



## Myanmar: Support for Strengthening Public Debt Management

Project Name	Support for Strengthening Public Debt Management								
Project Number	47225-001								
Country	Myanmar								
Project Status	Active								
Project Type / Modality of Assistance	Technical Assistance								
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2"><b>TA 8527-MYA: Support for Strengthening Public Debt Management</b></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 1.50 million</td> </tr> <tr> <td colspan="2"><b>TA 8527-MYA: Support for Strengthening Public Debt Management (Supplementary)</b></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 650,000.00</td> </tr> </table>	<b>TA 8527-MYA: Support for Strengthening Public Debt Management</b>		Technical Assistance Special Fund	US\$ 1.50 million	<b>TA 8527-MYA: Support for Strengthening Public Debt Management (Supplementary)</b>		Technical Assistance Special Fund	US\$ 650,000.00
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Technical Assistance Special Fund	US\$ 650,000.00								
Strategic Agendas	Inclusive economic growth								
Drivers of Change	Governance and capacity development								
Sector / Subsector	<b>Public sector management</b> - Public expenditure and fiscal management								
Gender Equity and Mainstreaming	No gender elements								
Description	<p>The Government's Framework for Economic and Social Reforms recognizes that _maintaining a stable macroeconomic framework is the first order of reforms essential for achieving the overall reform agenda_ and that sound public financial management (including public debt management) will be critical to ensuring this.</p> <p>Similarly, ADB's Interim Country Partnership Strategy for Myanmar identifies support for an enabling economic environment as a core priority_ including support for reforms that focus on fiscal sustainability, macroeconomic stability, and strengthening public finance.</p> <p>In recognition of the urgent need for support in this area within the context of Myanmar's reintegration with the international community and an extensive reform program (and related financing requirements), initial support has been provided under an SSTA approved in 2012 (Improving Fiscal Revenue Mobilization). This has allowed for timely support for critical functions_ primarily focusing on basic capacity building of the foreign exchange and external debt division within the Budget Department in the Ministry of Finance. This initial support, however, is due to end by September 2013. Follow-on support will be needed over the medium term to allow for broader institutional reforms and capacity building necessary for establishment of an effective institutional framework for sound public debt management. This will include support for strengthening of MOF's capacity for debt recording and management through acquisition and operationalization of a modern debt management and recording system and conduct of related capacity building; support will also be needed to more broadly develop the institutional framework and capacity for public debt management_ in this regard the TA will support establishment and operationalization of a debt management division within the Treasury Department of MOF which will assume primary responsibility for public debt management, the development of a modern legal and regulatory framework for public debt, and development of domestic market for government securities.</p>								
Project Rationale and Linkage to Country/Regional Strategy	<p>The Government's extensive reform program and its related financing requirements will require establishment of an effective institutional framework for sound public debt management to ensure that policy objectives can be met on a sustainable basis without compromising macroeconomic stability and risking undermining of the overall reform and transition process. As a first step, this will require support for strengthening of basic capacity related to debt recording and management. Over the medium term, support will also be needed for development of a clear legal framework for public debt management and the establishment of an institutional focal point with primary responsibility for public debt management (i.e. a principal debt management entity).</p>								
Impact	Public debt is managed on a sound and sustainable basis (in line with ICPS support for enabling economic environment)								

## Project Outcome

Description of Outcome	Strengthened institutional framework for public debt management
Progress Toward Outcome	In progress.

### Implementation Progress

Description of Project Outputs	<p>Debt recording and management system</p> <p>Plan defining structure and staffing needs of new debt management division (DMD), transition strategy for its establishment, and roadmap for developing its public debt management functions_ this will include development by DMD of a medium term debt management strategy</p> <p>Strengthened legal and regulatory framework for public debt management (Draft regulations and agreements [including public debt law, agency agreement, and code of conduct]).</p> <p>Capacity and awareness building to support implementation of TA</p>
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>With support from the TA, a new debt management division (DMD) was established in September 2014 within MOF's new Treasury Department, consolidating previously fragmented responsibility for management of external and domestic debt. The TA is providing ongoing support for capacity building of the DMD _including through placement of highly-experienced long term advisors and establishment of twinning arrangements with well-functioning public debt management offices in the region (e.g. the Public Debt Management Office in Thailand).</p> <p>The TA is also supporting the establishment of a modern legal and regulatory framework for public debt management. A new public debt management law has been drafted and recently enacted with support from the TA.</p> <p>In addition to the originally targeted main outputs noted above, the TA has also supported the establishment of an interagency agreement between MOF and the Central Bank of Myanmar along with commencement of regular auction-based issuance of Treasury bills, _a necessary step in ending monetization of the deficit. The first Treasury bill and Treasury bond auctions commenced in January 2015 and September 2016, respectively, and are continuing in accordance with a published auction schedule.</p> <p>A consulting firm to assist MOF in the acquisition and implementation of the debt recording and management system (DRMS) and four individual consultants have been engaged under the TA to date: (i) a public debt regulatory and institutional framework expert, (ii) a DRMS expert, (iii) a design expert, and (iv) a national IT support officer/database administration expert.</p>
Geographical Location	

## Summary of Environmental and Social Aspects

Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
<b>Stakeholder Communication, Participation, and Consultation</b>	
During Project Design	
During Project Implementation	

## Business Opportunities

Consulting Services	<ol style="list-style-type: none"><li>1. Debt Recording and Management System Expert (international, 4 person-months intermittent)</li><li>2. Public Debt Management Expert (international, 12 person-months intermittent)</li><li>3. Public Debt Regulatory and Institutional Framework Expert (international, 6 person-months intermittent)</li><li>4. Project Coordinator (national, 18 person-months intermittent)</li></ol>
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## Responsible Staff

Responsible ADB Officer	Boothe, Robert A.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SERD
Executing Agencies	<i>Ministry of Planning and Finance Building No 26. Nay Pyi Taw Republic of the Union of Myanmar</i>

## Timetable

Concept Clearance	18 Sep 2013
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Fact Finding	09 Sep 2013 to 18 Sep 2013
MRM	-
Approval	02 Dec 2013
Last Review Mission	-
Last PDS Update	31 Mar 2017

## TA 8527-MYA

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
02 Dec 2013	21 Jan 2014	21 Jan 2014	31 Mar 2016	31 Dec 2017	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
2,150,000.00	0.00	0.00	0.00	0.00	0.00	2,150,000.00	02 Dec 2013	1,283,335.72

Project Page	<a href="https://www.adb.org/projects/47225-001/main">https://www.adb.org/projects/47225-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=47225-001">http://www.adb.org/forms/request-information-form?subject=47225-001</a>
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