

12th UNCTAD Debt Management Conference

Making debt work for development

18–20 November 2019
Palais des Nations, Geneva

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD



Strengthening Debt Management: Support from the International Community

by

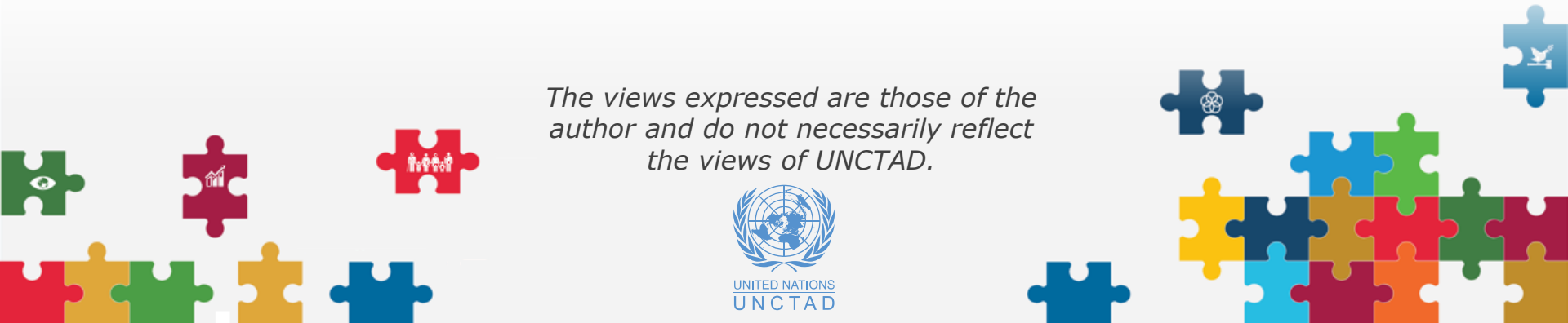
Mr. Stanislas Nkhata

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

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



UNITED NATIONS
UNCTAD



Strengthening Debt Management: Support from International Organisations

Stan Nkhata

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

**12th UNCTAD Debt Management
Conference**

18 – 20 November 2019, Geneva

Outline

- Profile of MEFMI
- MEFMI's focal areas in debt management
- Progress and weaknesses in debt management
- Critical factors for effective technical assistance
- Summary

Profile of MEFMI

- MEFMI is an inter-governmental organisation with 14 member countries: *Angola, Botswana, Burundi, Kenya, Lesotho, Malawi, Mozambique, Namibia, Tanzania, Rwanda, Eswatini, Uganda, Zambia, and Zimbabwe.*



Profile of MEFMI

- Its mandate is to build sustainable human and institutional capacity and foster best practices for prudent macroeconomic and financial management in Central Banks, Ministries of Finance and Planning and other relevant institutions with the objective of supporting economic growth and poverty reduction.
- MEFMI delivers technical assistance through regional training, in-country workshops and missions, targeting junior, mid level and senior technical officials.
- It also organises executive fora for senior officials, including permanent secretaries, Ministers of Finance/Planning and central bank governors

Debt Management (DeM) Work at MEFMI

- MEFMI provide technical assistance to member countries that cut across the spectrum of debt management, from contraction to maturity
 - ✓ **Front office operations:** (resource mobilization);
 - ✓ **Middle Office:** (Debt policy & strategy formulation & implementation; Debt sustainability analysis, debt portfolio reviews and risk management;
 - ✓ **Back office:** Debt Statistics and Reporting: Use of computer-based debt management systems ie DMFAS and CS-DRMS;
 - ✓ **Legal & Institutional arrangements,** including debt office procedures;
- MEFMI's DeM partners: IMF, World Bank, UNCTAD DMFAS Programme, COMSEC, African Capacity Building Foundation, UNITAR, OECD, DFI etc.

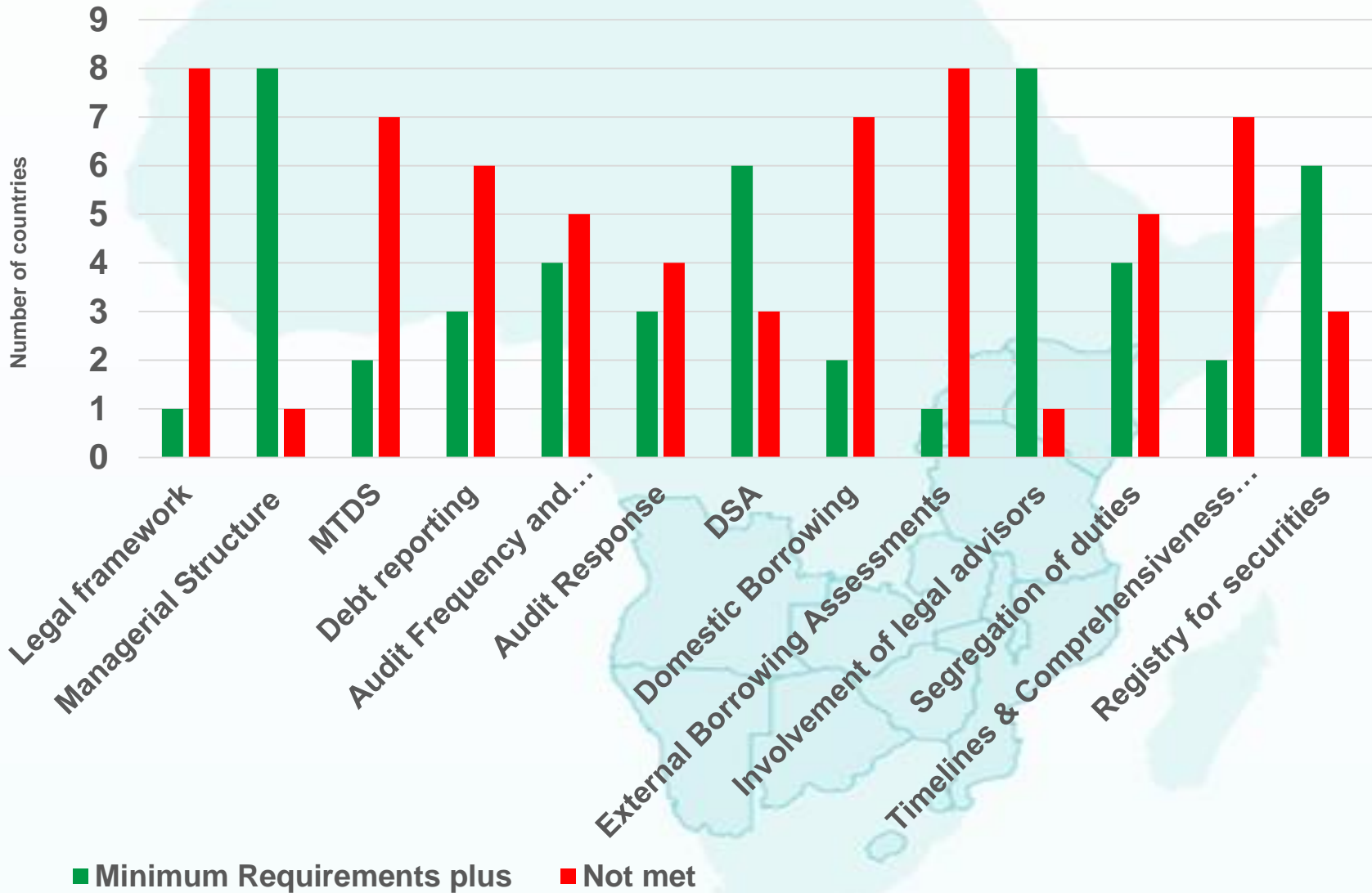
Achievements in debt management.....

- Progress has been made in building capacity of member countries in some, especially:
 - Managerial structure for debt management
 - Computerised databases on central government debt
 - Registry for government securities
 - Involvement of legal advisors in debt negotiations
 - Conducting debt sustainability analysis
 - Preparation of debt management strategies (availability)

However, gaps exist....

- Despite these achievements, debt management performance assessments (DeMPA) conducted in recent years show weaknesses in the following areas
 - Existence, coverage and content of legal framework
 - Low quality of debt management strategies. In some cases, these are not updated regularly
 - Lack of compliance and performance audits of debt management operations
 - Undeveloped domestic debt markets
 - Weak debt reporting
 - Lack of detailed analysis of new financing options, particularly in the wake of new lenders
 - Capacity on debt contraction
 - Use of debt proceeds?

Status of debt management performance in MEFMI member countries



What are the key factors for effective delivery of TA?

- **Need for TA providers to collaborate and leverage on each others comparative advantages**
 - By pulling together resources (whether financial or human) cost of TA is reduced
 - Blending regional and international experiences/practices
- **In-country capacity building activities**
 - While regional training activities are important for wider coverage at regional level, in-country workshops and missions are effective because they address country specific issues
 - Moreover, more participants benefit at country level
- **Hands-on interventions are more effective rather than mission teams doing work on behalf of countries/participants**

Phasing and flexibility of TA delivery

- **Need for appropriate phasing of TA implementation in line with buy-in by countries, absorptive capacity and ability to sustain the interventions**
 - Work with various stakeholders (policy makers) in addition to technical officials, who are the main beneficiaries of the TA
- **Flexibility in delivery of TA:**
 - Need for service providers to adapt to the needs of countries when delivering technical assistance, including addressing language barriers.

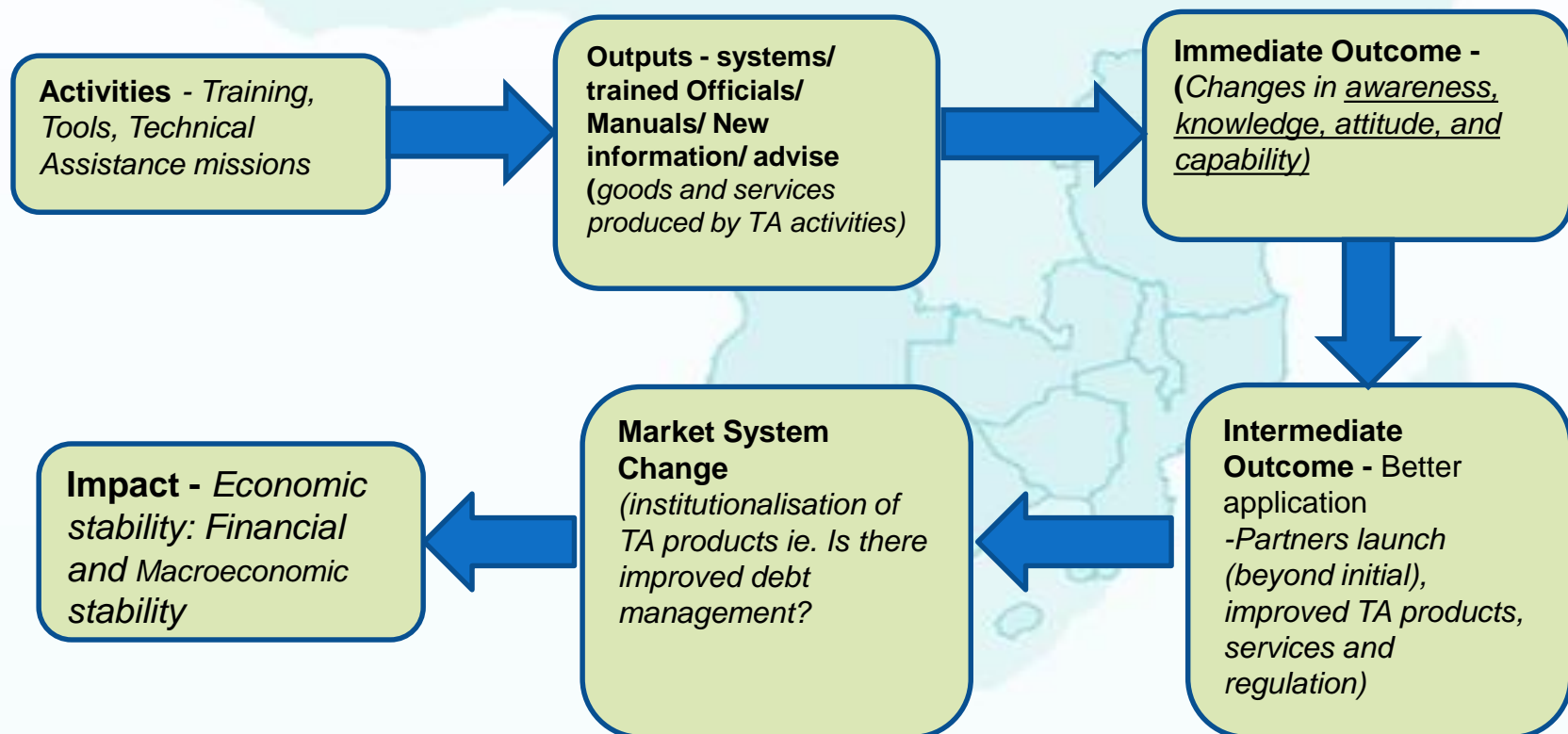
Need for champions of debt reform

- **More often, debt management progress is constrained by high staff turn over**
 - **Need to have champions of debt management reforms in client institutions**



Need to deliver TA for results

- **Monitoring and Evaluation (M&E) of TA interventions.** M&E frameworks are important to ensure that there is change following TA interventions:
 - What are the indicators of this change? What are frameworks for tracking change?



Summary

- In-country activities are impactful
- Hands-on or practical exercises during TA missions are effective in terms of learning intensity
- Pragmatic approach to TA delivery as opposed to stand alone activities
- Flexible TA that addresses needs of beneficiaries
- M&E system that helps to track results of TA

