

SM/07/111
Supplement 2

May 23, 2007

To: Members of the Executive Board

From: The Secretary

Subject: **Strengthening Debt Management Practices—Lessons from Country Experiences and Issues Going Forward—Draft Public Information Notice**

Attached for the **information** of Executive Directors is the background section of the draft Public Information Notice (PIN) relating to the paper on strengthening debt management practices—lessons from country experiences and issues going forward (SM/07/111, 3/27/07), which was discussed on Friday, May 4, 2007. It is intended that the paper, together with the PIN summarizing the discussion, will be posted on the Fund's external website.

Questions may be referred to Mr. Das (ext. 36330) and Ms. Holland (ext. 36358) in MCM.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

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Department Heads



INTERNATIONAL MONETARY FUND

Public Information Notice

EXTERNAL
RELATIONS
DEPARTMENT

Public Information Notice (PIN) No.
FOR IMMEDIATE RELEASE

International Monetary Fund
700 19th Street, NW
Washington, D. C. 20431 USA

IMF Executive Board Discusses Strengthening Debt Management Practices: Lessons from Country Experiences and Issues Going Forward

On May 4, 2007, the Executive Board of the International Monetary Fund (IMF) held a formal seminar to discuss issues relating to strengthening public debt management practices in developing countries. The staff papers on which the discussion was based are posted on the IMF's website at <http://www.imf.org/external/...>

Background

The staff papers review Bank-Fund staff experience with strengthening public debt management (PDM) frameworks and capacity in developing countries. This review builds on experience since the IMF and the World Bank developed guidelines for sound debt management practices in 2001. An assessment of and advice on PDM has been incorporated into surveillance work, where relevant, and included in other Bank and Fund advisory and technical assistance work. Based on these, the papers draw lessons, and propose further capacity building and advisory work in PDM to address ongoing challenges.

Although many countries have made progress in strengthening their PDM frameworks and reducing debt-related vulnerabilities, they continue to face a range of challenges. Several middle-income countries (MICs), and most low-income countries (LICs), remain at an early stage in defining comprehensive medium-term debt management strategies (MTDS). Challenges also remain in establishing effective governance frameworks, in building capacity, and in initiating public debt market reforms. The papers propose to continue supporting developing countries' efforts to strengthen PDM, and to intensify such support in the case of LICs through the MTDS capacity building missions, in cooperation with other providers of technical assistance and bilateral donors.

Executive Board Discussion

Public Information Notices (PINs) are issued, (i) at the request of a member country, following the conclusion of the [Article IV](#) consultation for countries seeking to make known the views of the IMF to the public. This action is intended to strengthen IMF surveillance over the economic policies of member countries by increasing the transparency of the IMF's assessment of these policies; and (ii) following policy discussions in the Executive Board at the decision of the Board.