SUB-NATIONAL DIRECT BORROWING EVALUATION GUIDELINES

Solomon Islands Government

Approved by Minister of Finance

10 September 2016

SUB-NATIONAL DIRECT BORROWING EVALUATION GUIDELINES

Contents

ABBREVIATIONS

ABL	Annual Borrowing Limit
ABP	Annual borrowing pool
ABLP	Annual borrowing limit pool
CAPEX	Capital expenditure
DMAC	Debt Management Advisory Committee
DMS	Debt Management Strategy
DMU	Debt Management Unit
EBIT	Earnings before interest and tax
IRD	Inland Revenue Division
IRR	Internal Rate of Return
MDPAC	Ministry of Development, Planning and Aid Co-ordination
MoFT	Ministry of Finance and Treasury
NDS	National Development Strategy
NIIP	National Infrastructure Investment Plan
NPV	Net Present Value
NPF	National Provident Fund
PFMA	Public Financial Management Act
SCO	Statement of Corporate Objectives
SIG	Solomon Islands Government
SOE	State Owned Enterprise

1. INTRODUCTION

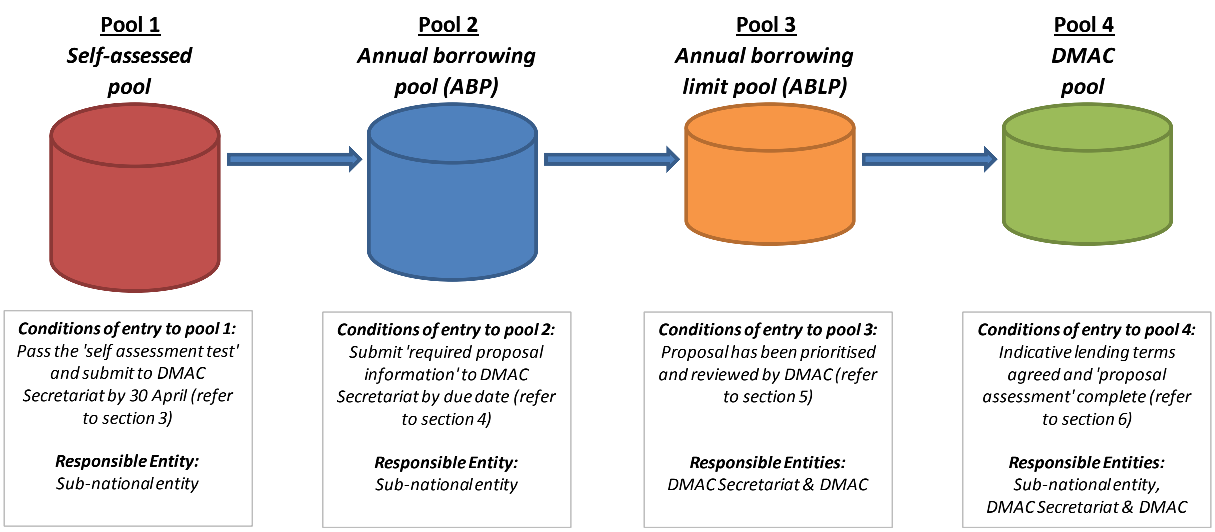
These Sub-national Direct Borrowing Evaluation Guidelines outline the evaluation process that should be followed by stakeholders (e.g. sub-national entities, the DMAC Secretariat[1] and DMAC[2]) for sub-national direct borrowing proposal evaluation. This process aims to establish a fair, efficient and transparent process for assessing and prioritising proposals so as to optimise the expected broader economic and social returns to be derived from Solomon Islands' limited Government borrowing capacity. These Guidelines should be read in conjunction with the Sub-national Direct Borrowing Policy.

Any reference to Policy in these Guidelines refers to the Sub-national Direct Borrowing Policy.

2. EVALUATION PROCESS – FOUR POOL APPROACH

The Solomon Islands Government (SIG) will utilise a four pool approach to identify and evaluate projects that seek to be funded, in part or in full, through sub-national direct borrowing. This approach is depicted in Figure 1 below. An indicative evaluation process timeline is shown in Appendix 2.

FIGURE 1: FOUR POOL APPROACH



Pool 1 - 'Self-assessed pool'

The onus is on the sub-national entity wishing to finance, in part or in full, a project through direct borrowing, to complete the **'self-assessment test'** (refer to section 3.1 of these Guidelines). If a proposal passes the self-assessment test, then it is eligible to be considered for sub-national entity direct borrowing and therefore qualifies for inclusion in the **'self-assessed pool'**.

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[1] Refer to section 8.1 of the Debt Management Strategy (DMS)
[2] Refer to section 3.2.1.1.5 of the DMS.

Pool 2 - 'Annual borrowing pool (ABP)'

To progress a proposal from the self-assessed pool to the **'annual borrowing pool (ABP)'**, a sub-national entity has to satisfy the requirements of entry into the ABP (refer to section 4 of these Guidelines for further information on the ABP).

Pool 3 – 'Annual borrowing limit pool (ABLP)'

The **'annual borrowing limit pool (ABLP)'** is a subset of the ABP (refer to section 5 of these Guidelines for further information on the ABLP). The DMAC Secretariat will prioritise and rank proposals in the ABP against a set of criteria through a 'prioritisation process' (refer to section 5.1 of these Guidelines for further information on the prioritisation process), resulting in a prioritised ABP. This prioritised ABP will then be evaluated by the DMAC, which will advise the Minister of Finance on which proposals should proceed for further consideration to the ABLP. The most highly ranked proposals that can be funded within the annual borrowing limit (ABL) will progress to the ABLP.

Pool 4 – 'DMAC pool'

To progress from the ABLP to the **'DMAC pool'**, indicative lending terms must be agreed between the sub-national entity and proposed lender and the DMAC Secretariat must have completed the 'proposal assessment' (refer to section 6.1 of these Guidelines for further information on the proposal assessment). Should the requirements of the proposal assessment be met, then the proposal will progress to the DMAC pool where it will be reviewed by the DMAC and a recommendation to the Minister of Finance will be made.

2.1. Exempt proposals from the four pool approach

Only in exceptional circumstances may a proposed sub-national entity direct borrowing be exempt from being evaluated through the four pool approach. A proposal may by-pass the four pool approach if for example:

1. A lender has indicated that funding for a sub-national entity is due to expire before a proposal can be evaluated through the four pool approach; or
2. There is a strong commercial imperative to quickly progress a proposal to take advantage of prevailing market conditions; or
3. There are key strategic project specific milestones that need to be achieved before a proposal can be evaluated through the four pool approach.

This list of examples is by no means exhaustive and the onus is on the sub-national entity to make a case for a proposal to be exempt from the four pool approach.

3. POOL 1 - SELF-ASSESSED POOL

Proposals are only eligible to be included in the self-assessed pool if the sub-national entity proponent:

1. Completes and passes a 'self-assessment test' (refer to test template included as Appendix 1 to these Guidelines); and
2. submits the completed 'self-assessment test' to the DMAC Secretariat by **30 April** of the year preceding the year in which the sub-national entity expects to commit (i.e. sign the financing agreement) to the direct borrowing (refer to the indicative evaluation process timeline at Appendix 2).

3.1. Self-assessment test

The self-assessment test enables the Implementing Agency to self-determine if it is eligible to implement a project that is to be funded by SIG direct borrowing.

Further information on the 'self-assessment test' is contained below in Box 1.

BOX 1: 'SELF-ASSESSMENT TEST'

The self-assessment test consists of two steps, being an 'entity test' and a 'project test'.

Step 1 (Entity test) – Determine if your ***sub-national entity*** is eligible to directly borrow under section 4.1 of the Policy.

If your sub-national entity self-determines eligibility, then your entity passes the 'entity test'.

If your sub national entity passes the 'entity test', then proceed to step 2 (Project test).

If your sub national entity fails the 'entity test', then your proposal ***fails*** the 'self-assessment test' and is not eligible to enter into a direct borrowing.

Step 2 (Project test) – Determine if your ***project*** is eligible under section 4.2 of the Policy.

If your sub-national entity self-determines that your project is eligible, then your project passes the 'project test'.

If your project passes the 'project test', then your proposal ***passes*** the 'self-assessment test'.

If your project fails the 'project test', then your proposal ***fails*** the 'self-assessment test' and is not eligible to be funded by direct borrowing.

4. POOL 2 - ANNUAL BORROWING POOL (ABP)

A proposal in the self-assessed pool is only eligible to progress to the ABP if the sub-national entity provides the ‘required proposal information’ (refer to section 6.1.3 of these Guidelines):

1. to the DMAC Secretariat; and
2. by the due date (refer to section 4.2 of these Guidelines).

4.1. Required proposal information

A sub-national entity that proposes a direct borrowing must submit the ‘required proposal information’ to the DMAC Secretariat if they would like their proposal to progress to the ABP.

4.2. Due date to provide required proposal information

The ‘required proposal information’ must be provided to the DMAC Secretariat by the due date. The due date will be the **‘Bid due date’** that is set each year as part of the Development Budget process.

Note that key dates for the annual Development Budget process (e.g. issuance of Budget circular and Bid due date) change from year to year.

A sub-national entity that proposes direct borrowing should maintain regular communication with the DMAC Secretariat to be aware of the due date for submitting the ‘required proposal information’.

Typically, the due date (i.e. Budget bid due date) for submitting the ‘required proposal information’ will be around August of the year, preceding the year in which the sub-national entity is considering to commit (i.e. sign the financing agreement) to the direct borrowing.

4.3. Responsibility for compiling ABP

The DMAC Secretariat will be responsible for compiling the ABP. The compilation processes shall occur annually.

5. POOL 3 - ANNUAL BORROWING LIMIT POOL (ABLP)

A proposal in the ABP is only eligible to progress to the ABLP if it has been:

1. prioritised and ranked through the ‘prioritisation process’ (refer to section 5.1 of these Guidelines); and
2. reviewed by the DMAC.

5.1. Prioritisation process

The DMAC Secretariat, in consultation with the Ministry of Development, Planning and Aid Co-ordination (MDPAC), will undertake a preliminary assessment to prioritise and rank all Government borrowing proposals in the ABP. A prioritised ABP will result from this preliminary assessment. This prioritised ABP will be presented, with supporting evidence to justify the ranking, to the DMAC for evaluation.

5.1.1. Criteria for prioritising and ranking proposals in the ABP

Government borrowing proposals in the ABP will be prioritised and ranked by conducting a comparative evaluation of how well each proposal:

- meets the objectives of debt management in the Solomon Islands (refer to section 6 of the DMS); and
- complies with DMS Rules 18 and 19 (refer to sections 8.14 and 8.15 of the DMS).

5.1.2. Annual borrowing limit (ABL)

ABLs are to be determined annually and disclosed annually as part of the annual Budget process (refer to section 8.8 of the DMS).

5.2. Review by DMAC

DMAC will evaluate the prioritised ABP against the ABL. Each proposal in the prioritised ABP will be assigned an amount that reflects the SBD face/notional value of the Government borrowing (refer to sections 8.3 and 8.4 of the DMS).

The DMAC will effectively review the priority assigned to each proposal and then cull the prioritised ABP to a point where the cumulative assumed Government borrowing obligation of the proposals for the year is less than the ABL for the specified year. Prioritisation will be checked against the ‘Criteria for prioritising and ranking proposals in the ABP’ referred to above in section 5.1.1 of these Guidelines.

The culling process is demonstrated in Box 2 below. In this example, five proposals have been prioritised by the DMAC in the prioritised ABP and the ABL has been set to SBD $200 million. Only the top three prioritised proposals progress to the ABLP. Proposals prioritised 4 and 5 are culled as they do not fit within the ABL.

BOX 2: DETERMINING THE ABLP

Annual borrowing limit (SBD $m) 200

Prioritised ABP				ABLP			
Priority	Type of Government borrowing	Amount of Government borrowing (SBD $m)	Cumulative Government borrowing (SBD $m)	Priority	Type of Government borrowing	Amount of Government borrowing (SBD $m)	Cumulative Government borrowing (SBD $m)
1	On-lend to SOE	55	55	1	SOE On-lend	55	55
2	Guarantee of SOE	26	81	2	SOE Guarantee	26	81
3	SOE direct borrowing	70	151	3	SOE Borrowing	70	151
4	SIG direct borrowing	72	223				
5	On-lend to private	60	283				

If in the above example the ABLP included the proposal prioritised 4, the cumulative assumed debt obligation recognised by SIG (i.e. SBD $223 million) would exceed the ABL (SBD $200 million) and would therefore constitute a breach of the DMS.

The DMAC will determine which proposals progress to the ABLP and notify the Minister of Finance of which proposals are to be included in the ABLP.

5.3. Notification process of inclusion in ABLP

Should a sub-national entity's direct borrowing proposal be included in the ABLP, the sub-national entity will be notified of the proposal's status by the DMAC Secretariat.

If the entity receives notification, then they should regard this as representing SIG's 'de facto' commitment to the proposal and in-principle consent for the entity to proceed with feasibility studies or similar.

6. POOL 4 - DMAC POOL

A proposal in the ABLP is only eligible to progress to the DMAC pool if it meets the following requirements:

1. Indicative lending terms have been agreed between the sub-national entity and the proposed lender (refer to section 6 of the Policy for 'Guidance on acceptable borrowing terms'); and
2. DMAC Secretariat has completed a 'proposal assessment' (refer to section 6.1 of these Guidelines).

If a proposal meets the above requirements and is included in the DMAC pool, then the:

1. DMAC Secretariat will present the proposal to the DMAC for evaluation; and
2. DMAC will, subsequent to evaluation, make a recommendation to the Minister of Finance on whether to provide consent for the sub-national entity direct borrowing.

6.1. Proposal assessment

The 'proposal assessment' will include:

1. an 'entity credit risk assessment', to be undertaken by the DMAC Secretariat; and
2. a 'project assessment', to be undertaken by the DMAC Secretariat.

A sub-national entity must provide the DMAC Secretariat with the 'required proposal information' (refer to section 6.1.3 of these Guidelines) to facilitate the proposal assessment.

6.1.1. Entity credit risk assessment

A sub-national entity's credit worthiness will be determined by the DMAC secretariat that will conduct an 'entity credit risk assessment'.

The entity credit risk assessment will be conducted by evaluating a set of entity specific:

1. financial ratios;
2. cash flow forecast; and
3. other factors.

The aim of this assessment is to determine an entity's ability to:

1. manage its finances; and
2. service the proposed direct borrowing.

The DMAC secretariat will assign the entity with one of the following credit ratings to characterise the sub-national entity's credit worthiness:

1. credit worthy; or
2. not credit worthy.

6.1.1.1. *Financial ratios and cash flow forecast*

Table 1 below lists the financial ratios and cash flow forecast that will be evaluated by the DMAC Secretariat as part of the entity credit risk assessment. These ratios and forecast will be evaluated pre-project and including the project.

The DMAC secretariat will also conduct a sensitivity analysis on the financial ratios and cash flow forecast where relevant. For instance, if the entity has existing foreign currency denominated debt or proposes a foreign currency denominated direct borrowing, then the financial ratios should be stress tested for adverse movements in the relevant exchange rate/s. Other sensitivity analysis could test the impact of changes to sales revenue, driven by price and/or volume, for example. Relevant sensitivity analysis on entity financial ratios will depend on the entity being assessed.

TABLE 1: ENTITY CREDIT RISK ASSESSMENT - FINANCIAL RATIOS AND CASH FLOW FORECAST

REVENUE INDICATORS	
Rate of return on net fixed assets in service	Net operating income x 100 / Average of net fixed assets in service
Operating ratio	Total operating expenses x 100 / Total operating revenues
Self-financing ratio	Cash from internal sources / Average annual capital expenditure
Return on equity	Net profit / Owners' equity
CAPITAL STRUCTURE INDICATORS	
Debt to equity ratio	Total debt / Total Equity
Debt service coverage ratio	Net revenues (excluding interest charges) / Estimated annual debt service requirement
LIQUIDITY INDICATORS	
Quick ratio	Current assets – inventories / Current liabilities
CASH FLOW FORECAST	
5 year cash flow projection, assuming the project goes ahead	

6.1.1.2. *Other factors*

The DMAC Secretariat will also consider the following factors as part of the entity credit risk assessment:

- other significant entity financial obligations that are likely to hinder its ability to repay the direct borrowing;
- the entity's history of default on financial commitments;
- any future losses that the entity is expected to incur due to an exposure to current or future exceptional/risk events;
- exceptional factors that may have contributed to good performance in recent years; and

- any credit assessment that has been undertaken by any commercial lenders that may be involved in providing the direct borrowing.

6.1.1.3. Entities not credit worthy

Typically, if an entity credit risk assessment deems the entity to be 'not credit worthy', then the proposal will not progress to the DMAC pool.

However, in exceptional circumstances, not credit worthy entities may progress to the DMAC pool if it can be demonstrated, by the entity, that the proposed project will significantly improve the entity's:

- operating performance such that the entity is expected to earn profits in the future; and/or
- financial capacity to meet the future debt service costs associated with the direct borrowing; and/or
- management structure through the provision of technical assistance; and/or
- operational capacity through the provision of technical assistance.

6.1.2. Project assessment

A project's viability will be determined by the DMAC secretariat that will conduct a 'project assessment'.

A project assessment will be conducted by evaluating the project's:

1. financial viability;
2. non-financial characteristics; and
3. net economic return.

6.1.2.1. Financial viability

To evaluate a project's financial viability, the DMAC secretariat will require the entity to:

1. calculate a set of project specific forecast financial ratios[3];
2. complete project capital expenditure (CAPEX) analyses; and
3. complete a sensitivity analysis on the project's financial ratios and CAPEX analyses.

The relevant project financial ratios and CAPEX analyses are listed in Table 2 below.

[3]Refer to the Asian Development Bank's (2002) *Guidelines for the Financial Governance and Management of Investment Projects* (http://www.adb.org/documents/guidelines-financial-governance-and-management-investment-projects-financed-adb)

TABLE 2: PROJECT ASSESSMENT – FINANCIAL VIABILITY - FINANCIAL RATIOS AND CAPEX ANALYSES

FINANCIAL RATIOS	**FORMULAE**
Interest coverage ratio	$\dfrac{\text{Earnings before Interest and tax (EBIT)}}{\text{Interest expense}}$
Return on investment[4]	$\dfrac{\text{Gain from investment – cost of investment}}{\text{Cost of investment}}$
CAPEX ANALYSES	**COMMENTS**
Net Present Value (NPV) analysis	NPV should be positive and a plausible discount rate should be used.
Internal Rate of Return (IRR) analysis	The DMU will form a view as part of the IRR analysis on what is an appropriate IRR for the type of project.

The sensitivity analysis should test the project's financial ratios and CAPEX analyses by:

1. shocking the key assumptions around; and
    a. Pricing structure;
    b. Exchange rates;
    c. Depreciation;
    d. Inflation; and
    e. Interest rates.

2. assuming the realisation of non-financial shocks (e.g. the provision of land for the project is thwarted because of land owner issues).

Project financial viability is important because a project that is not financially viable is more prone to default on a direct borrowing when the broader economy is weak. It is at such a time, when SIG is also prone to budgetary pressures, that a realisation of the sub-national direct borrowing on SIG's balance sheet is likely to be most undesirable.

If the financial viability of the project is based on unsupportable or doubtful assumptions, then the project is unlikely to be viable and ministerial consent should therefore not be granted.

6.1.2.2. Non-financial characteristics

To evaluate a project's non-financial characteristics, the DMAC secretariat will require the entity to provide a business plan that includes, for example, a:

- pricing structure policy;
- statement explaining whether the lender is proposing to impose any tied procurement[5];
- statement explaining who is responsible for project management;

[4] This can be difficult to measure and subject to manipulation so the assumptions behind this measure will need to be carefully scrutinised.
[5] If a lender is proposing to impose tied procurement (i.e. in the form of materials, equipment and/or labor), then negative impacts of this need to be evaluated by the DMAC Secretariat and presented to the DMAC for evaluation.

- statement of non-financial assumptions (e.g. around land provision);
- non-financial risk assessment;
- project plan showing a timeframe for project implementation;
- statement of contingency measures to account for unexpected delays in project implementation; and
- due diligence report.

The DMAC secretariat will assess the business plan for reasonableness.

6.1.2.3. Net economic return

Refer to Appendix 3 of the DMS for more information on net economic return.

The DMAC secretariat will evaluate the expected net economic return of the project and will assign the project with one of the following ratings, which will characterise the project's expected net economic return:

1. no return;
2. small;
3. moderate; or
4. large.

This rating will be used to compare the proposed project against other projects that are being evaluated in the DMAC Pool.

6.1.3. Required proposal information

A sub-national entity seeking to enter into a direct borrowing is required to provide the 'required proposal information' to the DMAC Secretariat to facilitate the proposal assessment outlined above in these Guidelines.

The required proposal information should include:

1. The entity's current audited financial statements;
2. The entity's current past two years financial statements;
3. A summary of all entity financial ratios that will be assessed in the entity credit risk assessment (refer to section 6.1.1 of these Guidelines):
    a. Pre-project; and
    b. Including the project
4. A 5 year entity cash flow projection, including the project, that will be assessed in the entity credit risk assessment (refer to section 6.1.1 of these Guidelines);
5. A summary of the relevant sensitivity analysis conducted on the financial ratios and cash flow projection that will be assessed in the entity credit risk assessment (refer to section 6.1.1 of these Guidelines);
6. A summary of project specific (refer to section 6.1.2.1 of these Guidelines):
    a. Financial ratios; and

    b. CAPEX analyses.
7. A summary of the sensitivity analysis conducted on the project's financial ratios and CAPEX analyses (refer to section 6.1.2.1 of these Guidelines for appropriate sensitivity analysis);
8. Business plan (refer to section 6.1.2.2 of these Guidelines for what should be included in the business plan); and
9. Any evidence that will assist DMAC Secretariat in determining the expected net economic return of a project (refer to section 6.1.2.3 of these Guidelines).

6.2. Review by DMAC

The DMAC Secretariat will only present proposed sub-national entity direct borrowings to the DMAC for evaluation if: 1) indicative borrowing terms have been agreed by all parties; and 2) the 'proposal assessment' has been completed.

6.3. DMAC recommendation to Minister

Pursuant to review, the DMAC will provide a recommendation to the Minister of Finance on whether to consent to the proposed sub-national direct borrowing. This is consistent with the DMS and the *Public Financial Management Act* (PFMA) that requires all Government borrowing proposals to go through the DMAC process.

6.4. Notification of Minister's decision

The sub-national entity shall be notified, in writing, by the Minister of Finance on whether their proposed SIG direct borrowing has been provided with consent.

APPENDIX 1 - Self-assessment test template

If you are a sub-national entity (i.e. State Owned Enterprise (SOE) or Provincial Government) seeking to finance, in part or in full, a project proposal through direct borrowing, then you are required to complete the **'self-assessment test'** contained in this self-assessment test template. The self-assessment test includes an 'entity test' (step 1) and a 'project test' (step 2).

If your entity fails the self-assessment test, your proposed project will not be eligible to be financed by direct borrowing.

If your entity passes the self-assessment test, then you must submit this completed self-assessment test template to the Debt Management Unit (DMAC Secretariat) by the deadline date (see below) for checking. If the DMAC Secretariat confirms your self-assessment test result, your proposed direct borrowing will progress to the 'self-assessed pool' of the evaluation process.

Deadline date: The deadline date to submit your self-assessment test template is **30 April** of the year preceding the year in which your entity expects to commit (i.e. sign the financing agreement) to the direct borrowing. This date roughly aligns with the annual issuance date of the Budget Circular that outlines the annual budget timetable and line agency responsibility in the budget process.

Begin filling in the self-assessment test template below:

Question Number	Question	Answer
1	In which calendar year do you expect SIG to commit to the proposed direct borrowing?	

If you are an SOE, go to **Step 1 – SOE 'entity test'**

If you are a provincial Government, go to **Step 1 – Provincial Government 'entity test'**

Step 1 – SOE 'entity test'

Question Number	Question	Answer
1	Has your SOE failed to submit your Statement of Corporate Objectives (SCO) to the Ministry of Finance and Treasury (MoFT) by the deadline date?	Yes / No
2	Is your SOE currently in default on any formal debt obligations?	Yes / No
3	Does your SOE currently have any National Provident Fund (NPF) arrears?	Yes / No
4	Does your SOE currently have any Inland Revenue Division (IRD) arrears?	Yes / No

If you answered 'Yes' to any of the above questions, then your SOE **fails** the 'self-assessment test' and is not eligible to directly borrow.

If you answered 'No' to all of the above questions, then you should proceed to **Step 2 – SOE and Provincial Government 'project test'** of this template.

Step 1 – Provincial Government ‘entity test’

Question Number	Question	Answer
1	Is your SOE currently in default on any formal debt obligations?	Yes / No
2	Does your Provincial Government currently have any trade creditor arrears?	Yes / No
3	Does your Provincial Government currently have any NPF arrears?	Yes / No
4	Does your Provincial Government currently have any IRD arrears?	Yes / No

If you answered ‘Yes’ to any of the above questions, then your Provincial Government **fails** the ‘self-assessment test’ and is not eligible to directly borrow.

If you answered ‘No’ to all of the above questions, then you should proceed to **Step 2 – SOE and Provincial Government ‘project test’** of this template.

Step 2 – SOE and Provincial Government ‘project test’

Question Number	Question	Answer
1	Does your project comply with sections 8.13 and 8.14 of the Debt Management Strategy?	Yes / No
2	Has your intention to implement the project previously been reported in your SCO submitted to the DMAC Secretariat?*	Yes / No
3	Does your project exhibit commercial like characteristics (refer to section 4.2.1 of the Policy)?	Yes / No
4	Do you expect your project to deliver a net positive broader economic benefit (including social benefits) to the Solomon Islands?	Yes / No

** This question only applies to SOEs*

If you answered ‘Yes’ to all of the above questions, then your SOE or Provincial Government project **passes** the ‘self-assessment test’. It is therefore eligible to directly borrow and will be included by the DMAC Secretariat in the ‘self-assessed pool’ of the evaluation process.

If you answered ‘No’ to any of the above questions, then your project **fails** the ‘self-assessment test’ and is not eligible for direct borrowing.

If you have completed the self-assessment template and passed the ‘self-assessment test’, please sign below and submit to the DMAC Secretariat by the deadline date.

Name of person completing this template:

Title of person completing this template:

Contact details of person completing this template:	
Date this template submitted to DMAC Secretariat:	

APPENDIX 2 - Indicative evaluation process timeline

Timeline	Sub-national entity action	DMAC Secretariat and DMAC action
January February March April	Conduct 'Self-assessment test' (refer to section 3.1 of the Guidelines) Due date to submit 'Self assessment test template': **30 April**	Liaise with and field queries from sub-national entities and lenders (DMAC Secretariat)
May June July August	Submit 'required proposal information' to DMAC Secretariat (Refer to sections 4.1 and 4.2 of the Guidelines) Due date: **To be confirmed annually**	Check submitted 'Self-assessment template' (DMAC Secretariat) Compile Annual Borrowing Pool (DMAC Secretariat) Establish Annual Borrowing Limit Pool (DMAC Secretariat & DMAC)
September October November December	Liaise and collaborate with the DMAC Secretariat Negotiate terms of direct borrowing (Ongoing)	Establish DMAC Pool (DMAC Secretariat & DMAC) DMAC review and recommendation to Minister (Ongoing)