



Ministry of Finance and Treasury
Republic of Maldives

Maldives: PFM Systems Strengthening Project
Terms of Reference for
Debt Management Specialist -Middle Office
(6 person-month, International)
[RFP No: PSSP/1.3/C/01]

I. Background

The Government of Maldives (GOM) has received financing from the International Development Association (IDA) towards the cost of the Maldives PFM Systems Strengthening Project (PSSP). Implementing Agency for the PSSP is the Ministry of Finance and Treasury (MOFT).

Strengthening debt and cash management is a subcomponent of the PSSP Component 1 - Strengthening the PFM Environment. To achieve the objective under the subcomponent, the MOFT seeks to hire a debt management expert. The expert shall support the MOFT in improving the management of public debt in order to contribute to sound macroeconomic and fiscal management and reduce vulnerability to financial shocks through strengthened debt and risk and management capacity and institutions.

The expert will have proven experience in debt management functions and in developing debt management policies. The expert will have a relevant educational background in economics, finance and/or statistics. The expert will work alongside Head of Resource Mobilization and Debt Management Division (RMDMD) and staff of RMDMD.

II. Objective of the Consultancy

Expert assistance is required to improve debt management operations, especially for the establishment and streamlining of debt management reporting and analysis. This will enable evaluation of the associated risk in borrowing and improve the composition of the debt portfolio of the country so as to manage the cost and risk trade-offs.

III. Deliverables/Scope of Work

Improving the internal organization of the Debt Management Department

- (i) Review the middle office function of Debt Management against the best practice and propose the necessary changes to the function of front, middle and back office. If required update Standard Operation Procedures (SOP) of these functions. Develop recruitment and training plans for staff.

Reviewing the preparation and implementation of the medium term debt management strategy and reporting practices

- (i) Review and assess the Maldives' debt management strategy and propose a sound strategy to address the costs and risks of the debt portfolio. The demand and supply constraints of



the domestic bond market will be taken into account in the design of the strategy to address the cost and risk trade-offs of domestic issuances.

- (ii) Recommend ways to implement the strategy to effectively meet debt management objectives.
- (iii) Propose a methodology in debt reporting in a consistent manner to meet statutory and contractual reporting requirements of central government debt to all domestic and external entities and streamline publishing of these reports. And also develop Standards
- (iv) Assist in evaluating financial proposals from a cost and risk perspective for new loans

The consultant will prepare an inception report which includes a project plan with a timeline in order to structure and deliver the work plan. Consultant will prepare fortnightly progress reports on the tasks and deliverable above as per the project plan.

Evaluation and management of the contingent liabilities from guarantees

- (i) Explore a framework for
 - i. Credit assessment of current guaranteed debt portfolio which creates contingent liabilities and
 - ii. Development of a mechanism to recognize these liabilities in the national budget.

Training

- (i) Train staff in carrying out the MTDS using IMF/WB tools and the assessment of the grant element of each new loan
- (ii) Train staff in preparing the Public Debt Bulletin
- (iii) Train staff in preparing the Standard Reports

Duration and payments terms

This is a time-based contract. The assignment will be for 6 person months starting **February/March 2015** and ending **March/April 2016**.

Work plan

The consultant will travel to Male three times for two months each time. He will coordinate with the consultant in charge of the Back office (Recording and reporting in CS-DRMS).

Qualification & Experience Requirements:

- Undergraduate degree in Economics/ Business Administration/Public Administration/ financial management
- A minimum master's degree in related field



- The expert must have at least 10 years of professional experience in managing public debt in small developing economies
- Experience in the design of medium term debt management strategy (MTDS). Specific experience of MTDS work will be an advantage
- Experience in drafting reports providing analysis and policy advice to governments and knowledge in using the Commonwealth Secretariat debt recording system (CSDRMS) is preferred. Expert shall have to report to the DG DMD and shall advice on the institutional, legal and administrative issues that will lead to better debt management.