk Assessment Tool

The 'Contingent Liability and Lending Risk Assessment Tool' will allow the users to measure risk and provide for the following explicit guarantees:

- Credit Guarantees (Loans, Securities)
- Guarantees provided through Public Private Partnerships (PPPs)

This Risk Assessment Tool will also cover lending operations without guarantees.

c. Instrument Coverage

In line with the statistical definition of the Public Sector Debt, the new system will have the facility to cover the following instrument

Debt Securities	
	Treasury Bills (T-Bills)
	Bonds & Debentures
	Asset Backed Securities
	Preferred Stocks & Shares
	Certificate of Deposits
	Promissory Notes
	Commercial Paper
Loans/Grants	
	Standard Loan
	Frame Agreement
	Commitment Under Frame
	Debt Relief
	Repo
	Revolving Credit
	Overdraft
	Leases
	Grants
	Mixed Credit
Other Accounts Payable / Receivables	

	Trade Credits
	Advances
	Insurance / Pension
	Currency & Deposits
	Special Drawing Rights (SDRs)
	Financial Derivatives
	Forwards
	Swaps
	Sinking Fund

3. Release of CS-DRMS (v2SP2)

Meanwhile, the Secretariat is also releasing a new version of CS-DRMS (v2SP2) this month which includes, amongst others, the following enhancements: (i) Additions of liability management options covering prepayment and accelerated payment; (ii) enhanced sensitivity analysis; (iii) improved dashboard facility; (iv) **revised template of the QEDS/GDDS**; (v) **support for the new World Bank DRS SDMX purpose codes**; and (vi) improvements to the reporting functionality.

4. Commonwealth Secretariat Public Debt Analytical Tool (HORIZON)

The public debt analytical tool of the Secretariat called HORIZON, which was launched in October 2012 is being deployed in member countries. During the period under review, the tool was deployed in **Mauritius** to assist the country in the formulation of the medium term debt strategy. The software is planned to be installed this year in more countries including Fiji and Jamaica.

5. Policy Support on Debt Management

The Secretariat also delivers assistance on policy support to member countries on various aspects of public debt management including institutional arrangements, legal framework, development of domestic debt market and the formulation of a debt management strategy. During the review period the Secretariat provided policy advice to **Trinidad and Tobago** on the current legal framework for debt management and made recommendations for a new Public Debt Management Act. Policy advice and recommended reforms were also provided on institutional arrangement on public debt management that supports sound practice, good governance and prudent principles of debt management. **Fiji** was assisted with policy advisory assistance on developing domestic bond Market. The Secretariat also carried out scoping missions to **Fiji, Tanzania and Ghana** to formulate technical assistance plan for strengthening debt management capacity.

6. Developing a Public Debt Database in CS-DRMS

The Secretariat continued implementing the project on interfacing domestic debt in CS-DRMS initiated in 2010 to assist countries develop integrated public debt database in the CS-DRMS. During the period under the review, **Fiji** was assisted with the creation of consolidated quality debt data base in CS-DRMS.

7. Developing a Statistical Bulletin for Public Debt

In 2010-11, the Secretariat embarked on a project aimed at improving the dissemination of public debt data through annual public debt Bulletin. The project started with a regional workshop for Southern and Eastern Africa countries followed by another similar workshop for the South Pacific region. Following the two regional workshops, assistance was provided, at the request of member countries in developing statistical bulletins on Public Debt using reporting tools of CS-DRMS. In the period under review, assistance on developing public debt bulletin was provided to **Barbados**.

8. Training Activities

- The Commonwealth Debt Management Stakeholder's Forum was organized in collaboration with the National Treasury, South Africa at Johannesburg, **South Africa** in June 2015
- A regional training for the member countries of the Pacific region was held in **Fiji** on the latest version of CS-DRMS and data validation issues.
- In country subnational debt management workshop on the latest version of CS-DRMS and data validation issues was held in **India**.

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

- Asian Development Bank Public Debt Management Forum, Male, Maldives, April 2015
- Debt Management Facility (DMF) Stakeholders' Forum, Manila, Philippines, June 2015
- XI Annual Meeting of the Group of Latin American and the Caribbean Debt Management Specialist, Bridgetown, Barbados, August 2015
- Tenth UNCTAD Debt Management Conference, Geneva, Switzerland, November 2015

Debt Management Section
Commonwealth Secretariat
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Annex 1

**Commonwealth Secretariat: Review of Debt Management Activities:
March 2015-February 2016**

Dates	Event	Location
March 2015		
	IMF Government Finance Statistics Advisory Committee Meeting	Washington D.C., USA
	Meeting of Inter-Agency Task Force on Finance Statistics	Geneva, Switzerland
	Scoping mission to formulate technical assistance plan for strengthening debt management capacity	Suva, Fiji
April 2015		
	Formulation of Public Debt Management Act and Reforms in Institutional Arrangements on Public Debt Management	Port of Spain, Trinidad and Tobago
	Asian Development Bank Public Debt Management Forum	Male, Maldives
	Meeting with Ministry of Finance, India	New Delhi, India
May 2015		
	Deployment of CS-DRMS Version 2.0:	Dar es Salaam, Tanzania
June 2015		
	Debt Management Facility (DMF) Stakeholders' Forum	Manila, Philippines
	Pacific Regional Workshop on CS-DRMS	Suva, Fiji
	Commonwealth Debt Management Stakeholder's Forum	Pretoria, South Africa
	Development of Debt Bulletin	Bridgetown, Barbados
	Sub-national Debt Management Workshop	New Delhi, India
July 2015		
	Deployment of Horizon and Policy Advisory Support on Medium-term Debt Management Strategy Formulation and Implementation	Port Louis, Mauritius
	IMF Public Sector Debt Statistics Workshop	Washington D.C., USA
August 2015		
	XI Annual Meeting of the Group of Latin American	Bridgetown,

	and the Caribbean Debt Management Specialists (LAC Debt Group)	Barbados
October 2015		
	Regional Workshop on Debt Statistics Compilation and Reporting	Lesotho
	Scoping mission to formulate technical assistance plan for strengthening debt management capacity	Tanzania
November 2015		
	Tenth UNCTAD Debt Management Conference	Geneva, Switzerland
January 2016		
	Policy Advisory Work on Debt Market Development	Suva, Fiji
	Scoping mission to formulate technical assistance plan for strengthening debt management capacity	Accra, Ghana