
Meeting of the Inter-Agency Task Force on Finance Statistics

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COMSEC Occasional Paper on Main Debt Management Activities
March 2009 – February 2010

Prepared by COMSEC



Commonwealth Secretariat

*Debt Management Section
Special Advisory Services Division*

**Review of Main Debt Management Activities
March 2009 – February 2010**

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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 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 plays an active role in developing the Handbook for Securities Statistics and will participate in the next review meeting to be held in March 2010.

During the period under review DMS participated in a Workshop on External Debt Statistics, organized by the IMF in Washington, DC, **USA** in July 2009 and organized a mission to **Sierra Leone** in January 2010 for "Developing a Public Debt Bulletin" using statistical formats and definitions consistent with the Debt Guide.

DMS also continues to focus on debt data quality and integrity issues and assists CS-DRMS users in data dissemination to the World Bank, IMF and other international organizations. To improve debt data quality, country specific missions were undertaken to **Maldives, Belize, Seychelles, Mauritius, Samoa, Tanzania, and Papua New Guinea**.

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+

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 October 2009. This upgrade comes with fixes to certain issues identified with the software but also brings along a number of enhancements. Major changes include a 'Quarterly External Debt Statistics (QEDS)' data bridge which allows clients to report data on their external debt as per the reporting requirements of the World Bank. In addition, the release pack contains a 'Medium Term Debt Strategy (MTDS)' data bridge which enables clients to generate debt data from their CS-DRMS database for input into the MTDS tool developed by the IMF and World Bank. The release pack also provided an improved conformity of participant, category and sectoral classification consistent with the External Debt Guide.

In April 2008, the Secretariat released the brand new Securities Auction System (CS-SAS) which allows 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 would then be transmitted to the domestic debt module for further analysis. The module is being tested in **Nigeria, Sierra Leone, Malta and The Gambia**.

DMS continued working on the 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 keeping. As part of the project, DMS undertook a country mission to **Sierra Leone and Barbados** in January and February 2010 respectively. Findings from these missions will form the core document for the Secretariat's plans on integrating CS-DRMS to financial management systems in client countries.

The Secretariat is envisaging 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 new software product, the **Public Debt Analytical Tool (PDAT)**. The PDAT will be designed as a decision support system to assist debt managers formulate a medium term debt management strategy, develop and implement an annual borrowing plan based on that strategy and undertake liability management operations to attain better portfolio structure. PDAT will build upon the Medium Term Debt Management Strategy (MTDS) Framework recently developed jointly by the IMF and the World Bank. A Roundtable of debt managers from major emerging market economies to discuss the PDAT framework will take place in **London in March 2010**.

3. Monitoring Private Sector External Debt

The Secretariat intends to review and upgrade the functionality in its debt recording application for recording Private Sector External Debt (PSED). As part of this enhancement process, the Secretariat organized a seminar on PSED in **London, UK in September 2009**. This seminar focused on determining generic templates for capturing data on PSED, (including short-term external debt) either on instrument- by-instrument basis or aggregate debt stock-flow basis relying on surveys. Based on such generic data availability, the end-purpose was to gather data specifications for capturing PSED in CS-DRMS. The Seminar also discussed emerging trends in the management, monitoring, and recording of PSED and reviewed the process and content of data collection based on relevant institutional arrangements. Speakers at the seminar were drawn from TFFS member institutions such as the World Bank, IMF, BIS, UNCTAD.

The Seminar was followed by a Technical Group meeting, which further elaborated on the information requirements and business processes for PSED.

4. Mapping the Business Process for Debt Management

The Secretariat is currently working on shifting the debt recording system to a new technological platform and as part of this initiative; it plans to re-engineer the software to closely mirror the flow of information and internal control procedures as they occur in practice within debt management offices. In this context, the Secretariat commissioned a comparative study of public debt management practices and business processes in different economies including a mix of advanced economies, emerging market economies (EMEs) and developing countries.

The study documented the information on business processes, information flow, internal control mechanism, functions and responsibilities within the different debt management offices and units as well as between the debt management offices and external entities. The major deliverable of the study is the development of a comprehensive generic model which captures best practices that can be replicated into the next generation of CS-DRMS. This is

intended to facilitate debt management operations within our client countries based on sound practices.

5. Training on Portfolio and External Debt Sustainability Analysis

In recent years there has been an ever increased demand from member countries for assistance in the area of debt analysis. As a response to this need, DMS has carried out on demand in-country Debt Sustainability Analysis (with training) for **Belize** in October 2009. The training helped in developing national capacity to carry out debt sustainability analysis (DSA) using the IMF Debt Sustainability Framework Template. The workshop was particularly important for Belize, which had received two IMF 'Article 4' missions in 2009 and recognized the need to develop the skills to carry out independent in-house DSAs. The principal objective of the mission, therefore, was to develop Belize's institutional capacity to carry out a 'traditional' DSA using the IMF's approach. The training was designed to assist local officials in better analyzing the sustainability of the current debt levels. The workshop, was attended by officials from the Ministry of Finance and the Central Bank.

6. Advisory Work on Debt Management

In response to the needs of small states, the Secretariat assisted a number of countries review the institutional and legal framework for debt management. DMS assisted **Jamaica** in **October-November 2009** to review its institutional and legal arrangements for debt management, as the country embarked upon consolidating all existing debt Acts into a single Public Debt Law. In **December 2009** DMS assisted **Namibia** through an advisory report on establishing a Debt Office for strengthening public debt management in Namibia. DMS also assisted **Maldives** in **July 2009** by recommending on a host of issues related to Public Debt Management focusing on Sustainability, Strategy and Institutional Arrangements.

DMS participated in a number of country missions related to the formulation of a medium-term debt strategy in partnership with the IMF and World Bank in member countries like **Jamaica and Tanzania**. In addition, DMS assisted in the formulation of a MTDS in **The Gambia**.

DMS was part of the joint World Bank Debt Management Performance Assessment (DeMPA) missions to **Samoa and Maldives** during 2009.

At the request of Financial Secretaries in the Caribbean region, DMS organised a High Level Debt Management Forum, at the Eastern Caribbean Central Bank's Headquarters in **St Kitts**. The forum was attended by 17 Financial Secretaries and senior officials from Organisation of Eastern Caribbean States (OECS) member countries and was held in **October 2009**.

7. 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 new debt data methodology, the Secretariat is embarked on a project to assist member countries develop statistical bulletins on Public Debt using the reporting facility available in CS-DRMS. **Sierra Leone** was the first country to benefit from this support in January 2010. Other countries to benefit during the next few months include **Papua New Guinea, Barbados and Tanzania**.

8. Assistance on Debt Data Quality

To develop capacity in debt recording and management, DMS responded to a request from **Seychelles** and provided assistance through the services of a consultant in debt data validation and the use of CS-DRMS for debt data compilation between. . DMS also assisted **Samoa** in November 2009 on debt data validation and provision of training on CS-DRMS through the services of a consultant. A similar debt data validation and training on CS-DRMS is planned for **Maldives** in March 2009. In November 2009, DMS assisted **Tanzania** to develop a unified debt database in CS-DRMS in Tanzania through the services of a consultant.

In September 2009, DMS undertook a review of the sub-national project in **India** to assist states record state debt liabilities in CS-DRMS. In November 2009, the state of Madhya Pradesh in India was assisted through the services of a consultant to install and make CS-DRMS operational.

In a bid to further assist member countries integrate the debt management system with IFMS, DMS responded to a request from the Government of Sierra Leone by fielding a needs assessment mission to **Freetown, in January 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.

9. 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.

10. 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. The Distributorship Agreement between Comsec and the Crown Agents was reviewed and a new Distributor Agreement signed in October 2005. In late 2009, **Liberia** became the 60th country to install CS-DRMS under a project implemented by the Crown Agents.

11. Training Activities

- In **March 2009**, DMS organized a regional workshop for East and Southern Africa on Training of Trainers on CS-DRMS. The workshop was held in **Lilongwe, Malawi** collaboration with MEFMI.
- In April 2009, DMS provided training to debt management officials in the East and Southern Africa on Domestic Debt Recording in CS-DRMS and Auctioning System – CS-SAS. The training was held in **Swaziland** in collaboration with MEFMI.
- In **April 2009**, DMS provided training on CS-DRMS in a Regional Workshop for the Pacific countries in **Papua and New Guinea**.
- In **June 2009** a sub-national debt training workshop was held in **India** covering 10 states on recording of state debt liabilities in CS-DRMS.
- A joint ComSec/World Bank workshop on the Debt Management Performance Assessment (DeMPA) Tool was organised in **Singapore** in September 2009.
- In February 2010, DMS, organised a “Training of Trainers” Workshop for users of CS-DRMS on the external debt module in London.

DMS is collaborating with the **Commonwealth of Learning (COL)**, based in Vancouver, to run an e-learning programme on the use of CS-DRMS for debt recording. The eLearning “Pilot course” will commence in March 2010 and the “Live course” in July 2010.

12. Commonwealth Debt Sustainability Forum and other conferences

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

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

- IMF Workshop on External Debt Statistics in Washington D.C. in July 2009
- Asian Development Bank Summit of Public Debt Managers in November 2009.
- UNCTAD’s International Debt Management Conference in November 2009.
- OECD’s Global Forum on Public Debt Management and African Public Debt Management in November 2009 in Paris.
- MEFMI’s Debt Managers’ Conference in March 2010 in Harare, Zimbabwe.
- Inter-Agency Task Force Review Group Meeting on Handbook of Debt Securities Holdings at European Central Bank, Frankfurt in March 2010.
- IDI’s Public Debt Audit Planning Meeting in Nairobi, Kenya in March 2010.
- World Bank’s Debt Management Conference in Tunis, Tunisia in March 2010.

**Debt Management Section
Commonwealth Secretariat
London
March 2010**

Annex 1

Review of Debt Management Activities: March 2009-March 2010

March 2009	Meeting of Task Force on Finance and Statistics	BIS, Basle, Switzerland
March 2009	MEFMI Regional Workshop on Training of Trainers on CS-DRMS	Lilongwe, Malawi
April 2009	Joint MEFMI-Comsec Regional Workshop for South and East Africa on Domestic Debt Recording in CS-DRMS and Auctioning System	Mbabane Swaziland
April 2009	Pacific Regional Workshop on CS-DRMS and Review Mission	PNG
April 2009	Commonwealth Minister's Debt Sustainability Forum	Washington D.C., USA
June 2009	Sub-national Debt Workshop on Recording of State Debt Liabilities in CS-DRMS	Delhi, India
July 2009	Joint Comsec-World Bank Mission on Medium-term Debt Strategy in Jamaica	Kingston, Jamaica
July 2009	Diagnostic Review Mission on Public Debt Management in Maldives	Male, Maldives
July 2009	Study on Business Process in Debt Management	Brasilia, Brazil
July 2009	IMF Workshop on External Debt Statistics	Washington D.C., USA
September 2009	Review of Sub-National Debt Project in India	Assam / Karnataka / Maharashtra / Jharkhand
September 2009	Mission on Formulation of Medium-term Debt Management Strategy	Banjul, The Gambia
September 2009	Study on Business Process in Debt Management	Budapest Hungary
September 2009	Workshop on Monitoring Private Sector External Debt	London, UK
September 2009	Comsec-World Bank Regional Training Workshop on Debt Management Performance Assessment (DeMPA) Tool	Singapore
October 2009	Training on Debt Sustainability, Portfolio Review and Debt Strategy	Belize City, Belize
October 2009	Joint World Bank-Comsec Mission on Debt Management Performance Assessment	Male, Maldives
October 2009	Mission to Study Loan and Financial Products of IABD, IMF and World Bank	Washington D.C., USA
October 2009	Debt Data Validation and Training on CS-DRMS	Victoria, Seychelles
October 2009	Mission to Review Institutional Arrangements in Debt Management	Kingston, Jamaica

October 2009	Needs Assessment Mission on Strengthening Public Debt Management Capacity in St. Kitts	St. Kitts, St. Kitts and Nevis
October 2009	High Level Meeting of Permanent Secretaries in ECCU Countries on Debt Management	St. Kitts, St. Kitts & Nevis
November 2009	Meeting with Treasury, Malaysia and Bank Negara	Kuala Lumpur, Malaysia
November 2009	ADB: Asian Regional Public Debt Summit	Kuala Lumpur, Malaysia
November 2009	Meeting with ADB	Manila, Philippines
November 2009	UNCTAD Debt Management Conference	Geneva, Switzerland
November 2009	World Bank Workshop on Debt Strategy Formulation and Implementation	Washington D.C., USA
November 2009	Debt Data Validation Mission and Training on the Use of CS-DRMS	Apia, Samoa
November 2009	Mission on Setting up a Unified Debt Database in CS-DRMS and Debt Data Validation	Dar es Salaam, Tanzania
November 2009	OECD Global Forum on Public Debt Management	Paris, France
November 2009	Mission on Legal Framework on Public Debt Management	Kingston, Jamaica
November 2009	Joint World Bank-IMF-Comsec Mission on Medium Term Debt Management Strategy	Dar es Salaam, Tanzania
November 2009	Sub-national Debt in India: CS-DRMS Installation Mission to Madhya Pradesh	Bhopal, India
December 2009	World Bank Workshop on Debt Management Performance Assessment (DeMPA) in Joint Vienna Institute	Vienna, Austria
December 2009	Mission on Setting up a Debt Office	Windhoek, Namibia
January 2010	Needs Assessment Mission on the Use of CS-DRMS	Apia, Samoa
20-29 Jan 2010	Joint World Bank-Comsec Mission on Debt Management Performance Assessment	Apia, Samoa
Feb 2010	Training of Trainers Workshop on CS-DRMS	London, UK
March 2010	Pilot Testing of E-Learning Course on CS-DRMS	Vancouver, Canada
Feb 2010	Debt Data Validation Mission and Training on CS-DRMS	Male, Maldives
Feb 2010	Mission on Use of Auctioning Module for Domestic Debt Management	Valletta, Malta
Feb 2010	Sub-national Debt in India: CS-DRMS Installation Mission to Bihar and Rajasthan	Patna / Jaipur, India
Feb/ Mar	Implementation of Interface of CS-DRMS with	Freetown, Sierra

2010	IFMIS Preparation of a Debt Bulletin	and Bridgetown, Barbados
2-4 Mar 2010	Round Table on Public Debt Analytical Tool	London
March 2010	Domestic Debt Data Validation	Nairobi, Kenya
March 2010	Meeting of Task Force on Finance and Statistics (TFFS)	Washington D.C., USA
Mar 2010	Domestic Debt Data Validation	Abuja, Nigeria
March 2010	Debt Data Validation Mission and Training on the Use of CS-DRMS	Avarua, Cook Islands
Mar 2010	World Bank Debt Management Facility Stakeholder's Forum	Tunis, Tunisia
Mar 2010	Technical Advisory Group (DMF) Meeting	Tunis, Tunisia
Mar 2010	World Bank Workshop on Debt Management Performance Assessment Tool (DeMPA)	Vienna, Austria
March 2010	IDI Public Debt Audit Planning Meeting	Nairobi, Kenya
March 2010	Finalize document on Monitoring Private Sector External Debt	London, UK

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