

Debt Management Section

Newsletter

VOLUME 1, ISSUE 2

SEPTEMBER 08

HEADLINES THIS MONTH

- Debt Management Forum Held in London
- New Video Released: "Breaking the Cycle of Debt"
- Historical Origin of the Debt Management Programme
- Seminar on Domestic Debt Management Held in London

INSIDE THIS ISSUE:

- Debt Management Forum Held in London 1
- New Video: "Breaking the Cycle of Debt" 2
- Interview with Nihal Kappagoda 8
- Seminar Explores Updating CS-DRMS 10
- Mission to The Gambia 12
- And Much More!

Commonwealth Secretariat Debt Management Forum Held in London

More than 100 experts from all over the world gathered at Marlborough House in London on 26-27 June 2008 for the Commonwealth Secretariat Debt Management Forum.

The theme of the Forum was "Analytical Issues in Debt Management". This theme was chosen to reflect the need to apply closer analysis of factors that have been growing in importance, including:

- Increasing use of domestic debt as countries develop their internal capital markets
- Debt sustainability and risk considerations in the debt portfolio
- Sub-national debt contracted by provincial, state, and local governments, particularly in countries with federal constitutions
- Private external debt contracted by companies obtaining capital on the international market

Delegates came from 44 countries, of which 5 were outside the Commonwealth.

In addition to the member countries, there was a strong presence from francophone African countries that are users of the French-language



version of the Commonwealth Secretariat Debt Recording and Management System program (CS-DRMS).

Delegates represented:

- Ministries of Finance
- Central Banks
- Regional organisations
- International organisations
- Independent consultants

You will find more about the themes and proceedings throughout this newsletter. If you want to see any of the presentations in full, you can find them all in the "Latest News" section of our website.

See:

<http://www.csdrms.org/news.asp?step=4&contentID=536>





"Debt management prevents crisis management."

*Udaibir S. Das
International Monetary Fund*



"Mali was the first francophone country to use CS-DRMS."

The family of francophone users is growing, and we are benefiting from the training. We are happy with the software, and look forward to further improvements."

*Ms. Anna Kone
Ministry of Finance
Mali*

Video: "Breaking the Cycle of Debt"

In conjunction with the Debt Management Forum, the Commonwealth Secretariat has released a new on-line video presentation called "Breaking the Cycle of Debt".

The video looks at the debt situation and what the Commonwealth Secretariat is doing to

help, including details of the CS-DRMS debt management program.

It also features an extract from the Secretary-General's address to the Debt Forum, as well as interviews with Arindam Roy, the Head of Debt Management Section, and with some of our international partners.

You can see the video on line at:

www.youtube.com/watch?v=gjzery5La2o

If you are reading an electronic copy of this newsletter and you are connected to the Internet, just hold down the Ctrl key and click on the link above to play the video.

SASD Director's Welcome

In his welcome address, the Director, Special Advisory Services Division, Mr José Maurel, noted that the Forum had two main objectives:

- To undertake an overall view of current and pertinent issues in the area of debt management, and
- To discuss how the Commonwealth Secretariat can better assist its member countries meet some of the new challenges in debt management that have emerged in more recent times.

He pointed out the need for countries to understand the risks associated with new borrowings after the increased fiscal space created through the HIPC and MDRI process.

He encouraged developing countries to adopt a number of measures for improved debt management including sound legal and institutional frameworks and procedures, and a solid debt strategy.

He assured the forum of the commitment of the Secretariat to providing debt management assistance to member countries.



"The challenge is the issue of data quality."

Joseph Shauri Maro

*Senior Principal Economist,
Bank of Tanzania*



"We need more training closer to our region."

Nuhwon Aloysius Hamou

*Department of Treasury
Papua New Guinea*

Commonwealth Secretary-General's Comments

In his keynote address, the Commonwealth Secretary-General, Mr. Kamalesh Sharma, expressed his pleasure at seeing so many distinguished delegates, from no fewer than 44 countries, particularly those from 5 non-Commonwealth countries, and a host of international and regional organisations.

The context of this Forum was that debt burdens are crippling: they take money away from health, education, and the environment: the *real* priorities. For example, in 2000, before the Heavily-Indebted Poor Countries (HIPC) programme, 21 countries had a debt-to-GDP ratio of 105%; that is, they owed more than they produced in a year.

It was the Commonwealth that led the world on debt relief.

The Commonwealth Finance Ministers' Meeting in Barbados in 1987 began the process of bilateral debt relief.

The Commonwealth Finance Ministers' Meeting in Mauritius in 1996 began



the process of multilateral debt relief, and HIPC.

The Commonwealth didn't just have the big idea. It had the tool to make it happen: CS-DRMS.

This Forum looked at the three areas of our debt management work:

- CS-DRMS – the software itself
- Capacity-building initiatives

- Advisory support on debt management.

The Secretary-General reiterated the Secretariat's commitment to use the findings of the Forum to improve its delivery for assisting member countries on debt management.

Emerging Trends in Sovereign Debt Management

The first day of the forum began with an examination of emerging trends in debt management.

It was remarked that while emerging market economies exhibited significant resilience in their overall debt performance, with falling debt-to-GDP ratios and an improved debt structure, small state economies faced significant debt accumulation and the growing riskiness of their debt structures.

There was a call to develop a comprehensive framework to address the plight of small state economies, which not only faced a growing debt burden in the wake of the sudden withdrawal of concessional support, but were extremely vulnerable to natural disasters and other external

shocks.

It was noted that overall, the performance of developing countries was mixed. While there was a declining trend in public external debt, domestic debt was both growing and heavily skewed towards short-term maturity for many developing countries.

A key challenge in sovereign debt management for the developing countries was how to manage and sustain market access.

While market access opened up new sources of funding, it exposed countries to significant market and refinancing risk.

Sovereign debt managers were urged to manage the risks and responsibilities attendant with market access by

undertaking regular debt sustainability, formulating a debt strategy, and actively managing risks in the debt portfolio.



Arindam Roy, Head of the Debt Management Section, Commonwealth Secretariat



“The Inter-American Development Bank is very pleased with the timing of the Forum which coincided with an alignment of interests between the IADB and ComSec.”

Esteban Molfino
Senior Advisor to the Treasurer
IADB



“The purpose of the Medium-Term Debt Strategy Framework is to assess the composition of debt, not the level of debt.”

Francis Rowe
Economic Policy and Debt Department,
The World Bank

Developing a Public Debt Management Strategy

Over the past few years, debt strategy formulation has extended beyond funding and cost considerations to risk and liability management.

An increasing number of countries are now using the IMF/World Bank Debt Sustainability Framework (DSF) to assess potential debt-related vulnerabilities.

DSF has proven to be a useful tool to borrowers to assess the sustainability of new borrowings, and the IMF/World Bank have applied the DSF to improve the quality of their own policy advice to borrowers, including the lending decision by the World Bank.

However, both creditors and borrowers need to have a greater stake in using the DSF: creditors for the purpose of better informing their lending decisions, and borrowers

for pragmatically determining their safe level of borrowings.

The use of the DSF by all stakeholders is crucial in seeking to achieve and sustain the overall sustainability of the debt.

A critical element that could enhance the applicability of the DSF is by improving the debt data quality in the countries.

A further building block in developing a public debt strategy is the provision of a public good through the joint initiative of the IMF-World Bank’s Medium Term Debt Strategy (MTDS) Framework.

MTDS allows countries to not only assess the cost and risk of new borrowings but to analytically compare an array of options for determining the desirable composition of public debt portfolio.

A medium-term debt strategy would enhance the analysis of debt and macroeconomic management and help evaluate cost and risk of the desired level of debt.

The main purpose is to control the risks in the medium-term horizon.

South Africa relies on an asset liability framework to inform its debt strategy. South Africa has adopted a risk rating approach to evaluate the various risks – liquidity, foreign currency, interest rate, credit, and country – to its portfolio.

South Africa’s debt strategy continues to evolve and over the medium-term will move to establish portfolio benchmarks to minimise both all-in-cost as well as risk.



Accessing Capital Markets for Sovereign Debt Management

This part of the Forum discussed the value of using the experience of lending institutions for making funding decisions based on asset-liability management.

Using the example of the IADB, prudent debt management strategy requires that issuers secure a borrowing mandate from its principals and develop a clear borrowing plan based on accurate cash flow projections.

The execution of the transaction, the documentation and the recording and settlement of obligations should accord with best practice guidelines of transparency and containment of risk.

The imperative for first time issuers in the capital markets is to carefully manage the risks, particularly refinancing risk, associated with sovereign bond issuance.

Sovereign bond issuers should seek to explicitly link the size and structure of the bond to the use of the proceeds.

First-time issuers should develop a stable and diverse investor base and seek to avoid under-pricing, or rushing to the market, and exercise due diligence in the selection of their lead managers.

The Forum discussed challenges to developing the domestic debt markets based on a presentation by the South

Africa National Treasury.

The key challenges during the early stages in the evolution of the market range from lack of a well developed debt management strategy, absence of cash management operations to lack of transparency in market activity.

South Africa embarked on a package of reforms covering among other areas strengthening of institutional and legal frameworks and enhancing transparency in debt management operations.

New Partnerships with Commonwealth Secretariat

Inter-American Development Bank

“In the context of its debt management framework, the IADB is currently exploring the possibility of offering nonfinancial liability management services to its member countries along with more traditional financial and technical assistance products. The IADB has a great wealth of Treasury expertise that could be used to provide services in line with best market practices on a cost-effective basis.

The expanded range of financial and nonfinancial services could represent an interesting ground for cementing the relationship between IADB and ComSec.

It is anticipated that the IADB and ComSec would reach an institutional arrangement over the coming months and before year-end.”

*Esteban Molfino
Senior Advisor to the Treasurer
Inter-American Development Bank*

National Treasury of South Africa and Ministry of Finance, India

The National Treasury of South Africa and the Ministry of Finance of India offered a joint collaboration with the Commonwealth Secretariat in providing technical assistance to other member countries.



Johan Redelinghuys, Asset and Liability Management Division, National Treasury, South Africa

South Africa offered to provide assistance in developing domestic debt markets and in the development of debt strategy.

The Ministry of Finance of India offered help in systems development for administering external debt operations on an on-line basis.



"We are considering setting up a Debt Management Office for India."
 Mr. Shankar Banerjee
 Controller of Aid Accounts and Audit
 Ministry of Finance
 India

Institutional Arrangements and Capacity for Sovereign Debt Management

Capacity building issues underpin many of the difficulties in formulating debt management strategies and undertaking debt operations based on sound principles of debt management.

Institutional arrangements and capacity for sovereign debt management could be better assessed through the use of the new Debt Management Performance Assessment (DEMPA) tool developed by the World Bank. DEMPA would not only provide a measurement of the country's overall debt management performance in relation to the core debt management functions but also indicate, based on objective criteria, where capacity may be weak and where technical assistance may be directed.

The Forum learned from the UK experience in setting up a leading debt management office by undertaking major reforms of their debt management institutions. At the same time, the Indian experience highlighted the key challenges that they face in setting up a debt office. The UK and the India experience indicated that while there is no

single template for the institutional form in which public debt should be managed, all institutional forms require a clear governance structure, a well-articulated mandate and debt strategy, and clearly defined roles and functions for all the agencies involved in public debt management.

In the UK, the whole process has evolved over the years with the separation of debt management responsibilities from monetary management in 1998. Since then a number of additional responsibilities have been assumed by the debt office including cash management, on-lending and management of assets of public sector entities.

A unique feature of the institutional arrangement of the UK DMO is that although it is legally a part of Her Majesty's Treasury, it is administratively independent. For smooth functioning of the debt office, the need for adequate coordination and sharing of information was underscored as is currently practised between the UKDMO, Treasury and the Bank of England (the central bank).

In the case of India, which is currently considering setting up a debt office, the pressing question was whether establishing a separate agency to undertake debt management can realise overarching cost and risk objectives. Debate particularly centres on whether there will be improved ability to manage risks under the current regime of audit and public accountability responsibilities which may act as a constraint in the whole business of risk management.

Emerging Areas of Debt Management for Developing Countries

Two key areas were highlighted as emerging debt management issues - managing sub-national debt and monitoring private sector external debt. Both types of debt represent significant risks in the form of contingent liabilities to national governments.

A key challenge for sovereign debt management was how to limit the potential risks posed by sub-national borrowing. The Indian experience highlighted the need for a strong regulatory framework and the usefulness of linking sub-national borrowing with overall fiscal responsibility rules and debt sustainability assessments, to

ensure long-term macroeconomic and debt sustainability.

At the same time, the IMF highlighted that there is a rising trend in private sector external debt and the potential this posed for triggering financial crises in developing countries.

The main challenge for policy makers was to increase their surveillance and measurement of private sector external debt to keep pace with increasingly liberalised financial markets.

Important challenges are arising in compiling comprehensive data on private sector debt. Policy makers need to ensure that adequate institutional arrangements

are put in place, including the necessary regulatory framework for the capture of private sector debt data.

They should also develop stronger relationships with the private sector, building trust and confidence as part of an overall effort to encourage the sector to provide timely data on these types of liabilities. Country authorities were also encouraged to use the External Debt Guide as it provided a sound methodological framework for compiling data on private sector debt.

Enhancing CS-DRMS for Effective Debt Management

Enhancing functionalities in CS-DRMS is an ongoing process at the Commonwealth Secretariat. CS-DRMS has evolved significantly, progressing from DOS to UNIX, and now Windows, but also in terms of debt analysis; securities management and issuance; and data capture and reports that conform to best practice guidelines.

Steps are now under way to further improve functionality of CS-DRMS, to meet expanding user requirements as well as to take into account new global developments in debt management and technological advances including new web-based technologies. The next release of CS-DRMS, estimated for delivery in early 2010, will focus on: database optimisation and processing; new loans and risk management products; improved debt analysis features, enhanced reports and

private sector debt data capture. Future enhancements in CS-DRMS will also try to provide the facility of interfacing CS-DRMS with the integrated financial management information systems (IFMIS) of central governments.

Work is in progress to extend the functionality of the analytical framework for external debt so as to undertake an in-depth analysis of the entire public debt, including domestic debt portfolio.

Such analytical tools will facilitate debt sustainability assessment, development of debt strategies, portfolio analysis and development of domestic debt markets.

The analytical module proposed to be developed will provide several advantages for determining borrowing requirements and strategies by incorporating forecasts of market rates and macroeconomic variables. The module would represent current best practice and provide flexibility to enhance analytical modelling and compare portfolio options.

As part of COMSEC's on-going work to provide a comprehensive suite of tools to support sound debt management and development of the domestic debt market, a new stand-alone securities auction system has been developed and made available to CS-DRMS users in March 2008.

The issue of assessing market expectations for CS-DRMS was highlighted. Feedback from all the key stakeholders was recognised as a critical element for future development plans. Although the overall perception of CS-DRMS was positive, and the system was viewed as stable and robust, it was also recognised that there was potential for widening use among new countries. It was proposed that the Secretariat consider simultaneous development of software while concomitantly re-branding the product to improve the software's overall marketability.



Mr. Nihal Kappagoda was the Director of the Technical Assistance Group of the Commonwealth Secretariat from 1982 to 1989, when he launched the programme of advisory services in debt management. He holds degrees from the University of Ceylon (Sri Lanka) and the University of Oxford, where he was Sri Lanka's first Rhodes Scholar. Since 1989 he has been a consultant in debt management for many international agencies, and lives in Ottawa, Canada.

How it All Started: an Interview with Nihal Kappagoda

The idea for the Commonwealth Secretariat to move into helping countries with their debt management began around 1982, as a result of the Mexican debt crisis. The initiative came from the Secretary-General of the time, Sir Shridath Ramphal, who believed that there was a need for such a programme, particularly one that would assist small and medium-sized countries.

The next question was how help was to be delivered. Dr. Raj Kumar of the Technical Assistance Group came up with the idea of a software program. Mr. Kappagoda remembers that "The only computers that were available were the big mainframe ones. Software companies were offering debt recording programs, but they were very expensive. We realised that we needed a low-cost program that was under the control of the Commonwealth Secretariat."

Two factors came to the group's aid. The first was the continuing support of Secretary-General Ramphal. The second was the advent of the desktop computer. "You have to realise that the Commonwealth Secretariat didn't have any computers!"

The International Development Research Centre (IDRC) and the World Bank debt division helped in drawing up the tender specifications.

As CS-DRMS began to take shape, "our biggest nightmare was: would the system calculate the various payments correctly?". The only way to check that was to make all the calculations manually, a laborious process, and then see whether CS-DRMS gave the same answers. Fortunately, two Commonwealth countries volunteered to be guinea-pigs, Sri Lanka and Guyana, and CS-DRMS first went live in Sri Lanka in 1985.

When we asked Mr. Kappagoda what he considered to be the biggest changes in debt management in his experience of nearly 40 years, he replied "The very significant development is software, what one can do on the analytical side. In the early days, we concentrated on recording the debt, and then trying to forecast the payments. As countries moved into the capital markets, the types of loan instrument changed. More recently, it has become possible to manage risk in the loan portfolio, thanks to the technology. We used to concentrate on external debt, and on public debt. As countries moved up the development ladder, private debt became a factor, and their own domestic capital markets began to develop. We now needed to capture domestic debt as well. The other aspect was that the institutional arrangements to manage public debt became more complex. More recently, some countries decided that

they needed to pull their debt management into centralised debt management offices. This is the way forward, but you need well-designed legislation and regulation."

We asked Mr. Kappagoda whether he believed that the recent sharp rise in oil prices might lead to another international debt crisis. "You may get oil exporters extending short-term credit to oil-importing countries. Now, oil exporters aren't going to give 25-year credit; maybe 12 months! Countries must be careful not to take on too much short-term credit to buy oil."

"The advantage of the Commonwealth is that Commonwealth countries can get all they need from within the Commonwealth system." This one-stop shopping facility compares favourably with dealing with other international organisations, where it may be necessary to go to one organisation for technical assistance, and then to another for the funding to implement it. "I believe that there is a role for the Commonwealth, and I hope that it continues."

Improving Data Quality, Reporting, and Dissemination

It was recognised that comprehensive, timely and reliable data on debt could help in mitigating financial crises.

The IMF has undertaken several initiatives to improve dissemination of external debt statistics through General Data Dissemination Standards, and Special Data Dissemination Standards.

More recently the IMF, in collaboration with other international partners such as the World Bank, Bank for International Settlements and the OECD, has launched the dissemination of debt statistics through Quarterly External Debt Statistics produced by the World Bank.

Debt data dissemination through SDDS and QEDS has improved significantly over the years. In particular, the new pilot project targeted at low-income countries currently subscribing to GDDS to prepare quarterly external debt statistics (QEDS) has widespread applicability, for improving dissemination of debt statistics in developing countries.

Efforts are under way to invite all IMF members who provide data under the General Data Dissemination System (GDDS) to participate in the QEDS database.

Against this background within the DMS, work is in progress to enhance the quality and delivery of debt reports.

CS-DRMS reports have now been revised and developed to be compliant with the External Debt Guide; GDDS, SDDS and QEDS reporting requirements as well as the World Bank Debtor Reporting System (DRS).

Capacity Building Programme on Debt Management: Assessment and Expectations

It was observed that there is a marked improvement in the quality of external debt databases in countries using CS-DRMS.

This could be partially attributed to the CS-DRMS Regional

Adviser Project, but building local capacity in debt data recording and ensuring good data quality still requires attention.

Despite the improvement in the quality of external debt data, reporting debt statistics to international agencies remains weak in many countries. There is therefore a need for an extra push by COMSEC in the coming years.

In recent years, the demand for assistance on debt data issues has shifted towards building a comprehensive domestic debt database in member countries.

It was disclosed that a preliminary survey conducted by COMSEC on the eve of the Forum showed that there is a growing shift in demand for assistance towards hands-on training on different elements of debt analysis related to public debt management.

To respond to the continuing demand for assistance on debt data issues, COMSEC is working on a project to introduce E-learning in partnership with the Commonwealth of Learning.

Deputy Secretary-General's Closing Address

In concluding, the Deputy Secretary General, Mr Ransford Smith, thanked the delegates for their invaluable contribution to the success of the Debt Management Forum. He pointed out that the Secretariat had broadened its assistance beyond debt data recording and statistics to other substantive issues in debt management, mainly debt analysis and institutional strengthening. He reiterated the need for additional work in the area of domestic debt

management and for countries to work towards making debt sustainability analysis and debt strategy formulation a home-grown process, while still using the global public goods on debt management from organisations such as the IMF and World Bank. He thanked these organisations for collaborating with the Secretariat, and called on policy makers and senior government officials to accord adequate priority within their national economic policies to strengthen institutional arrangements for debt management.



Seminar Explores Updating CS-DRMS

The Commonwealth Debt Recording and Management System, set up in the early 1980s, is currently used by around 55 countries.

Debt managers gathered on 8-9 September 2008 at the Commonwealth's headquarters in London, UK, to share techniques and policies on how they manage their country's debts and disseminate debt data.

The Secretariat invited representatives from Commonwealth countries in the Caribbean, India, Sri Lanka, Kenya, South Africa, and Tanzania, as well as representatives of the Macroeconomic and Financial Management Institute for Eastern and Southern Africa (MEFMI) and East Caribbean Central Bank (ECCB) to a seminar on 'Domestic Debt Management - Operational, Analytical and Statistical Reporting'.

Three non-Commonwealth countries, Brazil, Hungary, and Mexico, also attended the seminar.

They discussed how the management of their country's debt has changed over the last two decades, and looked at potential ways in which the Commonwealth Secretariat's debt software can be developed to meet these new challenges.

The results of the meeting will be put into a report and used to



enhance the set of operational, analytical and statistical reports in the domestic debt module of CS-DRMS.

This is one of a number of efforts that aim to keep the software relevant and responsive to its users' needs. It is hoped that the improvements will enable user countries to manage their domestic debt portfolio more effectively.

"We understand that CS-DRMS needs to sufficiently enhance its reporting facilities so that users can effectively utilise the information it produces for the smooth conduct of their domestic debt operations," said Arindam Roy, Head of Debt Management at the Secretariat.

José Maurel, Director of Special Advisory Services, explained that the Secretariat has been helping its member countries in debt management since the early 80s,

when the CS-DRMS software was developed. "It facilitates timely and comprehensive recording and management of debt," he said.

When the software was first introduced in 1985 it only had two country users but it is now being used by around 55 countries, both members and non-members of the Commonwealth.

Training Workshops Organised by ComSec

The Debt Management Section will be running a number of training workshops over the course of the year. These workshops range from individual country training up to training for regions that cover more than one country. During the coming six months we plan to run the workshops listed on the right.

For further details on these workshops and others that may have been arranged since please look at our website www.csdrms.org.

Date	Workshop Title	Location
15-19 September 2008	Workshop on Management Tools	Belize
27 October - 07 November 2008	Training Workshop on CS-DRMS	Kingston, Jamaica
12-14 November 2008	Workshop on QEDS-GIDD Project and External Debt Reporting	London
03-15 November 2008	Pacific Regional Workshop on CS-DRMS	Papua New Guinea
17-28 November 2008	Workshop on External Debt and Management Tools	Mauritius
February 2009	Workshop on Recording of Sub-National Debt in India	Delhi, India

Other Agencies' Workshops/Conferences

Date	Workshop Title	Location	Comments
8-19 September 2008	Workshop on "IIP and External Debt Statistics"	Pune, India	Organised by the IMF
8-19 September 2008	Workshop on "Debt Reorganisation: Issues and Solutions"	Worthing, UK	Organised by Crown Agents
6-24 October 2008	Comprehensive CS-DRMS User Training	Worthing, UK	Organised by Crown Agents
Two weeks during October 2008 (precise dates to be announced)	Regional Course on "Debt Reporting and the Debt Compiler's Guide"	Lagos, Nigeria	Organised by WAIFEM
10-14 November 2008	Workshop on "Sovereign Liability Management, New Operational Approaches"	Tunis	Organised by the IMF
10-14 November 2008	Workshop on "Effective Domestic Debt Management"	Africa (location to be announced)	Organised by Crown Agents
1-12 December 2008	Macroeconomic Management and Debt Issues	Tunis	Organised by the IMF

Mission to The Gambia

In response to a request by the Government of the Republic of The Gambia to the Commonwealth Secretariat for assistance to:

- Undertake an independent Debt Sustainability Analysis (DSA) on the country's external debt
- Develop a National Debt Strategy, and
- Build capacity in the country for self-reliance in undertaking these important debt management activities going forward

Mr Arindam Roy and Mr Carilus Odumbe from the Debt Management Section (DMS) and a consultant, Professor Tarun Kanti Das, undertook a mission to The Gambia between July 27th – August 31st, 2008. The mission's objective was to carry out consultations with the authorities in The Gambia with the aim of gathering information and data to facilitate a well-researched DSA.

The mission successfully assembled the required information and data. The team returned to London in August where together with Mr Walton Gilpin also of the DMS, and two country officials from The Gambia, Mr. Baboucarr Jobe from the Department of State for Financial and Economic Affairs and Mr. Paul Bruce from the Central Bank of The Gambia, successfully carried out the DSA. A second mission comprising



Carilus Odumbe, Walton Gilpin and Professor Tarun Kanti Das returned to The Gambia on August 18 2008 to present the DSA results to the Government.

The presentation made to Senior Government Officials led by Mr. Mod Secka, the Permanent Secretary, Department of State for Finance and Economic Affairs, was very well received.

During 19-20 August 2008, the mission provided hands-on training to middle level officials from the Department of State for Financial and Economic Affairs, Government of The Gambia, Central Bank of The Gambia and other governmental agencies. This led to significant capacity building within the country on the process of undertaking debt sustainability assessment. The Permanent Secretary, on behalf of the

Government of The Gambia, thanked the Commonwealth Secretariat for the prompt response and completion of the exercise. Mr. Secka reiterated the Government's request to the Secretariat for assistance in developing a national debt management strategy, and rebuilding capacity for external debt management.

Mr Secka also asked COMSEC to consider revisiting the DSA exercise in the near future this time round by undertaking public debt (as opposed to external debt) DSA.

ComSec will shortly submit the DSA Report to the authorities in The Gambia.

Commonwealth Secretariat

Debt Management Section
Special Advisory Services Division
Commonwealth Secretariat
Marlborough House
Pall Mall
London
SW1Y 5HX

Phone: +44 (0)20 7747 6430

Fax: +44 (0)20 7747 6450

E-mail: csdrms@commonwealth.int

