

12th UNCTAD Debt Management Conference

Making debt work for development

18–20 November 2019

Palais des Nations, Geneva

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD



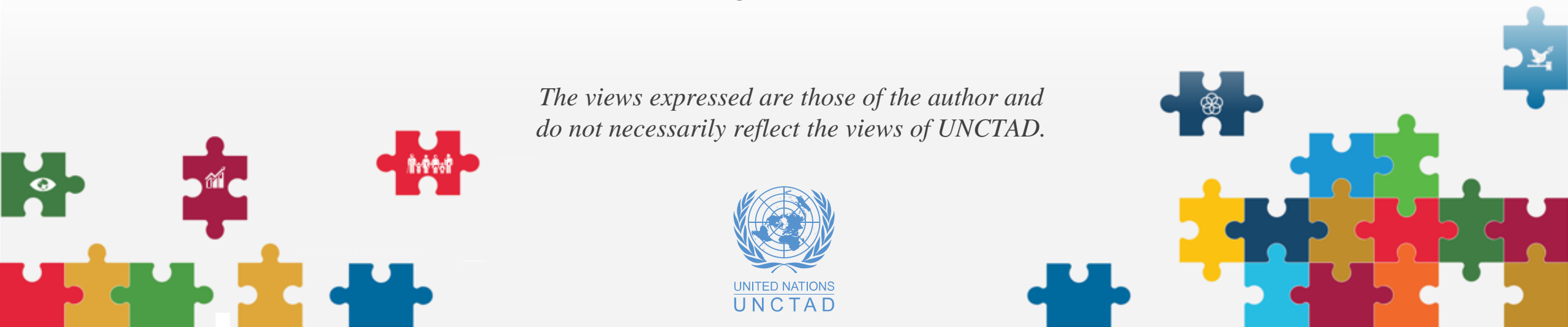
Strengthening Debt Management: Support from the International Community

by

Mr. Gerry Teeling

DMFAS Programme, UNCTAD

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.





Strengthening Debt Management

The work of UNCTAD's DMFAS Programme

by

Mr. Gerry Teeling

Chief, Debt Management and Financial and Analysis System
Programme (DMFAS), UNCTAD

Outline

- About UNCTAD's DMFAS Programme
- Problems we address
- Our solutions
- New initiatives
- Results & Impact



UNCTAD's DMFAS Programme

- Provider of technical assistance & public goods for debt management
- Multi-stakeholder initiative supported by **cost-sharing** by beneficiaries, **bilateral donor** contributions, and **UNCTAD's regular budget**
- Support for over 100 institutions in 71 countries since 1981



DMFAS Advisory Group

Mission:

Assist countries in strengthening their capacity to manage their debt with the ultimate objective of promoting better use of public financial resources to improve the living conditions of the people

Problems we address

- Effective debt management is essential, but **many countries do not yet have the capacity to effectively manage their debt**
- **Difficulties in ensuring the availability of comprehensive, reliable debt databases** that cover all aspects of the evolving debt portfolio and adequate support for debt statistical capacity and reporting
- **Absence of timely and reliable debt data undermines countries' capacity to operate effectively:** conduct debt operations, report, debt, perform analysis, undertake risk management, design appropriate strategies and policies
- **Incapacity to adapt to increasing complexity of debt portfolios and technology**
- **Problems with debt transparency affect the ability of national governments and the international community to minimize the risk of debt crises** and to take timely, remedial action



Common problems in debt data recording & reporting

Underlying Causes

Weak institutional and legal frameworks

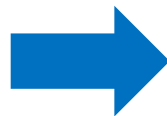
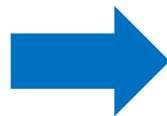
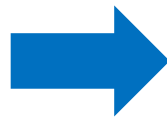
High staff turnover

Low staff capacity

Weak systems

Inadequate PFM Integration

Lack of learning opportunities



Weaknesses

Staff capacity

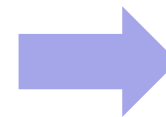
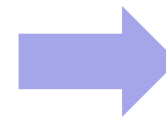
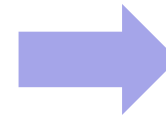
Operational risk management

IT support

Connectivity of Back Office

Data validation

Debt audit



Problems

Unavailability of consolidated database

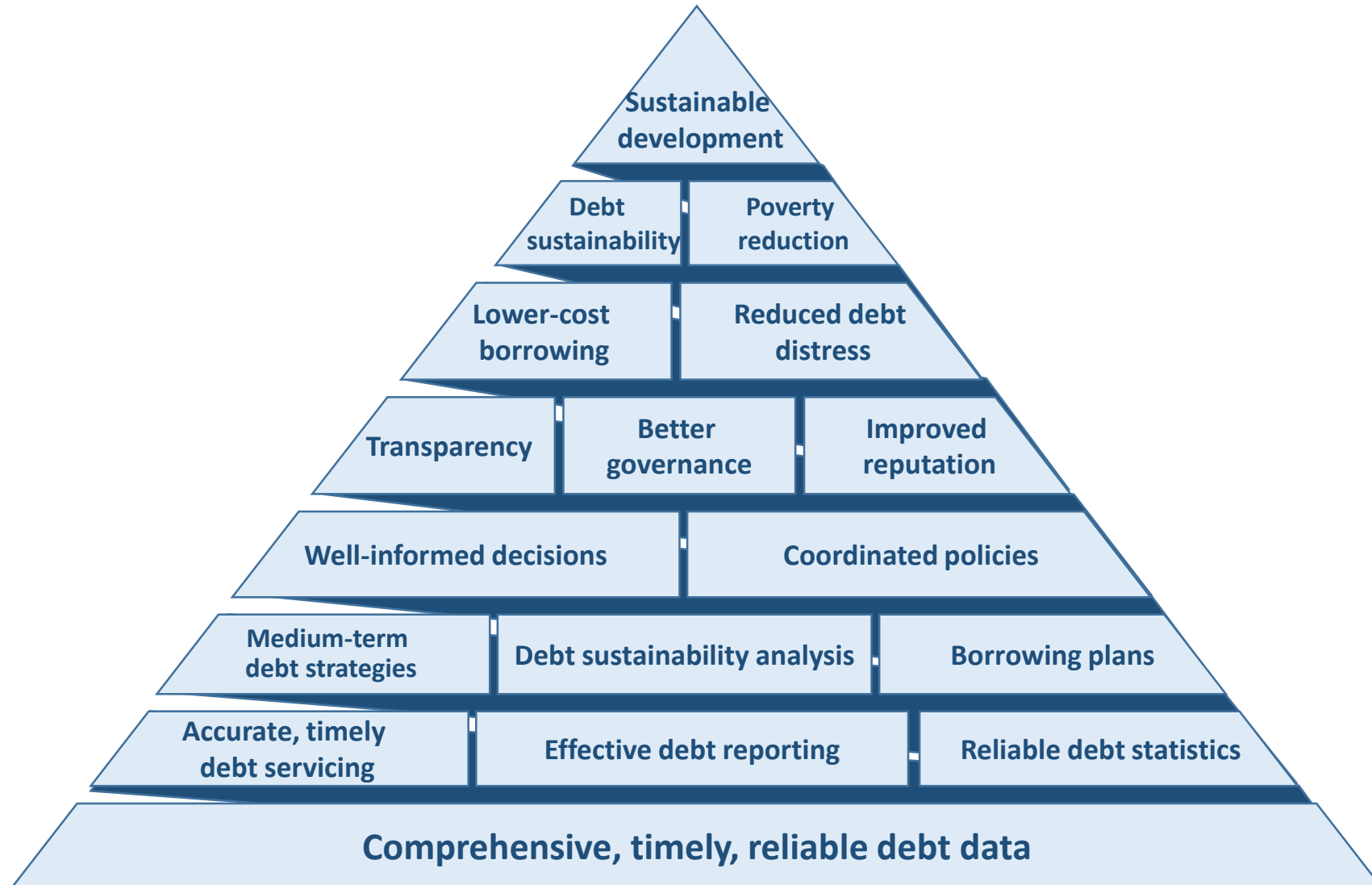
Accuracy

Timeliness

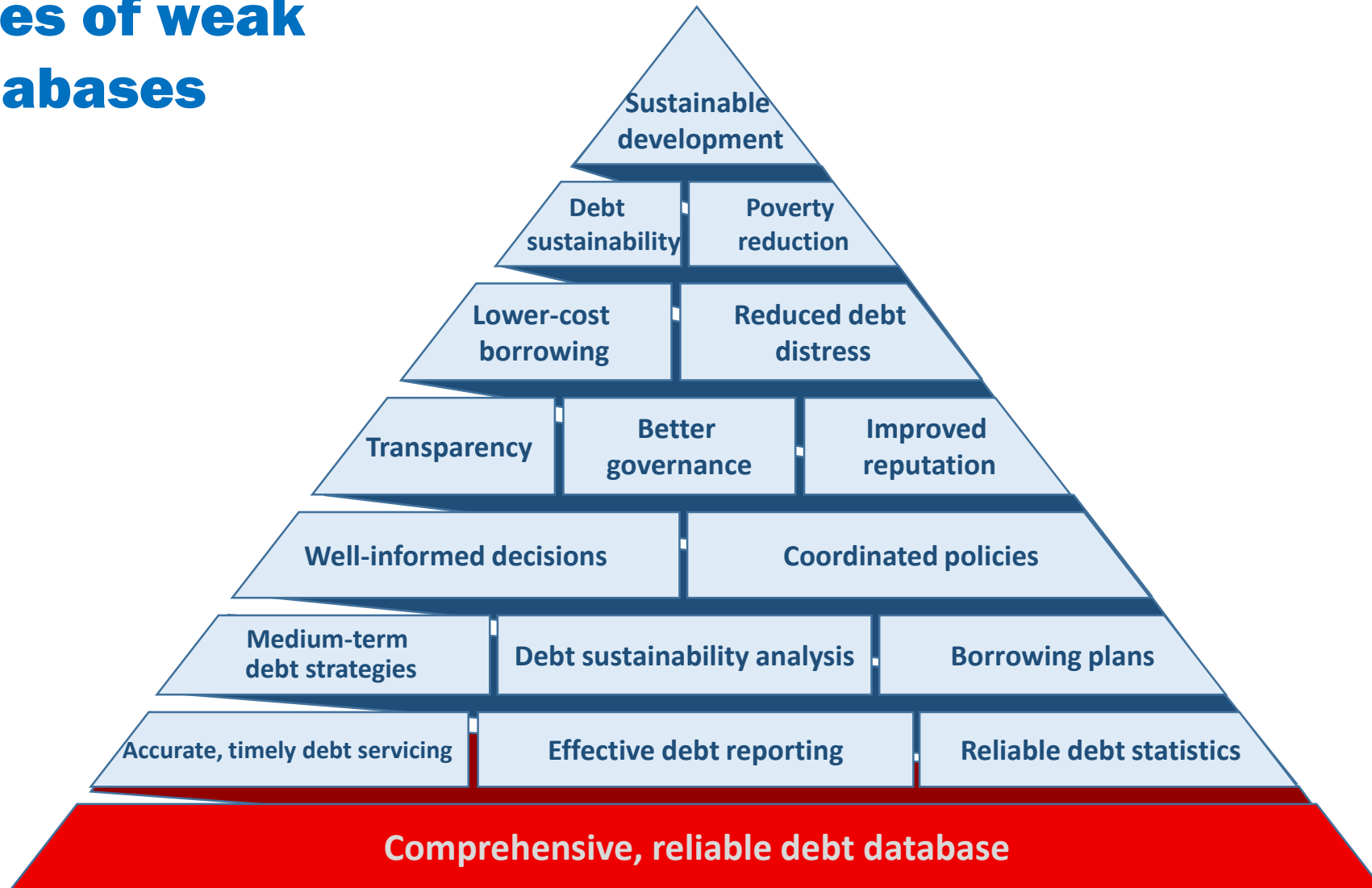
Coverage of central government debt only

Missing debt instruments

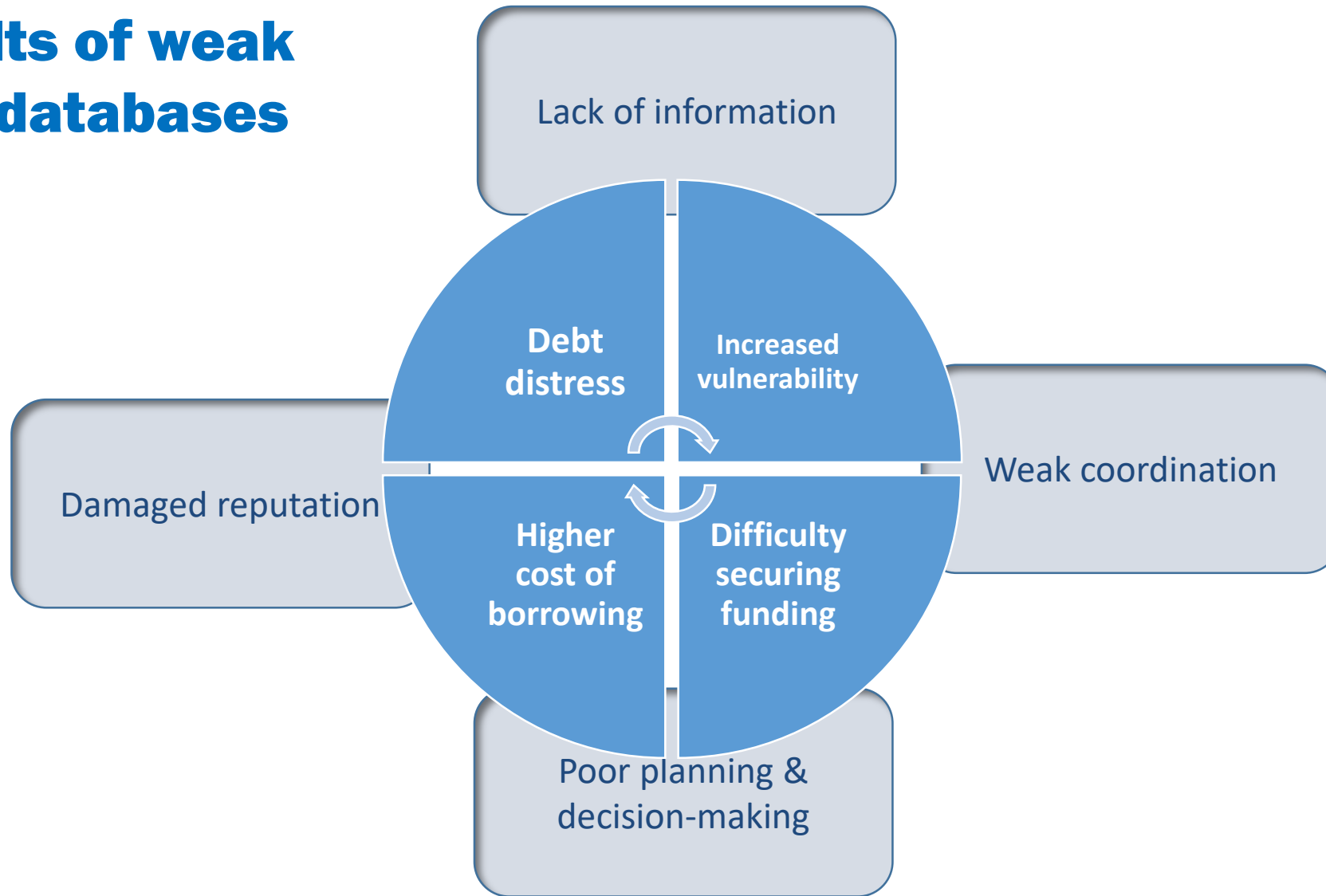
Critical importance of debt data



Consequences of weak debt databases



Results of weak debt databases



Our solutions ⁽¹⁾

- Provide **concrete, practical solutions** for **Recording, Reporting, Operational, Statistical and Analytical** management:
 - **Debt management software – DMFAS**
 - **Capacity-development services:** Data Recording, Validation, Reporting, Statistical Bulletins, Portfolio Analysis, Operational Risk Management
 - **Advisory services** e.g. IFMIS integration
- **Integrate best practices & standards** into our solutions for strengthening staffing, structure and systems
- Focus on **downstream debt management** – support governments to **strengthen the foundations for effective debt management**



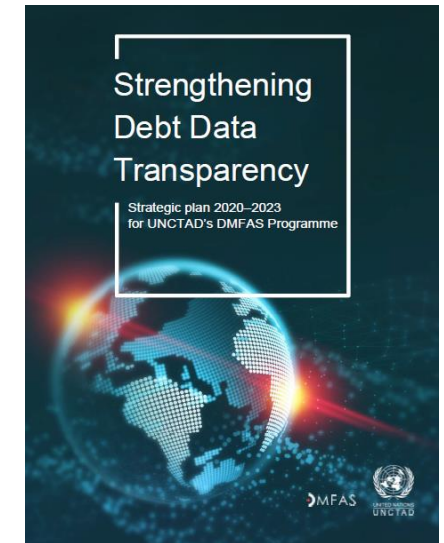
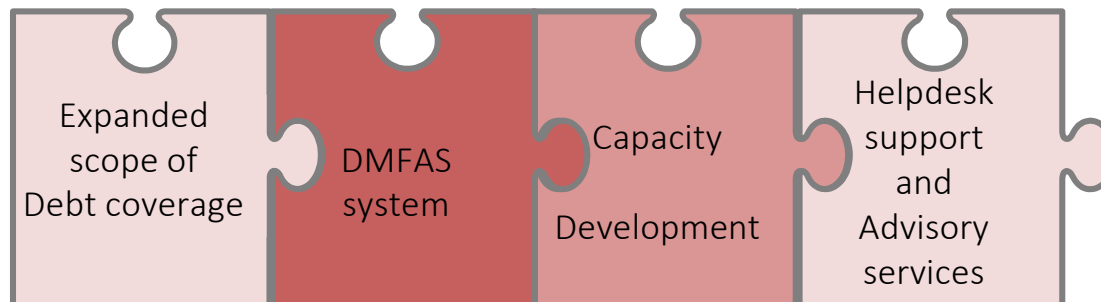
Our solutions ⁽²⁾

- Commitment to continuous and evolving support: **Sustainability requires a long-term continuous, iterative process of learning and adapting to change!**
- Synergies and **complementarity with other providers:**



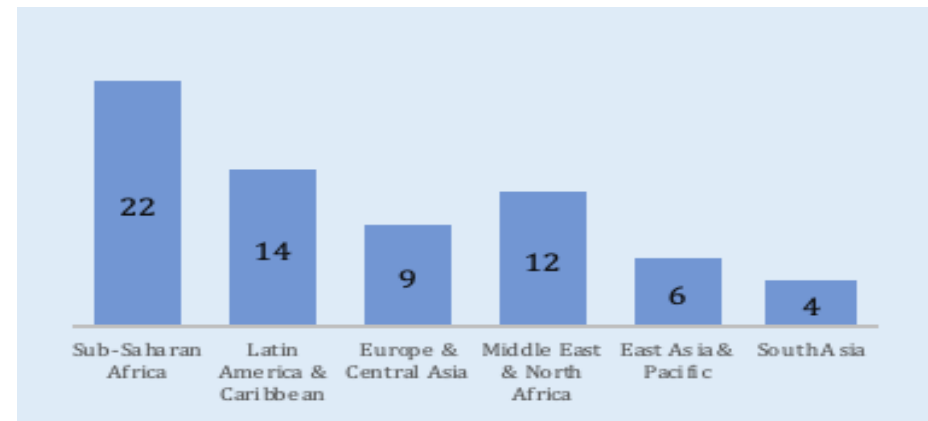
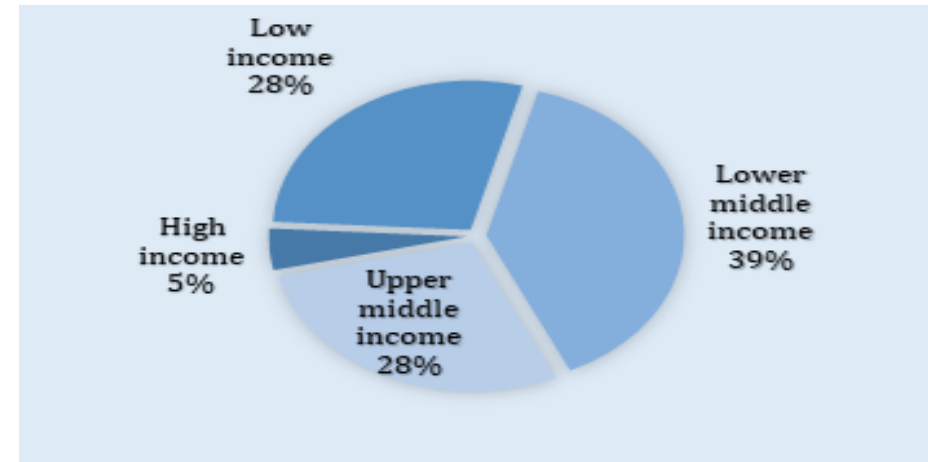
Strategic Plan 2020-2023

- **Expanded scope of debt coverage** to provide the **comprehensive coverage of public sector debt** needed for **debt data transparency**, tailored for individual country circumstances
- **Extended scope of types of debt instruments** covered to include all traditional and non-traditional debt instruments
- **Major new development of DMFAS software – DMFAS 7**
- **Expanded capacity-building framework for debt data recording, reporting and monitoring**
- **Implementation of new data quality assessment framework - Debt-DQA**



Target institutions

- All current users and countries requesting UNCTAD support (currently 67 countries)
- Institutions responsible for managing countries' public debt (DMOs/MoF/CB)
- Sub-national government debt offices
- + private sector non-guaranteed ext. debt
- Facilitate data recording and reporting by entities managing different types of debt instruments (SOEs etc.)

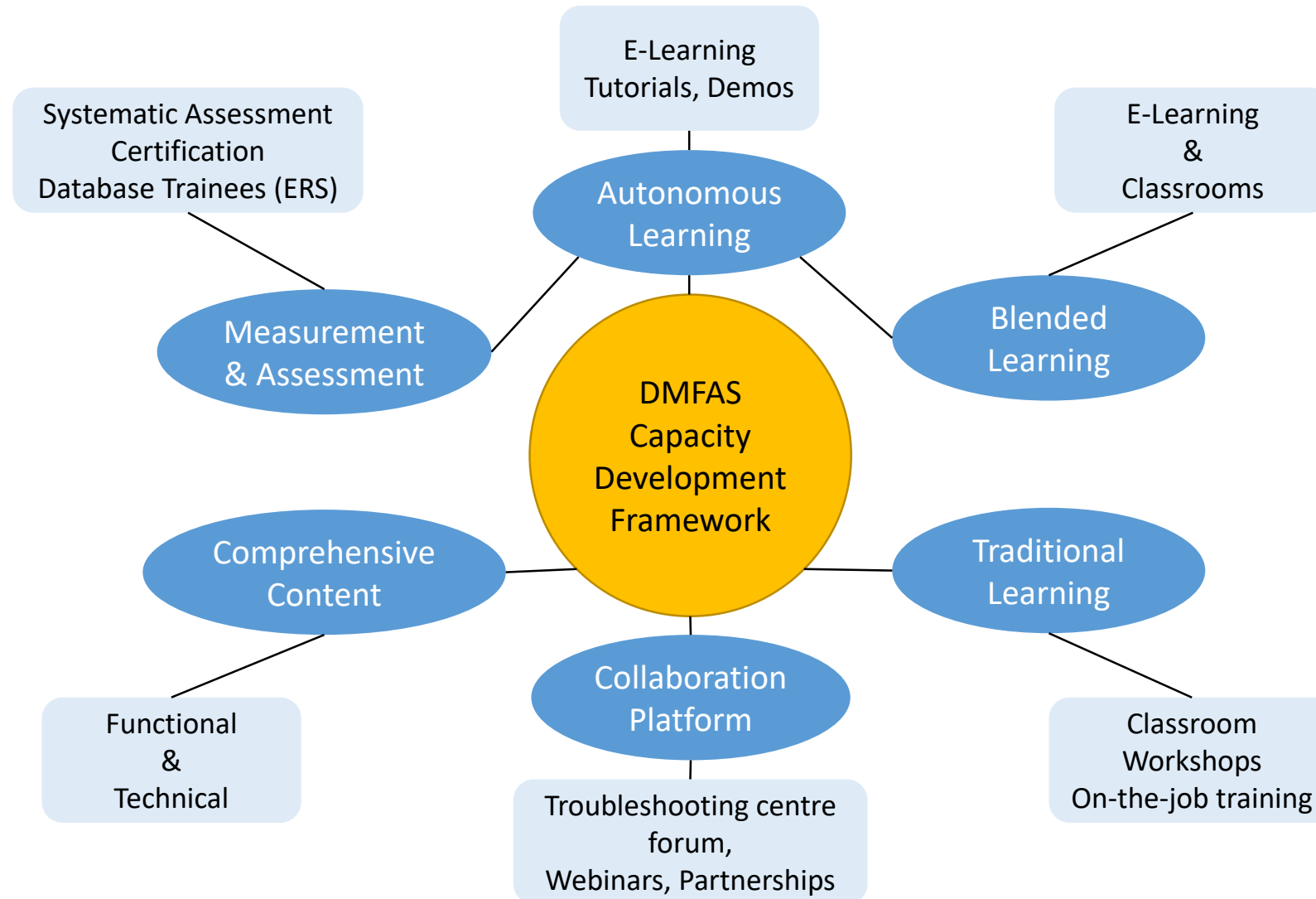


DMFAS 7

- Responds directly to the requirement to **improve debt data transparency**
- Enables comprehensive **recording, reporting, monitoring, management and analysis** of the full range of public sector debt including contingent liabilities
- Offers facilities such as electronic forms and import/export functions for **sharing data between entities**
- Integrates **major advances in technology**



DMFAS Capacity-development framework



Debt Data Quality Assessment:



Joint initiative of COMSEC and DMFAS to develop a framework to systematically assess the quality of the databases recorded in debt management systems based on best practices and international standards in debt management

Debt-DQA **complements** other assessment tools available, including **DeMPA, PEFA, CPIA,** and the **DQAF**

Debt-DQA **adds granularity** to these initiatives as it specifically targets countries' databases available in both debt management systems: the CS-DRMS and the DMFAS

Importantly the tool can be used to improve the quality of data subscribed by countries to international subscribers like **World Bank Debt Recording System (DRS), Quarterly External Debt Statistics** for both SDDS and GDDS subscribers, and **Quarterly Public Debt Statistics** databases

Officially launched during the conference!

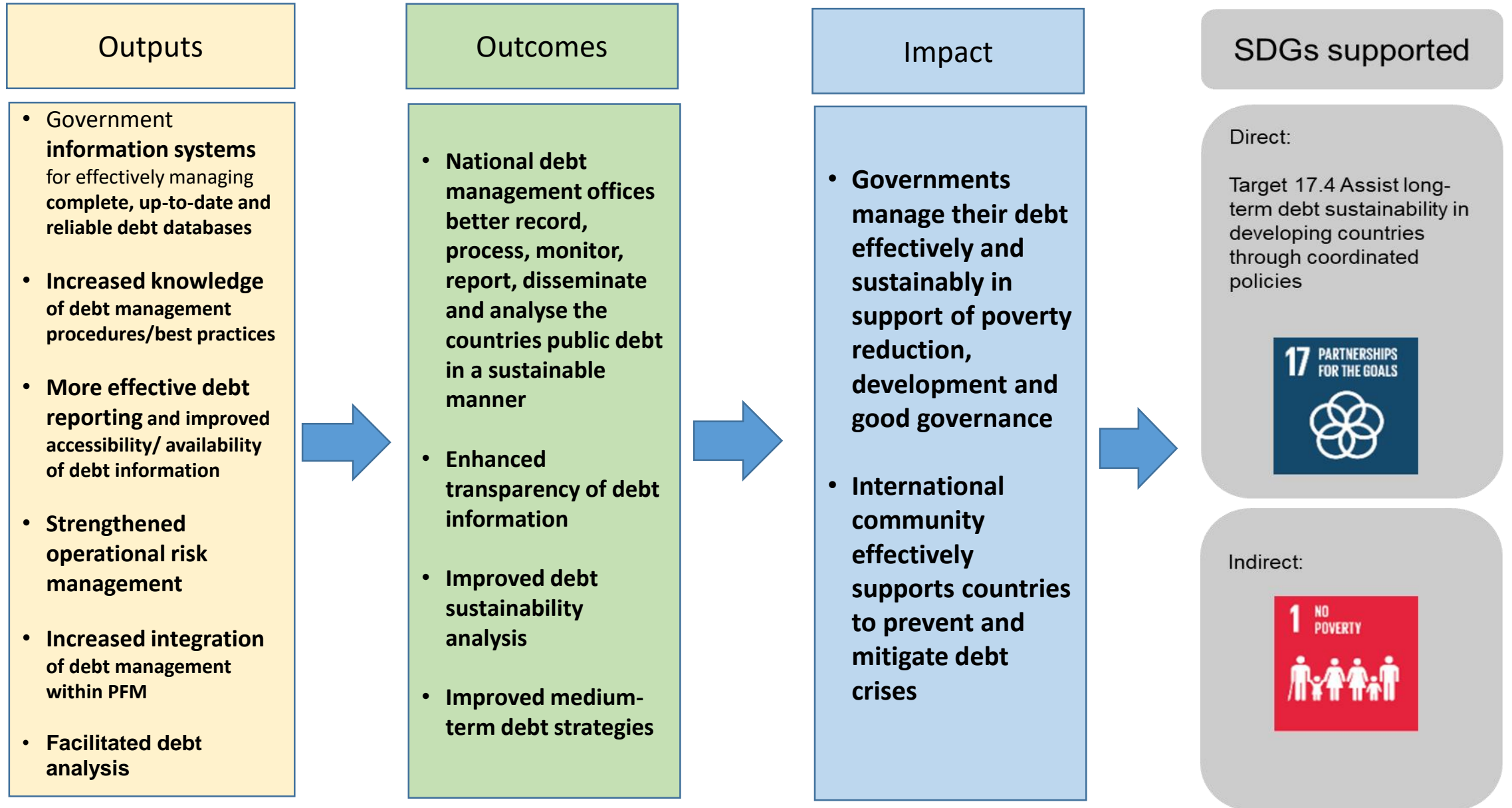


The Commonwealth



UNITED NATIONS
UNCTAD

Results & Impact of DMFAS' work



Thank You