

# 13<sup>TH</sup> UNCTAD Debt Management Conference

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Relief, Restructuring and Recovery: Dealing with Debt in Times of  
Global Crisis

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## Capacity Building Needs in Debt Management: Responses from International Organizations

by

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# Capacity Building Needs in Debt Management: Responses from International Organisations

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Southern Africa (MEFMI)**

**Thirteenth UNCTAD Debt Conference**

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## ABOUT MEFMI

- **14 Member Capacity Building Institution:** Angola, Botswana, Burundi, Eswatini, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe
- **Aim to build sustainable human and institutional capacity in :**
  - Macroeconomic management (including sovereign debt)
  - Financial Management
- **Client Institutions:** Central Banks, Ministries of Finance and Planning

- **MEFMI delivers its services through:**
  - Regional Workshops
  - In-country missions and workshops
  - Self paced e-Learning
  - High level seminars/fora/retreats
  - Fellows Development programme
  - Studies





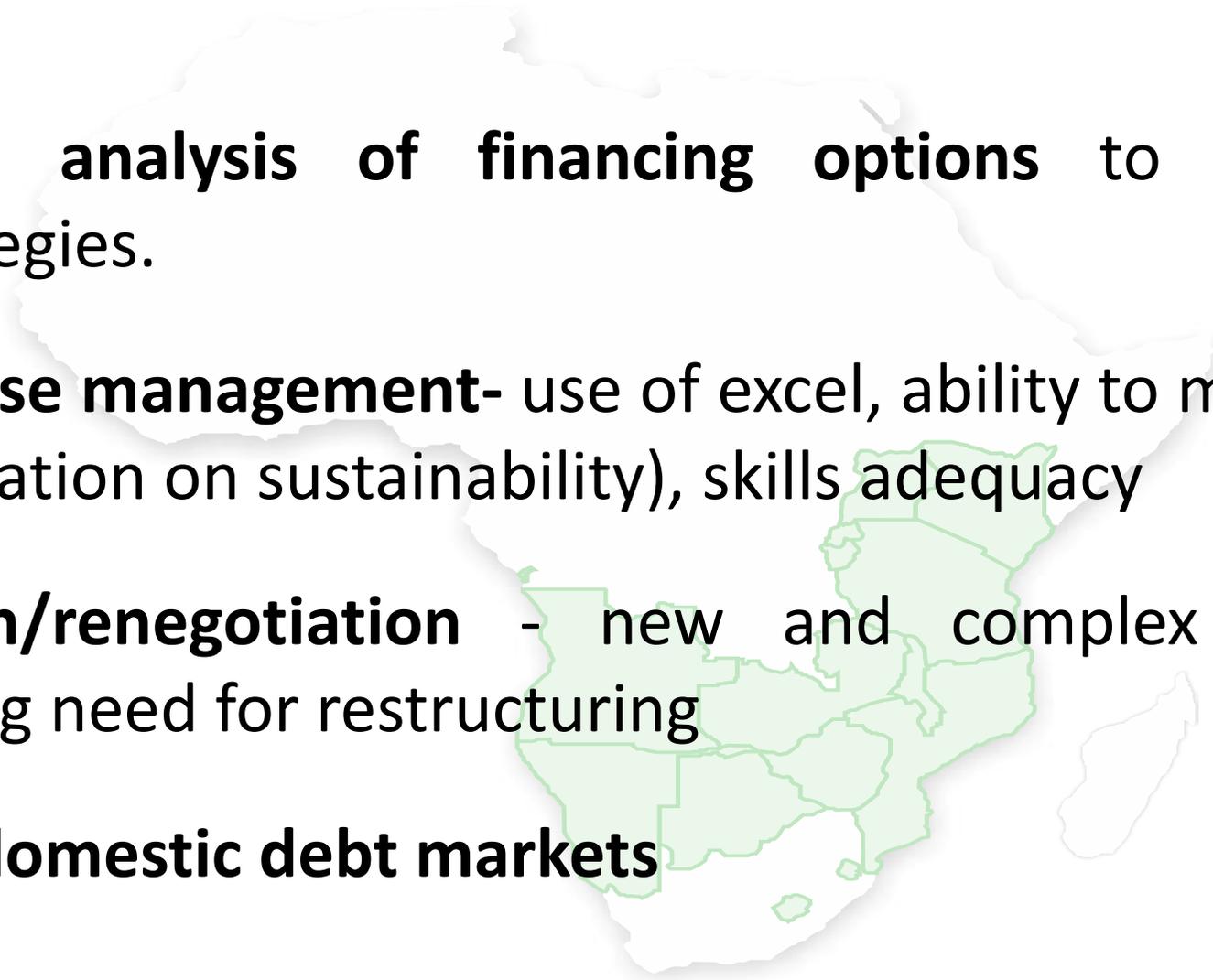
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## The current environment

- **Elevated debt vulnerabilities arising from COVID-19 shock:**
  - A number of countries reclassified from low to moderate or high risk of distress, and they require debt relief
- **Limited financing options** due to tight external conditions and shallow domestic debt markets
- **Covid-19 pandemic highlighted deficiencies in Operational Risk Management (ORM)** frameworks for debt management in several countries
- **Increased fiscal risks:** contingent liabilities related risks
- **High staff turnover-** loss of institutional memory

## Capacity gaps in debt management

- **Borrowing not informed by DSAs** – no debt sustainability analysis prior to new borrowing
  - **Lack of detailed analysis of financing options** to inform debt management strategies.
  - **Weak debt database management**- use of excel, ability to monitor public sector debt (implication on sustainability), skills adequacy
  - **Weak negotiation/renegotiation** - new and complex instruments emerging; the rising need for restructuring
  - **Underdeveloped domestic debt markets**
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## Capacity building gaps....cont'

- **Weak fiscal risk management-** focus on management of loan guarantees: inadequate frameworks, calls on guarantees, impact on sustainability
- **Lack of Operational risk management frameworks:** Business continuity plans and Disaster recovery sites, operational manuals
- **Legal frameworks for public debt management not updated**
- **Weak Oversight institutions (capacity deficiencies):** parliament, SAIs



## What are we doing

- **Hands on interventions-** DSAs, MTDS, bulletins
- **Interventions beyond traditional debt management capacity interventions** - now focusing on strengthening oversight institutions; working on contingent liabilities; building capacity on legal frameworks for debt management-focusing of attorney general's offices
- **Enhanced interventions to strengthen debt database**-currently working with the COMSEC in rolling out CS-Meridian
- Joint interventions with capacity building service providers to avoid duplication of efforts

## What can be done better

- Constrained resources/duplication of efforts- **need for more collaboration**
- **Monitoring and follow up:** on TA interventions and implementation on recommendations
- **Staff retention** initiatives need to be enhanced- MoFs





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# Thank you!

