

The logo for the 10th UNCTAD Debt Management Conference. It features a large '10' where the '0' is a multi-colored ring (green, yellow, orange, red) with 'th' inside. To the right, 'UNCTAD' is in green, and 'DEBT MANAGEMENT CONFERENCE' is in a smaller green font.

10th UNCTAD DEBT MANAGEMENT CONFERENCE

Geneva, 23th – 25th November 2015

Debt Management: Capacity-Building Needs

by

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

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

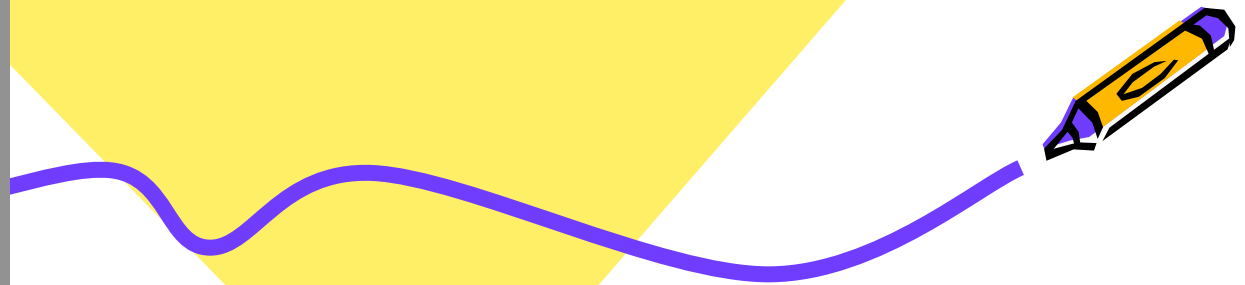
The logo for MFAS (Ministry of Finance, Planning and Economic Development) of Uganda, featuring a stylized blue and red 'M' followed by the letters 'MFAS' in blue.

The logo for UNCTAD (United Nations Conference on Trade and Development), featuring the word 'UNCTAD' in a bold, gold-colored font.

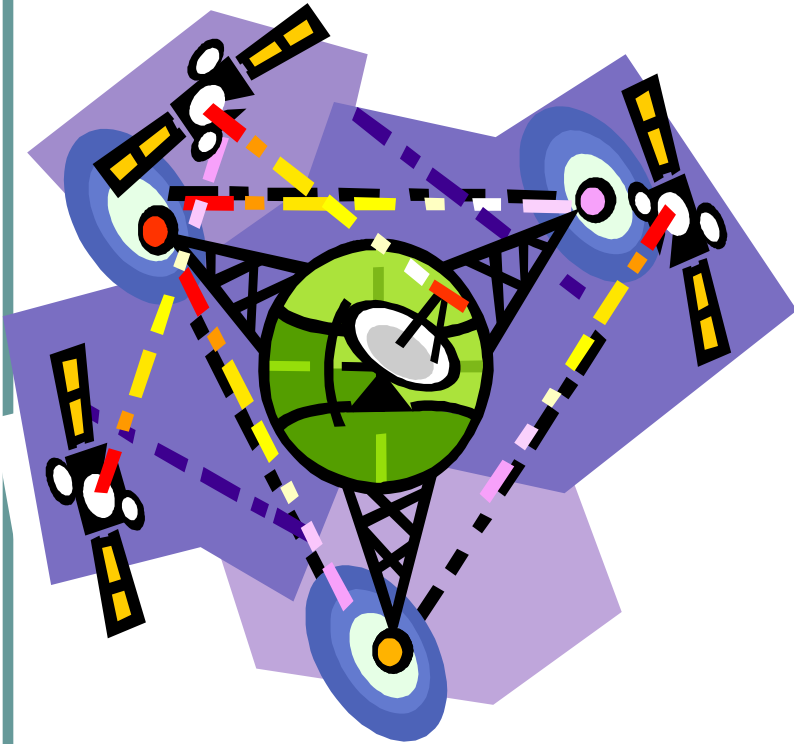
Managing the Debt; Competences in Debt management



Presented by Mpoza Isaac David
Ag. Director /Debt and cash management
At
10th UNCTAD Debt management Conference
On
23rd November 2015



Structure of Presentation



- Back ground
- Debt Management Reform triggers
- Debt management (DM) Reform Plan
- DMO structure and staffing
- Capacity Needs in DM
- Capacity Needs interventions
- Conclusion

Back ground



- Beneficiary of HIPC+ and MDRI: No debt distress threats
- Debt strategies formulation since -1991 with emphasis on borrowing from highly concessional financing & now productive sectors
- Fragmentation of DM roles between Macro-economic mngt, Accountant General's office and the Central bank-end to end grasp
- No dedicated staff – trained ones prone to rotation/flight e.g MEFMI fellows

Debt Management Reform triggers



- Increasing Debt Stock in nominal terms; questionable sustainability
- Growing need for large infrastructure projects (dams, T-lines, Roads, SGR) and widening social services requirements(UPE/USE ,de-congesting Referrals)
- Multiple reporting units on Debt numbers and unclear roles and responsibilities
- Apparent poor co-ordination between Debt, Fiscal and Monetary /Exchange rate Policy

Debt Management Reform triggers



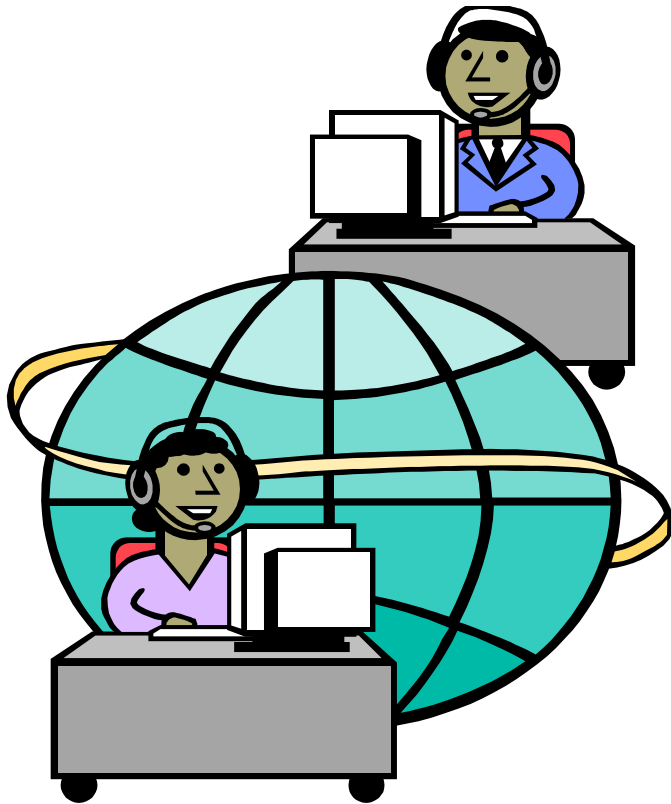
- Dwindling ODA, New Development financing Agenda, emergency of alternative financing mechanisms e.g ECA facilities, sovereign Bonds, PPPs, private sector
- Shallowness/ Volatility in Domestic market
- Broadening scope of debt-Private Sector/Sub-national debt, Public enterprises, PPPs obligations , Contingent liabilities, Implicit Pensions

Debt management Reform Plan



- **Governance**
 - Organization structure , staffing/retention and capacity building
 - Legal Framework including relationship with BoU
- **Strategy and risk management**
 - Debt management strategy: benchmarks
 - Debt recording and Reporting
 - Contingent liabilities-Guarantees, on-lending, implicit?
- **Domestic Securities Market Development**
 - Review of Primary dealer System
 - Market deepening
 - Retail savings
 - Secondary trading/liquidity
 - WHTax

DMO structure and staffing



- [Organogram DDCM.docx](#)
- All Staff –Civil Servants and US T Advisor
- Director (1) , Commissioners(3) and Asst. Commissioners(7)
- Economists and Finance Officers(22), Accountants(12), IT(3) and Legal(2).
- Economists and Accountants Common cadre subject to rotation; specialised training undertaken where deployed
- Capacity building support in DM obtained from;
 - Sovereign states; Turkey, Australia and South Africa
 - UNCTAD
 - MEFMI
 - IMF; East Afritac
 - World bank
 - UNITAR

Capacity Needs in Debt management



- **Public Policy –SDGs, NDP II, Sector priorities**
- **Portfolio and Risk management**
- **Market Research and Analysis**
- **Communication/Negotiation -legal interpretations, elimination of onerous clauses & drafting**
- **Model Development and Cost-risk analysis-** stress testing , What if analysis, forecasting
- **Debt strategy formulation and monitoring**
- **Design of debt reform programmes**
- **Use of diagnostic tools for PDM assessment and debt market dev't-DemPa, MTDS tool kit , DSFramework**

Capacity Needs in Debt management



- **PPP/Contractor facilitated Financing mngt and readiness for Sovereign Bond issues**
- **Contingent liabilities ; identification, valuation and regulation**
- **Debt Registration and settlement using particular systems-Reconciliation and financial reporting**
- **Preparation of debt reports and statistical bullet-ins and their analysis**

Capacity Needs Interventions



- **Certified training-
CFA,CIMA,ACCA, IOC**
- **Advisory Services**
- **Post Graduate studies-
Public policy, Development**
- **Systems hands on training-
DMFAS, AMP, IFMS, CSDRMS**
- **NBF Paper and Sector
reviews**
- **International Regional and
In-house Debt Seminars/
Practioners' programmes**
- **Retention and Facilitation**

Conclusion



- Changes in the Model of Development financing; Local revenue mobilization & Private sector and blending, Dwindling ODA and large infrastructure requirements
- Increases in the nominal value of debt and decline in liquidity/solvency ratios calls for prudence
- Poor project implementation slowing GDP growth, achievement of PDOs and impacts debt limits
- Retention, capacity building and facilitation of debt managers-critical