



ComSec Regional Advisor Project Phase II

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Outline

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Scope and objectives

- A joint SASD/GIDD project to be rolled out under Programme 6 on Economic Development
- Entails recruitment and deployment 4 CS-DRMS/Debt Statistics & 5 Debt Management Advisors in 5 Commonwealth regions
- Designed to complement work of HQ based staff under ComSec DMP
- Will assist developing Commonwealth countries undertaking reforms:
 - Strengthen policies and institutional arrangements for debt management
 - Build capacity for sound debt management using:
 - CS-DRMS for debt recording & reporting
 - CS-PDAT for debt strategy formulation and analysis
- Support will cover central government and sub-national debt management



Project background

- Builds on the achievements of Phase I Project (FY2005/06 - 2007/08)
- 4 Advisors on CS-DRMS/Debt Statistics placed in 4 Commonwealth regions (East and Southern Africa – MEFMI; West Africa – WAIFEM; Caribbean - ECCB; & Pacific - MOF Fiji.
- Built capacity for effective debt management in CS-DRMS countries
 - Specifically helped strengthen institutional capacity for debt management in MOF/CB
- Project successfully established good external debt data quality in the CS-DRMS
- Key achievements:
 - Stabilising the use of the relatively new CS-DRMS 2000+ version
 - Supported installation, operation and maintenance of the CS-DRMS for managing external debt data including database validation
 - Made CS-DRMS the central repository for external debt data and key tool for fostering debt management.
 - Country officials trained in the use of CS-DRMS



Phase I project evaluation report

- The report issued in 2010 acknowledged success of the project in:
 - Building capacity of relevant agencies in the use of CS-DRMS
 - Adoption of CS-DRMS as the central repository of external debt data
- Noted that beneficiary countries and host institutions were highly supportive of the project.
- Noted however that countries felt the RAs had become too tied to the host countries
- Key recommendation:
 - Renew and expand scope of project to debt analysis in line with emerging TA needs of member countries.
- ComSec also noted, independently, a number of issues with host institutions on managing the work of RAs



Phase II project (FY 2012/13 – 2014/15)

- Based on Phase I evaluation report, Phase II project is designed to provide for:
 - Recruitment of 9 experts (4 CS-DRMS/debt statistics and 5 Debt Management experts)
 - CS-DRMS/Debt experts to support building databases and debt reporting. (see Annex I for detailed JD)
 - Debt Management experts to:
 - provide policy advice on debt management, institutional and legal reforms, and development of domestic debt markets; and debt strategy formulation
 - build capacity for debt analysis (See Annex II for detailed JD)
 - The experts will be attached to leading national level Debt Offices not Regional Organisations to improve:
 - operational efficiency
 - distribution of benefits to member countries



Phase II project (FY 2012/13 – 2014/15)

- Phase II project design also underlines the following:
 - Greater synergy with the Secretariat's DMP to facilitate global exposure of the RAs for the benefit of their target regions
 - Clear procedures and guidelines for project activity identification and prioritisation
 - Clear project management framework for effective monitoring and evaluation of project activities
 - Co-ordination with other TA providers to ensure complementarity/avoid duplication of effort (e.g. with WB-DMF for LICs and ECCB/CIDA funded DMAS)



Other factors considered in renewing project

- Rising and unsustainable demand for direct and timely assistance by HQ based staff.
- Planned release of CS-PDAT which will require technical personnel in the regions to:
 - Assist with migration of public debt data in the CS-PDAT
 - Provide intensive training on using CS-PDAT for formulation and implementation of MTDS
- The rising stock of domestic debt in many developing member countries
 - Countries require assistance to build domestic debt, merge it in the CS-DRMS external debt database for effective debt management, monitoring and reporting



Instruments to achieve project objectives

- In-country intervention by RAs to develop key building blocks of debt management operations including:
 - Enhancing quality and coverage of debt statistics
 - Risk analysis and formulation of debt management policy and strategy
 - Advice on institutional arrangements
 - Providing hands-on training on various aspects of debt management



Instruments to achieve project objectives

- Selective topping up of intervention by RAs with specialised services of short-term consultants where required
- Play a lead role in regional seminars or workshops organised to build capacity, share country experiences and obtain feedback from debt managers.
- RAs work will be complemented with support from the London based DMP to enhance project effectiveness
- Working closely with country officials to develop local capacity for long-term sustainability.



Phase II project plan of action

- It will be required that:
 - A detailed and well sequenced plan of action be drawn up for the three years of the project for each beneficiary country
 - That the action plan clearly specifies project deliverables and outputs to enable effective monitoring and tracking of progress
- The plan of action will be based on in-country comprehensive needs assessment to understand the exact requirements and scope of TA from ComSec.
- **The trigger for country needs assessment missions is the survey on TA on Debt Management conducted recently by DMS in all developing member countries.**



Phase II project plan of action

- Work programme of the RAs will be based on survey and outcome of needs assessments
- Member countries are expected to drive the project by identifying their priority TA needs
- Host institutions will be responsible for supervising the day to day work of the RAs
- The RAs will be required to submit work progress report to ComSec on a quarterly basis.



Phase II project plan of action

- The provides for constituting a project management team which will meet on a monthly basis to:
 - Review and approve RA reports
 - Monitor activities in the countries
 - Agree on required short term consultancies as necessary
 - Review the performance of the individual advisers (annually).
- An annual report on project implementation will be prepared and placed in public domain.



Phase II project plan of action

- Mid-term independent review of the project performance after two years of project implementation by independent consultants to:
 - Inform the project implementing authorities for the need to fine-tune the project design
 - Reorganise project implementation for better results
 - Recommend on the need to extend the three year term of any advisor by another year



Expected project output

- Comprehensive and high quality public debt databases (including domestic debt) established in Commonwealth CS-DRMS countries
- Strengthened institutional arrangements to promote sound debt management practices and principles
- Strengthened debt operations as a result of better information flow
- Improved debt reporting in terms of coverage, timeliness and quality
- Development and publication of periodic Debt Bulletins.
- Formulation and implementation of MTDS, including introduction of PDAT system
- Creation of a pool of locally based debt management experts



Project start date and RA host institutions

- Closing date for receipt of applications - **June 27, 2012**.
- Recruitment to be finalised **within 3 months** from closing date.
- The RAs will be hosted by the following institutions:
 - East and Southern Africa - National Treasury South Africa
 - West Africa – Ministry of Finance and Economic Planning, Ghana
 - Asia and South regions – (discussions in progress)
 - The Caribbean – Ministry of Finance and the Public Service, Jamaica
- Selection of host institutions:
 - Institutions considered to be leading debt offices in respective regions
 - The aim is to enable sharing of regional best practice and expertise with neighbouring countries



Thank You

Visit the CS-DRMS website at

www.csdrrms.org



Annex I: Job Description for CS-DRMS/Debt Statistics Advisor

The post-holder will be required to:

- Assist governments of member countries using CS-DRMS to strengthen institutional arrangements for the efficient flow and exchange of information between relevant agencies/units responsible for debt management;
- Advise countries on appropriate record keeping and management of information relating to debt agreements, payment notices, disbursements, receipts etc;
- Formulate procedures and manual for installing, operating and maintaining the CS-DRMS in relevant agencies (Ministries of Finance, Central banks, Debt Management Offices etc.);
- Assist CS-DRMS sites prepare procedural guidelines detailing the data flow and controls for maintaining the quality of debt data;
- Assist governments in building a single CS-DRMS public debt database;
- Review, update and validate the debt database in CS-DRMS to ensure comprehensive coverage and, high quality in being with international standards and best practices, including the IMF's Guide on External Debt Statistics and Public Debt Statistics;
- Review the process in each country for collecting, recording and reporting debt information, with a view to establishing and/refining procedures for information flows to internal and external users of debt data;
- Develop CS-DRMS training material and organise and act as resource person/trainer at in-country / regional / pan-Commonwealth workshops ;
- Provide hands-on training on interpretation of loan agreements; debt instruments; and debt restructuring for compilation of debt data in CS-DRMS;
- Train staff of the relevant departments and agencies to use CS-DRMS for portfolio review and reporting of debt statistics;
- Train staff and advise institutions to develop a debt bulletin disseminating comprehensive information on debt portfolio and debt management;
- Promote the dissemination of debt statistics under the aegis of IMF and World Bank, specifically the World Bank Debtor Reporting System, World Bank Quarterly External Debt Statistics, IMF Special Data Dissemination Standards; IMF General Data Dissemination System; World Bank Public Sector Debt Database;
- Contribute to the development of the CS-DRMS by collating and documenting user requirements and enhancement requests for submission to the Secretariat ;
- Work in consultation with Commonwealth Secretariat Advisers in implementing future versions of CS-DRMS;
- Contribute to the contents of the CS-DRMS website;
- Provide periodic reports to the host institution and also to Debt Management Section in the Commonwealth Secretariat.



Annex II: Job Description for Debt Management Advisor

The post-holder will be required to:

- Undertake assessment of status of public debt management in member countries, particularly focussing on institutional arrangements, legal framework and debt management policies. This will also include working in collaboration with the World Bank on using the Debt Management Performance Assessment (DeMPA) tool;
- Design debt management reform programmes geared to strengthening public debt administration and institutional arrangements, legal framework, debt management policies and strategies, and the development of domestic debt markets;
- Assist countries in the formulation and implementation of debt management strategies through a cost-risk analysis framework, linkages with macroeconomic policy framework, and market assessment and integration of cash and debt management. This will involve effective utilisation of the PDAT tool which is being released by the Secretariat shortly as also the MTDS toolkit of the IMF-World Bank;
- Advise countries on effective coordination between sovereign debt management, fiscal management, sovereign balance sheet management, monetary policy and other macroeconomic policies, including financial stability issues;
- Assist member countries to undertake portfolio review and Debt Sustainability Analysis (DSA) using the World Bank/IMF Debt Sustainability Framework (DSF);
- Provide focussed advisory support with a detailed road map for setting up debt offices or strengthening front, middle or back office functions;
- Provide focussed advisory support with a detailed road map for development of domestic debt market, accessing international capital markets, and guidance on the use of liability management instruments for risk management;
- Conduct in-country, regional and pan-Commonwealth workshops on a number of cross-cutting debt management issues, including on the application of PDAT, DSA-DSF framework and the MTDS toolkit with a view to building technical capacity in-country and in the regions to facilitate embracing and sustaining sound debt management practices;
- Assist countries to develop debt bulletins and debt management reports;
- Engage in policy based research work on sovereign debt management for publication by DMS and also contribute to the DMS website;
- Contribute to the enhancement of the analytical tools of the debt management systems provided by the Secretariat;
- Work with member governments and developmental partners like the IMF and World Bank on joint missions to countries;
- Undertake any other ad hoc assignment as determined by the Debt Management Section and the host institution;