Malawi Government

Debt Management policy

December 2016

Ministry of Finance, Economic Planning and Development,

P.O Box 30049,

Lilongwe 3. Malawi

Tel. (265) 01-789-355

Fax: (265) 01-789-173

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS

DAD	Debt and Aid Management Division
DMC	Debt Management Committee
DOD	Disbursed Outstanding Debt
DSA	Debt Sustainability Analysis
GDP	Gross Domestic Product
HIPC	Heavily Indebted Poor Countries
IDA	International Development Association
IMF	International Monetary Fund
MDRI	Multilateral Debt Relief Initiative
MGDS	Malawi Growth and Development Strategy
MoFEPD	Ministry of Finance, Economic Planning and Development
MTDS	Medium Term Debt Management Strategy
PFMA	Public Finance Management Act (2003)
PV	Present Value
RBM	Reserve Bank of Malawi

SECTION 1: INTRODUCTION

1.1 Overview

Malawi's public debt is composed of public and publicly guaranteed external debt and domestic debt. External and domestic debt accounts for 60 percent and 40 percent respectively. In the late 1990s to early 2000 Malawi was laden with a serious debt burden, despite that it continued to service its debt without accumulating arrears. The Government sought relief from its traditional creditors, and even after applying traditional relief mechanisms the debt burden was unabated. This led to application of further relief efforts and in 2005 the country was granted the Heavily Indebted Poor Countries (HIPC) debt relief initiative that significantly brought down the debt burden. Following the debt relief the scope for more foreign borrowing increased to augment the shortfalls in domestic revenues for spending on development programmes and projects. In addition there arose new creditors offering comparable borrowing terms to those offered by traditional creditors. Nevertheless, there are challenges in the contraction and management of foreign and domestic debt. The Debt Sustainability Analysis conducted by the Government in June 2019 indicated that Malawi is of medium risk of external debt distress but with limited room to absorb shocks and of high risk of total public debt distress.

Trends of debt indicators a few years after the HIPC debt relief to Malawi are pointing to the fact that, if not properly managed, debt may escalate back to the situation prior to 2005. It is against this background that having a functional debt policy in place will be very vital in preventing the build-up of public debt to crisis levels again.

1.2 Definition of Debt

Total debt or "total debt liabilities" consists of all liabilities that are debt instruments. A debt instrument is defined as a financial claim that requires payment(s) of interest and/or principal by the debtor to the creditor at a date, or dates, in the future.

The following instruments are debt instruments:

- Special drawing rights (SDRs);
- Currency and deposits;
- Debt securities;
- Loans;
- Insurance, pension, and standardized guarantee schemes; and
- Other accounts payable.

From the above list, it follows that all government liabilities are considered debt, except for liabilities in the form of equity and investment fund shares and financial derivatives and employee stock options.

Debt liabilities owed by residents to residents of same economy are **domestic debt**, and debt liabilities owed by residents to nonresidents are **external debt**.

Equity and investment fund shares are not debt instruments because they do not require the payment of principal or interest and, therefore, have different implications for vulnerability and liquidity. For the same reason, financial derivatives—both forwards and options—are not debt liabilities because no principal is advanced that is required to be repaid, and no interest accrues on any financial derivative instrument.

Contingent Liabilities are conditions that may affect the financial performance of public sector units, depending on the occurrence, or nonoccurrence, of one or more future events. Contingent liabilities occur when the Government grants guarantees to agencies like parastatals, sub-national agencies and private entities. Debt of Government agencies, such as state-owned enterprises and local governments can also constitute a contingent liability, if such debt is likely to be redeemed by the Government in case the respective entity defaults on its debt. Guaranteed and agencies' debt continues to be attributed to the debtor, not the Government, unless and until the guarantee is called or Government appropriation of debt is agreed upon. However, for purposes of vulnerability analysis, the potential impact of contingent liabilities on public sector units matters.

1.3 Debt in the Macroeconomic Context

Every country needs funding to foster economic growth and development, however, such funding needs to be sustainable and it has to be closely in line with the government's fiscal and monetary policies. Public debt management has been used as an economic policy instrument aiming at different ends, such as the conduct of monetary policy, the public deficit financing, or even to provide hedge to those who borrow in foreign currency.

The Republic of Malawi is a low income country with high poverty incidence which strives for middle income status and ending poverty. The Government plays a critical role in achieving middle income status, as well as enhanced opportunities for its citizens, including good health, adequate infrastructure, a vibrant agricultural and water sector, resilience to climate change, education and skills, and a well-functioning energy, industry and tourism sector. At the same time the Government, especially in currently shallow debt markets, can crowd out valuable private sector engagement.

SECTION 2: BROAD POLICY DIRECTION

2.1 Mission

To contribute to sustainable development in Malawi by meeting Malawi's financing needs in a sustainable and public wealth enhancing manner through comprehensive and innovative debt management.

2.2 Policy Goal

The Government has enough resources at hand to finance its operation and to enhance development while debt is closely managed, at sustainable levels and enhances market development.

2.3 Policy Outcome

Malawi's debt is sustainable, invested in development-enhancing projects, attracts minimal costs and risks and is contracted in a way that promotes the development of debt markets in Malawi. The Government is always solvent and liquid.

2.4 Policy Objectives

The main objective of sovereign debt management is to ensure that the financing needs and the payment obligations of the Government are met adequately and at the lowest possible cost and reasonable level of risk. The secondary objective is development of domestic debt market.

2.5 Specific Objectives

- To ensure that debt levels remain sustainable and ultimately to only have debt which benefits the nation.

- To enhance **Contraction** of debt instruments with favourable terms and ensure that foreign loans are obtained primarily to finance development projects that are thoroughly appraised and are of strategic importance to the country and that will generate a rate of return that will finance the debt repayment obligations.
- To promote accurate **Recording** of all debt contracted and debt-service payments and other transactions related to public debt and contingent liabilities. (aspects of coverage compilation accounting classification and valuation will be aligned to International Best Practices);
- To maintain **Timely Servicing** of External and Domestic Debt;
- To enhance **Monitoring** of public, publicly guaranteed and private debt. This will include monitoring of contingent liabilities (guarantees, lending and on-lending). Monitoring of loan utilisation through assessment of absorption and implementation capacity;
- To ensure timely **Analysis** of risks associated with the debt portfolio in order to determine public debt sustainability and levels of risk (cost-risk measures); and
- To promote transparency and accountability through **Accurate** and complete reporting of all government liabilities to other Government entities (continuously), the parliament (bi-annually) and the public (bi-annually).

2.6 Debt Management Principles

The Government shall pursue the above policy objectives in accordance with the principles of responsible fiscal management as outlined in the Public Finance Management Act of 2003. The principles of responsible fiscal management are:

a) Manage total public external and domestic debt at prudent levels so as to provide a buffer against factors that may impact adversely on the level of total public debt in the future.
b) Ensuring that within any borrowing programme, the total expenditures of the state in each financial year is in the public interest and designed to achieve long term fiscal stability.
c) Achieving and maintaining levels of the State's net worth that provides a buffer against factors that may impact adversely on the State's net worth in the future.
d) Managing prudently the fiscal and other risks facing the State.

SECTION 3: IMPLEMENTATION ARRANGEMENTS

3.1 Legal provisions for borrowing

The Constitution of the Republic of Malawi (1994), which is the supreme law of the land, provides the main legal basis for public debt management while the Public Finance Management Act (2003) provides the supporting legislation. The Constitution states that the Government may borrow if it is authorized to do so by an Act of Parliament and not otherwise, [s. 180 (1) the Constitution]. The Public Finance Management Act (2003) mandates the Minister responsible for Finance to borrow by way of a loan within Malawi or elsewhere as authorized by the Parliament. The Act states that prior to raising a loan, the Minister shall first:

a) Ensure that it is in the public interest to do so;
b) Ensure that it is fiscally responsible;
c) Ensure that it is consistent with the Government's economic and fiscal policy

d) Satisfy himself that the Government has or is likely to have on current projections the financial ability to meet all the obligations under the loan including future loan repayments;
e) Consult the Attorney General and obtain in writing, an opinion approving the legal aspects of the loan agreement.

3.2 Institutional Arrangements

The Ministry of Finance, Economic Planning and Development through the Debt and Aid Management Division (DAD) is responsible for managing the public debt portfolios. The creation of DAD in 1997 brought under one umbrella all the debt and aid management functions which were previously performed by various Government Ministries, Departments and Agencies such as the Accountant General's Department, Ministry of Economic Planning and Development, Ministry of Finance, Ministry of Foreign Affairs and the Reserve Bank of Malawi.

The DAD comprises of four Units, three of which deal with various debt management functions from loan contraction, debt analysis and debt recording and payments as follows: Resource Mobilization Unit; Debt and Aid Planning Unit; Disbursement and Debt Servicing Unit; and the Aid Coordination Unit. The main functions of these DAD Units are outlined below.

3.2.1 Resource Mobilization Unit

The Resource Mobilisation Unit, also known as the Front Office, is responsible for designing and implementing the Governments external funding programme. Specifically, it is responsible for sourcing external financing such as loans, grants and other forms of funding from non-domestic sources. The main functions of the Unit are:

a) Evaluate proposals for new financing from development partners;
b) Analyzing all the markets in which the Government can source funding;
c) Communicating with development partners;
d) Monitoring financial flows to ensure that Government derives maximum benefits from the external resources.

3.2.2 Debt and Aid Planning Unit

The Planning and Information Unit, also known as the Middle Office, is responsible for conducting analytical work for strategic debt and aid management. It is also the focal point for domestic debt management at the Ministry of Finance. The purpose is to achieve the most suitable balance between costs and risks in the Governments financing. The main functions of the Unit are:

a) Prepare and monitor implementation of government's debt policy and strategy;
b) Prepare periodic reports on the country's debt portfolio;
c) Conduct periodic debt sustainability analyses
d) Guide and coordinate domestic debt management

3.2.3 Disbursements and Debt Servicing Unit

The Disbursements and Debt Servicing Unit, also known as the Back Office, is responsible for maintaining an up-to-date aid and debt database which allows for timely registration of aid and debt flows, disbursement, servicing and accounting. The main functions of the Unit are:

a) Maintain a database on public debt and aid information;
b) Monitor the disbursements of grants and loans;
c) Ensure timely and accurate debt service for the Government

d) Monitoring the financial/physical performance of donor funded programmes and projects.

3.2.4 Aid Coordination Unit (ACU)

This Aid Coordination Unit was created in 2006 to lead the implementation of the agenda on Aid alignment and harmonisation as per the Paris Declaration on Aid effectiveness. Specifically, the ACU will help strengthen coordination between Government and development partners and within Government Ministries and Departments on Aid Management issues. In accordance with the principles of the Paris Declaration, the central theme of the ACU will be to identify best practices in Aid coordination, define the roles of various actors in the Aid relationship and define the principles of donor funding, coordination, alignment of donor resources to the Malawi Growth and Development Strategy (MGDS).

3.3 Domestic Debt Management

The Debt and Aid Management Division is responsible for managing domestic debt in conjunction with Reserve Bank of Malawi. The Ministry is responsible for domestic debt policy formulation while RBM as an agent of government implements the policies. The Public Finance Management Act (2003) authorises Ministry of Finance, Economic Planning and Development to raise domestic debt through the issuance of Treasury Bills, Stocks, Bonds or Promissory Notes. Short–term advances are extended to the Government in respect of temporary shortfalls in budget revenues on such terms and conditions as the Bank may determine. All such advances are redeemed in cash by the end of the financial year. Domestic borrowing is guided by section 45, third schedule of the Public Finance Management Act (2003) and section 40 of the Reserve Bank of Malawi Act (1990).

In Domestic Debt Management, DAD performs the Middle Office role, as well as parts of the back office role. DAD acts in the name of the Secretary to the Treasury, who has the mandate to manage domestic debt as per Public Finance Management Act (2003). PI derives the strategy for the issuance of domestic debt from the most recent Medium Term Debt Strategy, informed also by the most recent Debt Sustainability Analysis. PI drafts a borrowing plan and proposes which domestic debt instruments are issued when. After the borrowing plan is deliberated on in the respective committees, it is submitted to the Minister, who presents it to parliament for approval. The borrowing plan will be used to draft an issuance calendar, which is issued by PI and in which it is assisted by the RBM and the CMU. The issuance calendar details auction dates, the securities on offer on each date and indicative amounts for each security on each date. The issuance calendar is revised by PI on a quarterly basis in coherence with the borrowing plan and in coordination with the DMTC.

The RBM advertises and organises the auctions. The bids are presented to a DAD staff member who decides on the allocation of bids in the name of the Secretary to the Treasury. Bids which fall into the targeted volume and below maximum interest rates as per borrowing plan are accepted except for extraordinary circumstances demanding such rejections. If such bids are rejected, the Secretary to the Treasury is informed and the decision explained in writing. The RBM settles domestic debt payments automatically and keeps records of all transactions.

On a monthly basis, the transaction data is reconciled and transferred to DDS in a machine-readable format. DDS then feeds this data into its debt database. The RBM performs on the front office role. It observes the market and assists the market to develop, does investor care work and monitors financial flows. The RBM also issues auction notices, bid forms and a prospectus for each security, which together clearly line out (i) the terms and conditions of the offered security, (ii) the auction mode and (iii) the amount offered in the auction. In these actions, the RBM is guided by instructions from PI.

To assist the development of the domestic debt market, the Government pursues a Benchmarking Policy. It issues few and large securities. These securities should aim at (i) being a recognisable security in the marketplace and (ii) being a benchmark for other lending in the economy and thus support the creation of a yield curve.

The Government manages large maturities actively. DAD will ensure that liquidity is guaranteed through Liquidity Management Operations. It will employ a market-based mechanism for Liquidity Management Operations.

3.4 Debt Management Committee

A Debt Management Committee (DMC) comprising of senior Government officials will be constituted to make recommendations to the Minister responsible for finance on public debt management, including borrowing and debt restructuring, etc. Members of the committee will be drawn from the Ministry of Finance, Economic Planning and Development, Reserve Bank of Malawi and Ministry of Justice and Constitutional Affairs. The DMC meets at least bi-annually with more sessions upon request. 3.5 Guarantees Review Committee

SECTION 4: POLICY STATEMENTS

4.1 Debt Instruments

- Until reaching middle income status, the Government will exclusively contract debt which has a grant element of at least 35 percent, with the exception of:
  - Domestic securities

    - Contingent liabilities, which are not providing finance to a project which is within the core responsibilities of the Government
    - Loans which provide finance for disaster relief and military conflict
    - Loans for projects which are a top priority according to the PSIP and for which an independent agency has established that it has returns, which are at least 30 percent higher than the total costs of borrowing, which has a low risk of not generating the expected return and which is expected to generate foreign exchange in excess of the total projected exchange outflow due to the project
- External borrowing on commercial terms will be considered in the long term as the country graduates from low income to middle income status.
- Government will seek to raise funds through marketable international bonds.
- Government will contract domestic debt with preference to medium to long term maturity at acceptable term mark-ups
- Government will refrain from accumulating domestic arrears as a means of meeting its financing needs by remaining within their budget ceilings and responding to low liquidity by reducing spending

4.2 Sources and Methods of Issuing Public Debt

- Government will borrow from multilateral and bilateral creditors.
- After graduation to middle-income status, the Government will also borrow from commercial international capital markets.
- The Government will issue domestic securities with assistance from the RBM

- The Government will not borrow from the Reserve Bank of Malawi

4.3 Use of Debt Proceeds

Proceeds of external borrowing will be used to finance projects and programmes that (i) generate future repayment capacity in the form of foreign exchange and that (ii) will have a positive net value during amortisation of the loan.

a) External loans will ordinarily be used for asset formation, or purchase of equipment;
b) External loans will not be used to finance recurrent operations, normal maintenance, technical assistance and/or consultancy work.
c) Loans contracted for other purposes other than asset formation or purchase of equipment will only be for activities with a clear commercial value and financial rate of return.
d) For all loans, the foreign exchange earning capacity of the loan will be ascertained and will be a key criterion in the assessment of the loan.
e) Proceeds of domestic debt will be used to finance short term revenue shortfalls or long term development programmes but not to cover fundamental budgetary imbalances.
f) Domestic debt will also be incurred for market development and for monetary policy purposes.
g) Long term domestic debt will also be contracted for debt restructuring.

4.4 Concessionality of External Debt

- All external loans should be sufficiently concessional (soft) such as having low interest rates and favourable repayment periods.
- The minimum level of concessionality is 35 percent as long as Malawi is a low income country. After graduating to middle income status, the minimum grant element will be determined from time to time, giving regard to agreements reached with international financial institutions like the International Monetary Fund and the World Bank. Government will refrain from contracting short term loans with commercial rates of interest.
- Non-concessional loans may be contracted for strategic activities as mentioned in section 4.1

4.5 Structure of Public Debt Portfolio

4.5.1 Interest Rate Structure of Debt

- The Government will exclusively contract fixed interest rate debt in reflection of its capacity and to mitigate the risk of interest rate volatilities until either, Malawi reached middle income status or the most recent Debt Sustainability Analysis attests high debt carrying capacity
- Government will prioritize reduction of domestic debt interest bill through sustained fiscal discipline.

4.5.2 Currency Structure of Debt

- Government will ensure that the currency composition of the external debt portfolio matches with its sources of foreign exchange in order to minimize exchange rate risk.

- External debt will be contracted in any readily convertible foreign currency as well as in Malawi Kwacha.
- Government will prioritize Malawi Kwacha denominated domestic debt in order to reduce its exposure to foreign exchange risk.
- Foreign participation in the domestic debt market will be monitored by the Reserve Bank of Malawi in order to minimise exposure to foreign exchange risk.

4.5.3 Maturity Structure of Debt

- Government will contract long term concessional loans in order to reduce the interest costs and risks associated with short-term financing.
- In the short to medium term, Government will consolidate Treasury Bills and re-issue them into relatively longer dated Treasury Notes in order to reduce re-financing and interest rate risks associated with short-term domestic debt. This process will be guided by the most recent Medium Term Debt Strategy.

- In the long term, Government will prioritize longer dated Treasury Notes and Bonds to minimize exposure of the domestic debt portfolio to re-financing and interest rate risks.

4.6 Public Debt Sustainability

- Government will ensure that public external and domestic debt levels are sustainable in the long term..
- The Government will observe the internationally agreed thresholds for debt sustainability as per Debt Sustainability Framework by the International Monetary Fund and the World Bank, as well as other

debt sustainability thresholds agreed with the International Monetary Fund.

- Government shall promote external debt sustainability through contraction of concessional loans, as well as sustained high economic and exports growth.
- The Ministry of Finance, Economic Planning and Development shall regularly monitor developments in the various debt indicators to inform the Government on a timely and at least annual basis of any emerging debt sustainability problems.
- External borrowing (requirements) by the Government will be determined annually in light of overall macroeconomic conditions and objectives. Among other things, the Government will ensure that the annual borrowing limit is consistent with the country's development funding requirements without compromising long term debt sustainability.
- In order to ensure domestic debt sustainability in the medium to long term, the amount and scheduling of domestic debt issuance will be determined at the beginning of each fiscal year based on the Debt Sustainability Analysis, the Government's cash flow requirements, market conditions, and other relevant factors.

4.7 Monitoring Private Sector External Debt

The Government recognises that private sector external debt is one of the main sources of external vulnerability. The liberalisation of the capital market provides the private sector with space for private borrowing. In the absence of proper safeguards and monitoring, private sector debt could be a source of disruptive capital outflows to the country's macroeconomic stability, given the experience of the East Asian countries in 1998.

- Government through the Ministry of Finance, Economic Planning and Development and the Reserve Bank of Malawi will enhance monitoring, analysis and reporting on private sector debt transactions including ensuring that it is sustainable. The Reserve Bank, as the regulator of Malawian debt markets, will at least annually or whenever issues arise, present an analysis of private sector debt. The Ministy will augment this analysis with its expertise.

4.8 Domestic debt market development

The risks associated with Malawi's domestic debt portfolio emphasize the need for management and institutional reforms in order to develop the domestic debt market. The Government recognises that the continued improvement in the macroeconomic performance provides an opportunity to issue long term dated instruments such as institutional bonds, treasury notes and bonds.

- In the short term, the Government will roll over domestic debt until the situation permits the issuance of long term dated instruments.
- In the long term, short term domestic debt will be needed to balance seasonal revenue shortfalls, spending patterns and market developments.

4.9 Management of Government Guarantees

- Guarantees and direct borrowing by parastatals and state owned enterprises will be strictly governed by the Public Finance Management Act (2003).
- The procedures to be followed in managing the Government guaranteed debt are contained in the External Debt Guidelines, July 2007 which will be enforced.

- Government will strive to minimize costs and risks associated with guarantees and other contingent liabilities by scrutinizing all the proposals for guarantees or direct borrowing by parastatals and rejecting all those where the Government is not confident that the parastatal can generate sufficient revenue to meet debt service obligations in the medium and long term.
- Government will exclusively provide guarantees for enterprises which address an evident market failure.
- Government will not provide guarantees for enterprises which are not aligned with the current national development strategy.
- The Ministry of Finance, Economic Planning and Development shall coordinate with the Ministry/Department responsible for Statutory Corporations in performing this function.

4.10 Credit ratings

- Government will strive to achieve and maintain a respectable credit rating. This is desirable for the Government in case of possible participation in the international capital market.
- Government will adhere to prudent public financial management policies and also ensure that credit ratings are conducted on a regular basis.

4.11 Accountability and Transparency

Sound debt management practice requires that Governments should provide high quality and timely reports of central government debt outstanding and all debt or debt-related transactions in order to promote transparency and accountability. The first step in this process is to ensure debt management activities are supported by an accurate and comprehensive management information system with proper safeguards.

Domestic and external debt database is maintained in the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) domiciled in the Ministry of Finance, Economic Planning and Development.

- Government will put in place sound business recovery procedures to mitigate the risk that the external and domestic debt databases might be severely disrupted by natural disasters.
- While officers in DAD will work on tasks as per need and fit, a single officer will never initiate, record and approve a transaction.
- The Ministry of Finance, Economic Planning and Development will compile and disseminate annual debt reports on the public debt portfolio and debt sustainability analysis to Parliament and the public that will inform decision making within Government.
- In line with sound international practice, debt management operations and transactions will be subjected to regular internal and external or independent audit in order to assess significant systemic issues and promote the integrity of the debt transactions.
- In line with the Public Audit Act (2003), debt transactions shall be audited annually by the Auditor General alongside other public financial accounts.

4.12 Debt Payment Projections for the Budget

- The Debt and Aid Division provides projections of interest payments for the upcoming financial year for the budgetary process
- The projections are delivered to the Budget department before a deadline set by the Budget Department
- The estimates are created by extracting the projected interest payments on external debt from the debt database, adding the interest from a simulated rollover of all maturing domestic debt at terms prevalent in the current fiscal year and adding or subtracting interest on budget deficits simulated as a domestic debt instrument representative of domestic debt issuances of the current financial year
- The resulting estimates will form part of the budget and cannot arbitrarily changed

4.13 Debt Management Capacity

Debt management capacity is one ingredient of a policy framework that will ensure that public debt remains sustainable in the future.

- Government shall ensure that the staffs in the Debt and Aid Management Division are well trained in all areas of debt management including loan negotiations, debt recording, debt analysis and preparation of debt strategies.

4.14 Implementation of the Debt Management Policy

The operationalization of the policy will be through the Debt and Aid Division under the oversight of the Medium Term Debt Management Strategy (MTDS) and the Debt Management Committee (DMC).

The MTDS is a forward looking strategy that focuses on minimising costs and risks of borrowing. It guides the borrowing patterns of the government by evaluating the cost and risks of alternative debt management strategies given a set of assumptions on the macroeconomic and market environment. The MTDS has a timeframe of four to five years and is subject to yearly review. In 2010, Malawi formulated its maiden MTDS which outlined the preferred strategies of reducing domestic debt whilst contracting concessional external loans. The last update of the MTDS took place in 2018 and guides current debt management. In addition to the MTDS, the policy is expected to be enforced by a functional Debt Management Committee (DMC). The DMC shall monitor the implementation of this Debt Management Policy and advise the Minister responsible for Finance on public debt management issues.

The Committee will meet quarterly to discuss developments in debt management. However, meetings may be convened at any time as determined by the committee to discuss urgent issues, including loan proposals.

The Debt Management Committee will be supported by a technical sub-committee comprising of officials from the same institutions. The sub-committee will be responsible for analysing developments in debt management and preparing policy proposals for consideration by the Debt Management Committee. The technical sub-committee will meet monthly to improve the coordination and information flows on debt issues.

Annex: Terms of Reference for the Debt Management Committee

a) Review the Annual borrowing plan;
b) Monitor progress on the implementation of Debt Management Policy and Debt Management Strategy;
c) Propose changes to the Government's Debt Management Policy;
d) Develop guidelines or regulations on implementing the Government's Debt Management Policy;
e) Propose and review the debt financing operations such as issuance of short and long term public debt instruments; selection of bond type, structure, methods of sale and marketing of bonds; and debt restructuring options etc.
f) Monitor, coordinate and direct the activities of all government departments and institutions involved in public debt management.
g) Advise on provision of guarantees to quasi public institutions;
h) Advise on contraction of external loans for the public sector.