

### **1. Why should countries adopt Meridian?**

Meridian is produced by the Commonwealth Secretariat which has been involved in developing and implementing debt recording and management systems for some 35 years. Some of the software's unique characteristics and features include:

- It is based on the IMF/WB Public Sector Debt Guide thus ensuring that debt instruments are captured and reported according to the recommended statistical methodology;
- It caters for an extensive range of debt instruments both domestic and external as well as those that create contingent liabilities (e.g. guarantees).
- Meridian is "data flow driven" and can be customised to the institutional setup of the debt management office. It also integrates with the internal email system to provide effective verification/approval electronically; and
- Meridian is based on the latest technology. It is fully web based and runs in a browser

For a more detailed description of Meridian and to organise a demo please contact us.

### **2. How will DFI ensure that migration to Meridian will be smooth?**

The move to Meridian represents more than a software upgrade. It offers an opportunity for countries to substantially raise the level of debt management by configuring the software to their institutional arrangements and business workflow processes, integrating with mail exchange systems and payment system (SWIFT). These new functionality should bring debt operations in line with best practice and substantially reduce operational risks.

To ensure a smooth migration to Meridian, it is therefore crucial that the move is planned to ensure that there are no surprises. This includes ensuring the debt database is fit for migration; hardware resources are adequate; and that compatible systems software (operating system and relational database management systems) are in place. In addition, countries will need to determine which options within the software they would like to implement.

Once Meridian is up and running, countries will need to compare output from CS-DRMS and Meridian (also known as “parallel run”). Any differences need to be investigated and explained before the new installation is signed off.

### **3. When will Meridian be released?**

Meridian was released in June 2019 and is already available for installation in client countries. DFI provides assistance to non-Commonwealth countries already using CS-DRMS to install and migrate to Meridian and new countries to adopt the software.

We advise CS-DRMS user countries to plan for the move to Meridian as early as possible. DFI can assist countries develop a costed Migration Plan covering all aspects of the move to the new software.

### **4. How much will Meridian cost?**

As was the case for CS-DRMS, the cost of the software (as well as maintenance costs) depend on the country’s economic classification. However, countries should note that the total cost of moving to Meridian will also include other components including readiness assessment and development of a migration plan; hardware and software upgrade (if needed); data migration; installation of Meridian; and training in its use.

The readiness assessment will provide the required budget for the introduction of Meridian.

### **5. In what languages is Meridian available?**

Meridian is currently available in English. Because a number of countries use the French version of CS-DRMS, DFI is currently working on a project to translate the software into French.

Whereas CS-DRMS has limitations with some languages, Meridian can be translated in any language. This includes both inputs (interface and screens) and outputs (reports). All text strings are held in a database file and can be readily translated. Users can even switch between languages at run time!

### **6. Is a demo version of Meridian available?**

A demo version can be made available provided that:

- The country has a genuine interest in procuring Meridian and an assessment of user needs has been conducted by DFI;
- The country must sign an MOU in relation to intellectual property rights and confidentiality;
- The country must provide names of who would want access and specific user ids will be created for them;
- A live demonstration will first be given (to assist with minimising queries on using Meridian and to provide a better user experience);
- User access will be removed after 1 month.

### **7. Is it possible for countries to contact the Meridian system developers to address any technical issues arising in the course of using Meridian?**

DFI is the exclusive distributor of Meridian to non-Commonwealth countries and in this capacity, offers a hot line support service to resolve any issues arising from the use of the software. First line Hot line support is provided by DFI systems and debt specialists while second line support is provided by Meridian's developers at the Commonwealth Secretariat. Hot line is provided via email and/or telephone/Skype/WhatsApp. With the country's permission, we can also access the country's installation remotely to diagnose or fix issues arising.

**8. Is Meridian capable of linking to the internet to update exchange and interest rates?**

Yes, a custom built interface can be developed to import updated foreign exchange and interest rates into Meridian.

DFI distributes the Commonwealth Secretariat Securities Auctioning System (CS-SAS) but can also assist countries link Meridian to existing auctioning system as well as Government-wide Integrated Financial Management Information Systems (IFMIS).

**9. Can the system produce the and Form 4 reports needed by the World Bank?**

Yes, Meridian caters for QEDS and Forms 1, 1A, 2 and 4 of the World Bank data reporting requirements

**10. Can you please provide us with the detailed capabilities of the short-term debt module provided by the system? What types of reports can be produced relating to short-term debt?**

In Meridian, most instrument types can be recorded in aggregate format (see the table below) not only short-term debt as was the case in CS-DRMS. The smallest periodicity for recording the stocks and flows in aggregate format is monthly, with additional options of quarterly, semi-annual and annual.

The standard reports retrieve data from both detailed and aggregate recorded instruments. Additionally the aggregate reporting wizard can be used to generate custom reports on the instruments recorded in an aggregate manner.

### **Instrument Type**

### **Agreement Type**

### **Applicable Recording Type**

Loans

Loans – Standard Loan

Both Detailed and Aggregate Recording

Loans – Leases

Both Detailed and Aggregate Recording

Loans – REPO

Detailed Recording

Loans – Mixed Credit

Both Detailed and Aggregate Recording

Loans - Revolving Credit

Both Detailed and Aggregate Recording

Loans – Overdrafts

Both Detailed and Aggregate Recording

Grants

Grants

Both Detailed and Aggregate Recording

Accounts Receivables/Payables

Trade Credit

Both Detailed and Aggregate Recording

Advances

Only Aggregate Recording

Other

Both Detailed and Aggregate Recording

Minimum Revenue or Purchase Guarantees

Only Aggregate Recording

Exchange Rate Guarantees

Only Aggregate Recording

Insurance, Pensions and Standardized Guaranteed

Insurance

Only Aggregate Recording

Pensions

Only Aggregate Recording

Standardized Guarantees

Only Aggregate Recording

Currency and Deposits

Currency

Only Aggregate Recording

At Call Deposits

Only Aggregate Recording

Term Deposits

Only Detailed Recording

SDRs

SDRs

Only Detailed Recording

Financial Derivatives

Forward FX

Only Detailed Recording

FRA

Only Detailed Recording

Swap

Only Detailed Recording

Sinking Funds

Sinking Funds

Only Aggregate Recording

Debt Securities

Bills

Both Detailed and Aggregate Recording

Bonds and Debentures

Both Detailed and Aggregate Recording

Commercial Paper

Both Detailed and Aggregate Recording

Asset Backed Securities

Both Detailed and Aggregate Recording

Preferred Stocks/Shares

Only Aggregate Recording

Promissory Notes

Both Detailed and Aggregate Recording

**11.Does Meridian capture deposits as debt instruments?**

The instrument types that are catered for in Meridian are aligned with the IMF's Public Sector Debt Statistics Guide. These are listed above.



- Average Interest Rate

- Modified Duration

- Utilisation Rate

- Macaulay's Duration

- PV01

- Grace Period

- Original Maturity
- Grant Element

- Residual Maturity

- Average Yield

Available loan accounts:

- Disbursed Outstanding Debt (DOD)
- Committed Undisbursed Balance (CUB)
- Interest Arrears
- Principal Arrears
- Other Arrears

Available valuations:

- Face Value
- Fair Value
- Nominal Value
- Present Value

The portfolio can also be analysed in terms of benchmarks/targets. These are user-defined and customisable by defining the numerator and denominator. Users can create and analyse a portfolio on any number of created benchmarks/targets i.e. Debt/GDP, Debt Service Ratio etc.

Users can also perform risk analysis in relation to contingent liabilities.

