

Terms of Reference – A study of Sovereign Debt Management Programmes and Initiatives

1 Background

The World Bank will hold a Stakeholders' Conference on Debt Management in Oslo in March 2008. To this conference, providers of Sovereign Debt Management capacity, users of Sovereign Debt Management programs, donors and other actors will be invited. As co-host of such conference Norway wants to contribute with a study intended to give an overview of current programs and initiatives related to Debt Management, with focus on cooperation, gaps and possible overlaps.

Sovereign debt management is the process of establishing and executing a strategy for managing the government's debt in order to raise the required amount of funding, achieve its risk and cost objectives and to meet any other sovereign debt management goals the government may have set, such as developing and maintaining an efficient market for government securities.

This involves the different functional areas of debt management, from strategy formulation and implementation through debt data validation and recording, as well as the related legal, institutional, and organizational arrangements. It can encompass the debt of the central government, sub-national debt, debt guaranteed by the government and other public sector debt.

There are many providers of capacity-building on Sovereign Debt Management. The study will identify and describe actors and roles of providers of technical assistance and capacity-building on Sovereign Debt Management. The need for this was discussed among donors to DMFAS during the Donor Consultation Meeting in Geneva, November 2007.

The consultant will be hired and paid by the Norwegian Ministry of Foreign Affairs. The Terms of Reference has been prepared in close cooperation with providers of capacity on Sovereign Debt Management, users and donors.

2 Purpose, context and intended use

The main purposes of the study are:

To compare the main Debt Management capacity-building Programs and Initiatives, to examine and recommend potential cooperation areas between the Programs and Initiatives.

The results from the study will be presented at the Stakeholders' Conference on Debt Management in Oslo in March 2008.

3 Scope of work

The following topics should be covered in the study:

1. Description, comparison and scope of the most important programs to build capacity and institutions on Sovereign Debt Management (public and private sector, international and regional) in low- and middle income countries.
2. Description of other initiatives on Sovereign Debt Management.
3. It is important to have capacity on Sovereign Debt Management on various levels; from the operational level of managing the Debt Management system to the debt strategy level and that debt management operations are guided by a sound governance

structure (legal, institutional and organisational). Distinction of the different Programs and Initiatives on Sovereign Debt Management based on this.

4. Identification of the different types or levels of existing collaboration among the different stakeholders as well as the existing coordination mechanisms including any consultative processes. Identifying major challenges faced by providers and other stakeholders in coordinating Debt Management Capacity-building
5. Description on where there are gaps in the technical assistance for Sovereign Debt Management and recommendations on how these can best be addressed,
6. including the issue of long term and sustainable financing of all capacity development in debt management.
7. Description of where there is overlapping technical assistance for Sovereign Debt Management and recommendations for improvement.
8. Country ownership is important for sustainability. Describe (a) 'supply-side': how the different programs and initiatives on Sovereign Debt Management work to ensure country ownership; and (b) 'demand-side': whether and how country authorities try to match their unique needs and priorities with the available TA providers
9. Recommendations on how to strengthen coordination between providers of technical assistance for Sovereign Debt Management.

4 Implementation of the review

Below is a tentative list of documents relevant for the study.

- “Strengthening Debt Management Practices: Lessons from Country Experiences and Issues Going Forward”, IMF/World Bank, March 2007
- Evaluation of DMFAS (‘Mid-term Review’), 2005
- DMFAS Reports, budgets and plans discussed on the Advisory Group Meeting of DMFAS November, 2007.
- International Support for Debt Management Strategy Formulation & Implementation, DMFAS November 2007.
- Debt Management Performance Assessment Tool (DeMPA), 5th draft, July 2007
- Guide to the DeMPA, 4th draft, August 2007
- COMSEC
- “Managing Public Debt: From Diagnostics to Reform Implementation” (World Bank, 2007)
- “Developing the Domestic Government Debt Market: From Diagnostics to Reform Implementation (World Bank, 2007)
- “Guidelines for Public Debt Management” (World Bank and IMF, 2001 – revision 2003)
- ”Accompanying documents to Guidelines for Public Debt Management” (WB and IMF, 2003)
- Debt management Discussion Paper 4, A Report on the Joint Programme on Debt Management, UNDP in cooperation with UNCTAD and the World Bank, Nov. ‘97
- Joint U.S.-France paper dated March 6, 2007, entitled “Strengthening Coordination of Technical Assistance.”
- A chapter concerning Sovereign Debt Management in the G8 paper entitled “G8 Action Plan for Developing Local Bond Markets in Emerging Market Economies and Developing Countries”
- Implementation Report on the G8 Action Plan for Developing Local Bond Markets in Emerging Market Economies and Developing Countries
<http://www.g8.utoronto.ca/finance/g8finance-bond.pdf>

- Recent study done by the Dutch consultant company Ecorys on the DRI/CBP-programme
- Documentation on the HIPC-CBP (Capacity Building Programme for HIPC implemented by five partners - CEMLA, DRI, MEFMI, POLE-DETTE and WAIFEM)
- Public Debt Management Procedures Manual (MEFMI).
<http://www.mefmi.org/admin/cms/publication/pub-2005-public-debt-management-procedures-manual.pdf>

Duration: Deadline for first draft is 22 February. Deadline for the last draft is just after the conference in March. 4-5 weeks in total. Consultant plus the use of an assistant.

The time frame for this study is 200/100 hours for the consultant/assistant.
Travels are to be determined in collaboration with the consultant. Visits to both providers and users are preferable.

5 Reporting

The study should be in English in word format, with executive summary and a chapter at the end with recommendations. The findings should be presented in a mixed format, consisting of tables/overviews, descriptive text, and PowerPoint format, with detailed notes and a summary.

Part of the assignment is also to present the findings on the World Bank Stakeholders' Conference on Debt Management in Oslo in March 2008.