



# Commonwealth Ministerial Debt Sustainability Forum

The World Bank, 1818H Street NW, Washington DC 20433, USA  
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## ACCEPTANCE STATEMENT

by

**THE HONOURABLE DR. ASHNI SINGH, MP  
MINISTER OF FINANCE, GUYANA**

1. On behalf of my Government, and indeed on my own behalf, I am privileged to formally accept the Chairmanship of the Commonwealth Ministerial Debt Sustainability Forum (CMDSF) for the coming year. I thank you, the Members of the Forum, for the confidence reposed in me and my country through your nomination of Guyana and me to Chair this Forum.
2. I take this opportunity to congratulate, on behalf of the entire Forum, the outgoing Chair, the Minister of Finance and Economic Planning of Ghana, for his outstanding leadership and the achievements recorded by the Forum during his term of office. I further wish to thank Deputy Secretary General Ransford Smith, Dr. Coomaraswamy and his staff of the Commonwealth Secretariat for the effective facilitation and implementation of the Forum's work during the past year. I am confident that this commitment will continue during the coming and ensuing years.
3. This Forum provides an important opportunity for us in the developing world to discuss topical economic issues with each other as well as key stakeholders such as those represented here: member countries of the Commonwealth (HIPCs and non-HIPCs) and international and regional financial institutions (IMF, the World Bank, IDB, AfDB) and other institutions working in debt management.
4. Our Forum has recently changed its name, from the Commonwealth HIPC Ministerial Forum, which is how we have been known since we started meeting in the current format, to the Commonwealth Ministerial Debt Sustainability Forum. Indeed, today's meeting is the first full meeting of the Forum since the approval of the name change. I believe that this change is more than merely cosmetic. It represents a reflection of a change in the way we view ourselves, a reflection of our own recognition of the dynamic nature of certain challenges we face in maintaining

debt sustainability, and a reflection of our determination to remain relevant in helping our countries to respond to those challenges.

5. Today's meeting is also the first meeting being held since all Commonwealth HIPCs would have achieved Completion Point, with the Gambia reaching, as mentioned earlier, this milestone in December 2007. For this reason, as we meet today and go forward, I believe it is opportune that we devote attention to identifying the issues to be prioritised on our agenda and our work programme, and to be selective in doing so, in order to ensure that we optimise on the strengths of this group and secure the Forum's relevance in assisting our countries to confront the development challenges that remain before us, particularly as they relate to debt sustainability.

6. Many of the issues to be addressed at this meeting are well-known. Indeed, they have been engaging the attention of the international agendas at various fora for some time. Significant progress has been made, for example, in the implementation of debt relief through the MDRI and HIPC initiatives. In particular, as I mentioned earlier, all of the members of this Forum have now reached their completion points. This contrasts sharply with the situation faced by several non-Forum HIPCs who are still facing great difficulty in advancing to Decision and Completion Points. We should commend ourselves for the role we have played in this signal achievement of the members of our Forum.

7. However, we should be equally concerned that a number of implementation issues pertaining to debt and debt sustainability, among other development aspirations, remain unresolved. Mounting arrears and the refusal of many non-Paris Club and commercial creditors to participate in debt relief initiatives have been identified as two (2) of the major problems. Guyana's experience is instructive, in this regard, for although we have benefited significantly from HIPC and MDRI Initiatives, we still face the challenge of convincing a number of non-Paris Club creditors to provide similar relief. We must reflect on how we can resolve the issue of non-participation by non-Paris Club and commercial creditors.

8. Even as we expend considerable energy and resources in bringing about external viability through debt relief initiatives, domestic debt is large and growing in many countries. We must spare no effort in ensuring that we manage domestic debt prudently and, as a Forum, we must seek to mobilise support aimed at equipping our members adequately to confront this challenge. Careful attention will need to be paid to the development of the domestic financial market to create competitive and new sources of financing. In short, we need to strike a judicious balance between domestic and external financing to ensure long-term debt sustainability.

9. There are also a number of emerging issues which should begin to engage our attention. While in post-HIPC countries such as ours the debt situation has improved tremendously, debt sustainability remains tenuous. Our countries still require considerable concessional financing if we are to stand a remote chance of achieving the Millennium Development Goals. This poses a problem on several fronts. Firstly, some of our countries have been victims of our own success. Specifically, some of us find ourselves in the situation where we have now been

reclassified or graduated out of low income country status, with the effect of limiting or reducing further our access to soft resources. Secondly, the issue of the manner in which the MDRI was financed and the provision of compensatory financing to the institutions in a timely manner still requires attention. For example, in the case of the Inter-American Development Bank, the MDRI was financed internally, with the effect that future allocations of concessional resources have declined dramatically. This adds to the urgency with which replenishment of the concessional facilities should be proceeded with. Thirdly, it is widely recognised that official development assistance is not being scaled up at the rate that is required if the Millennium Development Goals are to remain realistically achievable by our countries.

10. To compound these issues, the traumatic impact of climate change both currently and potentially, the phenomenal economic cost of an adequate response thereto by our countries, the unprecedented levels of world market prices for fuel and food staples, and the complexity of the effect of developments such as the shift to bio-fuels, all present new challenges to policymakers in our countries, and have serious implications for macroeconomic stability, and for external, fiscal and debt sustainability.

11. Another emerging issue is the advent of new financiers, and the exploring by our countries of other sources of financing is changing the official financing landscape internationally. For example, we will have the benefit of Ghana's experience in accessing the international capital market with its first Eurobond issuance during this meeting. Suffice it to say, this adds a new dimension to the issue of accessing resources for financing development. The increasing global integration of financial markets, recent turbulence in the financial markets which is now acknowledged as having the potential to result in a more broadly felt crisis, all point to the need for us to ensure that our countries are adequately equipped in terms of legislative environment, institutional capacity, and technical expertise, as we become more active participants in global financial markets.

12. The Secretariat will present, today, a paper on the challenges of new financing and maintaining debt sustainability after completion point. I am sure issues such as how to ensure good quality financing in a post-HIPC environment; and how to build local capacity to strengthen national ability to assess and make decisions on various types of financing and financial instruments will be among the topics to be discussed. In addition, when our Forum last met, in Guyana last year, we requested the Secretariat to prepare a paper on the IMF's Policy Support Instrument (PSI). We expect that the paper to be presented today will offer insights into experiences and perspectives on this new mode of engagement with the Fund.

13. Colleagues, these are only some of the issues that face us as we work to achieve the development goals we share. Some of these issues we will consider during today's meeting. It is imperative that we conclude this meeting with a statement that will reflect the rigour of our discussions and the analysis that will have preceded, to send clear signals on the key issues discussed, and that will contribute meaningfully to the global dialogues that are ongoing on these issues. It is also imperative, as I indicated at the start, that as we go forward we ensure that we concentrate our efforts in a manner that capitalises on the unique strengths of our membership in order to maximise our effectiveness as a Forum. I look forward

to working closely with all of you and with the Secretariat in the coming year as we advance this agenda.

14. I conclude by expressing the hope that we have a successful and cordial meeting and I thank you very much.