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February, 2010

Elements of a CARTAC Strategy to Help Strengthen Debt Strategy and Management
Capacity in Member States

Context

CARTAC has been supporting members' efforts to strengthen their capacity to formulate and execute sound debt management strategies for some time through 2 distinct paths. TA has been providing assistance to members in the preparation of target-based Medium-Term Fiscal Frames and Debt Sustainability Assessments. These two outputs combined help fiscal authorities in member states determine whether they are on a prudent sustainable fiscal path, which is the foundation of a sound debt strategy and prudent debt management. CARTAC has been assisting members in a second, and more indirect way: sponsoring the participation of representatives of member states at events put on by the Inter-American Development Bank for Debt Office managers operating in the Caribbean and Latin American regions, which has provided members a venue to network with their counterpart, compare experiences and learn about the capital markets environment they are operating in and about good regional practices.

New TA Initiatives in the Debt Area

In response to members solicitation for more direct and more broadly-based assistance to strengthen their debt strategy and management, CARTAC is developing a number of new TA initiatives. This TA will be delivered largely by a CARTAC consultant, Ms. Michele Robinson, who is based in the Caribbean, and who has acquired considerable knowledge of and experience in this region. We are proposing five types of interventions. The first one involves supporting senior managers in the MoF and central banks in carrying out institutional reforms of debt offices. An event targeting senior-level participation and intended to promote sharing of good practices, and networking is also envisaged later this year.. We are also planning the delivery of three workshops focused on helping participants:

- Analyze and assess various external financing instruments;
- Plan for and negotiate with potential creditors; and
- Analyze and assess the debt portfolio in their country, and formulate change recommendations as required.

These five initiatives are described in the document attached, which also provides some background information. The document was drafted by Ms. Robinson recently, at our request. Of course, CARTAC plans to continue to deliver TA in the preparation of model-based medium-term revenue projections, medium-term fiscal frames and debt sustainability assessments. We are also considering at least one additional activity designed to provide members a policy framework they can use in the preparation of their debt strategies.

We would very much appreciate your comments on these activities and your assessment of whether these activities would likely help address your TA needs in this area. We would also welcome ideas regarding additional or alternative TA activities required by your Debt Office.