INTERNATIONAL DEVELOPMENT ASSOCIATION AND
INTERNATIONAL MONETARY FUND

External Debt Management in Heavily Indebted Poor Countries (HIPCs)

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Together with overall macroeconomic policy, debt management policy plays an important role in ensuring and maintaining long-term debt sustainability. This paper assesses the current status of external debt management in the heavily indebted poor countries (HIPCs), using the results of a recent survey of the HIPCs and the main providers of technical assistance on external debt management. Together with the assessment by Bank and Fund staff, they allow to identify the main weaknesses in external debt management capacity, priority areas for further improvement, and the role of key international agencies involved in technical assistance and capacity building.

The survey covered key aspects of external debt management, namely legal and institutional aspects, coordination with macroeconomic policies, new borrowing policy, and basic debt management functions, including human and technical resources. Survey results show that, although almost all HIPCs have benefited from sometimes extensive external technical assistance, in particular in debt data recording and debt renegotiations, very important weaknesses remain.

Needs and priorities tend to differ across countries, in large part according to their stage in the HIPC process. Countries at or close to the decision point need significant improvements in their basic debt management capacity—including data management and debt renegotiation—and institutional framework. Countries at or close to the completion point appear to have made greater progress in overall debt management capacity, in terms of legal and institutional framework, capacity to conduct day-to-day debt management operations, debt sustainability analysis and coordination with macroeconomic policy. Transparency and accountability, in particular as regards to new borrowing policy, appear however to be weak across the whole range of respondents, and will have to be strengthened in order to maintain long-term debt sustainability beyond the completion point. The high turnover of qualified staff in debt units appears to be a general area of concern across all respondents, including technical agencies.

These findings need to be interpreted with caution, first because the countries' self-assessment is somewhat subjective and makes direct cross-country comparisons difficult. Second, the differences observed across the stages of the HIPC Initiative are primarily explained by the fact that the better performers were the first to go through the process. Nevertheless, through its emphasis on building a comprehensive debt data base, reconciliation and negotiation with creditors, the HIPC Initiative framework has led countries to pay increased attention to debt management issues. However, it is also apparent that some HIPCs have made a more conscious and comprehensive effort in this respect than others. Finally, as emphasized in some survey returns and by the technical agencies, full political support at the highest political levels is critical to the success of any efforts to strengthen debt management capacity and ensuring prudent external borrowing.

The paper draws the following main conclusions and recommendations from the assessment of debt management capacity in HIPCs:

- Stronger and more continuous attention should be paid to debt management capacity building during the HIPC process by the countries themselves as well as by their development partners.

- In general, the HIPCs should focus on (i) adopting and enforcing a stronger legal framework and a clear institutional organization for debt management, (ii) establishing functional debt units with adequate staff and equipment, and (iii) identifying clearly the main needs and priorities for further capacity building. In this respect, it will be critical to reduce the high levels of turnover of debt unit staff by providing better incentives.

- External providers of technical assistance and capacity building in external debt management as well as the donors or IFIs providing financing thereof could enhance their overall effectiveness in supporting capacity building by (i) improving the flow of information and coordination among themselves, and (ii) more specifically target the country-specific needs and priorities. A strengthened transfer of knowledge of skills and resources to the regional organization involved in capacity building would help enhance delivery and efficiency in delivery.

- The Bank and the Fund could play a more prominent role in identifying weaknesses in the debt management capacity and flag it to the authorities and to the network of potential providers of financing and technical assistance for debt management capacity building. Currently, debt management capacity is being assessed at the time of the decision point and reviewed at completion point, along with the debt sustainability analysis. Moreover, regular Bank and Fund missions should routinely discuss debt and debt management issues, and provide technical advice as and when needed.

I. INTRODUCTION

1. This paper assesses the current status of external debt management in the heavily indebted poor countries (HIPCs). Based mainly on the results of a recent survey of the HIPCs and the main providers of technical assistance on external debt management, the paper identifies the main weaknesses in external debt management capacity, priority areas for further improvement, and the role of key international agencies involved in technical assistance and capacity building.[1]

2. In April 2001, the Executive Boards of the IMF (the Fund) and the World Bank (the Bank) discussed a staff paper on the challenge of maintaining long-term external debt sustainability in HIPCs.[2] During the discussion, Directors noted that an important factor contributing to the accumulation of unsustainable levels of external debt had been insufficient attention to debt management and often imprudent borrowing practices of the HIPCs. To maintain long-term debt sustainability therefore would require measures to redress the fundamental causes that triggered the debt buildup in the first place, including significant strengthening of HIPCs' debt management capacity and implementation of prudent policies on public sector borrowing.

3. While HIPC decision point and completion point documents generally include a summary reporting on the status of external debt management, no systematic and comprehensive assessment has been made of debt management and capacity issues in and across the HIPCs. This paper attempts to provide such an assessment, based on available information and survey results.

4. The paper is organized as follows. Section II summarizes key elements for effective external debt management, providing a framework for assessing debt management capacity in HIPCs. The survey results are discussed in Section III. Section IV presents the views of agencies providing technical assistance and capacity building in debt management, and conclusions and recommendations are outlined in Section V.

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[1] The survey, which was based on a detailed questionnaire developed by Bank and Fund staff and submitted to all the HIPCs, was carried out during the period July–September 2001, and generated complete responses from 33 of the 42 HIPCs, as well as from 6 technical agencies providing technical assistance and capacity building in various areas of debt management. See Appendix I for a summary of the results, and Section IV and Appendix II for an account of the contributions from the technical agencies.

[2] International Development Association and International Monetary Fund, IMF SM/01/94 and SECM2001-0204, "The Challenge of Maintaining Long-Term External Debt Sustainability" March 20, 2001.

II. KEY ASPECTS OF EXTERNAL DEBT MANAGEMENT IN HIPCs[3]

5. This section provides a brief overview of key aspects of debt management in HIPCs. While drawing on, and being consistent with, the framework outlined in the Public Debt Management Guidelines, this section focuses on the specific challenges and constraints facing HIPCs. As compared to emerging or industrial countries, HIPCs are characterized by weak institutions and low implementation capacity due to lack of human, technical and financial resources. Their heavy reliance on external assistance, of which a large portion comes from multilateral institutions, substantially limits their potential for pro-actively managing the maturity structure and currency composition of their debt according to cost and risk considerations. HIPCs' external debt is thus fairly homogeneous, and the central objective of debt management policy becomes that of ensuring long-term sustainability by reducing the level of outstanding debt and keeping new borrowing in line with repayment capacity.[4] Finally, domestic debt is becoming an important aspect of fiscal sustainability in some low-income countries; imprudent domestic borrowing could undermine debt sustainability. [5] However, underdeveloped domestic financial markets seriously limit the role of domestic debt in many other HIPCs. The best approach to public debt management should be a comprehensive one covering all categories of debt, including domestic debt.

A. Institutional and Governance Framework

6. Public debt management typically involves activities ranging from the formulation of a debt/borrowing strategy, based on an analysis of a country's debt situation and the financial markets; the implementation of the strategy for borrowing and using borrowed resources; and the management of existing debt, including meeting debt service obligations on time and maintenance of information systems and databases.[6] These activities need to be governed under an explicit and clear legal mandate and organized under a framework where roles and

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[3] This section draws on the "Guidelines for Public Debt Management," World Bank and International Monetary Fund, February 7, 2001, available via the Internet: http://www.imf.org/external/np/mae/pdebt/2000/eng/index.htm; and http://www.worldbank.org/hipc; http://www.worldbank.org/pdm/guidelines.htm. The section also draws from the outcome of discussions held at a seminar on institutional aspects of debt management, organized in Ouagadougou by the Pôle-Dette on May 21–24, 2001. The conclusion of these discussions was an endorsement of the appropriateness of the Guidelines for HIPC and other IDA countries, provided that they were applied flexibly, taking into account the particular country circumstances. See also more recent material, Martin, Matthew, and Aguilar, Juan-Carlos, 2001, *HIPC Capacity-Building Needs*, mimeo (London: Debt Relief International); Diffo-Nigtiopop, G., 2001, *Réforme du cadre institutionnel pour une gestion efficace de la dette publique*, mimeo (Yaoundé: Pôle-Dette); and Sheku, Kitabire, Damoni, and Powell, Robert, 2000, *External Debt Management in Low-Income Countries* (Washington, International Monetary Fund), available via the Internet: http://www.imf.org/external/pubind.htm.

[4] That is, to reduce and maintain the total debt stock at a level such that the country is able to meet its current and future external debt-service obligations in full, without recourse to debt rescheduling or the accumulation of arrears and without compromising growth (see International Development Association and International Monetary Fund, "The Challenge of Maintaining Long-Term External Debt Sustainability", DC2001-0013, April 20, 2001. Available via the Internet: http://www.imf.org/external/pubind.htm and http://www.worldbank.org/hipc.

[5] The process of fiscal decentralization being implemented in some countries under which local governments are allowed to resort to domestic financing could pose special challenges for overall debt management.

[6] Often referred to as the front, middle, and back office functions; for more details see "Guidelines for Public Debt Management," World Bank and International Monetary Fund, February 7, 2001,available via the Internet: http://www.imf.org/external/np/mae/pdebt/2000/eng/index.htm and http://www.worldbank.org/pdm/guidelines.htm.

responsibilities of the agencies involved are well specified and accounted for. The legal arrangements should specify clear rules and procedures governing how the debt management functions are to be carried out, as well as on how the proper oversight of those functions is to be ensured.

7. The specific institutional arrangements for debt management can—and do—differ across countries—responsibilities may be either centralized in a single office, which could be autonomous or subordinate to a government ministry, or shared among different offices or agencies. Where more than one agency is involved in public debt management, clear functional division and coordination mechanisms need to be put in place. There needs to be a regular and reliable channel to facilitate information flows between these agencies, as well as with other agencies involved in macroeconomic management.

8. Transparency and accountability are particularly important for good debt management. An effective disclosure policy, whereby debt management policies and their objectives and results are made public, enhances accountability of the debt management agencies. To the extent that public debt management involves intergenerational transfers, an open process in formulating and reporting of debt policies, regular publication of debt statistics, and frequent evaluation of debt management activities would help to ensure that debt policies and their implementation are consistent with a country's long-term interests.

B. Policy Coordination and Debt Strategy

9. Debt management is one element of overall macroeconomic policy and, as such, it needs to be coordinated closely with fiscal, monetary and other macroeconomic and financial policies. Debt managers, fiscal and monetary authorities should share an understanding of the objectives of debt, fiscal, and monetary policies, given the interdependencies between their policy instruments. Debt management agencies should express their views on the costs and risks associated with government financing requirements and debt levels. Coordinated policies between these authorities become especially important in overcoming adverse exogenous developments. In such events, striking an appropriate balance between policy adjustments and reliance on financing is essential to facilitating a timely economic recovery while preventing the build-up of an unsustainable debt burden.

10. A comprehensive, forward-looking debt strategy should be formulated regularly, in order that the risks and costs associated with a given level and structure of the government's debt be carefully monitored and evaluated. Identified risks should be mitigated to the extent possible by modifying the debt structure and adjusting relevant debt management policies. This strategy needs to take into account the financial characteristics of fiscal revenue and other cash flows available to the government to service its debt, structuring the debt servicing profiles of the existing and new debt appropriately to match the income stream. The debt strategy would need to be updated on the basis of regular debt portfolio and sustainability analyses on one hand, and the review of annual budget, public investment program (PIP), and a medium-term expenditure framework (MTEF). These systematic evaluations would help to ensure that borrowed resources are used efficiently in support of a country's poverty reduction strategies, and that long-term sustainability is not compromised. The fundamental guiding principle in this respect is that borrowing must be kept in line with repayment capacity, taking into account the amount and terms of new borrowing, as well as the vulnerability of income sources (exports/fiscal revenue) to unexpected shocks. If a country's repayment capacity is expected to remain weak over the

medium term or subject to large uncertainty, it is necessary to shift toward less costly forms of financing, including grants and highly concessional loans, and in some cases to reduce financing needs through policy adjustment.

C. Managing Outstanding Liabilities

11. Aside from managing new borrowing, governments need to manage the risk and cost on their outstanding liabilities, taking into account the vulnerability of the government's balance sheet to exogenous shocks. In this regard, the debt offices' functions need to be expanded and strengthened with emphasis on:

- **monitoring all categories of debt**—public, publicly guaranteed, public enterprise debt, and other contingent government liabilities, involving registering loan agreements, collecting information on all external debt transactions and preparing comprehensive reports on the overall external debt situation on a regular basis.[7]

- **analyzing the existing debt stock** with respect to the currency composition, the maturity profile and the interest rate structure in order to minimize cost and risk and to help define guidelines on the appropriate level and terms of new borrowing.

- **ensuring timely debt-service payment** through accurate forecasting of debt-service obligations, following up on disbursements by creditors, as well as consolidating and reconciling debt information with creditors on a regular basis.

- **developing the capacity to identify and respond to exogenous shocks** in a timely and effective manner, including through debt restructuring negotiations and shifting of foreign financing to more concessional sources.

D. Human and Technical Resources

12. Public debt management requires staff with a combination of financial skills (e.g., portfolio and risk management), analytical skills (debt sustainability analysis) and a sufficient knowledge of macroeconomic policies. As many of the relevant skills in debt management are in high demand in other parts of the government and in the private sector, it is important for the debt management offices to be able to attract and retain skilled staff. In order to develop a sustainable in-house debt management capacity in HIPCs, particular attention needs to be given to motivating the staff with appropriate remuneration, and challenging career paths. Other key elements that help to build strong staff capacity include a clear mandate and definition of responsibilities, evidence of an impact on policy-making, and access to training.

13. Debt management activities need to be supported by an accurate management information and data systems,[8] ensuring timely payment of debt-service obligations as well as

[7] Some countries monitor private non-guaranteed debt as well, mainly through units at the Central Bank.

[8] Commonly used debt recording packages include the CS-DRMS developed and provided by the Commonwealth Secretariat, and the DMFAS system, developed and provided by UNCTAD, but some countries use in-house or spreadsheet-based systems. Regarding debt analysis and simulations, most HIPCs use a privately developed software (Debt-Pro), while some use a system recently developed by the World Bank, DSM+.

making available a comprehensive debt data. The debt offices should be equipped with computer tools and trained staff to carry out debt analysis and simulations, so as to define and update debt strategy consistent with the evolving debt management prerogatives.

III. Current Status of External Debt Management in 33 HIPCs

14. This section presents an overview of the status of external debt management capacity in 33 HIPCs, based on answers to a survey sent by Bank and Fund staff to all HIPCs' debt offices in mid- 2001. The questionnaire covers key aspects of external debt management as outlined in the preceding section, namely legal and institutional aspects, coordination with macroeconomic policies, new borrowing policy, and basic debt management functions, including human and technical resources. Each section provides a combination of factual/closed questions together with space for specific country comments and views on priority improvements needed.

15. Responses to the questionnaire were received from 33 of the 42 HIPCs. Appendix I summarizes country answers to the survey, and presents the Fund and Bank staff assessment of debt management capacity as of the decision point. Comparing both sources reveals some differences, in particular in assessing the operational relevance of the debt recording software or the effectiveness of inter-agency coordination. This points to a potential difficulty in interpreting the survey results, as the countries' self-assessment is somewhat subjective. Nevertheless, the answers received do provide a clear picture of the current situation and key areas for improvement in each country. An important finding is that countries at different stages of the HIPC process have different needs and key priorities in some areas of debt management, whereas other areas need improvements across the board**.**

16. In order to explore this link further, the respondents have been grouped in four categories, according to their status in the enhanced HIPC process, i.e., pre-decision point, first year of the interim period, second year of the interim period and post-completion point (see Table 1 below). Looking at the pattern of answers across these four categories, the survey reveals that countries at or close to the decision point need significant improvements in basic debt management capacity—including data management and debt renegotiation- and that they lack a clear legal and institutional framework for debt management. Countries at or close to the completion point appear to have made greater progress in overall debt management capacity, but still have weaknesses in areas such as transparency and accountability which will have to be addressed if they are to maintain long-term debt sustainability. Transparency and accountability, in particular as regards new borrowing policy, appear however to be weak across the whole range of respondents, and will have to be addressed if they are to maintain long-term debt sustainability beyond the completion point. High staff turnover also appears to be a general area of concern.

Table 1. Status of HIPCs as of November 2001.

	Pre-Decision Point	Interim Period 1st year	Interim Period 2nd year	Post Completion Point
Countries that Responded to the Questionnaire	Angola 1/ Burundi Central African Republic Comoros Cote d'Ivoire Ethiopia 2/ Ghana Kenya 1/ Sudan Togo Vietnam 1/	Cameroon Chad The Gambia Guinea Guinea Bissau Madagascar Malawi Nicaragua Niger Rwanda São Tomé and Príncipe Senegal	Benin Burkina Faso Guyana Honduras Mali Mauritania	Bolivia Mozambique Tanzania Uganda
No. of HIPCs Responding:	*11*	*12*	*6*	*4*
Other HIPCs	Congo, Dem. Rep. of Congo, Rep. of Lao, P.D.R. Liberia Myanmar Sierra Leone Somalia Yemen 1/	Zambia		
Total No. of HIPCs:	*19*	*13*	*6*	*4*

1/ Sustainable countries not expected to require HIPC relief.
2/ Ethiopia reached its Decision Point on November 6, 2001.

A. Legal and Institutional Arrangements

17. Questions in this section sought to clarify the legal framework and institutional arrangements for debt management and whether these functions are carried out in a systematic and coordinated manner. Three main conclusions emerge:

- In many instances, the legal framework needs to be improved, particularly in countries at the beginning of the HIPC process;
- Where legal frameworks do exist, they need to be strengthened to ensure transparency, accountability, and accurate and prompt auditing;
- Institutional arrangements to facilitate coordination and the flow of information need to be strengthened, possibly through institutionalized debt working groups. Countries at the initial stages of the HIPC Initiative have a lot to gain from such arrangements.

18. Regarding the legal framework, more than half of the 33 respondents reported that there was an explicit legal instrument, be it a law or decree, governing the debt office and its functions with respect to negotiating, contracting, managing and monitoring external debt. However, only 11 countries reported that the legal framework was clearly defined and adequately implemented. A clear pattern emerges when countries are grouped according to their stage in the HIPC process. Countries closer to the completion point are more likely to have a legal framework in place and functioning well (Figure 1.1 and 1.2). It is noteworthy that 10 countries, nine of which are close to the decision point, consider the enactment of a legal framework to be a critically needed improvement.

19. Even in cases where a clear legal framework is in place, much remains to be done to enhance transparency and accountability of external debt management in HIPCs. In particular, public access to debt information among respondents appears limited (see Box 1). Transparency seems to be enhanced where there is a strong legal framework in place, since about 75 percent of the countries having a legal requirement to publish debt information do so, and 80 percent of these also publish a DSA

20. The picture emerging from a closer look at the basic accountability of external debt management and borrowing policy is somewhat ambiguous. Parliament is responsible for approving all new external borrowings in two-thirds of respondent countries, but state guarantees on external loans are granted at the discretion of the ministry of finance in over half of the respondent countries, while the parliament retains this authority in only a quarter. The legislature appears to play a more active role in approving new loans in countries closer to the completion point. Some 70 percent of the HIPCs at or near the completion point require parliamentary approval for new borrowing compared to about 40 percent of the HIPCs at or near the decision point. However, the picture regarding state guarantees is less clear: Parliamentary approval is required only in three out of the ten countries at or close to the completion point, while in the seven other countries state guarantees are approved by the Minister of Finance (see Figure 1.3).[9]

21 Institutional responsibilities for debt management vary from country to country (Figure 1.4). In 15 countries the Ministry of Finance is in charge of debt management, while in other 15 countries debt management functions are shared by more than one agency (the Central Bank and Ministry of Finance for the most part). In Benin and Cameroon the debt unit is established as a separate entity (the Caisse Autonome d'Amortissement), which is independent from the government, and in Sudan it is located within the Central Bank.

22. While no specific institutional arrangement is intrinsically superior to another, the survey results show that, in cases where the debt management functions are shared by more than one agency, problems in coordination and flow of information often impair efficient debt management. Of 14 such cases, no less than 11 mention the need to improve coordination as a critical issue. Countries such as Madagascar see the need to strengthen debt-coordinating bodies in order to compensate for the lack of a single debt management authority. Others, such as Mozambique and Niger, view the centralization of debt management functions into a single body as the best way of ensuring effective debt management. One possible way to improve coordination and the flow of information seems to be to institutionalize the cooperation among relevant agencies: over one-third of the respondents report that the existence of an established committee or working group in their country does indeed facilitate coordination.

[9] Notwithstanding the legal arrangements, it is not clear whether in practice parliaments do exercise their duty of approving new loans (external and domestic). It would appear that in practice, governments (mainly ministries and finance) dominate the process of obtaining new loans.

Box 1. Public Access to Debt Information

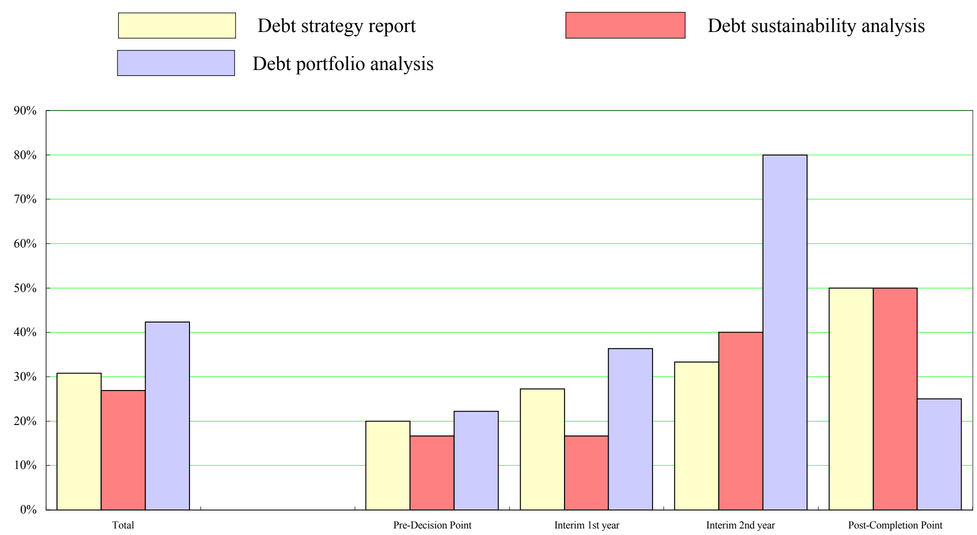
The disclosure of fiscal information is key to improving accountability in the area of public and macroeconomic management. In particular, fiscal transparency requires that information relating to the stock of external debt, debt sustainability, and the government's overall debt strategy be made available to the public.

Survey results indicate that, in most HIPCs, the public has limited access to debt information, and little progress has been achieved in this area. Significant strides have been made towards producing debt strategy reports, debt portfolio analyses and a debt sustainability analysis (DSA). However, only 31 percent of the countries that prepare these reports publish their debt strategy, 42 percent publish their debt portfolio analysis, and less than 30 percent publish their DSA. Countries closer to the completion point are twice as likely to publish a debt strategy report than countries near the decision point.

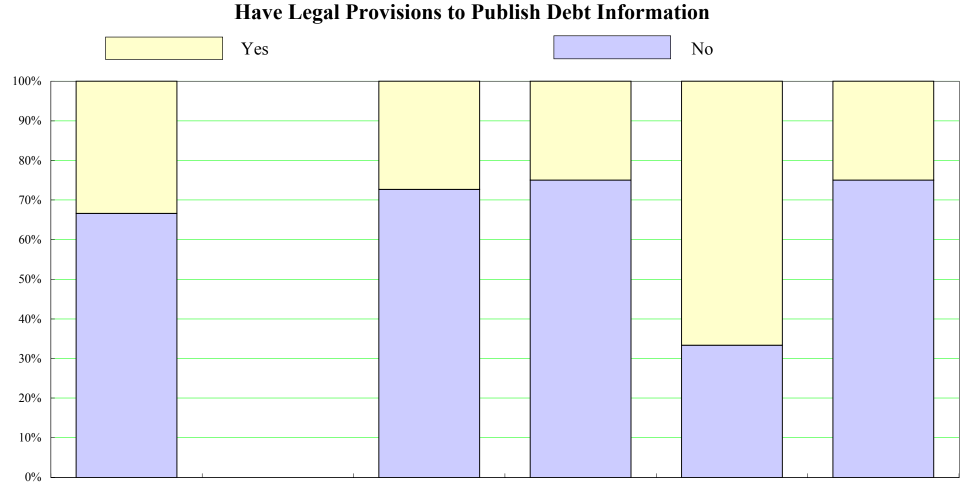
Disclosure of debt information needs to be improved. Few countries (11 out of 33 respondents) have any legal requirement to publish debt reports, irrespective of their position within the HIPC process. Of the 11countries that have a law in place, 6 of them publish their debt strategy and 4 of them publish their debt portfolio analysis, and their DSA. By way of contrast, only 2 out of 22 countries without a law publish their debt strategy reports. These results suggest that a legal requirement to publish debt information helps to secure public access to information but it may not, in itself, be sufficient without other measures to enforce the law.

Public Access to Debt Information

Countries that Publish their Debt Reports
(In percent of countries that produce the report)



Have Legal Provisions to Publish Debt Information



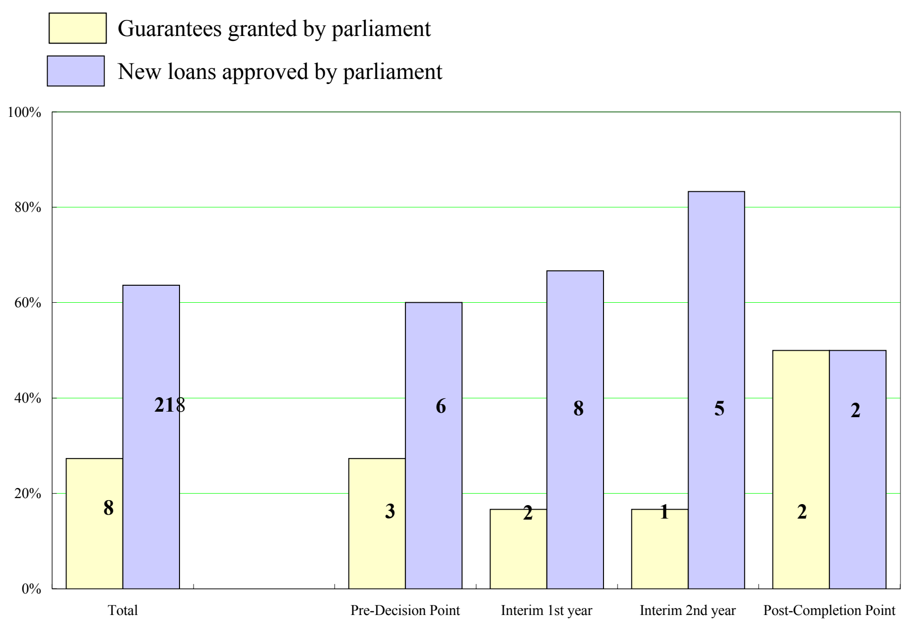
Source: HIPC Debt Management Survey for 2001.

Figure 1: Legal and Institutional Arrangements 1/

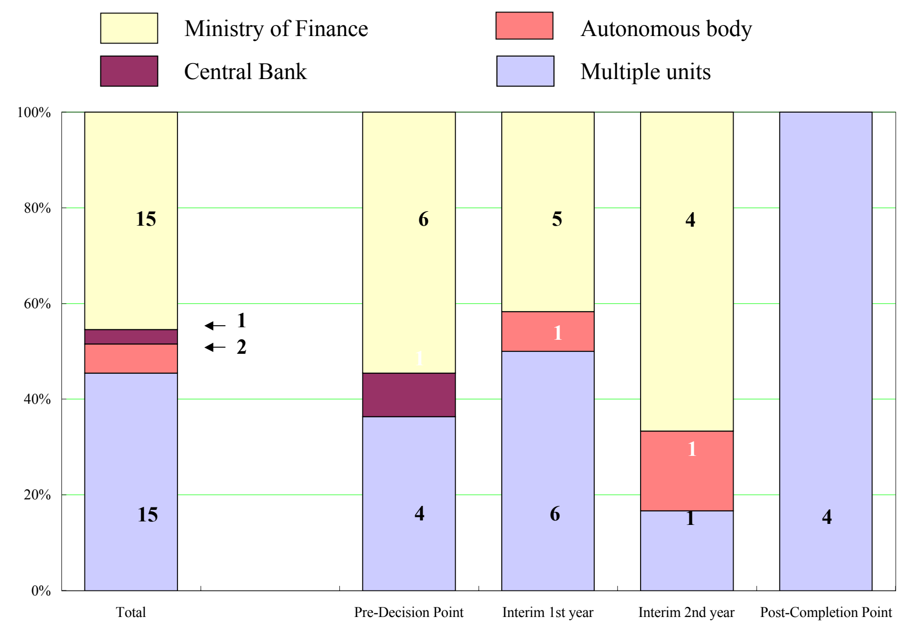
1. Are Legal/Institutional Arrangements in Place?

2. Are Laws/Regulations Implemented?

3. Is Parliament Approval Required for New Loans and State Guarantees?



4. Who Manages Debt?



Source: HIPC Debt Management Survey for 2001.
1/ Numbers in charts represent total country-respondents in the given category.

B. Coordination with Macroeconomic Policies, Debt Sustainability Analysis

23. This section of the survey asked whether debt and macroeconomic policy issues are integrated into a comprehensive, forward-looking debt strategy focusing on long-term sustainability. It explores the role of debt management units in the design and implementation of macroeconomic policies, as well as the extent of their interactions with other government bodies responsible for economic management, focusing in particular on their capacity to conduct debt sustainability analyses. An analysis of the country answers shows that the capacity to develop a comprehensive debt strategy appears to be correlated with other aspects of debt management capacity, which are critical for maintaining long-term external debt sustainability:

- First, countries who have developed a comprehensive debt strategy also have the technical, analytical capacity and relevant information to produce regular and comprehensive DSAs and portfolio analyses;

- Second, these countries have a good, mostly institutionalized, coordination between macroeconomic and debt policies; and

- Third, however, the reverse is not true: not all countries with good inter-agency coordination and/or the capacity to conduct a DSA did develop a debt strategy. This points to the importance of ownership and political will on the part of the country authorities.

24. Less than half of respondents reported having a debt strategy that went beyond the definition of a minimum grant element for new borrowing and only eight of these countries had a comprehensive, forward-looking strategy focused on medium-term debt sustainability. As indicated in (Figure 2.1), countries closer to the completion point were more likely to have a comprehensive debt strategy in place. Out of the eight countries with comprehensive debt strategy, five (Mali, Honduras, Burkina Faso, Guyana, Bolivia) are within one year of their anticipated completion point and two have already reached the completion point (Tanzania and Uganda).

25. Not surprisingly, those countries that have a comprehensive debt strategy also have the capacity to undertake DSAs (Figure 2. 2). The capacity to conduct regular DSAs is an important element in the elaboration of a debt strategy, as it involves handling debt and debt service projections, as well as projection of key macroeconomic variables. On the face of it, the situation in HIPCs is relatively satisfactory, since 20 survey respondents (out of 31) say they produce a DSA (either regularly or before major debt renegotiations). Here again, one finds a clear pattern according to the stage in the HIPC process, since, out of those 20 countries, one finds all but one the respondents at or near the completion point (nine countries), while only 50 percent of the respondents at or close to the decision point say they produce a DSA.[10] The elaboration of debt portfolio analysis has the same pattern (Figure 2.3).

[10] However, a closer look at this group of 20 countries suggests important variations in the analytical and technical resources at their disposal. Only 13 of the 20 countries have adequate software for the analysis of the debt strategy, four have the software but need further training,and three judge the software inadequate.

26. With respect to coordination and the exchange of information, 6 of the 8 countries that produce comprehensive debt strategies have an inter-agency committee to coordinate macroeconomic and debt issues. Most HIPC debt offices reported that coordination between the debt office and other agencies involved in macroeconomic management was generally good, but the frequency of contact and the nature of the collaboration varied across countries. Countries with more frequent coordination tend to have a regular forum to discuss debt servicing needs and their impact on the budget and the balance of payments. Generally speaking, HIPCs that have passed their decision points are more likely to have better coordination and exchange of information (see Figure 2.4).

C. New Borrowing Policy

27. This section assesses the extent to which policies for new borrowing are prudent and based on a careful evaluation of the impact of new borrowing on the debt portfolio and the country's repayment capacity, with the perspective of avoiding a recurrence of unsustainable debt burdens. Results strongly suggest that there is room for improving policies for new borrowing in most HIPCs:

- Only a third of respondents have a sound policy framework for new borrowing that encompasses a forward-looking debt strategy, parliamentary scrutiny of new borrowing and the systematic evaluation of new borrowing proposals.

- Moreover, it appears that improvements are needed across all HIPCs, since the perceived problems in countries close to the decision point are similar to those in countries closer to the completion point. This may be partly explained by the emphasis placed in the HIPC process on managing and reducing the existing stock of debt. However, as more HIPCs reach or approach the completion point, the focus needs to shift more toward controlling new borrowing in such a way as to avoid a renewed accumulation of unsustainable debt.

28. As it was seen in the previous section, only half of the survey respondents base their policies for new borrowing on a comprehensive country debt strategy. The other half indicate that policies for new borrowing are framed only in terms of minimum concessionality, reflecting the limits established in the context of Fund- and Bank-supported programs.[11] Ensuring long-term sustainability past the enhanced HIPC completion point would, however, require that countries have a legal and institutional framework governing new borrowing which is transparent and minimizes the room for discretionary decisions. As it was indicated previously (see paragraph 22 and Figure 1.3), whereas parliamentary approval is required for new loans in most respondents, there is on average less parliamentary oversight on the extension of state guarantees in respondents.

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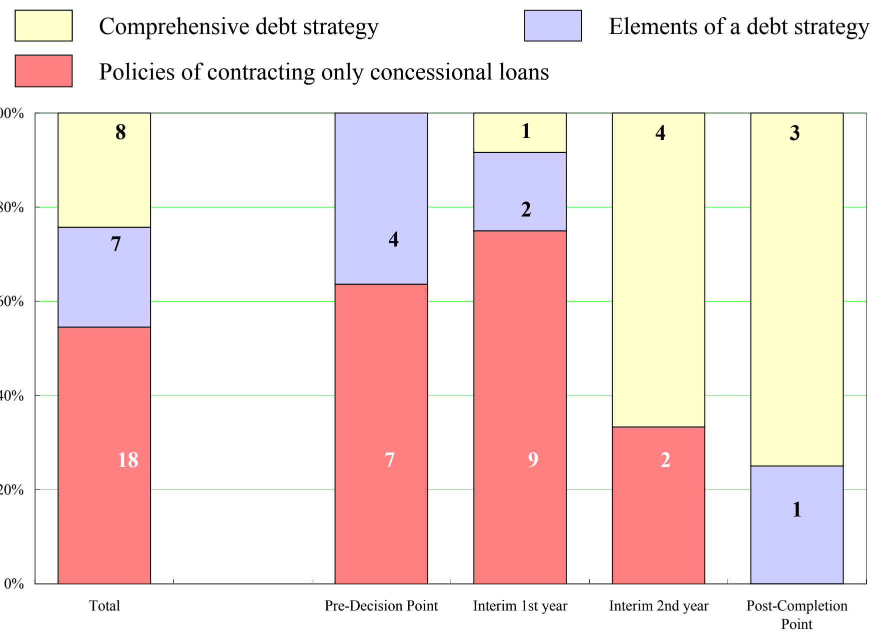
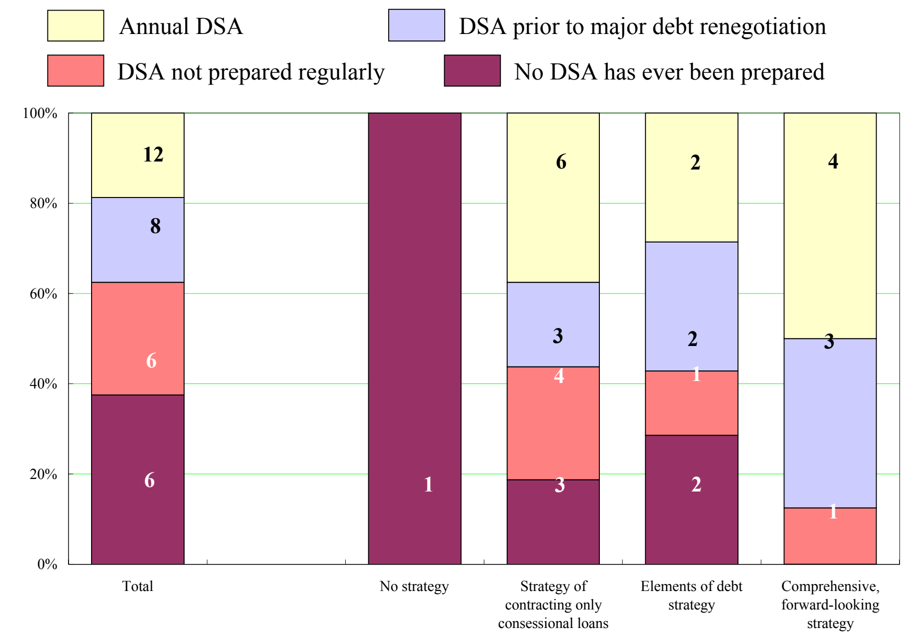
[11] Most respondents define non-concessional borrowing as those with a grant element below 35 percent. A number of HIPCs that have reached the decision point indicated that minimum concessionality is defined by a grant element of 45–65 percent. Three countries, which have no Fund-supported program in place, reported that they do not have any explicit restrictions on new borrowing.

Figure 2: Coordination with Macroeconomic Policies, Debt Sustainability Analysis 1/

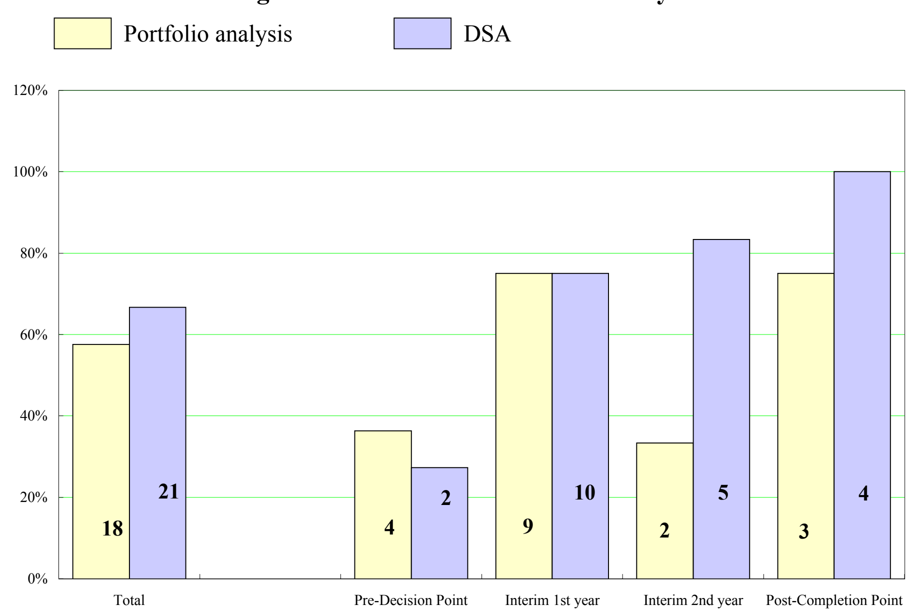
1. Is There a Comprehensive Debt Strategy?



2. Debt Strategy and DSA



3. Do You Conduct Regular DSA and Debt Portfolio Analysis?



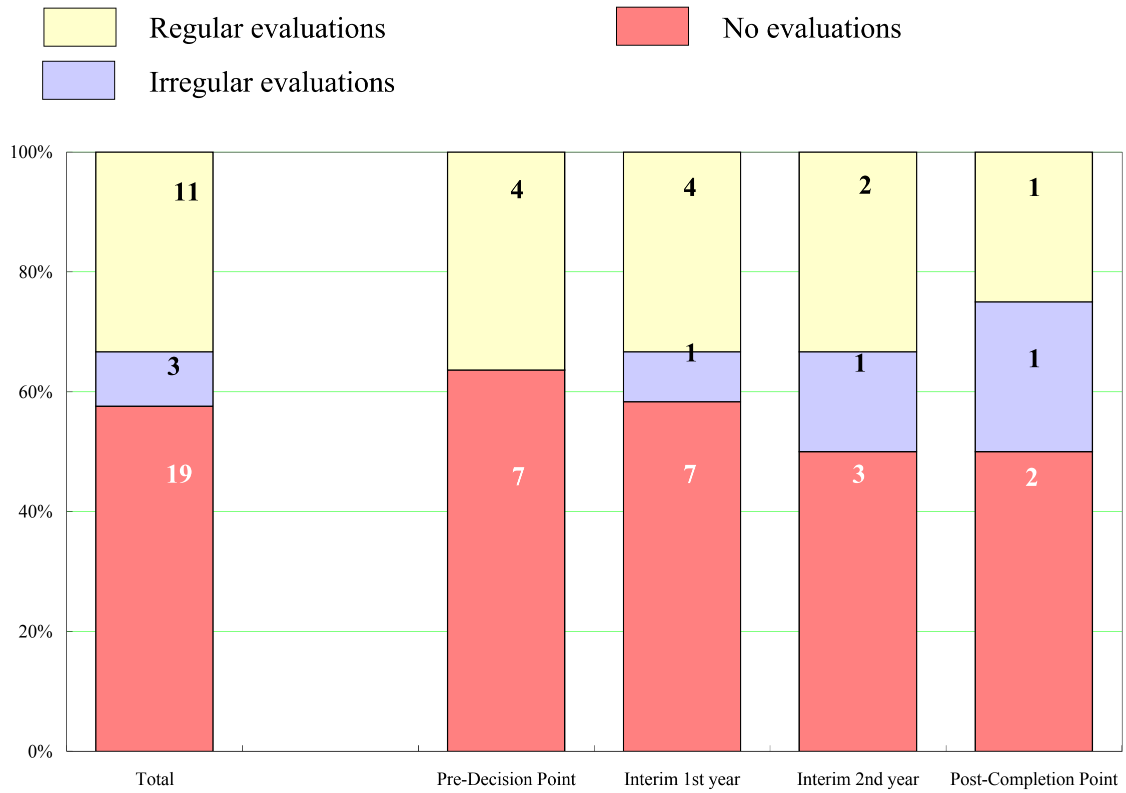
4. Coordination on Debt Issues Among Government Agencies

Source: HIPC Debt Management Survey for 2001.

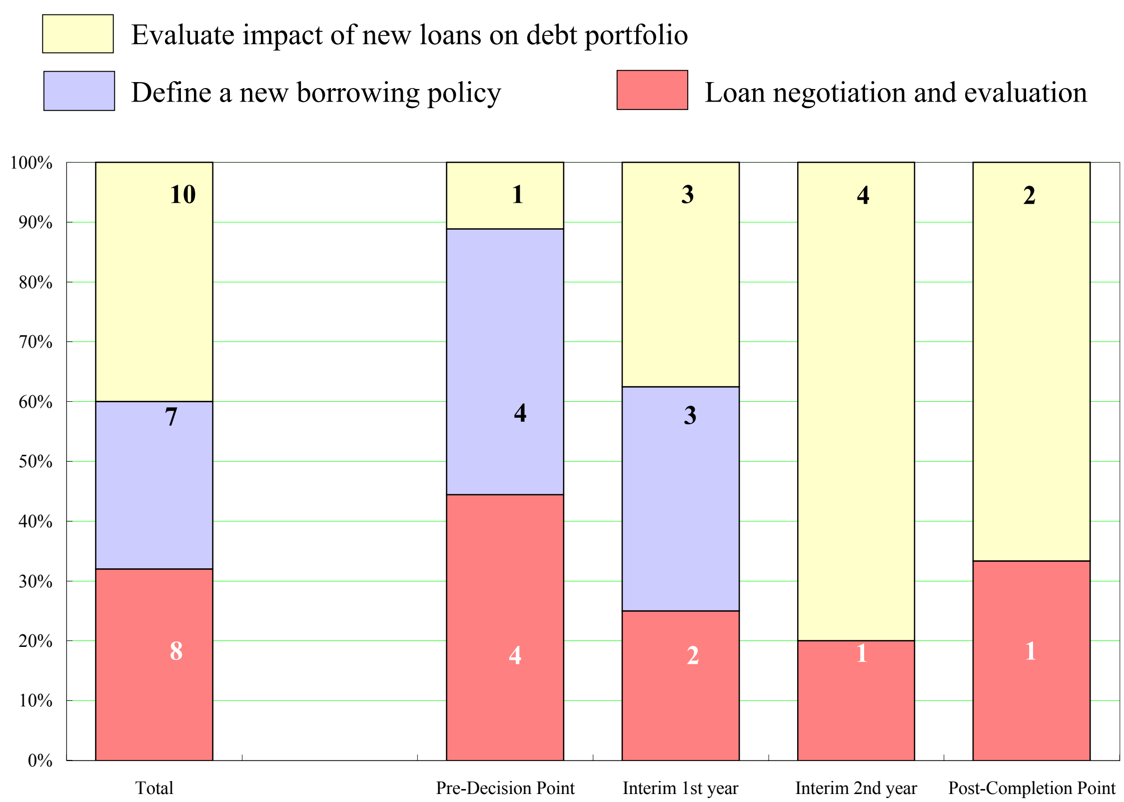
1/ Numbers in charts represent total country-respondents in the given category.

Figure 3: New Borrowing Policy 1/

1. Are Technical Evaluations Done for New Borrowing Proposals?



2. New Borrowing Policy; What Is the Main Improvement Needed?



Source: HIPC Debt Management Survey for 2001.

1/ Numbers in charts represent total country-respondents in the given category.

29. It is also important to ensure that new borrowing is directed to productive investments, which produce a sufficient social and economic rate of return, and that the impact of new loans on the overall debt portfolio is consistent with the country's debt sustainability objectives. Whereas well over half of the respondents conduct some evaluation of new borrowing proposals,[12] only eight countries systematically evaluate the impact of each new loan proposal on the overall loan portfolio, while as many as half of the respondents evaluate the new loan proposals independently of the existing loan portfolio. It can be seen from Figure 3. 1 that the procedures for loan evaluation bear no relationship to a country's position within the HIPC process, suggesting that all HIPCs have potential problems that are in need of improvement.

30. When asked to identify those aspects of their new borrowing policy that are most in need of improvement, 10 respondents mentioned evaluating the impact of new borrowing on the loan portfolio and macroeconomic prospects, seven mentioned defining a new borrowing policy, and eight mentioned the negotiation and evaluation of new loans (Figure 3. 2). Respondents that identified new borrowing policies as being most in need of improvement were all close to the decision point, while most of the countries that sought to strengthen the link between loan evaluation and the overall loan portfolio as a first priority were closer to the completion point.

D. Managing the Existing Debt Stock

31. This section assesses such basic debt management tasks as the coverage of debt data, documentation, debt servicing and the accuracy of debt reports produced by the debt office. In addition, the questionnaire sought to reveal the experience of HIPCs' with past debt restructuring operations and their knowledge of available debt relief mechanisms. The survey results for this section are summarized in Box 2 below.

Box 2. Basic Debt Management in HIPCs

- **Complete coverage** of government direct and guaranteed debt is effectively achieved, according to most respondents. Two countries mention some problems in monitoring government guarantees, and 14 countries report only partial coverage of public enterprise debt, which is problematic. Only 3 countries routinely track private non-guaranteed debt or contingent liabilities. The records of most countries in the latter area are only rudimentary and incomplete.

- **Loan documentation** is fairly comprehensive in two-thirds of debt offices for government direct debt, guaranteed debt and public enterprise debt. However, 7 countries reported that documentation is poor for loans contracted directly by public enterprises. Half of the responding debt offices reported that they regularly evaluate loan proposals and keep track of loan negotiations and, therefore, they normally have access to full documentation for new loans. Fourteen other debt offices which are not involved in loan negotiations or evaluations report difficulties in obtaining loan documentation.

- **Timely information on loan disbursements, as well as on debt servicing** is a problem for two-thirds of the responding HIPCs, and often gives rise to discrepancies in debt service projections or in reconciling debt records with creditors. Other sources of error are related to exchange and interest rate movements.

[12] Half of the respondents have an office or committee dedicated solely to appraising and monitoring all projects which receive external funding. Another 8 countries have an office with broader functions that include project appraisal and monitoring.

Box 2 (concluded). Basic Debt Management in HIPCs

- **Reconciliation with creditor data** is carried out at least once a year in 22 countries, while 11 countries initiate reconciliation only when discrepancies are noticed in billing statements or when they prepare for debt renegotiations. Reconciliation of debt data is required in order for a country to reach the decision point under the HIPC Initiative and it is noteworthy that 17 of the 22 HIPCs that carry out regular reconciliation have already reached the decision point.

- **Late payments of debt service** are acknowledged by 19 out of 33 respondents. Delays in the approval or remitting process are cited as a cause, although it seems to occur infrequently. Nevertheless, penalty charges for late payments were reported to be quite frequent by 11 of the respondents.

- **Projections of debt service** are reportedly very accurate in one third of cases, while two-thirds report reasonably accurate projections that require some revisions from time to time. Only one country experiences many inaccuracies that obliges it to make major revisions each year.

- **Debt renegotiations** are the responsibility of the debt office in one third of all cases, with the participation of staff from the Ministry of Finance or the Central Bank. Fourteen countries have designated a government ministry or team to handle debt negotiations. Five countries indicate that an ad hoc negotiation team is assembled for each negotiation, including a representative of the debt office.

- **External technical assistance** has been received by a number of HIPCs in preparing for Paris Club rescheduling operations and commercial debt buyback operations, but most are keen to build up capacity to handle these functions on their own. More than 20 respondents expressed interest in receiving training on both the mechanics and the strategy of debt renegotiations. A number of respondents expressed frustration in securing debt relief from non-Paris Club creditors (11 out of the19 which provided an answer to this question).

- **Information on available debt relief mechanisms** is readily accessible for most HIPCs. Two-thirds of the countries claim to be well-informed, while only 10 countries report an insufficient understanding. It is a source of concern that 9 of the 10 countries with insufficient understanding are those that have already reached the HIPC decision point or have carried out a preliminary HIPC debt sustainability analysis. This indicates that more conscious efforts are needed on the part of the Bank and Fund staff to explain the technical aspects of debt relief.

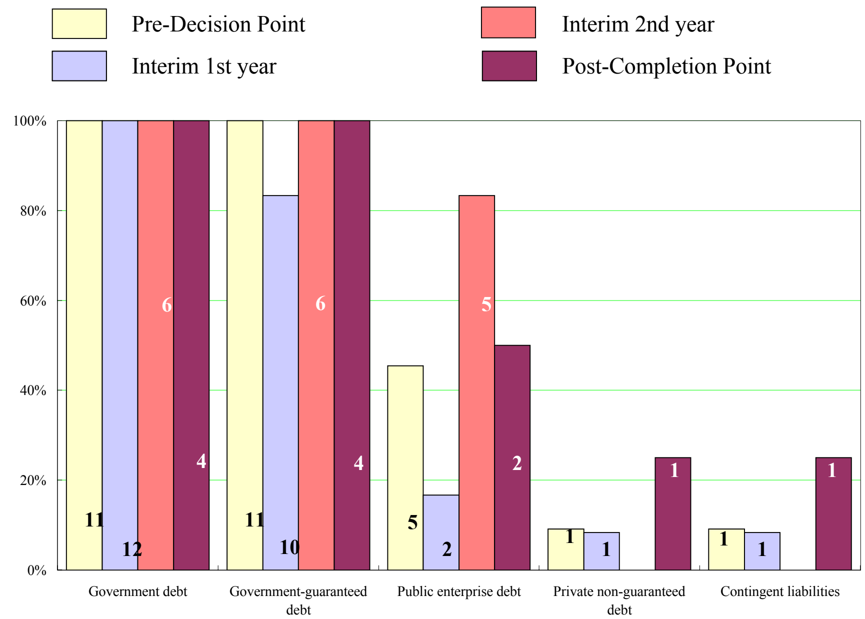
32. Overall, it appears that the debt offices in most HIPCs (at least those that have reached the decision point) are well able to handle basic debt data management and debt renegotiations. However, a special effort is needed to provide countries at the pre-decision point stage with essential skills for day-to-day debt data management and debt negotiations. In addition, it is troubling that most debt units still do not have a comprehensive coverage of all external debt, particularly public enterprise debt and contingent liabilities (Figure 4.1). Among the areas most in need of improvement, half of the respondents mentioned coordination and the dissemination of debt information, and a quarter mentioned the need to centralize all debt data in a single debt unit. Interestingly, all of the pre-decision point countries mentioned both these issues.

E. Human and Technical Resources

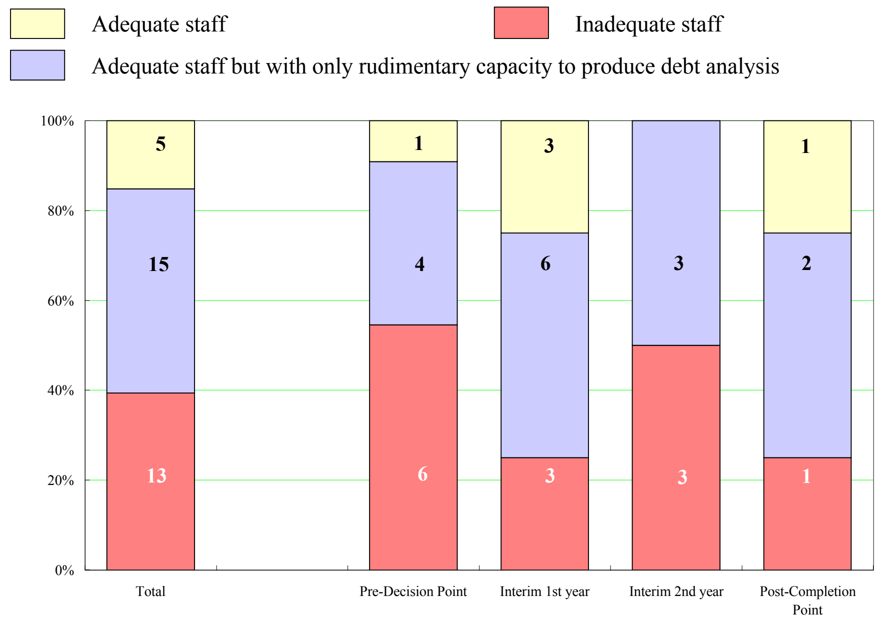
33. The staffing and equipment of debt management units is another important focus of the questionnaire. This is a fundamental area where advances in debt management capacity can be made rather quickly. However, it appears that lack of qualified staff, office space and computer

Figure 4: Basic Debt Management Functions, Human and Technical Resources 1/

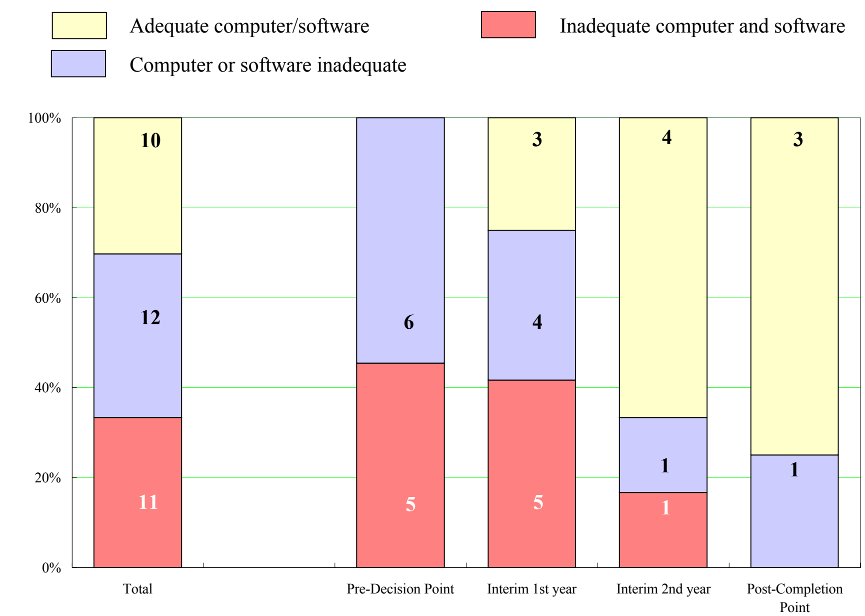
1. Which Categories of Debt are Monitored by the Debt Unit?



2. Staffing Situation in the Debt Unit



3. Software and Computers Used by the Debt Unit



4. Basic Debt Management: What is the Main Improvement Needed?

Source: HIPC Debt Management Survey for 2001.

1/ Numbers in charts represent total country-respondents in the given category.

equipments still prevent many HIPCs' debt units from providing the necessary support to policy-makers. In particular, survey results show that the recruitment and retention of sufficient and appropriately trained staff is one of the major challenges facing respondents. This is an important issue which HIPCs should address as a priority, since high staff turnover greatly reduces the efficiency of the debt unit as well as the benefits derived from external assistance efforts.

34. Adequate staffing seems to be problematic in most debt units, with just 5 debt offices deeming their staffing levels to be adequate and technically prepared to carry out both basic debt management functions and quality debt analysis. Another 15 of the respondents reported adequate numbers of staff, but with only rudimentary skills sufficient for basic debt management functions (Figure 4.2). Thirteen countries cited inadequate staffing as an impediment to better debt management. Many of these same debt offices also highlighted low staff morale and motivation, as well as high staff turnover and a lack of training as additional impediments. Several respondents indicated that these problems may be ameliorated by sustained training and technical assistance in order to keep up with high staff turnovers. Many debt offices consider improvements in remuneration levels as a key to improving the motivation of the staff and reducing high turnover rates.[13] Several respondents also mention the need to improve the content of the work to make it more interesting and rewarding for the staff.

35. About two-thirds of the respondents also complained of insufficient office space or outdated equipment, or both. Some 23 countries report either a lack of computer hardware or debt management software, sometimes forcing staff to resort to manual calculations or otherwise obstructing the productive utilization of staff resources. Some 40 percent of this group were either pre-decision point or first-year interim period countries (Figure 4.3).

36. Regarding the debt data management software, 10 countries have the Commonwealth Secretariat's CS-DRMS system and 12 countries have the UNCTAD's most recent DMFAS system (version 5.2). These softwares are designed to meet most of their operational and analytical needs. However, eight countries are looking for funding to upgrade from either CS-DRMS 6.0 or DMFAS 4.1 to the most current versions because they have experienced deficiencies in the versions that they are currently using. A number of countries that have installed the DMFAS 5.6 have failed to make the software operational due to a variety of difficulties including insufficient equipment, the high cost of transferring the data from the old system or, in some cases, the disrupting effect of civil strife. Others mention the need for further training in parallel to the software installation to ensure that enough staff in the debt unit can make efficient use of these systems.

37. As shown in Figure 4.4, when asked about main improvements needed regarding human and technical resources, a third of respondents mention IT-related issues (hardware, software and related training), 40 percent mention training, and the rest focuses on recruitment and retaining of skilled staff. Computer equipment needs are more important in countries at the beginning of the HIPC process, whereas human resources issues seem to be more acute in countries at the completion point, which seem to have the relevant infrastructure but more problems in competing with the private sector in recruiting and retaining qualified staff.

[13] Debt offices located in central banks or autonomous debt offices tend to enjoy higher remuneration, and those located within the Ministry of Finance were paid the civil service wages.

F. Assistance from Donors and Technical Agencies

38. This section of the survey asked some feedback from debt offices on past and current technical assistance and capacity-building efforts by outside donors or agencies. The various assistance providers cover the whole range of debt management areas and functions, from legal aspects to basic software training, debt strategy and debt renegotiations. Results show that all respondents but one have received some form of external assistance on debt management, rate the training as fairly effective, and unanimously mention the need for further training and capacity building. Among their suggestions to improve the quality of the training they mention the need to achieve a more effective transfer of skills by either increasing the frequency, duration and follow-up of training episodes or training national trainers. This probably points to the need for a more differentiated approach in the future, moving from workshops or seminars towards more longer-term capacity-building.

39. All survey respondents except Comoros report having received some form of technical assistance or training from external providers. Half of the 33 HIPCs rate the training as having been effective and as having improved the debt unit's operations substantially, while the other half rate it as somewhat effective, having improved operations to some extent. All 33 countries mention the need for further training.

40. Debt data recording is by far the area in which most HIPCs' staff has received some training, with a total of 206 people trained across the 33 HIPCs. Other major areas of training included DSA (124), Debt renegotiation (119) and debt strategy elaboration (111). Categories that seemed to have received less attention are interpretation of loan agreements (65), evaluation of loan proposals (52), debt portfolio analysis (44) and legal aspects of debt management (26). However, one must be cautious when interpreting these totals, since the number of staff trained in each debt unit varies widely across countries (from 1 to 20), the training has been of different durations and delivered according to various modalities (from a few days workshop where a large number of people can be trained, perhaps more superficially, to a few months on-the-job training of a small group by a resident expert). Given the additional problem of high staff turnover, the impact of the training received may thus not be as high as the number of staff trained would suggest.

41. Such assistance is provided by the various agencies according to their respective areas of specialization, with COMSEC, UNCTAD and CRDI (who trains francophone countries to use the software developed by COMSEC in English) dominating the debt data recording, and DRI, UNCTAD and the regional organizations being the largest providers of assistance in debt renegotiation, DSA and debt strategy preparation (see Appendix II for more information on the technical agencies).

42. Turning to qualitative aspects, five countries rated assistance as having been poor with no noticeable effect upon the quality of debt management. Among areas for improvement, a few respondents mention the need for more applied, less theoretical training, for strengthening the training accompanying the provision of computer hardware and software, and for increasing the effective skill transfer through training of national trainers. A number of countries also insisted on the need to improve the continuity of training, by increasing the duration, frequency and follow-up of training episodes.

IV. Capacity Building in HIPCs: Assessment by Technical Agencies

43. Several institutions are currently providing technical assistance and capacity-building to HIPCs and other developing countries in a broad range of areas relating to debt management. The Bank and the Fund invited a number of these institutions to assess the impact of their assistance, to highlight the main capacity constraints confronted by HIPCs, and to provide their views on the role of capacity building in key areas. Informative and constructive responses were received from two main providers of debt data management software—the Commonwealth Secretariat (COMSEC),which developed the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS), and the United Nations Conference on Trade and Development (UNCTAD),which developed the Debt Management and Financial Analysis System (DMFAS); from three African regional institutions which address a wide range of debt management issues—the Macroeconomic & Financial Management Institute of Eastern and Southern Africa (MEFMI), the Pôle-Dette initiative of the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) and the Banque des Etats de l'Afrique Centrale (BEAC), and the West African Institute of Financial and Economic Management (WAIFEM); from the Center for Latin American Monetary Studies (CEMLA); and from Debt Relief International (DRI), a technical office which manages a Debt Strategy and Analysis Capacity-Building Programme (CBP), assisting HIPCs to design and implement external debt strategies. A short description of these institutions can be found in Appendix II**.** The World Bank is also an important provider to technical assistance, largely carried out in partnership with regional institutions. Such Bank assistance provided is also summarized in appendix II.

A. Impact of the Assistance

44. **The overall assessment of these agencies is that the impact of their assistance has been positive**. All of them see progress at the country level although the rate of progress differs from one country to another. The most rapid progress has been made by HIPCs that started with a higher level of debt management capacity to begin with,[14] while those that started from a very low base have lagged behind. Typically, countries at, or close to, the completion point have a longer track record under Fund-and Bank-supported programs and have benefited from the technical assistance of other donors for a longer period of time. It is no surprise, therefore, that these countries' debt management capacity is now in better shape than that of countries still at the beginning of the HIPC process.

45. The HIPC process, with its focus on sound debt data, effective debt renegotiations, realistic macroeconomic projections and debt sustainability analysis, and on the provision of technical assistance and capacity building by specialized agencies, is having an impact on HIPCs' debt management capacity. The efforts of the various agencies have been cumulative and mutually self-reinforcing, so that it is hard to disentangle each agency's specific contribution. In addition, their monitoring record varies widely. One of these agencies (DRI) has monitored country progress since 1997, using a quantitative methodology (see Box 3), and the results of that evaluation broadly support the main conclusions from the self-assessment. Two regional institutions, MEFMI and Pôle-Dette, have also developed a series of indicators to evaluate the impact of their interventions.

[14] The Pôle-Dette mentions in particular Benin, Burkina Faso, Cameroon, Mali, and Senegal.

Box 3. The DRI Methodology for Assessing HIPCs' Debt Management Capacity

Since 1997, DRI has monitored progress in the debt management capacity of 32 HIPCs based on measurable indicators (1). The overall objective of the program is to enable countries to design and implement their own debt strategies and their own training programs with minimal assistance from external agencies. Countries are grouped in three categories, according to debt management capacity. Level A countries are able to deal with overall debt management without external assistance, countries at level B can manage some debt management functions independently but require considerable help and training, while level C countries still remain dependent on external assistance.

Each country is ranked on a scale of one to five (high) for each of the following skills: basic debt management, debt renegotiation, new borrowing policy, macroeconomic projection capacity, poverty reduction policy formulation and implementation, overall debt strategy and sustainability analysis, political commitment to debt management, economic management and institutional structures. A simple average of scores in the eight areas defines the overall capacity of the country. DRI makes use of the country scores to measure progress and determine work program priorities. The overall progress revealed by this monitoring is broadly consistent with the survey results presented in this paper.

According to the latest DRI assessment (Fall 2001), institutions remain the weakest area, highlighting the need to enhance political commitment and improve overall institutional capacity. Databases have improved. About half of the countries now have good databases but virtually none have a fully independent capacity, and progress in this area has been slower than in others, indicating a need to intensify training and capacity building. Not surprisingly, debt renegotiation is an area where countries demonstrate the highest skills, whereas progress is still modest with respect to policies for new borrowing. That underscores the importance of addressing country financing issues in the post-HIPC context to safeguard long-term sustainability. Macroeconomic projections capacity likewise remains modest notwithstanding some improvement, and vulnerability analysis remains particularly weak. Overall debt strategy analysis, the main focus of the CBP, is another area showing high scores and fast improvement. Finally, commitment and political will appear as key issues, highlighting the importance of raising awareness of decision-makers.

[1] Martin, M. and Aguilar, J.C. "HIPC Capacity-Building Needs," DRI, March 2001.

B. Main Capacity Constraints for Efficient Debt Management in HIPCs

46. Institutional and political constraints are perceived by most agencies to be the main obstacle to faster progress in HIPCs and also the most difficult to resolve. Among the recommendations they make is to improve the legal framework, to enhance coordination among different government entities, to establish lead units and clear responsibilities for each unit within key institutions, to sensitize policy-makers in the need for and value of proactive debt management, and to focus technical assistance in countries with a demonstrated political commitment to sound debt management (a demand-driven approach).

47. All agencies stress the importance of human resource constraints. Insufficient and inadequately trained staff, low motivation and high turnover are all major problems hindering day-to-day debt management. The agencies advocate increasing staff numbers, and enhancing motivation through a combination of more country-tailored training and improved working conditions through better-defined job descriptions and career paths, and higher salary levels.

48. Another perceived constraint to the maintenance of long-term debt sustainability is poor coordination between debt and macroeconomic policies, as well as poorly defined and implemented policies with respect to new borrowing. Overall, according to Pôle-Dette**,** the main problems facing African countries are the following: lack of debt strategies consistent with the

objective of long-term debt sustainability; a fragmented vision of debt problems; focusing on traditional debt restructuring mechanisms instead of focusing on broader financial policies; dilution of responsibilities in the chain of command, often related to a weak legal and institutional framework for debt management; difficulties in the effective use of debt data management software, which often point to poor data quality; and insufficient equipment, staff and training in national debt management units.

C. Future Role of Technical Assistance and Capacity-Building

49. All agencies see an important continuing role for capacity building in HIPCs. In contrast to some past efforts, they are increasingly focusing on ensuring the sustainability of the knowledge and skills transfer: "*For the future, HIPCs as they reach completion point should be encouraged to think in terms of long-term sustainability not only in relation to the debt burden, but also in terms of the structures, processes and management information systems required to manage that debt burden effectively.*"[15]

50. As in all development assistance efforts, ownership is a key success factor, and they recommend using a demand-driven approach. Capacity building should be increasingly delivered by local and regional experts, working through decentralized regionally-based organizations. Methods used should be better tailored to individual country needs, and the assistance should focus selectively on the major capacity constraints as perceived by the countries themselves.

51. Survey results reveal an increased demand for improved communication and exchange of information from the respondents, and, for their part, individual technical agencies insist on the need to strengthen cooperation and coordination among providers. A number of them (DRI, CEMLA, COMSEC, Pôle-Dette and WAIFEM) propose to establish an internet network of providers, with portals to each other's training and assistance websites through which HIPCs could have rapid access to the widest possible range of training and capacity-building materials.[16]

V. CONCLUSIONS AND RECOMMENDATIONS

52. The results of the survey, combined with the experience of the international agencies involved in capacity building efforts in this area and the staff experience gained through the implementation of the HIPC Initiative, do provide some strong pointers to areas in which a further strengthening of capacity building is critical in the HIPCs. It is equally clear that an effective response to these needs and demands will require a stronger and better coordinated effort from the supply side, the technical agencies involved in capacity building, as well as the creditors and/or donors.

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[15] Quoted from the Commonwealth Secretariat's contribution to this paper.

[16] Currently the Steering Committee of DRI's capacity building program provides a helpful coordination forum for both HIPCs and the main agencies involved. There seems however to be a need for a more flexible mechanism which would fully cover all debt management capacity building issues and partners.

53. Although some progress in strengthening debt management capacity has been made in the course of the implementation of HIPC Initiative, the survey and the agency assessments clearly point to major shortfalls in existing capacity levels and the urgent need for HIPCs to make sufficient progress in strengthening their debt management capacity by the time they reach their completion point, along the following lines:

- ***A clear and comprehensive institutional and legal framework is critical to ensure efficiency in debt management*** both in terms of defining responsibilities and providing for formal coordination mechanisms as well as in promoting transparency and accountability through publication and auditing requirements. Countries at the beginning of the HIPC process seem to have a lot to gain by reviewing and enhancing their legal and institutional framework for debt management. More generally, the institutional and legal framework under which external debt management is carried out often needs: (i) further strengthening through revised legislation and, more importantly, clear and precisely crafted supporting implementation decrees; (ii) better organized institutional arrangements and clearer delineation of responsibilities between the agencies involved; and (iii) a significantly stronger notion of accountability vis-à-vis the public through publication of debt management goals and practices as well as regular and publicly available audits.

- ***Coordination of external debt management and macroeconomic policies is key.*** More attention should be paid to the medium-to-long term implications of economic policies and the resulting external financing needs on debt sustainability. Institutional and capacity constraints tend to prevent effective coordination, in particular in countries at the beginning of the HIPC Initiative process.

- ***The apparent low level of public or parliamentary oversight over new borrowing in HIPCs and the lack of systematic scrutiny and evaluation of new borrowing proposals are of great concern.*** Insufficient coordination and oversight with respect to public enterprise debt and other contingent liabilities for the government is also problematic in this respect.

- ***The recruitment and retention of staff is a serious issue to be addressed***. Some of these shortfalls clearly originate in inadequate capacity of staff working in the central debt management unit, in terms of number and quality of staff and as access to appropriate training, as well as in the fast turnover of well-qualified staff that have received training.

- ***Full political support from the highest political levels is critical to the success of any efforts to strengthen debt management capacity*** and ensuring prudent external borrowing.

54. While many specific actions would be required, the most important recommendations of this paper pertains to the following:

- To strengthen ongoing assistance efforts and to improve their efficiency, the providers of debt management capacity building, both at the regional and global level, as well as those creditors and/or donors with a particular interest in this field, should ensure full coordination and exchange of information in both among themselves and with the HIPCs, for example through an informal network. Regional institutions, as part of the network, could be used as focal points, devising work programs taking into account the HIPCs' self-assessments of needs and priorities and the menu of activities that the technical agencies are proposing. Such an informal global network could thus ensure that demands for debt management capacity building assistance are based on home-grown strategy and effectively met by an appropriate and tailor-made supply.

- As regards new borrowing, creditors should be encouraged to publish information on new lending—the terms as well as the activities it will finance—in order to ensure full transparency and disclosure in respect to HIPCs'contraction of new external debt. Likewise, HIPCs should be encouraged to publish information on their borrowing.

- Progress by HIPCs in strengthening debt management capacity in all HIPCs should be more regularly monitored. Bank and Fund staff, when assessing debt management capacity at the time of the decision and completion points or at the time of regular missions (including the provision of technical assistance from headquarters when the requisite expertise is not available at the mission site) should play a more pro-active role in flagging important weaknesses to the authorities and to potential providers of assistance, and included in their relevant staff reports.

DEBT MANAGEMENT CAPACITY IN INDIVIDUAL HIPCS

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
Angola	**Legal framework:** No law governing debt management. No Decrees and regulations exist. **Location of debt unit:** No single debt unit. Debt management functions involves both Central Bank and ministry of finance and is overseen by a committee headed by the Minister of Finance. **Interagency coordination:** Poor despite a formal committee. **State guarantees**: National Assembly **Approval of New borrowing**: the National Assembly approves an external borrowing ceiling within the budget. The National Assembly can ask for documentation and details of individual loans **Improvement**: define a clear and comprehensive law governing debt management.	**Debt/macro policy coordination, DSA:** No committee and poor coordination. **Debt reports**: Only a partial debt portfolio analysis is produced on ad hoc basis. **Public access to debt information**: No access; the reports are not published. There is no law or any legal provision requiring the publication of debt reports. **Improvement**: improve coordination among agencies. Technicians are frequently not informed of large debt operations. To improve transparency, all external loans should be documented, disclosed to the public, and submitted to the National Assembly for approval	**Overall debt strategy**: No limit on nonconcessional loans **Evaluation** of new borrowing done independently of the existing loan portfolio.	**Coverage**: Central bank's debt unit monitors public, publicly guaranteed and public enterprises debt. **Loan disbursements**: delays happen quite often. Information on disbursements provided by creditors **Debt service**: projections relatively accurate. **Debt renegotiations**: Technical assistance on data and strategy for Paris Club negotiations has been provided by DRI. Outcomes with Paris Club and non –Paris Club creditors are satisfactory.	**Staff and training**: Inadequate number of staff with insufficient training to carry out basic debt management functions. **Computer equipment**: adequate hardware but software tools are insufficient to support debt management functions and debt analysis. **Improvement:** Ongoing technical assistance from UNCTAD to install new debt management software (DMFAS), create a new data base, and train staff.	The debt management has transparency problems. Involvement of the National Assembly is essential to improve the transparency of the external public debt operations. The government lacks a clear debt strategy with ceilings on public borrowing. The implementation of new debt data base at the central bank has been slow.
Benin	**Legal framework:** clear but lacks somewhat in comprehensiveness. Appropriate decrees but not	**Coordination**: formal committee and good coordination. **Debt reports:**	**Strategy**: no nonconcessional external borrowing is allowed.	**Coverage**: debt unit monitors public and publicly guaranteed debt. Does not centralize information on	**Staff and training**: Adequate number of staff but with only rudimentary capacity	The debt database is comprehensive, up to date and fully reconciled with creditor data. The country's management capabilities are

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
	observed and implemented. **Location of debt unit:** Autonomous body. **Interagency coordination:** could be improved and there is no committee. **Guarantees**: Minister of Finance. **New borrowing**: parliament.	comprehensive annual debt strategy, a portfolio analysis and a DSA reports are produced. **Public access to debt information** Limited access. Reports available only for government and donors. There is no law or legal provision requiring publication.	**Evaluation** of new borrowing: independently of existing loans portfolio. **Improvement**: enhance capacity to evaluate the impact of new borrowing on the budget, debt service, and on the BOP.	parastatal and private loans. **Loan disbursements**: delays happen quite often. Information mostly from creditors. **Debt service**: projections quite accurate. **Debt renegotiations**: done by the debt unit and the ministry of finance. Has received satisfied outcome with Paris Club.	to produce debt analysis **Computer equipment**: Adequate number. **Areas for improvement**: More training in debt analysis, and in particular in preparing a DSA.	improving steadily and a system for the modernization of operations of the debt management entity has been functioning since 2000. Benin is also receiving assistance for building technical capacity through staff training in debt analysis, strategy and negotiations, and upgrading hardware and software, which should contribute to further improve its debt management capacity.
Bolivia	**Legal framework:** comprehensive and clear law. Decrees and regulations are appropriate, observed and implemented. **Location of debt unit:** Multiple agencies at ministry of finance and Central Bank. **Interagency coordination:** good through a formal committee. **State guarantees**: Congress. **New borrowing**: Congress. **Improvement**: Coordination among agencies involved in debt management.	**Coordination:** formal committee and good cooperation. **Debt reports**: Comprehensive annual debt strategy, a portfolio analysis and a DSA reports on an ad hoc basis are prepared. **Public access to debt information**: All reports are published and made available to the public. **Improvement**: need provisions for the publication of a DSA on an annual basis.	**Strategy**: define to cover the financing requirements of the public sector at the lowest cost. Limits on nonconcessional foreign loans. **Evaluation** of new borrowing : takes into account existing loans portfolio when major changes in the policy. **Improvement**: enhance capacity to evaluate the impact of new borrowing on the loan portfolio.	**Coverage**: all categories of debt except contingent liabilities. **Loan disbursements**: delays happen occasionally. Information from both creditors and projects units. **Debt service**: projections very accurate. **Debt renegotiations**: done by a designated government team. **Improvement**: enhance analytical skills for debt renegotiations.	**Staff and training**: Adequate number of staff with sufficient training **Computer equipment**: Adequate number.	At present, debt management is housed within the Central Bank of Bolivia and coordinated with other ministries through an External Debt Management Committee. Transactions are tracked through SYGADE the latest excel-compatible version of the UNCTAD computerized system by the debt management unit within the central bank. Information from SYGADE is integrated into the country's balance of payments and fiscal accounts. This enables consistency between public sector borrowing and macroeconomic polices, and ensures that new borrowing conforms with the required degree of concessionality.
Burkina	**Legal framework:** No law but decrees and regulations which are observed and implemented.	**Coordination:** formal committee and good cooperation. **Debt reports**:	**Strategy**: Include limit on nonconcessional external borrowing.	**Coverage**: debt unit monitors public and publicly guaranteed debt but centralizes also information	**Staff and training**: Inadequate number of staff with sufficient training to carry out even basic debt	Burkina's debt monitoring does not provide for a comprehensive account of external loans. The debt unit has relatively good

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
	Location of debt unit: Ministry of finance. **Interagency coordination:** good through a formal committee. **Guarantees**: Minister of finance. **New borrowing**: Parliament. **Improvement**: better definition of the responsibilities, mandate and objectives of the external debt management agency and improve coordination with other agencies involved in the external debt management.	Comprehensive annual debt strategy, a non comprehensive portfolio analysis and a DSA reports are prepared. **Public access to debt information**: Very limited access. The debt strategy report is widely available to the public, whereas the portfolio analysis and the DSA are made available only to the government agencies and donors.	**Evaluation** of new borrowing proposals: take into account existing loans portfolio and in particular the impact on debt sustainability. **Improvement**: enhance capacity to carry out analysis of the impact of new borrowing on debt indicators.	on debt contracted by public enterprises. **Loan disbursements**: delays quite often frequent. Information mostly from projects units. **Debt service**: projections quite accurate most of the time. **Debt renegotiations**: lead by the debt unit. The country received satisfied outcome with Paris Club but not with bilateral non-Paris Club. **Improvement**: Define better strategy and approach, and develop analytical skills for debt renegotiations.	even basic debt management functions. **Computer equipment**: Both a shortage of computers and adequate software tools. **Improvement:** need computers and debt analysis software and associated training. Increase number of staffs and provide them more training.	hardware (new computers all in network) and even software capabilities (Sygade, Excel and latest version of Debt-pro) and well-trained staff including in Debt-pro and in forecasting. The main problem lies in the lack of communication between the Direction de la dette and the Direction de la Cooperation (both under the Ministry of Finances but separate entities). The Direction de la Cooperation tracks disbursements, but very poorly: all disbursements are recorded in CFA francs without keeping track of the original currency and the exchange rates used. In addition, they communicate on their data to the Direction de la dette with a considerable laps of time (could be more than a year). As a result, the decision point database needs to be amended at the completion point for loans that were not accounted for. Finally, at the Direction de la dette paperwork follow-up is extremely poor as there is an over reliance on information technology. As a result, loans where calculations of principal and interests due are wrongfully recorded are not corrected and recorded properly in the database using documents received from the creditors (when available).
Burundi	**Legal framework:** No law or other legal provision in this area.	**Coordination:** formal committee. Very poor coordination and	**Strategy**: no external debt strategy.	**Coverage**: debt unit monitors public and publicly guaranteed debt and	**Staff and training**: Adequate number of staff but with only	

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Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
	area. **Location of debt unit:** Ministry of finance. **Interagency coordination:** Formal committee in place but coordination needs to be improved. **Guarantees**: Minister of Finance. **New borrowing**: parliament.	coordination and cooperation. **Debt reports**: No debt reports produced. **Public access to debt information**: No access. In addition, there is no law/legal provision requiring publication	**Evaluation** of new borrowing proposals: No evaluation .	guaranteed debt and centralizes information on other categories of debt except contingent liabilities. **Loan disbursements**: delays happen occasionally. Information provided both by creditors and projects units. **Debt service**: projections quite accurate. **Debt renegotiations**: done by a designated ministry. **Improvement**: develop capacity to do macroeconomic projections and to carry out debt renegotiations.	rudimentary capacity to produce debt analysis **Computer equipment**: Adequate number of computers but software tools are insufficient.	
Cameroon	**Legal framework:** Comprehensive and clear law implemented through appropriate decrees. **Location of debt unit:** Autonomous body. **Interagency coordination:** Formal committee and good coordination. **Guarantees**: Head of State. **New borrowing**: parliament.	**Coordination:** formal committee and good coordination. **Debt reports**: The country prepares a comprehensive annual debt strategy, a portfolio analysis and a DSA reports. **Public access to debt information**: very limited access. Despite a law or legal provision requiring publication, only the DSA is published on the Fund and WB website. **Improvement**: improve capacity to formulate debt strategy.	**Strategy**: depends on the projects but has a limit on annual borrowing , and no nonconcessional loan is allowed. **Evaluation** of new borrowing : takes into account the existing debt portfolio. **Improvement**: Include public enterprises in the loans to be monitored by the debt unit.	**Coverage**: debt unit monitors public and publicly guaranteed debt. But also centralizes information on parastatal and private loans. **Loan disbursements**: frequent delays. **Debt service**: projections accurate. **Debt renegotiations**: done by the debt unit. Has received satisfied outcome with Paris Club. **Improvement**: Training to improve use of CS-DRMS, and improve capacity in debt renegotiation techniques	**Staff and training**: enough staff with adequate skills. Clearly defined functions and responsibilities. **Computer equipment**: Enough **Improvement:** More training: Debt-pro, CS-DRMS	The country's debt management practices have been improving steadily in terms of the software, hardware and accuracy of their large database, and their preparation for negotiations. Officials are now able to prepare their own debt analysis and strategy and simulate alternative debt relief scenarios, with access to regular training in such areas. More work needs to be done in order to improve domestic debt management, which is a critical component in the country's efforts to strengthen its public finances

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
CAR	**Legal framework:** Comprehensive and clear law in place. Similarly, decrees and regulations are adequate but are not however observed and implemented. **Location of debt unit:** Ministry of finance. **Interagency coordination:** No committee in place and coordination needs to be improved. **Guarantees**: Minister of Finance. **New borrowing**: parliament.	**Coordination:** No formal committee. Coordination and cooperation to be improved. **Debt reports**: Comprehensive annual debt strategy report. Debt portfolio analysis is produced on ad hoc basis and, while work has been initiated in 2001, no DSA has been completed yet. **Public access to debt information**: Very limited access as the reports are available only to government agencies and donors. There is no law/legal provision requiring publication of debt reports.	**Strategy**: external borrowing limited to high concessional loans (at least 65 percent of grant element). **Evaluation** of new borrowing : independently of existing loan portfolio. **Improvement**: Involve the debt unit in the decision-making process for contracting new public foreign currency debt.	**Coverage**: debt unit covers and monitors only public and publicly guaranteed debt. **Loan disbursements**: delays happen quite often. Information provided both by creditors and projects units but usually with delay. **Debt service**: projections quite accurate. **Debt renegotiations**: done usually by the debt unit. However ad hoc team to negotiate with Paris-Club. **Improvement**: Improve technical and analytical skills to carry out debt renegotiations.	**Staff and training**: Inadequate number of staff with sufficient training to carry out basic debt management activities. **Computer equipment**: Shortage of computers and software tools. **Improvement**: Need computers, software tools and associated training.	The **debt management system** with which the Direction of the Debt under the Ministry of Finances operates is limited. The main weakness appears to be technological, both in terms of hardware and software. The Direction of the debt possesses about six computers of which three are in working order. All of the debt data (external--bilateral and multilateral, domestic) is maintained on the hard drive of one PC, no backup is done on a regular basis. The software used is neither user-friendly nor adapted for a dynamic management system. The Direction of the Debt acquired the UNCTAD Debt Management and Financial System (DMFAS) software in 1992; however, it is not presently being used as the staff do not consider it to be user-friendly and feel that it has limited capacities to handle multi-currency loans. Data transfer from one unit to another is hard keyed. The fact that there is not one shared debt management software and no systems interface makes the recording unreliable and day-to-day operations arduous. As a result, discrepancies between debtor and creditors data occur on a regular basis and debt reports provided by the authorities are unreliable.

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Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
Chad	**Legal framework:** No law/ decrees/ regulations. **Location of debt unit:** Ministry of finance. **Interagency coordination:** No committee in place but coordination needs to be improved. **State guarantees**: Parliament. **New borrowing**: parliament.	**Coordination:** No committee. Coordination by the Central Bank or the ministry of finance. **Debt reports**: Partial annual debt strategy report, Debt portfolio analysis and DSA are produced. **Public access to debt information**: Very limited access as the reports are not published. There is no law or any legal provision requiring the publication of debt reports. **Improvement**: develop capacity to formulate a debt strategy.	**Strategy**: external borrowing limited to concessional loans (at least 35 percent of grant element). **Evaluation** of new borrowing done independently of existing loan portfolio. **Improvement**: enhance capacity to evaluate the impact of new borrowing on debt sustainability and improve technical skills to carry out debt negotiations..	**Coverage**: debt unit covers and monitors only public and publicly guaranteed debt. But it also centralizes information on public enterprises external debt. **Loan disbursements**: delays happen quite often. Information provided mostly by creditors **Debt service**: projections quite accurate. **Debt renegotiations**: done by the debt unit. Outcome with Paris Club is satisfactory. **Improvement**: Improve capacity to conduct a DSA and skills to carry out debt renegotiations.	**Staff and training**: Adequate number of staff with sufficient training to carry out basic debt management functions but with only rudimentary capacity to produce debt analysis. **Computer equipment**: Shortage of computers. **Improvement**: Need training and computers.	
Comoros	**Legal framework:** law lacks comprehensiveness and clarity. Decrees/ regulations are not appropriate. They are not observed and implemented. **Location of debt unit:** Ministry of finance. **Interagency coordination:** No committee and poor coordination. **Guarantees**: Minister of finance. **New borrowing**: parliament. **Improvement**: debt unit	**Coordination:** No committee. Coordination done largely through international financial institutions. **Debt reports**: No debt strategy report and DSA. Partial portfolio analysis report is produced. **Public access to debt information**: Very limited access as the reports are not published. There is no law or any legal provision requiring the publication of	**Strategy**: external borrowing limited to concessional loans. **Evaluation** of new borrowing done independently of existing loan portfolio. **Improvement**: enhance capacity to evaluate the impact of new borrowing on the debt portfolio.	**Coverage**: debt unit covers and monitors only public and publicly guaranteed debt. **Loan disbursements**: delays happen quite often. Information provided by creditors **Debt service**: projections quite accurate. **Debt renegotiations**: done by the ministry of finance. Outcome with Multilateral is not satisfactory. **Improvement**: Improve capacity to carry out debt	**Staff and training**: Adequate number of staff with sufficient training to carry out basic debt management functions but with only rudimentary capacity to produce debt analysis. **Computer equipment**: Shortage of computers and software tools. **Improvement**: Need	

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE

Country	Legal and Institutional Arrangements	Coordination with Macroeconomic Policies, DSA	New Borrowing Policy	Basic Debt Management Functions	Human and Technical Resources	FUND/BANK STAFF ASSESSMENT
	capacity to be strengthened. Adopt law, decrees and regulations.	debt reports. **Improvement**: Improve BOP projections and publication of debt data.		renegotiations.	training and computers.	
Cote d'Ivoire	**Legal framework:** comprehensive an clear law governing debt management. Decrees/ regulations are appropriate but are not observed and implemented. **Location of debt unit:** Ministry of finance. **Interagency coordination:** No committee in place. **Guarantees**: Minister of finance. **New borrowing**: Minister of finance. **Improvement**: enforcement of decrees/regulations.	**Coordination:** No committee. **Debt reports**: No debt strategy report. DSA and portfolio analysis produced regularly. **Public access to debt information**: Very limited access; the reports are not published. There is no law or any legal provision requiring the publication of debt reports. **Improvement**: public access to debt reports.	**Strategy**: external borrowing limited to concessional loans. **Evaluation** of new borrowing takes into account the impact on the existing loan portfolio. **Improvement**: Centralize the negotiations of new borrowing and the evaluation of new projects under the minister of finance.	**Coverage**: debt unit covers and monitors only public and publicly guaranteed debt. **Loan disbursements**: delays happen quite often. Information provided by creditors **Debt service**: projections quite accurate. **Debt renegotiations**: done by the debt unit. Technical assistance received on commercial debt. Outcomes with Paris Club and commercial creditors are satisfactory. **Improvement**: Improve capacity to carry out debt renegotiations (in particular, debt relief mechanisms).	**Staff and training**: Adequate number of staff with sufficient training to carry out basic debt management functions but with only rudimentary capacity to produce debt analysis. **Computer equipment**: Shortage of computers and software tools. **Improvement**: Improve capacity to carry out DSA and produce debt reports. additional training and computers are needed.	In July 1997, the debt management moved from the **CAA** to the "Direction de la Dette Publique"(DDP) of the ministry of Economy and Finances. This was expected to improve debt data management and to result notably in regular updates of the debt database. Debt management remains weak. Since the DDP has been responsible for debt management, it did not acquire the necessary means to accomplish its mission efficiently. The debt management is supposed to be tracked and monitored by the SYGADE software. However this software has not been fully implemented yet. Consequently, there is no automatic link between the DDP, the department in charge of loans disbursements and the department in charge of payment accountability. Communication among these three departments is not shared through a database, but remains on paper documents. This practice does not allow regular updates in debt statistics or debt strategy simulations. The database of public debt (especially on the external debt of public enterprises) is not updated on a regular basis.

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						Moreover, it weaknesses debt statistics and does not allow an efficient integration of these statistics in the macroeconomic framework. Human resources as well as computer software and hardware remain insufficient. The government is seeking technical and financial assistance from the World Bank and the AfDB in order to improve the debt database as well as the debt-management strategy. Such an improvement is a key issue to allow the government to fully participate in the DSA process and to manage successfully an exit of debt rescheduling after the implementation of the enhanced HIPC Initiative.
Ethiopia	**Legal framework:** lacks somewhat in comprehensiveness but clear, adequate decrees in place and implemented. **Location of debt unit:** Ministry of Finance **Interagency coordination:** Needs some improvement. **Guarantees**: Parliament. **New borrowing:** Parliament	**Coordination:** informal coordination, efficiency could be improved **Debt reports**: comprehensive debt strategy report prepared, ad hoc debt portfolio review prepared, but not comprehensive, DSA prepared before major debt renegotiations, **Public access to debt information**: no public access to debt information	**Strategy:** only loans with 35%grant element **Evaluation** of new borrowing proposals independent of loan portfolio **Improvements:** need clearly defined borrowing policy, and macroeconomic effect of new borrowing must be analyzed prior to	**Coverage:** public, publicly guaranteed and public enterprise debt **Loan disbursements:** occasional delays, information directly from creditors **Debt service:** projections mostly accurate, requiring some revisions, some payment delays but minimal late charges **Debt renegotiations:** designated government team	**Staff and training:** inadequate number of staff to carry out basic debt management functions, training need on debt data management and DSA. **Computer equipment:** shortage of hardware and software **Improvements**	Staff supports the authorities' assessment.

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Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
		Improvements: coordination must be strengthened to ensure timely and adequate flow of information.	contracting new loans	responsible for most negotiations, outcomes generally satisfactory **Improvements:** more training in debt management, more capacity building in debt renegotiation.	include a need for a new debt recording software, training in DSA and debt strategy design	
The Gambia	**Legal framework:** clear but lacks somewhat in comprehensiveness. Decrees are not appropriate and not observed. **Location of debt unit:** Ministry of Finance. **Interagency coordination:** There is a formal committee and good coordination. **Guarantees**: Government. **New borrowing:** approved by Parliament. **Improvements needed** include enactment of loans act to broaden debt unit responsibilities.	**Coordination:** Joint responsibility of Ministry of Finance and Central Bank. Coordination could improve. **Debt reports:** comprehensive annual debt strategy, a portfolio analysis on an ad hoc basis and a yearly DSA reports are produced. **Public access to debt information:** Both the strategy and the portfolio analysis reports are published. There is no law or legal provision requiring publication. **Improvements needed** improve coordination .	**Strategy**: no nonconcessional external borrowing is allowed. **Evaluation** of new borrowing: made independently of existing loan portfolio **Improvements needed** introduce legal framework for borrowing, and guarantees..	**Coverage:** debt unit monitors public and publicly guaranteed debt. **Loan disbursements**: delays happen very often and information mostly from project agencies. **Debt service**: projections quite accurate.. **Debt renegotiations:** Undertaken by ad hoc team. **Improvements needed** : debt unit needs to cover all types of debt.	**Staff and training**: Inadequate number of staff with sufficient training to carry out basic debt management functions. **Computer equipment:** Adequate number of computers but inadequate software tools **Improvements needed:** include more training, more space and better incentives to retain skilled staff.	Progress in handling debt-related issues has been made since 1999 through the acquisition of hardware and software, and staff training, and the reorganization of the debt management department. However, The Gambia's external debt database does not presently cover all debt by public enterprises. As part of the PRGF arrangement, the mandate of the entity responsible for debt management is being extended to include all such debt and government contingent liabilities. Some other weaknesses in processing capacity will, however, remain to be resolved by technical assistance. In addition, The Gambia has been receiving training on debt rescheduling and analysis, and will receive funding for a debt capacity-building advisor
Ghana	**Legal framework:** no law; responsibilities of the debt unit determined by Minister of Finance on an ad hoc basis. **Location of debt unit:**	**Coordination:** regular information exchange with central bank and controller and accountant Senegal's department; infrequent	**Strategy:** new loans strictly concessional, with grant element of 35%. No limits on non-concessional	**Coverage:** public, publicly guaranteed debt; excludes public enterprise debt not explicitly guaranteed. **Loan disbursements:**	**Staff and training:** adequate staff, but need for training in debt strategy and ensure a wider	The Aid and Debt Management Unit (ADMU) maintains external debt statistics in the Commonwealth Secretary/CS-DRMS system. This system is DOS-based and does not

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	Ministry of Finance **Interagency coordination:** informal, could be improved. **Guarantees**: Parliament. **New borrowing:** Parliament with strict coordination of the Aid and Debt Management Unit (ADMU). **Improvements:** adopt legal framework.	coordination **Debt reports:** annual debt strategy report, ad hoc portfolio analysis, no DSA report **Public access to debt information:** no access, reports are not published **Improvement:** capacity to do BOP and fiscal projections, portfolio analysis and DSA	borrowing **Evaluation** of new borrowing: no evaluation, no guidelines. **Improvement:** need to design a comprehensive borrowing policy, systematic appraisal and monitoring of projects	frequent delays, information mostly from creditors **Debt service:** projections quite accurate but some delays in debt service payments **Debt renegotiations:** an ad hoc team is assembled for each debt renegotiation, no external assistance received so far; Paris Club rescheduling needed before PRGF program expires end-November 2002. **Improvements:** Centralize the recording of all debt categories, strengthen debt service forecasting capacity and debt renegotiation skills.	dispersion of skills. **Computer equipment:** Aid and Debt Management Unit has a fairly large stock of computers (between 10 to 15 of the latest generation), proper analytical software and a technical staff made of four people well trained in using the CS-DRMS system. **Improvement:** need training in debt analysis software	provide reliable export function to Windows-based software such as Excel. Even though maintenance of the system is generally good, debt service payments are not always recorded on time (resulting in "system" arrears), while cancellations of loans or disbursements are sometimes not entered at all (resulting in higher debt service projections). This does not seem to be due to a lack of information but rather to a lack of specific guidelines for regular updating of the system. Misreporting to the Fund required introduction of new debt management reporting systems set out in the Technical Memorandum of Understanding (June 2001)
Guinea	**Legal framework:** incomplete and not clear, decrees inadequate and not implemented **Location of debt unit:** Ministry of Finance **Interagency coordination:** through formal committee, but could be improved **Guarantees**: Minister of Finance. **New borrowing:** Parliament. **Improvements:** debt	**Coordination:** bad working relationship, considerable improvements necessary **Debt reports:** annual debt strategy prepared and published, debt portfolio and debt sustainability analysis prepared on ad hoc basis but not published **Public access to debt information:** some access, though no law on	**Strategy:** contracting only concessional loans (35% grant element) **Evaluation** of new borrowing. No evaluation **Improvement:** better control new borrowing by giving adequate mandate to the debt unit	**Coverage:** only direct public debt **Loan disbursements:** only few delays, information directly from creditors **Debt service:** projections quite accurate, annual reconciliation with creditors **Debt renegotiations:** by debt unit, satisfied of results with Paris Club **Improvements:** capacity to negotiate with non-Paris	**Staff and training:** insufficient staff even for basic debt management functions, high turnover, no clear functions nor responsibilities **Computer equipment:** insufficient hardware and software, not adequate for basic	Guinea's external debt is managed by the Ministry of Finance responsible for keeping records of outstanding debts and debt service due. The Ministry of Finance has recently begun to monitor the overall level of debt guaranteed by the government and has improved communications with bilateral creditors. Nevertheless, the computerized debt recording system is outdated and has a number of limitations. The Ministry of Finance has established a wider program to enhance technical

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Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
	management structure, including better definition of responsibilities and mandate	publication of debt information **Improvement:** macroeconomic and debt sustainability analysis, including DSA software.		Club members	debt management	capacity, which should be supported by installation of a modern debt recording system to provide up-to-date information, once donor funding can be secured.
Guinea Bissau	**Legal framework:** comprehensive and clear, decrees in place and implemented **Location of debt unit:** Ministry of Finance **Interagency coordination:** through formal committee, but coordination could be improved **Guarantees**: Ministry of Finance. **New borrowing:** Parliament	**Coordination:** good but infrequent coordination, through formal committee **Debt reports:** annual debt strategy report prepared but not published, ad hoc debt portfolio and DSA **No public access to debt information,** and no law on publication of debt information **Improvement:** coordination and flow of information between services responsible for debt management.	**Strategy:** only concessional loans with 50% grant element **Evaluation** of impact of new borrowing on debt portfolio, but not systematic	**Coverage:** public and publicly guaranteed debt **Loan disbursements:** frequent delays, information mostly from creditors **Debt service:** mostly accurate, some delays in debt service payments **Debt renegotiations:** Ministry of Finance is responsible, received external assistance for negotiation with Paris Club and satisfied with result **Improvements:** office and computer equipment, training of debt unit personnel.	**Staff and training:** sufficient staff with clearly defined responsibilities but limited analytical capacity **Computer equipment:** sufficient hardware but lack of software **Improvement:** need simple debt data management software and training in DSA	Substantial progress has been made since 1999 in improving the debt database and reconciling debt data with creditors. Some deficiencies in data processing still remain, however, and there is room to improve projections on debt service obligations. Training and technical assistance has been provided in many areas of debt management, particularly sustainability analysis, but the country is still in need of both.
Guyana	**Legal framework:** comprehensive and clear, appropriate decrees in place and implemented **Location of debt unit:** Ministry of Finance **Interagency coordination:** through formal committee but needs some improvement **Guarantees**: Minister of	**Coordination:** informal and infrequent, could be improved **Debt reports:** annual debt strategy report and DSA prepared, no debt portfolio report **Public access to debt information:** none of the reports are published	**Strategy:** only concessional loans (45% grant element) and grants to finance development program. **Evaluation** of impact of new borrowing on loan portfolio on ad hoc basis	**Coverage:** public, publicly guaranteed and public enterprise debt **Loan disbursements:** frequent delays, information directly from creditors **Debt service:** projections mostly accurate, regular loan data reconciliation with creditors	**Staff and training:** inadequate number of trained staff (only 3 professionals), but responsibilities clearly defined **Computer equipment:** adequate hardware and software	Past staff-shortage problems have recently been solved and extensive staff-training programs (including on the use of adequate software for debt sustainability analysis) were undertaken in 1999-2000. Additional training to include debt negotiations, debt management tools and macroeconomic modeling and forecasting is envisaged for 2001.

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	Finance. **New borrowing:** Minister of Finance **Improvements** include recruiting and training additional staff	although law requiring publication in place **Improvement:** advanced training in macroeconomic analysis and modeling	**Improvement:** centralize identification of resource mobilization needs and sources of funds in one unit	**Debt renegotiations:** debt unit responsible for most debt renegotiations **Improvements:** more information on debt relief initiatives, continuous training needed as high staff turnover	**Improvement:** need to avoid staff turnover	Coordination of debt management through the establishment (in 1999) of a Debt Strategy Technical Working Group to formulate and implement debt strategy has improved. Some basic problems, however, remain: computer equipment is in short supply and work facilities are still being upgraded.
Honduras	**Legal framework:** comprehensive and clear, decrees in place and implemented **Location of debt unit:** Ministry of Finance **Interagency coordination:** good, through formal committee **Guarantees**: Congress **New borrowing: Congress** **Improvements:** need to improve quality and coverage of debt reports, and reduce time of loan approval process.	**Coordination:** good and frequent, through working group **Debt reports:** annual debt strategy report and DSA are produced **Public access to debt information:** debt report published as required by law, not DSA **Improvement:** formalize coordination between Central Bank, MOF and implementing units, and macroeconomics training needed for debt unit	**Strategy:** overall strategy focusing debt sustainability. There are in fact legally binding constraints on the contracting of public debt: new borrowing can be contracted only if the grant element is at least 35 percent, and the maturity and grace period at least 14 and 6 years, respectively. **Evaluation** of new borrowing: independent of loan portfolio **Improvement:** need training and software for debt analysis	**Coverage:** debt unit covers public, publicly guaranteed and public enterprise debt, private non-guaranteed debt covered by Central Bank **Loan disbursements:** frequent delays, information both from creditors and local implementing agencies **Debt service:** projections very accurate and reliable, regular reconciliation of loan data with creditors **4. Debt renegotiations:** conducted by designated government team, technical assistance received on negotiation strategy for all debt categories, but not satisfied by the results **Improvements:** negotiation capacity, and training and software for analysis.	**Staff and training:** adequate number of trained staff with clear job descriptions and terms of reference, but low debt analysis capacity **Computer equipment:** adequate hardware and software	An explicit strategy to limit external borrowing to concessional borrowing is in place. Debt management is sound and continues to improve. Efforts to get additional debt relief from bilateral creditors, and buy back commercial debt in arrears are also part of the debt management strategy by the Honduran government. Honduras has benefited from substantial technical assistance and continuous training on debt management issues (particularly debt sustainability and negotiations issues) for staff in both the Finance Ministry and the Central Bank
Kenya	**Legal framework:** no law and no decrees **Location of debt unit:** mainly	**Coordination:** poor, infrequent coordination between different units,	**Strategy:** new concessional loans only, systematic	**Coverage:** public and publicly guaranteed debt **Loan disbursements:**	**Staff and training:** insufficient staff (only 5	

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	Ministry of Finance, but debt management spread over more than one agency **Interagency coordination:** poor, no formal committee **State guarantees**: Ministry of Finance. **New borrowing:** Minister of Finance **Improvements** to national loan negotiation and approval procedures, enact a law to publish debt information	scope for major improvements **Debt reports:** no debt strategy report, no DSA, incomplete portfolio review **Public access to debt information:** No access **Improvement:** to prepare adequate public investment plan, improve information on loan negotiations, and take into account linkages of macroeconomic policy and debt management strategy	evaluation of externally financed public investment projects, no short-term external debt, strict limits on non-concessional borrowing **Evaluation** of each new loan proposal against the overall portfolio **Improvement:** borrowing policy, and evaluation of loan proposals	occasional delays, information from creditors and implementing agencies **Debt service:** projections very accurate, regular reconciliation of loan data with creditors. **Debt renegotiations:** No technical assistance received, but satisfied of outcome with Paris Club and commercial creditors. **Improvements:** coordination and information flow between government agencies involved in debt management should be improved.	professionals), but clear job descriptions and terms of reference **Computer equipment:** hardware and software adequate, but lack of analysis software and related training **Improvement:** more capacity-building needed as well as incentives to retain trained personnel	
Madagascar	**Legal framework:** not comprehensive nor clear **Location of debt unit:** Ministry of Finance and Central Bank share debt management functions. **Interagency coordination:** not institutionalized **State guarantees**: Ministry of Finance. **New borrowing:** Parliament **Improvement**: institutional framework to be strengthened	**Coordination:** informal committee, cooperation could be improved **Debt reports:** annual **debt strategy** report prepared but not published**;** portfolio analysis not comprehensive and not published; DSA not regularly prepared, **Public access to debt information**: no access. **Improvement**: Capacity to formulate debt strategy	**Strategy**: defined in PRSP, Annual borrowing limits defined in budget law + policy of no non-concessional borrowing **Evaluation** of new borrowing: independent of the existing loan portfolio **Improvement**: Evaluate the impact of new borrowing on the loan portfolio	**Coverage:** Debt unit monitors public, publicly guaranteed and parastatal debt **Loan disbursements**: Frequent delays, information mostly from creditors **Debt service**: projections accurate and timely payments **Debt renegotiations:** No technical assistance received, satisfied of outcome with Paris Club and commercial creditors, need more information on new debt reduction mechanisms **Improvement**: capacity to	**Staff and training**: Enough staff with clearly defined functions but little analytical capacity **Computer equipment:** lack of hardware and software, debt recording software (DMFAS) installation and training ongoing **Improvement:** Need debt analysis software and associated training	A comprehensive and detailed database on medium- and long-term public and publicly guaranteed debt is in place. Improvement is, however, needed in data processing capacity, debt management techniques and the extension of the current debt database to private and short-term debt. There are plans to set up a new debt management system and train government staff in their use. In addition to this, debt managers will need training in the evaluation of new loans, rescheduling agreements, analysis, strategy and negotiations

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Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
				do a DSA, debt renegotiation techniques.		
Malawi	**Legal framework:** not comprehensive but clear, adequate decrees in place and implemented **Location of debt unit:** Ministry of Finance **Interagency coordination:** frequent coordination through formal committee, but needs improvement **Guarantees**: Minister of Finance. **New borrowing:** Parliament **Improvements :** need a law on issuance of state guarantees, and make all debt management committees operational	**Coordination:** poor coordination, no sharing of information and no management meetings though formal committee exists **Debt reports:** debt strategy report and portfolio analysis prepared occasionally, DSA annually **Public access to debt information:** No access **Improvement:** coordination of macroeconomic policy and debt management	**Strategy:** overall strategy being developed, implicit strategy to borrow only on concessional terms, try to reduce commercial borrowing but only ad hoc limits **Evaluation** of new loan: independent of loan portfolio **Improvement:** need strict limits on new borrowing, capacity to monitor private sector borrowing	**Coverage:** public and publicly guaranteed debt and contingent liabilities **Loan disbursements:** occasional delays, information directly from creditors **Debt service:** projections quite accurate, but some delays in debt service payments **Debt renegotiations:** conducted by debt unit, assistance received for negotiations with all types of creditors and negotiations outcome satisfactory **Improvements:** need a debt policy and operations manual, and to develop an comprehensive debt data base for all categories of debt.	**Staff and training:** inadequate number of trained staff, but clear job descriptions **Computer equipment:** adequate hardware and software **Improvement:** more training and capacity building needed for the newly set up debt unit	There have recently been substantial improvements in debt management capacity, but there are still notable deficiencies in data processing, forecasting and analysis. Reconciliation of the government debt databases between the institutions responsible for them (the Reserve Bank of Malawi and the Ministry of Finance) has still to improve, and a system that allows the government to be proactive in meeting their external debt obligations needs to be developed. Central government monitoring of debt service payments by parastatals needs also to be in place.
Mali	**Legal framework:** Comprehensive and clear law implemented through appropriate decrees. **Location of debt unit:** Ministry of Finance. **Interagency coordination:** very good.	**Coordination:** formal committee and good coordination. **Debt reports**: A portfolio analysis and DSA are prepared annually but. **Public access to debt information:** Very limited	**Strategy** gives priority to investments financed by grants or concessional loans. Non-concessional borrowing subject to strict limits.	**Coverage**: debt unit monitors public and publicly guaranteed debt and parastatal debt. **Loan disbursements**: frequent delays. Information furnished by creditors. **Debt service**: projections are	**Staff and training**: Functions are clearly defined but severe shortage of staff with analytic skills. **Computer equipment**: Adequate	Mali's debt-monitoring system provides for a comprehensive accounting of medium- and long-term public and public-guaranteed debt on a loan-by-loan basis. Nevertheless, there are some areas where improvement is still needed, including data processing capacity,

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
	Guarantees: Minister of Finance. **New borrowing**: Parliament. **Improvements needed** include improved capabilities for handling new financial instruments	; only the DSA is published. **Improvements needed** include improving capacity for macro-economic and budget projections.	**Evaluation** of new borrowing: takes into account the existing debt portfolio. **Improvements needed** include improving capacity to analyze impact of new loans on debt ratios.	accurate. Late payment penalties are uncommon. **Debt renegotiations**: done by the debt unit. Outcomes with Paris Club unsatisfactory but satisfactory with multilaterals. **Improvements needed:** more frequent reconciliation of debt data and better management of domestic debt.	**Improvement:** More training: Debt-pro, CS-DRMS	and the extension of data coverage to include non-guaranteed debt of public and mixed enterprises, private non-guaranteed and short-term debt, so as to provide a comprehensive view of debt obligations. However, the authorities have integrated the debt management function into macroeconomic policy making and are enhancing their ability to make medium-term macroeconomic projections
Mauritania	**Legal framework:** no law governing external debt management. **Location of debt unit:** Ministry of Finance. **Interagency coordination:** needs improvement. **State guarantees**: Minister of Finance. **New borrowing:** Parliament. **Improvements needed** include enactment of law governing management of external debt	**Coordination:** interagency committee, cooperation could be improved **Debt reports:** Portfolio analysis is only partial and unpublished. **Public access to debt information:** No access. **Improvements needed** include incorporating debt service requirements into macro-economic policy framework.	**Strategy**: gives priority to investments financed by concessional loans. Non-concessional loans may be approved on a case by case basis. **Evaluation** of new borrowing: independent of the existing loan portfolio **Improvement**: Evaluate the impact of new borrowing on the loan portfolio	**Coverage:** Debt unit monitors public, publicly guaranteed and parastatal debt and private debt. **Loan disbursements**: Frequent delays, information mostly from creditors **Debt service**: projections mostly accurate and payments generally on time. **Debt renegotiations:** Joint effort of Finance Ministry and Central Bank. Technical assistance received only on strategy. Outcome with Paris Club and commercial creditors is satisfactory. **Improvements needed:** learning from the experience of other countries.	**Staff and training**: Enough staff with clearly defined functions but little analytical capacity **Computer equipment:** sufficient hardware and software but user skills need upgrading. **Improvements needed** include more staff training.	Mauritania's debt management capacity has improved recently, but needs to improve further. Existing debt databases are quite comprehensive, but a better coverage of the debt portfolio of public enterprises is still needed. The different entities responsible for external debt management have made progress in upgrading their software for debt monitoring, and steps are being taken to train staff in its use. Staff have also been trained extensively in debt sustainability analysis and external debt negotiations, and acquired appropriate debt sustainability analysis software. However, coordination among these institutions needs to continue to improve, and a unified debt database needs to be created

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
Mozambique	**Legal framework:** no law specifically governing debt management. **Location of debt unit:** Ministry of Finance and Central Bank **Interagency coordination:** good. **Guarantees**: Council of Ministers. **New borrowing:** Council of Ministers **Improvements needed** include unification of debt management function in one agency	**Coordination:** Shared between Ministry of Finance and Central Bank. Good working relationship **Debt reports:** portfolio review done on ad hoc basis. DSA prepared for debt renegotiations. **Public access to debt information:** No access **Improvements needed** include better control of off-budget expenditures.	**Strategy**: Budget law restricts new borrowing to concessional loans only. **Evaluation** of new borrowing: take into account existing loan portfolio.	**Coverage:** Debt unit monitors government and government-guaranteed debt only. **Loan disbursements**: occasional delays. Information provided by creditors. **Debt service** projections are very accurate and payments are only occasionally delayed. **Debt renegotiations** Joint effort of Finance Ministry and Central Bank. Technical assistance received on commercial debt buy-back. Outcome of Paris Club and multilateral debt renegotiations are generally satisfactory. **Improvements needed** include technical assistance for comprehensive debt management strategy.	**Staff and training**: Clearly defined functions but severe shortage of trained staff. **Computer equipment:** sufficient hardware and software. **Improvements needed** include more qualified and trained staff.	The debt database is generally adequate for debt monitoring purposes, but some basic problems needs to be addressed. These include staff training in the uses of debt recording software, updating of the database (a number of loans already forgiven by creditors are still in the database) and closer monitoring of debt service payments falling due so that these are made on a timely basis. A more flexible software for debt monitoring is also needed. Mozambique has received some limited training in debt sustainability analysis but a much wider training program is required to offset problems of staff turnover.
Nicaragua	**Legal framework:** Law governing external debt management is clear but not comprehensive. **Location of debt unit:** Ministry of Finance and Central Bank. **Interagency coordination:** needs improvement. **Guarantees**: President of the	**Coordination:** Shared between Ministry of Finance and Central Bank. Good working relationship. **Debt reports:** No portfolio analysis but DSA updated annually. **Public access to debt information:** No access **Improvements needed**	**Strategy**: New borrowing restricted to loans on concessional terms only. **Evaluation** of new borrowing: independent of the existing loan portfolio	**Coverage:** Debt unit monitors public, publicly guaranteed and public enterprise debt and private non-guaranteed debt. **Loan disbursements**: Occasional delays, information obtained from project implementing agencies. **Debt service**: projections	**Staff and training**: Sufficient staff and functions are clearly defined. **Computer equipment:** sufficient hardware and software. **Improvements needed** Include upgrading DMFAS	A 1998 law created a technical debt committee to consolidate debt management responsibilities and improve inter-agency coordination on debt management, and shifted the core responsibility for debt management from the Central Bank of Nicaragua toward the Ministry of Finance. The law has not yet been fully implemented. Consistency between public sector borrowing and

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
	Republic. **New borrowing:** Parliament. **Improvements needed** includes interagency coordination.	include strengthened link between DSA and macroeconomic programming.	**Improvements needed** include explicit definition of external borrowing policy.	very accurate but payments constrained by limited debt service capacity. **Debt renegotiations:** Joint effort of Finance Ministry and Central Bank. Technical assistance received on commercial debt. Outcome of debt renegotiations are generally satisfactory. **Improvements needed** include updating debt renegotiating strategy.	software.	macroeconomic polices has been enhanced, and new borrowing conforms with the required degree of concessionality. Nicaragua has recently received considerable capacity-building assistance on many aspects of debt management, and as a result is relatively well equipped to carry out debt analysis and strategy formulation, although it would still benefit from a stronger linkage between such analysis and macroeconomic programming
Niger	**Legal framework:** no law governing external debt management. **Location of debt unit:** Ministry of Finance. **Interagency coordination:** poor. **Guarantees**: National Assembly. **New borrowing:** Ministry of Finance. **Improvements needed** include enactment of law governing management of external debt	**Coordination:** largely through external assistance. **Debt reports:** Portfolio analysis and DSA done only before debt renegotiations **Public access to debt information:** No access. **Improvements needed** include better coordination between Ministry of Finance and Central Bank (BCEAO)	**Strategy**: International agreements limit new borrowing to highly concessional loans. **Evaluation** of new borrowing: done in context of existing loan portfolio **Improvements needed** include establishment of external debt policy committee.	**Coverage:** Debt unit monitors public and publicly guaranteed debt. **Loan disbursements**: Some delays, information from both creditors and project agencies. **Debt service**: projections are unreliable and payments often delayed. **Debt renegotiations:** Finance Ministry is responsible. Technical assistance received and outcome with Paris Club and multilateral creditors is satisfactory. **Improvements needed** include better access to information on financial markets.	**Staff and training**: Sufficient staff but ill-defined functions and inadequate training. **Computer equipment:** Serious shortage of hardware and software. **Improvements needed** include better equipment and more staff training.	An outdated mainframe system still in use for debt recording is an obstacle to adequate debt management, as it is unable to project debt data, prone to data-entry error, not user-friendly, and intensive in training. The system is also incompatible with other ministerial platforms. Niger has adequate systems for coordination of debt management and has received considerable training in debt sustainability analysis and debt negotiations. However. apart from replacing the current debt database system (for which government is already in search of donor financing), progress in debt management will also require additional staff training on analysis, and improved office space for staff.
Rwanda	**Legal framework:** no law governing external debt	**Coordination:** The Ministry of Finance and the	**Strategy**: gives priority to	**Coverage:** Debt unit monitors public and publicly	**Staff and training**: Enough staff with	There have recently been improvements in debt management

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
	management. **Location of debt unit:** Ministry of Finance. **Interagency coordination:** good **Guarantees**: Parliament. **New borrowing:** Minister of Finance **Improvements needed** include enactment of law governing management of external debt	Central Bank both make independent projections. **Debt reports:** Portfolio analysis is done. DSAs are not regularly undertaken. **Public access to debt information:** No access **Improvements needed** include improving database for debt analysis.	investments financed by concessional loans. **Evaluation** of new borrowing: done within context of existing loan portfolio **Improvements needed** include better assessing the macroeconomic impact of new loans.	guaranteed debt. **Loan disbursements**: Frequent delays, information mostly from project implementation agencies **Debt service**: projections mostly accurate and payments generally on time. **Debt renegotiations:** Finance Ministry is responsible. No technical assistance received. Outcome with Paris Club is satisfactory but not with commercial debt. **Improvements needed** include improved negotiating strategy	clearly defined functions but little analytical capacity **Computer equipment:** sufficient hardware and software but user skills need upgrading. **Improvements needed** include more staff training.	capabilities, but these are still far from adequate. Software and hardware for basic debt management are in place, but human resources are a constraint. Rwanda has recently begun to benefit from a comprehensive program of staff training and technical assistance on debt management, which will enhance basic debt management capacity, including data reconciliation with creditors, data quality and timeliness, and debt sustainability analysis and negotiation skills
São Tomé	**Legal framework:** clear and comprehensive **Location of debt unit:** Ministry of Finance and Central Bank **Interagency coordination:** needs improvement. **State guarantees**: Government. **New borrowing:** inter-ministerial committee	**Coordination:** Committee of Central Bank and Ministry of Finance functions well. **Debt reports:** Annual portfolio analysis and DSA are both prepared. **Public access to debt information:** Annual portfolio analysis and DSA are both published. **Improvements needed** include earmarking revenues to cover debt service.	**Strategy**: gives priority to investments financed by grants or concessional loans. **Evaluation** of new borrowing: done within context of existing loan portfolio **Improvements needed** include greater focus on concessionality.	**Coverage:** Debt unit monitors only direct government debt. **Loan disbursements**: Frequent delays, information mostly from project executing agencies. **Debt service**: projections mostly accurate. Occasional delays in service payments. **Debt renegotiations:** Responsibility of Finance Ministry. Technical assistance received on bilateral and multilateral renegotiations. No response on outcomes. **Improvements needed** include improving	**Staff and training**: Enough staff with clearly defined functions but insufficient analytical capacity **Computer equipment:** Hardware is seriously deficient. Software is adequate. **Improvements needed** No response.	The Ministry of Finance is legally responsible for debt management, and has in the last two years made major progress in transferring this capacity from the Central Bank of São Tomé and Príncipe, having benefited from extensive capacity-building and training assistance in operational debt management and debt sustainability analysis. To improve inter-institutional coordination, a debt management committee (and its attendant technical group) were created in 1999. The Central Bank and Ministry of Finance have recently acquired adequate software for debt sustainability analysis simulations and staff has been trained in its use.

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
				negotiating capacity with non-Paris Club bilaterals.		The current database provides relatively accurate debt stock data and service projections, but it would be desirable to reinstall a superior system acquired in 1998 in order to make data more precise. This will require further technical assistance.
Senegal	**Legal framework:** clear and comprehensive **Location of debt unit:** Ministry of Finance. **Interagency coordination:** needs improvement. **Guarantees**: Minister of Finance. **New borrowing:** Minister of Finance **Improvements needed** include better coordination between Ministry of Finance and Central Bank (BCEAO)	**Coordination:** Shared between national agencies and BCEAO. **Debt reports:** Portfolio analysis is undertaken as needed. DSAs are occasional. **Public access to debt information:** Limited access. Only the portfolio analysis is published. **Improvements needed** No response	**Strategy**: gives priority to investments financed by concessional loans. **Evaluation** of new borrowing: independent of the existing loan portfolio **Improvements needed** include involvement of Debt Unit in new loan negotiations.	**Coverage:** Debt unit monitors public and publicly guaranteed debt. **Loan disbursements**: Delays are infrequent. Information provided by creditors **Debt service**: projections mostly accurate and payments generally on time. **Debt renegotiations** are the responsibility of the Debt Unit. Technical assistance received on Paris Club and commercial debt. Outcome with Paris Club and commercial creditors is satisfactory. **Improvements needed** include better information technology.	**Staff and training**: Enough staff with clearly defined functions but insufficient analytical capacity **Computer equipment:** Hardware is seriously deficient. Software is adequate for needs but user skills need upgrading. **Improvements needed** No response	The current system used for debt recording cannot provide adequate projections, is too complicated to use, and needs to be upgraded or replaced. Work has been under way on the creation of a new computerized database, although the materialization of this will depend on finding financing to cover start-up costs and a new server. The staff in charge of public debt management needs to be increased in number; training for new and existing staff is also needed. Although some debt management training has been recently provided and more is planned, and a debt strategy simulation tool has been acquired, a comprehensive debt management program has still to be established.
Sudan	**Legal framework:** no law governing external debt management. **Location of debt unit:** Central Bank. **Interagency coordination:**	**Coordination:** Joint responsibility of Ministry of Finance and Central Bank. Coordination could improve	**Strategy**: Guidelines issued on annual basis. **Evaluation** of new borrowing: made within context of	**Coverage:** Debt unit monitors all external debt including private debt and contingent liabilities. **Loan disbursements**: Occasional delays,	**Staff and training**: Enough staff with clearly defined functions aided by operational manual. **Computer**	Sudan's debt management capacity has improved with the establishment of a well organized debt management unit at the central bank. A detailed debt database has been built up using the UNCTAD's DMFAS system, and

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
	needs improvement. **Guarantees**: Minister of Finance. **New borrowing:** approved by Minister of Finance. **Improvements needed** include enactment of law governing management of external debt	**Debt reports:** Portfolio analysis (occasional) and DSA (annual) both prepared. **Public access to debt information:** Portfolio analysis and DSA both published. **Improvements needed** include analysis of project financing on economic performance and better DSA model.	existing loan portfolio **Improvements needed** include upgrading loan analysis and negotiating skills.	information mostly from both creditors and local project agencies. **Debt service**: projections fairly accurate but payments frequently delayed.. **Debt renegotiations:** Undertaken by Finance Ministry and Debt Unit staff. No technical assistance received and outcome with all creditors is unsatisfactory. **Improvements needed** include technical assistance.	**equipment:** sufficient hardware but inadequate software **Improvements needed** include acquisition of DSM+ and Debt Pro.	debt data are reconciled with creditors on a regular basis. One of the main areas that need improvement is the coordination between the finance ministry and the central bank's debt management unit, in particular with regard to the reconciliation of scheduled versus actual payments and disbursements.
Tanzania	**Legal framework:** comprehensive and clear. Appropriate decrees observed and implemented. **Location of debt unit:** No single responsible agency (Central Bank and ministry of finance). **Interagency coordination:** good**.**. **Guarantees**: Minister of Finance. **New borrowing:** Inter-ministerial committee. **Improvements needed** : improve coordination and flow of information between agencies.	**Coordination:** led by the Central bank and ministry of finance. Good coordination. **Debt reports:** comprehensive annual debt strategy, comprehensive portfolio analysis on an ad hoc basis and a DSA before major debt renegotiations are produced **Public access to debt information:** all reports are published even if there is no law or legal provision requiring that. **Improvements needed** include preparation of regular portfolio analysis.	**Strategy**: debt service should not exceed 15% of the average annual forex earnings of the preceding three fiscal years. **Evaluation** of new borrowing: independent of the existing loan portfolio **Improvements needed** include training to enhance negotiations skills.	**Coverage:** Debt unit monitors all categories. **Loan disbursements**: delays happen occasionally **Debt service**: projections very accurate. **Debt renegotiations:** Undertaken by a designated government team from different ministries. **Improvements needed** include upgrading skills for negotiations.	**Staff and training**: adequate number of staff but with only rudimentary capacity to produce debt analysis. **Computer equipment:** Adequate number of computers and softwares **Improvements needed** Include establish link between CS-DRMS and Debt pro, and retain skilled staffs.	The country's debt management capacity has improved substantially in recent years. Progress has been made in data processing so as to ensure the comprehensiveness and accuracy of the database on external debt. The entities responsible for debt management now have up-to-date hardware and software, including adequate systems for debt sustainability analysis. Recent efforts to further improve debt management have sought to strengthen coordination among government agencies, as well as to ensure that external disbursements and payments are recorded and processed on a timely basis. As a result of a rigorous training program, the country has the capacity to conduct its own debt sustainability analyses. This complements its proven

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
						capacity to both, renegotiate the existing debt and secure new borrowing on highly concessional terms.
Togo	**Legal framework:** no law governing external debt management. **Location of debt unit:** No single responsible agency. **Interagency coordination:** poor. **Guarantees**: Minister of Finance. **New borrowing:** Minister of Finance. **Improvements needed** include enactment of legal framework governing management of external debt	**Coordination:** Multiple agencies responsible. IMF and IBRD policy reviews are key occasions for policy analysis. **Debt reports:** No regular portfolio analysis or DSA is undertaken. **Public access to debt information:** No access. **Improvements needed** include in budgetary and monetary management.	**Strategy**: Agreement with IMF restricts external finance to grants or concessional loans. **Evaluation** of new borrowing: independent of the existing loan portfolio **Improvements needed** include defining a strategy for new borrowing.	**Coverage:** Debt unit monitors public and publicly guaranteed debt. **Loan disbursements**: Frequent delays, information from creditors **Debt service**: projections mostly accurate but payments are frequently late.. **Debt renegotiations:** Undertaken by ad hoc inter-ministerial teams. Technical assistance received on commercial debt. Outcome with Paris Club and commercial creditors is satisfactory. **Improvements needed** include upgrading skills for DSA and renegotiations.	**Staff and training**: Insufficient staff but clearly defined functions. **Computer equipment:** Insufficient hardware but software is adequate **Improvements needed** Include hiring and training more staff.	
Uganda	**Legal framework:** clear but not comprehensive **Location of debt unit:** No single agency responsible **Interagency coordination:** good. **Guarantees**: Parliament. **New borrowing:** Parliament **Improvements needed**	**Coordination:** interagency committee assisted by IMF and IBRD. **Debt reports:** Portfolio analysis is produced occasionally and a DSA annually. **Public access to debt information:** No access.	**Strategy**: Official debt strategy sets ceiling on commercial borrowing. All other borrowing must be on terms comparable to IDA. **Evaluation** of new	**Coverage:** Debt unit monitors public and publicly guaranteed debt. **Loan disbursements**: Frequent delays, information mostly from creditors but also from project agencies. **Debt service**: projections mostly accurate and	**Staff and training**: Enough staff with clearly defined functions but insufficient analytical capacity, especially in risk management. **Computer equipment:**	Uganda's Constitution mandates that all public borrowing be channeled through the Ministry of Finance, Planning and Economic Development (MFPED) and be approved by Parliament. In addition, each development proposal, whether financed through loans or grants, must be scrutinized to determine if

SUMMARY OF COUNTRY RESPONSES TO DEBT MANAGEMENT QUESTIONNAIRE						FUND/BANK STAFF ASSESSMENT
Country	**Legal and Institutional Arrangements**	**Coordination with Macroeconomic Policies, DSA**	**New Borrowing Policy**	**Basic Debt Management Functions**	**Human and Technical Resources**	
	include better legal representation in debt negotiations.	**Improvements needed** includes establishing a capability in risk management.	borrowing: independent of the existing loan portfolio **Improvements needed** include incorporation of private external debt and domestic debt into DSA.	payments generally on time. **Debt renegotiations:** Joint effort of Finance Ministry and Central Bank. No technical assistance received. Outcome with Paris Club is satisfactory but not with commercial creditors. **Improvements needed** include upgrading negotiating skills.	sufficient hardware but software needs upgrading. **Improvements needed** include more staff training.	its objectives meet the development and antipoverty goals as expressed in the Poverty Eradication Action Plan. At present, debt management is housed within the Bank of Uganda (BOU). Transactions are tracked through the UNCTAD computerized system by the debt management unit within the BOU.
Vietnam	**Legal framework:** no law governing external debt management. **Location of debt unit:** Ministry of Finance and State Bank of Vietnam. **Interagency coordination:** needs improvement. **Guarantees**: Minister of Finance and State Bank of Vietnam. **New borrowing:** Parliament **Improvements needed** include enactment of law governing management of external debt	**Coordination:** interagency committee, cooperation could be improved **Debt reports:** Portfolio analysis is only partial. **Public access to debt information:** No access. **Improvements needed** include incorporating debt service requirements into macro-economic policy framework.	**Strategy**: gives priority to investments financed by concessional loans. Non-concessional loans may be approved on a case by case basis. **Evaluation** of new borrowing: independent of the existing loan portfolio **Improvement**: Evaluate the impact of new borrowing on the loan portfolio	**Coverage:** Debt unit monitors public, publicly guaranteed and parastatal debt and private debt. **Loan disbursements**: Frequent delays, information mostly from creditors and Ministry of Finance. **Debt service**: projections mostly accurate and payments generally on time. **Debt renegotiations:** Joint effort of Finance Ministry and Central Bank. Technical assistance received only on strategy. Outcome with Paris Club and commercial creditors is satisfactory. **Improvements needed** include learning from the experience of other countries.	**Staff and training**: Enough staff with clearly defined functions but little analytical capacity **Computer equipment:** sufficient hardware and software but user skills need upgrading. **Improvements needed** include more staff training.	Generally satisfactory maintenance of debt data; however, the forthcoming DSA will provide better assessment.

Providers of Technical Assistance and Capacity Building in External Debt Management

Concerns about debt management capacity in middle- and low-income countries started to emerge following the 1980s debt crisis, triggered by Mexico's default in 1981. The most urgent perceived need at the time was for a computerized debt data recording system. [1] The first institutions to provide assistance in this area were universal institutions such as the United Nations, and more specifically UNCTAD, in 1982, followed by the Commonwealth Secretariat in 1985. The launch of the HIPC Initiative in 1996 focused attention specifically on the debt burden of low-income countries, characterized by overall weak institutional and implementation capacity. The requirements of the HIPC process in order for a country to obtain debt relief (debt data consolidation and reconciliation, debt renegotiation with all different types of creditors) motivated some donors to establish a technical office (Debt Relief International – DRI) with the specific mandate to build HIPCs' capacity in debt strategy and analysis. Active since the beginning of the HIPC Initiative, DRI is progressively transferring its expertise to a group of four regional organizations in Africa and Latin America (MEFMI, Pôle-Dette, WAIFEM, CEMLA). These organizations count most, but not all HIPCs, as part of their membership. The rest of this appendix provides short descriptions of most of the agencies currently active in debt management technical assistance and capacity-building, distinguishing between "universal" and regional institutions.

I. Universal Providers

The Commonwealth Secretariat

The Commonwealth is a voluntary association of 54 diverse, independent states, consulting through a largely informal network of governmental and non-governmental links. The Commonwealth Secretariat has been implementing, since 1985, an integrated programme of assistance in various areas of debt management, including debt data recording, through the provision of the Commonwealth Secretariat Debt Recording and Management System (CS-RMS). To date, over 50 Commonwealth and on-Commonwealth countries have been benefiting from the program, including 12 HIPCs.[2] A new and fully-windows based version of the debt system, CS-DRMS 2000+, was launched in October 2001, and will be installed in user countries during 2002. Taking advantage of the latest technology, the new system provides enhanced facilities that would allow countries, including HIPCs, to record, report, analyze and manage various types of debt flows—external and domestic; medium/long-term and short-term; public and private—in an integrated manner. It also comes with a powerful

[1] It was felt part of the problem at the time was the lack of information of creditors and debtors about the exact amounts and maturity structure of debt, and that a comprehensive, computerized debt data recording system would be the first priority.

[2] Benin, Cameroon, The Gambia, Ghana, Guyana, Kenya, Lao P.D.R., Malawi, Mali, Mozambique, Sierra Leone, Tanzania.

analytical (Management Tools) module and provides links to the World Bank's Debtor Reporting System (DRS), DSA software packages –DSM+ and Debt Pro, and countries' budget systems through a disbursement and accounting interface.

Debt Relief International (DRI)

DRI is a non-profit organization funded by five European governments (Austria, Denmark, Sweden, Switzerland and the United Kingdom). DRI was established in 1997 to run a programme to build the capacity of the governments of the Heavily Indebted Poor Countries (HIPCs) to manage their own debt strategy and analysis, without having to rely on international technical assistance. DRI assists governments in many different ways such as demand assessment, debt strategy workshops, training in capacity building, and HIPC Ministerial and technical network. Its aims are to hand over the implementation of the programme to regional partner organizations which are owned and run by the HIPC governments themselves. These include the Pôle-Dette for Francophone Africa, CEMLA for Latin America, MEFMI for Anglophone Eastern and Southern Africa, and WAIFEM for Anglophone West Africa. There are plans underway in consultation between the CBP partners and ACBF to establish some form of unit for coordinating assistance to PALOPs (African countries whose official language is Portuguese), and to integrate other African countries more closely with existing regional institutions.

International Development Research Center (IDRC) and Agence Intergouvernementale de la Francophonie (AIF)

The International Development Research Center is a public corporation created in 1970 by the Canadian government to help developing countries find long-term solutions to the social, economic, and environmental problems they face. Until 1999, IDRC has been offering technical assistance to francophone countries using the Commonwealth Secretariat's Debt Recording and Management System (CS-DRMS). Following agreements signed in 1997, between IDRC and L'Agence Intergouvernementale de la Fancophonie (AIF),[3] the latter has taken over the responsibility for implementing the French language versions of CS-DRMS.

In collaboration with the Commonwealth Secretariat, AIF/IDRC organized a Regional upgrading Workshop on Debt Management Tools which included 46 participants in West and Central Africa as well as four regional institutions. The Workshop introduced CS-DRMS software and other debt management tools from regional and continental institutions dealing with economic, monetary and financial problems. With AIF's assistance, the Commonwealth Secretariat is currently developing the French language version of the new CS-DRMS 2000+ which will be released to Francophone user countries in 2002.

[3] L'Agence Intergouvernementale de la Francophonie (AIF) is the agency responsible for the implementation of programs adopted by Heads of State and Government during the Summit of the International Organization of he Francophonie (OIF).

United Nations Conference on Trade and Development (UNCTAD)

Established in 1964 as a permanent intergovernmental body, UNCTAD is the principal organ of the UN General Assembly dealing with trade, investment and development issues. UNCTAD has 191 member states. In the area of international finance, UNCTAD provides technical and advisory support to the intergovernmental group of developing countries (G-24) in the negotiations and discussions with the World Bank and the International Monetary Fund, and with donor countries, including the Paris Club creditors. In 1982, UNCTAD designed a computer-based debt management and financial analysis system (DMFAS) programme to help countries manage their external debt. The DMFAS programme currently provides services to around 60 countries, 22 of which are HIPCs.[4] More than half of the HIPCs using the DMFAS system already use their debt databases to analyze and report on public debt electronically, while others are just about to enter into this stage.

United Nations Institute for Training and Research (UNITAR)

UNITAR was developed in 1963 as an autonomous body within the United Nations with a mandate to enhance the effectiveness of the UN through training and research. UNITAR provides workshop on legal aspects of debt and financial management. The main objective is to demonstrate the importance of the legal aspects and the role of the lawyer in the borrowing process and in negotiating loan agreements.

The World Bank

The World Bank has been involved in debt management capacity building through a number of interventions ranging from organizing global, regional, and in-country training workshops to advisory functions to institutional capacity building projects. In collaboration with other international financial institutions and agencies, it has also been active in establishing international standards, representing good or best practice, in the management, monitoring and measurement of debt.

The Public Debt Management Group in the Treasury Vice Presidency has been involved in a number of programs of capacity building for HIPC and other IDA countries, carried out in partnership with regional institutions, primarily MEFMI but more recently Pôle-Dette. Training courses have often focused on risk modeling for sovereign liabilities portfolios, establishing a framework for debt management strategies, cash and reserve management, and in outreach for Debt Management Guidelines. Technical assistance in improving the coverage and quality of debt statistics has been an essential component of Bank technical assistance programs in public debt management in several countries. Support has also been

[4] HIPCs using the DMFAS system: Angola, Bolivia, Burkina Faso, Burundi, Central African Rep., Chad, Côte d'Ivoire, Ethiopia, Guinea Bissau, Honduras, Madagascar, Mauritania, Nicaragua, Rwanda, São Tomé and Príncipe, Senegal, Sudan, Togo, Uganda, Vietnam, Yemen, and Zambia.

provided through Bank-sponsored technical assistance activities financed by loans, grants[5] or grants from Bank-administered trust funds[6]. These activities have aimed to respond to the specific needs and priorities identified by member countries. Programs have been both organized on a country or regional level where a common approach can be effective. Technical assistance activity in debt statistics is likely to cover a wide range of items, including organizational structure of the national debt office, data collection methods, database management systems, data needs for strategic debt management, dissemination practices, and training of debt office staff.

Through formal partnerships with UNCTAD and ComSec, the Development Economics Data Group of DEC has collaborated in giving training workshops at regional and country levels. These workshops have covered the entire spectrum of Technical Assistance activities from loan data reconciliation and data preparation, to debt strategy analysis including its impact in a macro-economic framework. While UNCTAD and ComSec, through their systems, assist in the data preparation, the Bank's Data Group assists these countries in creating simulations of debt restructurings, interest and exchange rate shocks, and linkages to macro-economic models.

Together with Fund staff, the HIPC Unit of the Bank has also provided advice and support to HIPCs' debt units in the preparation of *Debt Sustainability Analyses* by providing guidance in the loan-by-loan reconciliation of public external debt stocks.

One key dimension of technical assistance has been establishing international standards that represent good or best practice. Two guidelines the Bank and the Fund have contributed to in this regard are the "Guidelines for Public Debt Management" referred to earlier and the "External Debt Statistics: Guide for Compilers and Users" developed by an Inter-Agency Task Force which included the Bank and Fund.[7] These standards have been developed with input from debt offices, central banks and ministries of finance in developed and developing countries. Such standards have been widely disseminated through regional workshops and via the internet.

A final area where assistance has been provided is debt and financial reporting. For over 50 years, member countries have been reporting public and publicly guaranteed debt to the Bank which has compiled and published this debt data more recently in the publication, Global Development Finance. The Bank has provided training on the reporting of debt into such a system. It has also generated an annual report—"Status of Countries' Debt Reporting"—on the quality of countries' reporting of public and publicly guaranteed debt.

[5] The Bank's Institutional Development Fund (IDF) was established in 1993 to provide technical assistance grants for institutional development not directly linked to the lending operations.

[6] Includes trust funds that finance advisory services and technical assistance. In 2000, bilateral donors established the Trust Fund for Statistical Capacity Building, a global technical assistance facility which the Bank manages on behalf of donors.

[7] See IMF "External Debt Statistics: Guide for Compilers and Users"
http://www.imf.org/external/pubs/ft/eds/Eng/Guide/file7.pdf

Country participation in the IMF General Data Dissemination System has also been found to assist in debt management.

II. Regional Organizations

Center for Latin American Monetary Studies (CEMLA)

CEMLA was formed by 47 institutions in 1952. The Center's objective is to promote a better understanding of monetary and banking matters, the pertinent aspects of fiscal policy and their relation with the economy Latin America and the Caribbean. To fulfill this aim, the Center assist in improving the qualifications of central bank and other financial agencies personnel in Latin America and the Caribbean through the organization of seminars and special training courses and the publication of surveys and research studies.

In 1999, with the collaboration of Debt Relief International, CEMLA established a "National Debt Strategy Workshop." The workshop provided a development program for professional technicians, and technical assistance on financial electronic data systems.

Macroeconomic & Financial Management Institute of Eastern and Southern Africa (MEFMI)

MEFMI is a regionally owned institute with 10 member countries: Angola, Botswana, Lesotho, Malawi, Namibia, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe. MEFMI strives to improve sustainable human and institutional capacity in the critical areas of macroeconomics and financial management. MEFMI's objectives consist of: building sustainable capacity in identified key areas in Central Banks, Ministries of Finance and Planning Commissions; reducing excessive dependence on very costly overseas expertise; fully benefiting from synergies and advantages of symbiosis entailed in collaborative action.

MEFMI provides a Debt Management Programme that focuses on:

- National plans for strengthening external and domestic debt management;
- Appropriate structures to undertake external and domestic debt management functions;
- Reliable computerized debt recording systems to provide timely, consistent and accurate data (including projections) on external and domestic debt stocks and flows;
- Regular portfolio analyses of external debt; optimal and sustainable external debt strategies consistent with broader macroeconomic policy objectives;
- Effective negotiating capacity in support of external debt strategies;
- Correct procedures and practices for external debt servicing;
- An ability to supply effective policy analysis and formulation on domestic and external financing of central government deficits.

Pôle-Dette (Regional Debt Management Training Center of Central and Western Africa)

The Pôle-Dette has been established in January 2000 by BEAC and BCEAO[8] as well as a group of other donors[9] to provide capacity-building in debt management to all BCEAO and BEAC member states as well as Guinea and Mauritania. It has worked closely with DRI and offered a number of workshops on different areas of debt management (e.g., debt strategy, legal and institutional aspects, macro-projections and poverty reduction), as well as has conducted demand assessment mission in member countries.

West African Institute for Financial and Economic Management (WAIFEM)

WAIFEM's main objective is to strengthen capacity for macro-economic and financial management in the constituent countries. Its member countries includes The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone. All WAIFEM countries suffer from insufficient capacity for macroeconomic modeling, forecasting and links with poverty reduction. In response to the countries debt crisis, WAIFEM implemented the Capacity Building Programme (CBP). The CBP seeks to strengthen capacity in managing both external and domestic debt, improve the skills and knowledge required in the areas of policy formulation and management of the financial sector, and macroeconomic policy analysis and management.

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[8] Respectively Bank of Central African States and Central Bank of Western African States. Established in 1973 BEAC's members include Cameroon, Central African Republic, Chad Republic of Congo, Gabon, and Equatorial Guinea. BCEAO was created in 1962 and members includes Benin, Burkina Faso, Guinea Bissau, Côte d'Ivoire, Mali, Niger, Senegal, and Togo.

[9] DRI, African Capacity Building Foundation, the EU, and Switzerland.