



# Commonwealth Ministerial Debt Sustainability Forum

Grand Resort, Limassol, Cyprus, 30 September 2009

---

## Evaluation and Proposals for Future Format

### Introduction

At their meeting in 2000, Commonwealth Finance Ministers agreed to consider establishing a forum which would 'provide regular input into the process of shaping the HIPC Initiative'. The result was the creation of the Commonwealth Ministerial HIPC Forum. As Commonwealth countries completed the process of debt relief under the HIPC and Multilateral Debt Relief Initiatives, the forum changed its name in 2007 to the Commonwealth Ministerial Debt Sustainability Forum. In 2008, when all the original members of the Forum had completed the international debt relief processes, the membership of the Forum was widened to include countries which – whilst not originally eligible for the HIPC initiative - faced similar debt sustainability challenges.

2. As part of the continuing effort to ensure that the Forum meets the needs of the membership, the current Chair of the Forum and the Secretariat agreed to thoroughly evaluate the Forum's activities with a view to defining further its future role and format.

3. To this end a survey of Ministers was undertaken to gather views on the future shape and content of the Forum. This note reports the results of the evaluation and makes proposals.

### The results of the Evaluation Survey.

4. Eight of the fifteen full member Ministers returned the evaluation survey which had three broad parts.

### *Value of the Forum*

5. All but one Minister saw the Forum as 'very valuable' in supporting national economic policy objectives. The other believed it valuable. All wished the Forum to continue. This demonstrates a **high level of Ministerial commitment** to the future of the Forum.

### *Purpose of the Forum*

6. The survey yielded a range of views on where the Forum added greatest value. The majority ranked the **potential advocacy** role of the Forum most highly. There was less consistency over which area was the next most valued, with the sharing of experience and the discussion of policy analysis being roughly equal. Only one Minister thought guiding the Secretariat's work in this area was most important.

### *Frequency and Duration of Meetings*

7. There were mixed views on the frequency of Forum meetings. Five Ministers wished to see the Forum meeting once a year and three opted for twice a year. Of those wishing to meet once a year, all but one wished the meeting to take place before the Commonwealth Finance Ministers Meeting. On duration, a strong majority preferred a **one day meeting**. The options of having the meeting run for half a day received the support of one Minister, as did that of running the meeting for one and a half days.

### **Proposals**

8. In formulating proposals for the Ministerial Forum, there are two guiding objectives:
- To utilise the comparative advantage of a Ministerial Forum to tackle issues where Ministers are uniquely able to provide strategic guidance and political insight;
  - To ensure that the Forum is effective.
9. Both these objectives point to ensuring that Ministerial attendance and interaction is maximised and that the agendas of the meetings are focussed on the issues where Ministerial consideration alone adds greatest value.

### *Organisation*

10. The majority of respondents preferred a single meeting immediately preceding the Commonwealth Finance Ministers Meeting. Given this, there is a risk that if the Forum continues to meet twice a year, attendance at the second meeting will dwindle.

**Proposal 1: The Forum should meet once a year at the time of the Commonwealth Finance Ministers Meeting**

### *Length*

11. The majority opinion favoured a full day discussion. There is a parallel discussion on the future location of Commonwealth Finance Ministers Meeting which will occur in the main meeting which may have some bearing on what Ministers propose for the Forum. If CFMM is held in future in Washington DC for two out of three years, Ministers may prefer a shorter format to CMDSF meetings. Experience has shown that Ministers cannot always devote an entire day to discussions when Commonwealth meetings take place in the margins of the IMF and World Bank meetings. Consequently, it might be better to consider a half day meeting, perhaps beginning with lunch, as a way of maximising Ministerial attendance and interaction.

**Proposal 2: The Forum should meet for a half day, beginning with an informal Ministerial lunch, if CFMM is held in Washington.**

**If CFMM remains in a Commonwealth country, the meeting should last for a full day.**

### *Content and follow up*

12. From the survey, there are two strands to what Ministers expect the Forum to focus on. The first are areas of advocacy for members within the international community. A particular focus in the past has been the activities of the Bretton Woods institutions and the activities of donor countries. This is clearly an area where Ministerial action is required. The Forum can take forward issues in its own name or – where appropriate – seek wider Commonwealth

endorsement for policy positions. Ways should also be found for Ministers to transmit their concerns directly to the appropriate authorities within the international institutions. The Secretariat and the Chair of the Forum would be tasked with ensuring that the advocacy was taken forward and for reporting back on progress to the next meeting.

13. The second is exchange of information and expertise in preserving debt sustainability. In this area it will be most important to identify where the value of discussion amongst Ministers is greatest value and what might appropriately be discussed at a more technical level. Ministers are being asked at the current meeting to identify those topics which they feel could benefit most from Ministerial discussion at their next meeting. This could be a pattern for the future. Following the identification of the topics and subsequent Ministerial discussion, Ministers may feel that there is a need for a deeper technical exchange. The Secretariat could then find ways to incorporate these important issues with its work programme.

**Proposal 3: Agendas of the Forum meetings would allow Ministers to provide strategic guidance on both the issues where they wish to undertake advocacy and to discuss issues where the input of Ministers adds greatest value.**

14. It is important to note that in the area of promoting and improving debt management the Secretariat's Special Advisory Services Division already provides a range of service, including the biennial debt managers forum and promoting experience exchange. The aim will be to ensure that the activities of the Forum and the technical groups are well aligned.

#### *Working with the Organisation Internationale de la Francophonie*

15. Ministers were also asked about the value of working with the Organisation Internationale de la Francophonie. Ministers agreed that there is value in understanding the views of other countries outside the Commonwealth and recognised the potential of advocating joint positions with the members of the OIF. To realise this potential, the best approach might be to identify specific areas where joint positions could be developed.

**Proposal 4: The Secretariat and the Chair of the CMDSF to be tasked to identify opportunities for joint advocacy with members of the OIF and organise a dialogue to develop and take forward these positions.**

#### *Periodic review*

16. To ensure that the Forum continues to meet the needs of the membership a further evaluation is proposed to be conducted in 2011.

**Proposal 5: The effectiveness of the proposals should be evaluated in 2011**

**Ministers are asked for their guidance on these proposals.**