



Global Debt Management Partnership (GDMP)

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Development of a debt management diagnostic tool

- The World Bank in collaboration with other partners is establishing a global program to improve debt management in LICs.
- Objective
 - Strengthen capacity of LICs to manage their debt in an effective and sustainable manner through the development of a **standardized diagnostic tool**

Development of a debt management diagnostic tool

Purpose

- (i) guide the design of reform programs, provision of technical assistance and capacity building,
- (ii) monitor debt management performance over time, and
- (iii) embed in country assistance strategies (CAS) and country dialogues

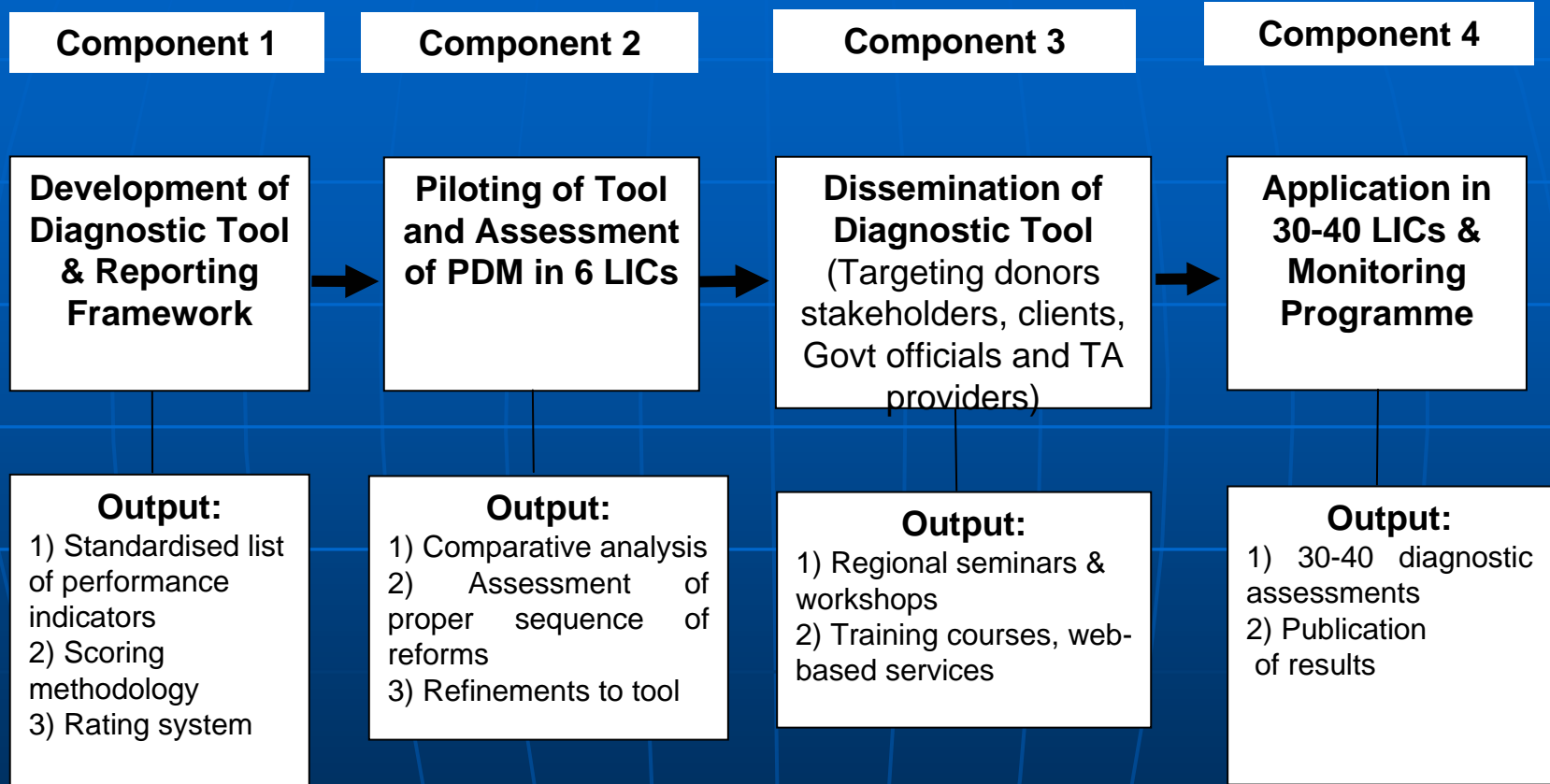
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Scoring an Illustrative Indicator

| | | |
|--|---|--|
| Recording and reporting of data | Score = A: Domestic and foreign debt records are complete, updated and reconciled on a quarterly basis with data considered of high integrity. Comprehensive management and statistical reports (cover debt service, stock and operations) are produced at least half-yearly. | Country X with a score of A ⁻ |
| | Score = B: Domestic and foreign debt records are complete, updated and reconciled half-yearly. Data considered of fairly high standard, but minor reconciliation problems occur. Comprehensive management and statistical reports (cover debt service, stock and operations) are produced at least annually. | Country Y could get a B ⁻ (post completion point) |
| | Score = C: Domestic and foreign debt records are complete, updated and reconciled at least annually. Data quality is considered fair, but some gaps and reconciliation problems are recognized. Reports on debt stocks and service are produced only occasionally or with limited content. | Country Z could get C ⁻ (records reconciled periodically) |
| | Score = D: Debt data records are incomplete and inaccurate to a significant degree. | Country W |

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Components of program



The diagnostic tool would be firmly embedded in country programs to ensure client ownership, donor coordination, and ongoing monitoring

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Key Features

Develop 'Performance Indicators' based on recognized 'Good Practice'

- Focus on all functions of debt units
- Develop Scoring methodology
 - Based on PEFA model to assess capacity
- Quantifiable scores for each indicator based on universally applicable rating methodology
 - Scores can be aggregated
 - Indicators that affect performance in more than one dimension would be weighted separately from those that impact performance only in one indicator
- Highlight gaps and weaknesses in debt management in LICs