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**ANNUAL REPORT**

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**8** DECENT WORK AND  
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**17** PARTNERSHIPS  
FOR THE GOALS



**2015**



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Debt Management and Financial Analysis System  
Programme  
Annual Report 2015



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# Debt Management and Financial Analysis System Programme Annual Report 2015

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## Executive summary

This annual report describes the activities, achievements and financial situation of the DMFAS Programme of the United Nations Conference on Trade and Development (UNCTAD) in 2015 and provides an overview of the implementation of the Programme's 2011–2015 strategic plan. It is intended for the Programme's donors, its development partners and its beneficiary countries, and for all others interested in debt and development issues.

The UNCTAD DMFAS Programme, in support of good governance and poverty reduction, offers developing countries a set of proven solutions to improve their capacity to manage public debt and consequently public resources. As a leading provider of technical cooperation and advisory services in debt management, it strengthens the capacity of countries to handle the day-to-day management of public liabilities and produce reliable debt data for policymaking purposes. The Programme works in close cooperation with other international bodies, such as the World Bank, the International Monetary Fund and regional institutions, to enhance coordination and avoid duplication.

Since its inception, in synergy with UNCTAD policy, research and analytical work on debt issues, the Programme has provided country assistance to 107 institutions in 69 developing countries.

The development status of DMFAS clients is as follows: 21 least developed countries, 16 landlocked developing countries and 3 small island developing States. Currently, 38 DMFAS country clients have either low-income or lower middle-income development status (see annex 4). In 2015, five DMFAS user countries moved up into the World Bank income classification. Additionally, half of all countries with heavily indebted poor country (HIPC) status received DMFAS support.

From 2011 to 2015, the Programme's focus was on the delivery of debt management assistance in its areas of comparative advantage (the downstream activities) at the country level, including in some cases working at the subnational level and the regional level.

The downstream activities include the maintenance of debt databases, debt-data validation, debt operations,

internal and external debt reporting, debt statistics and basic debt analysis, and building system links between debt management and other financial software. They complement more upstream activities such as medium-term debt strategy and debt sustainability analysis undertaken by other providers such as the World Bank. Additionally, the Programme is increasingly helping countries to establish links between the DMFAS and other governmental software (for example, software used for budgeting, cash management and aid management) or within complex integrated financial management systems as part of the overall public financial management efforts of countries.

The current strategic plan for the DMFAS Programme has reached its fifth and final year of implementation. Its overall objective is to help focus countries to manage their debt effectively and sustainably. This relates to downstream functions most commonly associated with back and middle debt management offices, considered the foundations for effective debt management.

At its tenth session, the DMFAS Advisory Group noted with satisfaction the excellent results achieved by the Programme in the implementation of the 2011–2015 strategic plan, contributing to concrete and sustainable progress for DMFAS client countries that includes improved external and domestic debt data recording, enhanced reporting and improved debt analysis reporting. Under the first objective, that is, "focus countries have the capacity and technology to manage their operational, statistical and analytical debt management functions", the Programme focused on providing direct solutions to the debt management needs of developing countries. Under the second objective, that is, "the DMFAS Programme has improved capacity to deliver effective, efficient and sustainable responses to country needs", it concentrated on meeting internal challenges to deliver the solutions of the first objective, such as strengthening the portfolio of public goods it provides, its methods of delivery of those goods and services, and the sustainability and predictability of its financing.

For the DMFAS client countries, concrete and sustainable results in 2015 included improved external and domestic debt data recording, enhanced reporting and improved debt analysis capacities in line with the

recording and reporting components of the Public Financial Management (PFM) value chain as defined under the Public Expenditure and Financial Accountability (PEFA) Programme.

The DMFAS Programme continued to pay particular attention to helping countries produce clearly identifiable outputs through well-designed technical assistance projects. Key outputs from the DMFAS technical and functional missions were DMFAS installations/upgrades, the creation of links with other systems and the training of debt officials. Outputs from the capacity-building activities included debt portfolio reviews, data validation calendars, debt statistics bulletins and procedures manuals.

The majority of DMFAS clients use the DMFAS software for day-to-day debt operations and for producing internal managerial reports. At the end of 2015, 84 per cent were also using the DMFAS software for external reporting purposes and the production of debt statistics. In addition, 36 countries regularly publish official statistical bulletins, and 19 countries produce a debt portfolio report at least once a year.

Also, as a result of the Programme's assistance in helping countries in their reporting requirements, 96 per cent of DMFAS client countries with low or middle income level effectively reported to the World Bank through the Debtor Reporting System. In 2015, 65 per cent of DMFAS clients were participating in the quarterly external debt statistics database (QEDS) of the International Monetary Fund (IMF) and World Bank. Among them, 35 per cent are subscribers to the IMF special data dissemination standard (SDDS), and 65 per cent are subscribers to the IMF general data dissemination system (GDDS). From 2011 to 2015, six additional DMFAS user countries subscribed and provided data to the quarterly public sector debt database (QPSD) and one new country to the special data dissemination standard/quarterly external debt statistics database (SDDS/QEDS).

The web-enabled DMFAS 6 software caters to the evolving institutional and operational needs of debt management offices and their changing debt instruments. In February 2015, the Programme released DMFAS 6.1, containing a large number of enhancements and new functionalities. Further development on the support for linkages with external systems was also undertaken, and a set of technical enhancements to support interfacing has been integrated to the latest

release of the software. Eighteen countries had linked – and one is in the process of linking – the DMFAS to other government financial systems. Progress has also been made in developing the link to the medium-term debt management strategy tool, and to debt portfolio review and debt sustainability analysis reports. On the support for different languages, DMFAS 6.1 was translated into Russian. The Programme continued to work closely with its clients, learning where the new DMFAS 6 software could be strengthened and refined, as well as assisting with any difficulties.

In line with its strategy, the Programme is finalizing three new learning products on the basics of government securities market and financial calculations, basic debt concepts for DMFAS users and on debt reorganization.

Active cooperation between the Programme and other technical assistance providers in public debt management included contributions to the implementation of the second phase of the Debt Management Facility (DMF) and participation in a total of eight DMF missions. DMFAS has continued collaboration with the Inter-agency Task Force on Finance Statistics (TFFS). Overall, in 2015, the Programme participated in 12 events organized by other technical assistance providers, including IMF and the World Bank. The Programme also continued to regularly share the DMFAS Programme's mission calendar with other technical assistance providers so as to enhance overall mission coordination in countries. Building on the recommendations of the business model review, the Programme explored new opportunities with new donors, including with the Commonwealth Secretariat.

Recognizing the importance of monitoring and evaluation, the DMFAS Programme used its new monitoring and evaluation framework to further improve the quality of technical assistance provided to client countries, strengthen knowledge-sharing and report more comprehensively on results achieved. In addition, the Programme's unit in charge of quality assurance and user support implemented strengthened testing procedures on new DMFAS deliverables to further guarantee the excellence of the DMFAS software and support services.

Progress in improving the sustainability and predictability of the Programme's financial situation was reflected by the stability in the number of donors to the

Programme during the period of the strategic plan 2011–2015 compared with the previous strategic plan 2007–2010. From 2011 to 2015, the Programme’s donors included France, Germany, Ireland, Italy, the Netherlands, Norway, Switzerland and the European Union. Funding agreements with the European Union came to an end in 2014. The Programme launched a fundraising effort to secure commitments from past, current and new donors for funding the implementation of its new strategic plan for 2016–2019.

Another notable achievement was the positive results from the implementation of the graduated cost-sharing mechanism, lowering the dependency on bilateral donors, which is a priority for the Programme. The continued high level of participation by DMFAS beneficiary countries in the Programme’s cost-sharing mechanism is a good indicator of the Programme’s importance to countries. This indicator is reinforced by the increasing number of middle-income countries that are fully financing their national projects.

Overall, 2015 marked the completion of the current strategic plan achieving the vast majority of its objectives. As concluded by the positive external

evaluations and measurable results, namely the midterm review on the implementation of the 2011–2015 strategic plan and the business model review, the DMFAS Programme is achieving its long-term strategic goal of strengthening debt management capacity of beneficiary institutions and is strengthening the clients’ operation, statistical and analytical debt management functions. Both studies recognized the high level of satisfaction of clients and showed that products and services offered by the DMFAS Programme remain highly relevant in the context of the continuing financial crisis impacting credit availability for indebted developing countries, especially low-income. The new strategic plan 2016–2019 builds upon the excellent results achieved in implementing the current strategy to ensure the Programme’s continued relevance and efficiency in responding to the needs of developing countries in debt management. The DMFAS Advisory Group stressed the importance of the Programme obtaining the funding necessary to enable it to continue to respond effectively to the evolving demands of developing countries and countries with economies in transition.



## Key achievements and activities in 2015

### *Impact of capacity-building activities*

- Complete, reliable and up-to-date debt databases: 88 per cent of countries have developed comprehensive and reliable debt databases in respect of government and government-guaranteed external debt.
- Sixty-one per cent of DMFAS 6 user countries whose debt management office is responsible for monitoring domestic debt were using DMFAS to manage their entire domestic debt portfolio.
- Thirty-six countries regularly produce statistical bulletins on debt; two new countries produced draft statistical bulletins this year.
- The following deliverables were produced: a debt portfolio report in one additional country; data validation calendars in five additional countries; procedures manual in two countries.
- Improved capacity for effective debt reporting: 65 per cent of DMFAS clients were participating in the IMF–World Bank quarterly external debt statistics database (QEDS), 35 per cent of which as subscribers to the IMF special data dissemination standard (SDDS) and 65 per cent as subscribers to the IMF general data dissemination system (GDDS). From 2011 to 2015, six additional DMFAS user countries subscribed and provided data to the quarterly public sector debt database (QPSD) and one new country to the special data dissemination standard/quarterly external debt statistics database (SDDS/QEDS).
- Ninety-six per cent of low or middle-income DMFAS client countries effectively reported to the World Bank through the Debtor Reporting System.
- Contribution to the public financial management (PFM) value chain, as defined under the Public Expenditure and Financial Accountability Programme, in particular under performance indicator 17 (recording and management of cash balances, debt and guarantees) and performance indicator 25 (quality and timeliness of annual financial statements). Forty-three

DMFAS countries were assessed under the PEFA framework. Results for 40 DMFAS user countries are publicly available for indicator 17(i) (quality of the debt database) and show that 10 countries have the maximum grade, 10 have improved the quality of the debt database since 2005 and 3 have seen the quality of the database deteriorating.

### *Continued support for developing country needs*

- Fifty-seven current client countries (84 DMFAS user institutions).
- Twenty-one least developed countries, 16 landlocked developing countries and 3 small island developing States.
- Fourteen low-income countries and 24 lower middle-income countries.
- Twenty heavily indebted poor countries.
- Eighty-four field missions were implemented: needs assessments, project evaluations, on-the-job training for debt management offices, national and regional workshops and study tours that resulted in South–South and triangular cooperation.

### *Active and new country projects*

- Management of 24 active technical assistance projects at the country level.
- Signature of new projects for eight countries (Albania, Angola, Chad, Costa Rica, Indonesia, the Republic of Moldova, the Sudan and Uzbekistan) and five addenda to existing projects with the Democratic Republic of the Congo (two amendments), Ethiopia, Gabon and the Republic of the Congo.

### *DMFAS users*

- Four new DMFAS 6 installations in 2015.
- More than 97 per cent of all the institutions operating DMFAS in client countries have adopted the latest versions of the software (DMFAS 5.3 or 6).

- Sixty per cent of DMFAS countries and 49 per cent of user institutions are using DMFAS 6.

#### ***System development and support***

- The Programme continued to enhance the DMFAS 6 software in 2015, in response to client requests.
- In 2015, the DMFAS help desk received 544 requests and answered a total of 352 queries, 44 of which were DMFAS 5.3 queries and 308 were requests on DMFAS 6. Remaining tickets were either assigned for processing or earmarked for future enhancements.
- Information technology workshops were provided to six countries that were developing an interface between DMFAS and other integrated financial management information systems (IFMIS).

#### ***Coordination and sharing of best practices***

- Participation of DMFAS in 12 events of other technical assistance providers: IMF, the World Bank, the Macroeconomic Economic and Financial Management Institute of Eastern and Southern Africa, the Inter-agency Task Force on Finance Statistics, the OECD Global Forum on Public Debt Management, the Asian Development Bank Forum on Debt Management and the Latin American and Caribbean Debt Group.
- Under the Debt Management Facility: four debt management performance assessment (DeMPA) missions (Côte d'Ivoire, the Democratic Republic of the Congo, Rwanda and Tajikistan), three medium-term debt strategy (MTDS) missions (Bosnia and Herzegovina, Uganda and Viet Nam), participation as resource person to one MTDS training in Austria and participation in the Debt Management Facility forum and the

Technical Advisory Group meeting in June in the Philippines.

- Hosting of the annual meeting of the Inter-agency Task Force on Finance Statistics.

#### ***Financial reforms***

- From 2011 to 2015, eight donors supported the Programme. In 2015, donors included Germany, Ireland, the Netherlands, Norway and Switzerland.
- From 2011 to 2015, five multi-year commitments were made, two of which continued in 2015.
- The majority of DMFAS user countries participated in the Programme's cost-sharing mechanism, and 87 per cent of institutions that benefit from DMFAS have signed a maintenance agreement. Since the implementation of the graduation scheme in 2011, cost sharing is three times higher for the 2011–2015 strategic plan compared with the previous four-year plan, thus lowering the dependency on bilateral donors. Despite the inter-annual volatility, contributions for maintenance are 31 per cent higher on average than in 2011, year of implementation of the graduation scheme.

#### ***Improved Programme capacity***

- Implementation of strengthened testing procedures for new DMFAS 6 releases.
- Development of capacity-building modules on "Basic debt concepts", and "Mastering the basics of Government debt securities market and financial calculations".

#### ***Continued relevance of the Programme***

- The Doha Mandate reaffirms, inter alia, the importance and the role of the DMFAS Programme in supporting effective debt management (TD/L.427/Rev.1).

## Progress in implementing the strategic plan for 2011–2015

The five-year strategic plan for the DMFAS Programme, which began implementation in January 2011, came to an end in 2015. Its overall objective was to help focus countries to manage their debt effectively and sustainably. This relates to downstream functions most commonly associated with the back and middle debt management offices, which are considered the foundations for effective debt management. Although the strategic plan was originally planned for four years, from 2011 to 2014, the DMFAS Advisory Group approved its extension by one year, based on the recommendations of the midterm review, to undertake additional activities, including a business model review of the DMFAS Programme.

In line with the overall objective and the Programme's comparative advantages, the plan focused on the following two main areas: strengthening the operational, statistical and analytical debt management functions of Governments; and improving the capacity of the Programme to deliver responses to meet the needs of developing countries and countries with economies in transition. The logical framework for the strategic plan for 2011–2015 included strengthened performance indicators, in line with the recommendations of donors (see annex 1). Baseline statistics were defined in order to set benchmarks, through questionnaires and surveys with client institutions.

Immediate objective 1: Focus countries have the capacity and technology to manage their operational, statistical and analytical debt management functions. The first objective concentrated on providing direct solutions for the needs of developing countries in debt management.

Immediate objective 2: The DMFAS Programme has improved capacity to deliver effective, efficient and sustainable responses to country needs. This second objective focused on meeting internal challenges that the Programme faces in delivering the solutions of the first objective. Under this objective the Programme strengthened the portfolio of public goods it provides, its methods of delivery of those goods and services and the sustainability and predictability of its financing.

Table 1 provides a summary of the objectives and expected results, as well as achievements at the end of 2015. DMFAS clients and donors highlighted their appreciation of the important results achieved during the implementation of the strategic plan.

These results are as follows:

- Government information systems established for effectively managing complete, up-to-date and reliable debt databases. At the end of the strategic plan, the DMFAS Programme continued meeting expectations by directly supporting 84 active DMFAS user institutions in 57 countries. As a measure of the progress countries have made in debt recording assisted by DMFAS, 88 per cent of countries have developed comprehensive, reliable debt databases in respect of government and government-guaranteed external debt. Sixty-one per cent of DMFAS 6 user-countries whose debt management office is responsible for monitoring domestic debt were using DMFAS to manage their entire domestic debt portfolio. Government capacity improved for effectively reporting on debt, conducting debt analysis and providing inputs to debt strategy. With regard to reporting, 96 per cent of low or middle-income DMFAS user countries were reporting effectively to the World Bank Debtor Reporting System, and 65 per cent of DMFAS user countries participate in the quarterly external debt statistics database. Between 2011 and 2015, six additional DMFAS user countries subscribed and provided data to the quarterly public sector debt database, and one new country, to the special data dissemination standard/quarterly external debt statistics database. Thirty-six countries produced regular statistical bulletins at the end of 2015, representing additional nine countries compared with 2011.
- Enhanced government debt operational risk management and public financial management integration, increased new development of automatic links between DMFAS and other financial systems and integration with auction systems in two countries.

- Improved knowledge of debt management and access to information through the 2011, 2013 and 2015 debt management conferences (over 1040 participants from more than 110 countries) and DMFAS training events.

The capacity-building modules developed by the Programme and delivered through in-country and regional training courses have yielded tangible results. From 2011 to 2015, 17 debt portfolio analysis workshops (including three follow-up workshops and two regional workshops) resulted in the production of draft debt portfolio analysis reports such as in the Dominican Republic. At the end of 2015, 19 countries produced debt portfolio reviews at least once a year. In addition, 24 debt statistics workshops (including 10 follow-up activities and 1 regional workshop) produced debt statistical bulletins such as in Nicaragua in 2015. Finally, 19 data validation workshops (including 3 follow-up activities and 1 regional workshop) resulted in the production of a data validation calendar, such as in the Republic of the Congo in 2015. In addition, six capacity-building workshops resulted in the refinement of the draft procedures manual, as in Zimbabwe in 2015.

Progress continued in the implementation of the web-based DMFAS 6. At the end of 2015, the DMFAS 6 software had been installed in 41 institutions and 34 countries, representing 60 per cent of DMFAS user countries in line with the target. Four installations took place in 2015, namely in the Ministry of Finance of Angola, the Argentinian Province of La Rioja, the Central Bank of the Islamic Republic of Iran and the Ministry of Finance of Mauritania.

The development of DMFAS 6 was the largest project that the Programme had ever undertaken. The high quality and relevance of the software is attested to by client institutions using DMFAS 6 for their day-to-day operations, specifically debt recording and reporting. This is also highlighted in the findings of the midterm review. In line with the strategic plan, the Programme implemented a series of developments and enhancements of DMFAS 6, which included the following:

(a) Increased scope of instruments: completion of modules on private external and short-term debt, sukuk, and extended amendments and operations. The extended debt reorganization module is partially completed as the module requires additional developments.

(b) Increased scope of transactions: enhancements to the prepayment and buy-back modules (including new transactions types such as suspension) and new modules for the recording of drawing requests and issuance authorizations.

(c) Data quality improvements: the extended auditing module has been completed. As part of the system workflow, the new module on data validation at recording level is being finalized and shall be released by mid-2016.

(d) Reporting and analysis: enhanced analytical reporting and risk indicators were implemented. Further new modules, namely for the automatic generation of QEDS reports, the standard interfaces with the medium term debt strategy and for the debt sustainability framework reporting are under testing and will be completed in 2016.

(e) Standards features for integration: completion of modules on centralized authentication service, full use of open source libraries, generic interfaces and standard DMFAS 6 module to integrate debt management functions with budget, accounting and/or treasury systems (which were implemented as web services). In addition, standard interfaces for IFMIS integration and auction interface were partially completed.

In addition to the planned developments and enhancements, the Programme undertook the development of the Russian version of DMFAS 6, which was not originally foreseen. Most planned developments were implemented during the period through outsourcing and central team staff.

With respect to the Programme's financing, the following three instruments have been designed to ensure efficient cost sharing and to cover part of the running costs of the Programme: maintenance fees, development fees and project management cost recovery. The maintenance fees for DMFAS 6 has been adjusted to the income levels of client countries based on the World Bank income group classification, better reflecting the abilities of countries to share costs. This graduated maintenance fee policy was recommended by the DMFAS Advisory Group in 2009. In 2015, in line with the objective of the strategic plan, all new DMFAS 6 project documents included a maintenance agreement with the new graduated annual fees. Project management cost sharing is a standard mechanism in technical cooperation programmes and will continue to be

systematically included in all project proposals in the coming years. Projects will fully cover the cost of resources used to implement them.

The Programme provided effective support to user countries through its help desk, which responded to 352 requests during the reporting period. It supplied country technical assistance, namely delivering 82 capacity-building workshops and other activities during the reporting period. In 2015, the Programme actively managed 24 technical assistance projects and signed 8 new projects and 5 addenda to existing projects.

The Programme's achievements contributed to overall improvements in the following components as defined under the Public Expenditure and Financial Accountability Programme, in particular under performance indicator 17 (recording and management of cash balances, debt and guarantees, for dimension (i) on quality of debt data recording and reporting and dimension (iii) on systems for contracting loans and the issuance of guarantees), and under performance indicator 25 (quality and timeliness of annual financial statements, for dimension (i) on completeness of the financial statements and dimension (ii) on timeliness of submission of the financial statements). Out of 43 DMFAS user countries that underwent a PEFA assessment, 10 countries obtained the maximum grade for the indicator 17(i), 11 have improved the quality of the debt database since 2005 and 3 have seen the quality of the database deteriorating.

In line with its strategy, the Programme is finalizing three new learning products on the basics of government securities market and financials calculations, basic debt concepts for DMFAS users and on debt reorganization. The new learning approach is aimed at answering the needs of users for personalized training, making learning material accessible when and where it is needed.

The strategic plan placed considerable importance on coordination with other stakeholders (see figure 1), and the Programme continued to pursue this objective. By increasing its coordination with other providers, DMFAS has adopted a policy of avoiding duplication, sharing best practices and maximizing support to other providers. A key result has been the alignment of the Programme's work within its areas of competitive advantage. This was fully achieved by redefining the Programme's scope within the debt management capacity-building pyramid model (see

figure 2) to cover debt recording, operations, statistics and basic analysis layers, also referred to as downstream activities. All Programme activities during the period conformed to these areas of competitive advantage. Cooperation involved providing support to the activities of other providers in the upper layers of the debt management pyramid model in figure 2, i.e. risk analysis, debt strategy and debt sustainability analysis.

In avoiding duplication, the Programme's initiative of systematically sharing its mission calendar with other providers continued to be very useful. In 2015, cooperation with other providers involved participation as resource persons in 12 joint events organized by international and regional partners. For example, it participated in the Asian Regional Public Debt Management Forum, in the Latin American and the Caribbean Debt Group, in activities on public debt statistics organized by IMF and AFRITAC, and in the Commonwealth Secretariat Stakeholders Conference on Public Debt Management.

In sharing best practices and providing active support for new international initiatives that improve coordination, the Programme has been involved with other organizations in a number of areas. It continued its active contributions to the Task Force on Finance Statistics and hosted this year the Task Force meeting in UNCTAD headquarters in Geneva. The Programme continued to be an important implementing partner of the second phase of the Debt Management Facility led by the World Bank. In 2015, the Programme participated in four debt management performance assessment (DeMPA) missions (Côte d'Ivoire, the Democratic Republic of the Congo, Rwanda and Tajikistan), three medium-term debt strategy (MTDS) missions (Bosnia and Herzegovina, Uganda and Viet Nam) and provided a resource person for one training in Austria.

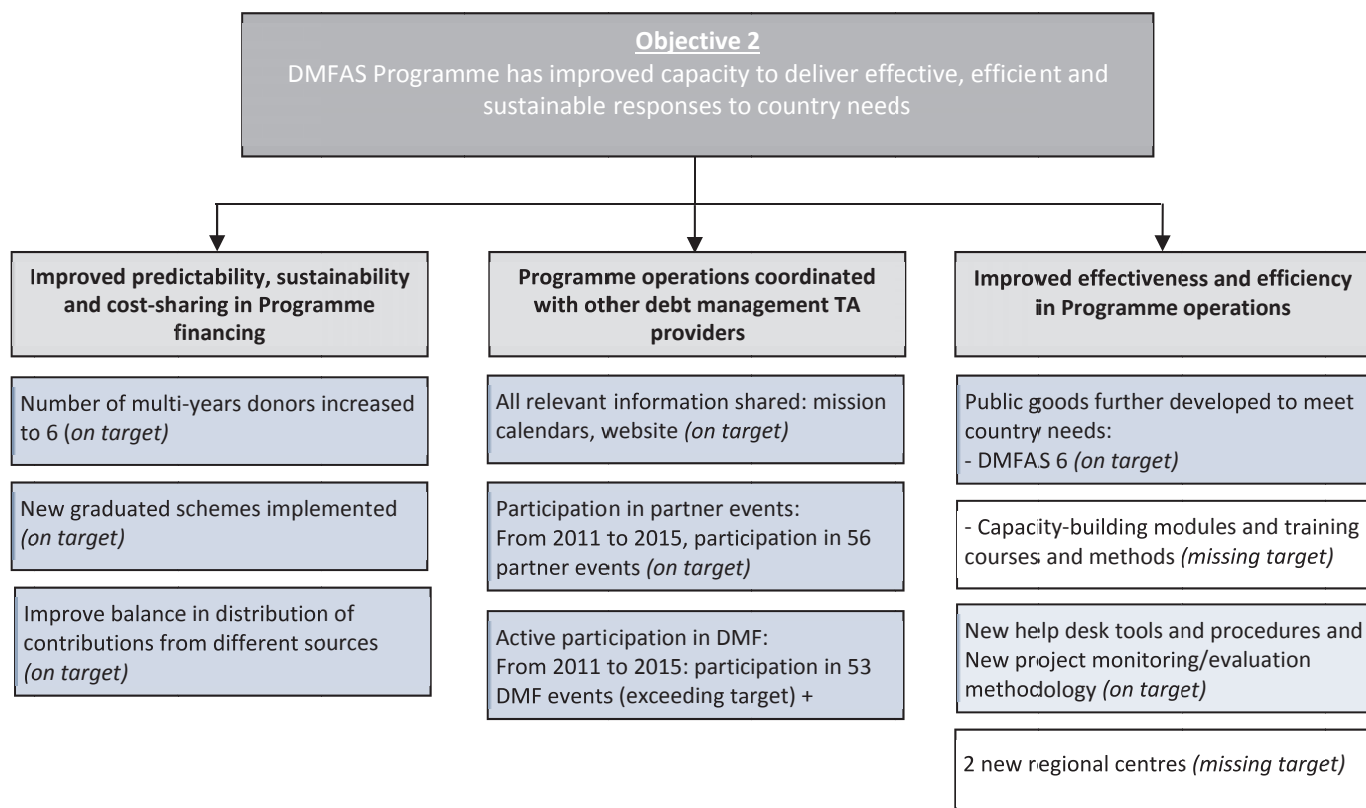
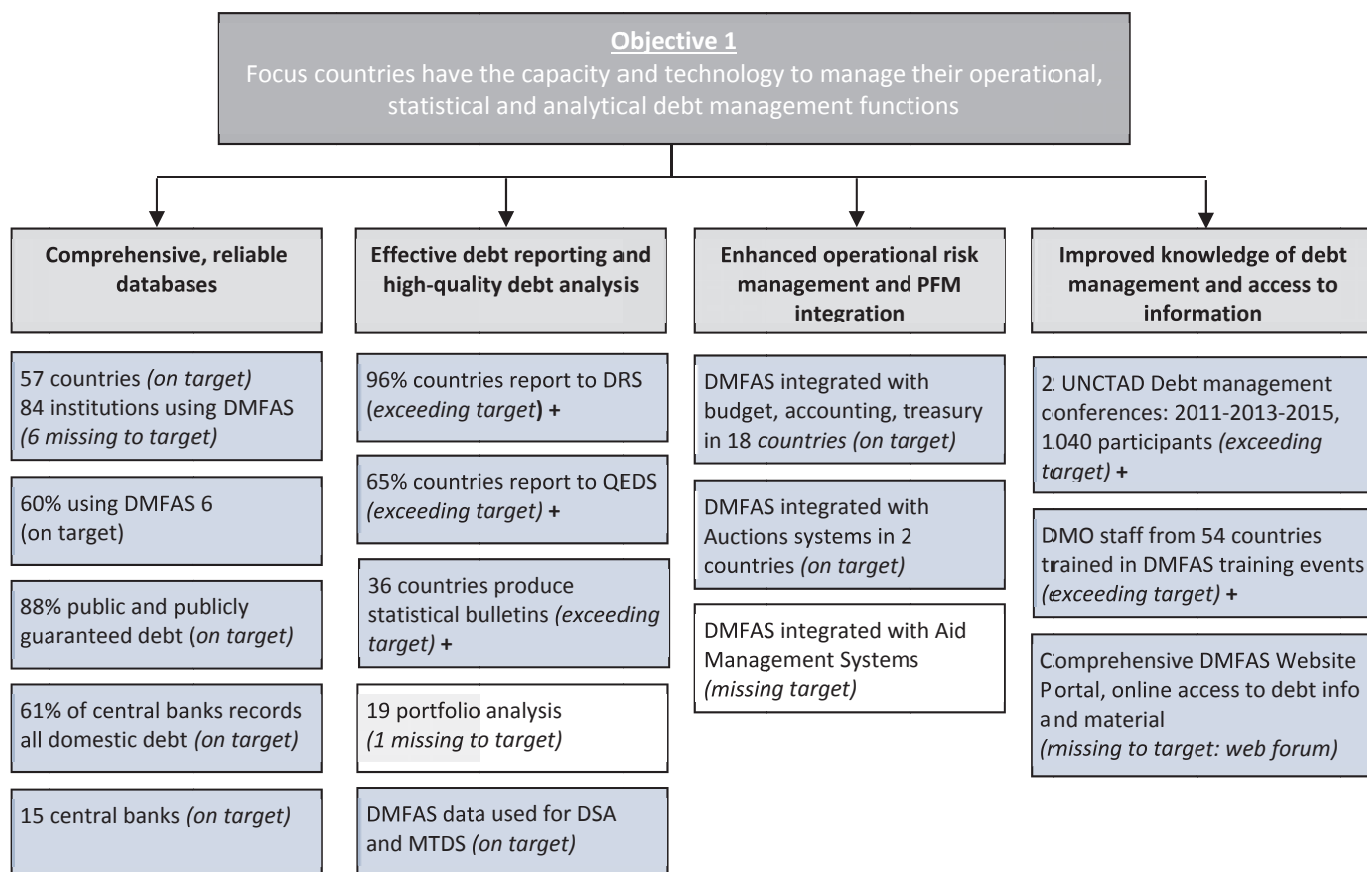
In line with the strategic plan 2011–2015, the Programme explored options towards the creation of two new regional centres in Africa, including a proposal to create an office in Zimbabwe jointly with MEFMI. However, funding was insufficient to enable the Programme to make progress in this area.

In its efforts to further improve its efficiency and effectiveness, the Programme implemented the monitoring and evaluation (M&E) framework through the systematic use of logical frameworks and M&E matrices in new project documents. In addition, there

was an increase in the fielding of project evaluation missions. The Programme mandated in 2014 an independent consultant to conduct a business model review (BMR) of the DMFAS Programme. Conclusions were reviewed by the DMFAS Advisory Group in November 2015, and agreed recommendations have been incorporated into the next strategic plan.

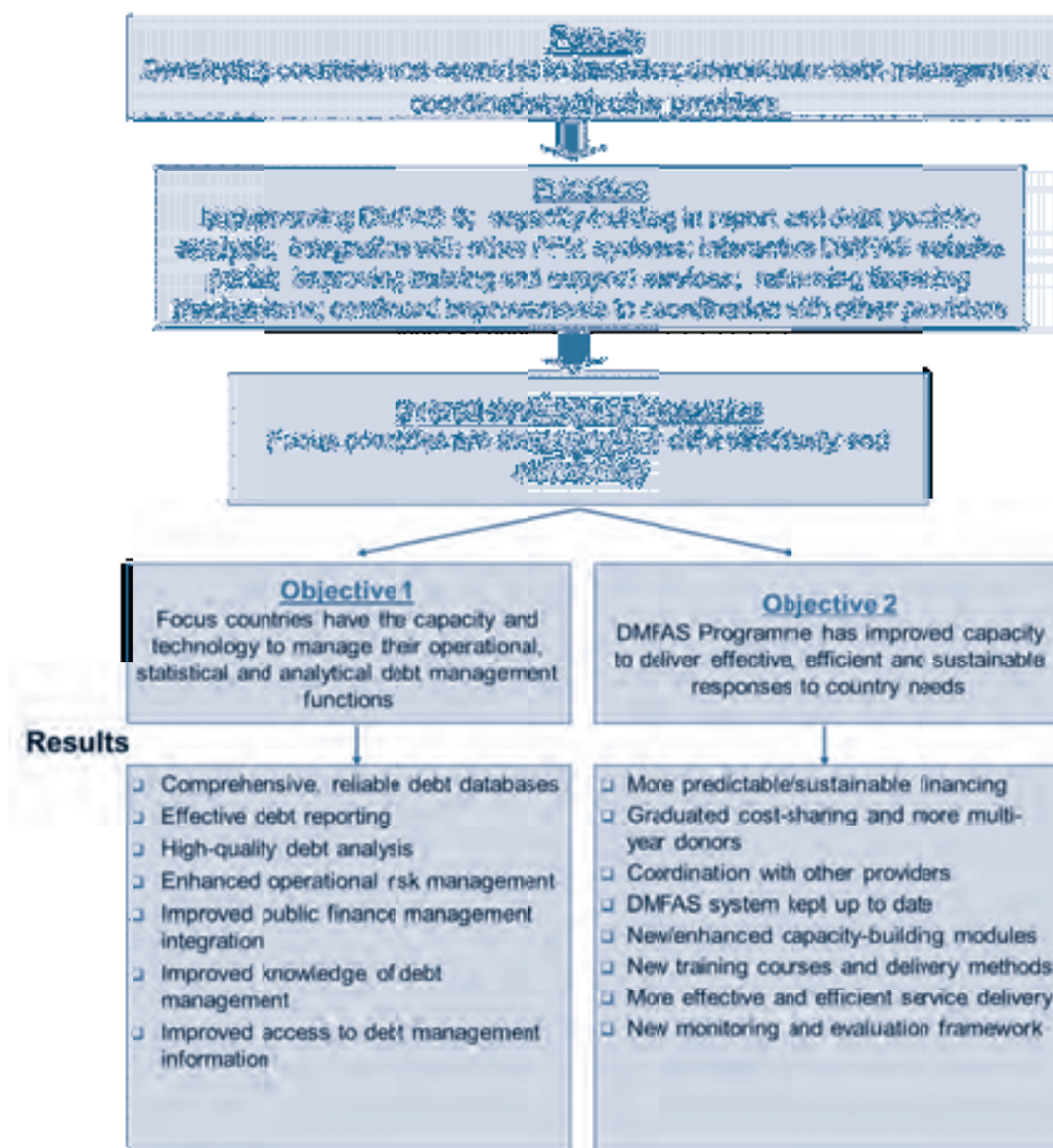
In summary, the Programme achieved very good results and attained targets in almost all of the objectives during the last year of implementation of the strategic plan (see table 1 and annex 1).

**Table 1. Summary of achievements of the 2011–2015 strategic plan**



Legend: + Exceeding target    On target    Missing target

Figure 1. Overview of the 2011–2015 strategic plan





# About the DMFAS Programme

## Helping developing countries to strengthen their debt management capacity...

Effective debt management is an intrinsic part of sound public financial management and overall good governance. Active public debt management is also an important tool for ensuring that countries maintain sustainable levels of debt, in pursuit of their broader development objectives.

Nevertheless, debt management remains a challenge for most developing countries. In order to attain sustainable debt levels and to use debt instruments as an efficient tool for development, prudent debt management and the availability of reliable and timely debt data are essential. Many Governments lack the appropriate institutional, human and technical capacity for handling public resources and liabilities more effectively. The DMFAS Programme helps countries to build that capacity.

The availability of reliable and timely debt data is essential for prudent risk analysis and the elaboration of government strategies aimed at ensuring sustainable debt levels. It is recognized through the Sustainable Development Goals and Millennium Development Goals that building and retaining strong national capacity in the area of debt management is essential in the fight to reduce poverty.

The overall objective of the DMFAS Programme is to strengthen the capacity of developing countries and countries with economies in transition to manage their debt in an effective and sustainable way, in support of poverty reduction, development and good governance.

## ...in the context of United Nations resolutions and international global initiatives

The Programme's objective is supported by numerous United Nations General Assembly resolutions on debt and development, the Addis Ababa Action Agenda, the Doha Mandate, the Accra Accord, the Monterrey Consensus, the Sustainable Development Goals and other internationally agreed development goals.

The Doha Mandate adopted at the occasion of UNCTAD XIII reaffirms, *inter alia*, the importance and the role of the DMFAS Programme in supporting effective debt management. The Doha Mandate states

that UNCTAD should continue "providing technical assistance and support for developing countries in building national capacities through the DMFAS Programme, in cooperation, where appropriate, with IMF, the World Bank and other stakeholders" (paragraph 31(c)). See annex 9 for a summary of United Nations and international mandates relevant to the work of the Programme.

## Long experience in assisting countries

The Programme has been successful in helping Governments improve their capacity to manage debt since the early 1980s. It has thus far supported 69 countries and 107 institutions. As the debt situation of developing countries has evolved over the past three decades, the DMFAS Programme has adapted its technical assistance to the changing debt-management needs of countries.

The DMFAS Programme is now a leading world provider of technical cooperation and advisory services in the area of capacity-building in debt management. It is also a concrete example of how a United Nations programme and the donor community can build capacity at the country level, in support of good governance, development and poverty reduction.

## A set of proven solutions for improving debt-management capacity

The DMFAS Programme offers countries a set of proven solutions for improving their capacity to handle the management of public liabilities and the production of reliable debt data for policymaking purposes. This includes its specialized debt-management software – the DMFAS software – which greatly facilitates the work of the debt office, as well as advisory services and training activities in debt management.

The solutions that DMFAS provides are as follows:

- Capacity-building through the provision of specialized debt-management and financial analysis software (the DMFAS software), which is designed to meet the operational, statistical and analytical needs of debt managers and bodies involved in elaborating public debt strategies. This includes training in the use of the software;

- Capacity-building through the Programme's advisory services, including needs assessments and advice on technical, administrative, legal and institutional debt-management issues. This includes assistance in software installation and maintenance;
- Capacity-building in debt-management skills, and through the Programme's modules in debt-data validation, statistics and debt analysis.

The products and services offered by the DMFAS Programme are continuously updated in line with countries' new requirements and in accordance with best practices in debt management.

### Capacity-building approach

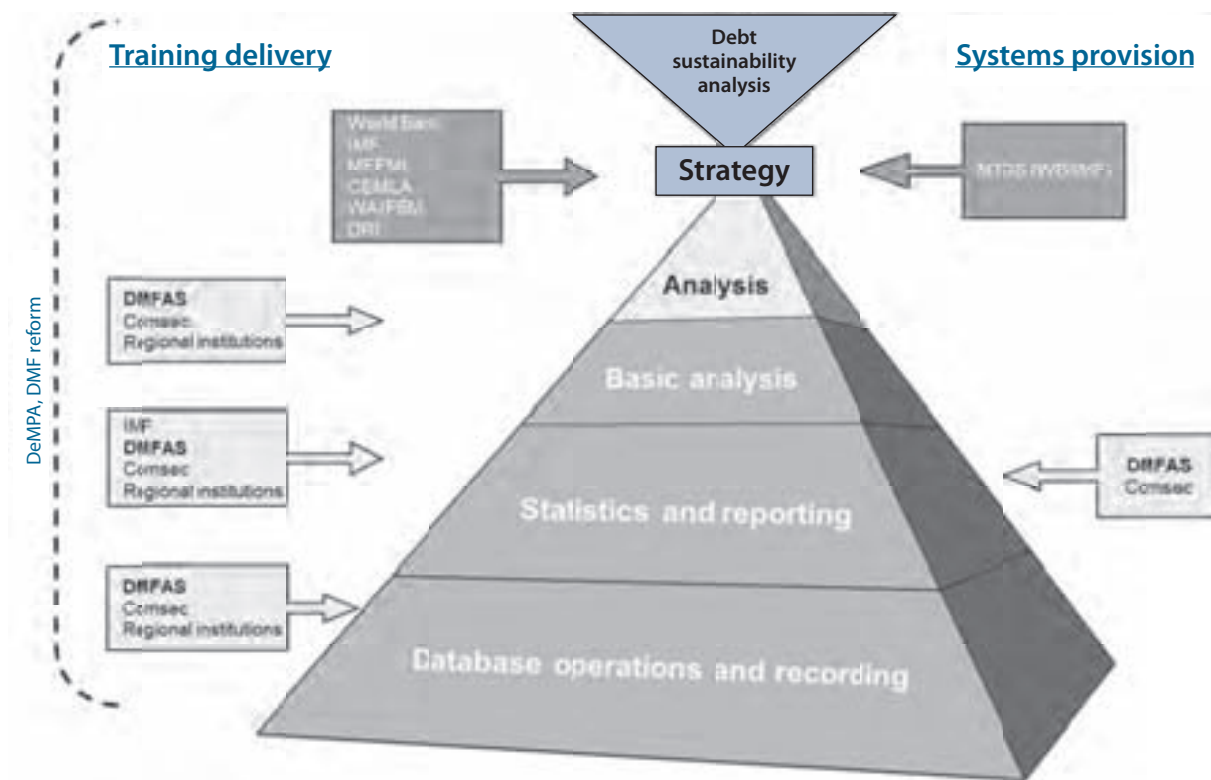
The Programme's approach to capacity-building in debt management is based on the DMFAS capacity-building pyramid, as described in figure 2.

Capacity-building in debt management must take a holistic approach, as presented in the pyramid. To formulate effective debt strategies, it is necessary to first build a comprehensive debt database, in order to then be able to produce reliable reports and statistics, after which the relevant analysis can be carried out. These three layers are the building blocks towards strategy and policymaking, and they must be supported by the appropriate systems, structure and staffing.

#### DMFAS software

The Programme's core product is its DMFAS software, which can be used for the purposes of recording, monitoring and analysing debt information. Usually installed in a country's finance ministry and/or central bank, the DMFAS software supports the management of both external and domestic public debt (loans and debt securities), whether this be short-, medium- or long-term debt. It can also be used for private debt, grants and on-lent loans.

Figure 2. DMFAS Programme capacity-building framework and main actors providing technical assistance in debt management



Capacity-building takes place at different levels, and no single institution can adequately provide support in all areas. Figure 2 also shows where the DMFAS Programme fits in this international capacity-building framework, based on its comparative advantages.

The DMFAS Programme is one of the principal providers of downstream activities, which include the maintenance of debt databases, debt-data validation, day-to-day debt transactions, reporting, debt statistics and basic debt analysis. Consequently, assistance includes the implementation of debt-management software and the provision of related training and ongoing support.

The Programme's capacity-building activities aim to support countries by strengthening their capacities to generate validated debt information and produce meaningful statistical and analytical reports on public debt in a sustainable, consistent and periodic manner.

#### **Providing technical assistance through the implementation of country projects**

The Programme's technical assistance to countries is mostly channelled through the implementation of country projects, which are managed by project managers. Where possible, the DMFAS software and its related services are provided in any of the following five languages: Arabic, English, French, Russian and Spanish.

DMFAS country projects encompass the wide range of products and services provided by the Programme. Activities include installation of the DMFAS software and training in its use, assistance in database creation, data validation, statistical reporting and support for debt analysis. Many projects also assist Governments in the development of appropriate legal, administrative, technical and organizational environments in support of debt management. Additionally, they may cover assistance in establishing appropriate communication and information flows, or in linking the debt database to different information systems such as payment, budgeting, treasury and accounting systems or to an integrated financial management information system. The Programme also organizes country participation in national and regional workshops, as well as study tours and international meetings.

The length of each individual country project will vary, depending on the number of activities involved and

the funding available. It is important to emphasize that the Programme's technical cooperation with each country does not stop with the completion of each project. The Programme provides an ongoing support service beyond project activities which includes the provision of system updates and enhancements to keep pace with the rapid developments in international financial practices and information technology, as well as documentation, the help desk and other services.

#### **DMFAS strategic plan**

The DMFAS Programme has in the past followed four-year strategic plans, based on a performance framework that clearly states the outputs, activities and indicators of achievement for each of the Programme's objectives. The current strategic plan was built using the conclusions and recommendations of the 2009 midterm review, lessons learned from the previous strategic plan, the changing needs of DMFAS beneficiary countries and the experience accumulated by the Programme over 30 years. The 2011–2015 plan focused on the Programme's comparative advantages in relation to other providers of technical assistance, particularly in the area of operational debt management, from debt data recording and statistical reporting up through basic debt analysis. In 2013, the independent midterm review concluded that the two objectives of the strategic plan were being met and that the DMFAS Programme continued to be highly relevant. In addition, based on the midterm review recommendations, the strategic plan was extended for one additional year to conduct the business model review of the Programme in 2014 and achieve additional results. Accordingly, the strategic plan was extended to 2015 and its results were presented at the tenth DMFAS Advisory Group Meeting that took place in November 2015 together with the new strategic plan for 2016–2019.

#### **Funding**

The Programme is largely funded thanks to the generous support of bilateral donors. Since 2000, these have included the European Union, France, Germany, Ireland, Italy, the Netherlands, Norway, Sweden and Switzerland.

Support is also provided by beneficiaries through a cost-sharing mechanism and by the regular budget of UNCTAD.

# Activities and impact

## 1. Capacity development

The Programme's overall objective of helping countries develop their capacity to better manage their debt pervades all aspects of the Programme's work. This section describes the status of the Programme's capacity-building activities at the country project level at the end 2015. It also describes how capacity-building is provided by means of relevant training activities, and summarizes the implementation and operational status of DMFAS in the countries at the end of 2015.

### 1.1 Impact at the country level

In line with the strategic plan, the priorities of the Programme in 2015 in delivering its services were as follows:

- To respond to the increase in requests from user countries for the Programme's products and services;
- To respond to the changing nature of countries' needs for services in different areas of debt management, including the linking of DMFAS with other financial management software;
- To enhance the Programme's capacity to deliver its expertise – both in qualitative and quantitative terms – by upgrading the skills of the central staff, possible outsourcing and decentralization of certain tasks and improvements to accountability and the reporting of field operations.

#### *Increasing demand from DMFAS clients*

Since its inception in 1981, the Programme has provided technical assistance to 69 countries and 107 institutions. The vast majority of these countries – 57 in total – are active DMFAS clients, with some former clients reactivating negotiations for DMFAS technical assistance projects. Figure 3 shows the geographical breakdown of active countries.

Overall, in 2015, Albania, Angola, Chad, Costa Rica, Indonesia, the Republic of Moldova, the Sudan and Uzbekistan signed new project agreements, and the Democratic Republic of the Congo, Ethiopia, Gabon and the Republic of the Congo and the Bolivarian Republic of Venezuela signed addenda on existing projects.

Figure 3. Geographical distribution of active DMFAS users, 2015

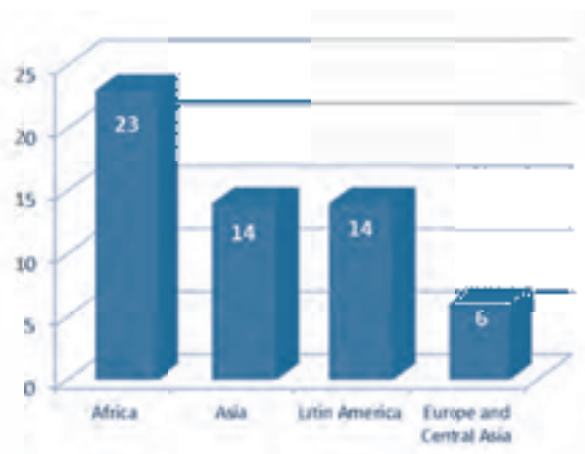
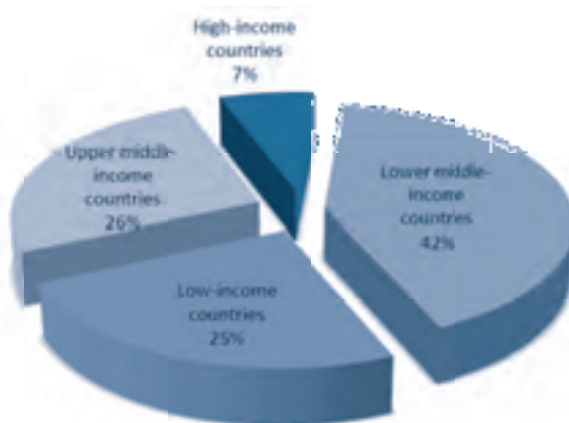


Figure 4. Active users of DMFAS by income group, 2015



#### *Responding to the changing nature of countries' needs*

DMFAS clients range from low-income, structurally weak economies to more advanced middle-income developing economies. This variety in client type further accentuates the diversity and scope of the technical assistance provided by the Programme. Figure 4 provides a breakdown of the countries that were using DMFAS at the end of 2015. As is shown, the vast majority of DMFAS clients belong to the low-income and lower middle-income category. See annex 4 for a breakdown by country.

DMFAS projects must take into account the different situations that countries find themselves in and whether they are low-income or middle-income

countries. One example of a major difficulty still facing many low-income countries is the capacity to recruit and retain qualified staff. This difficulty is manifested in a need for repeated training in the fundamentals of debt management, including debt recording and the introduction of appropriate information flows on debt data. Achieving and maintaining level one of the DMFAS pyramid (the creation of an updated and validated debt database, as described in the introduction) is therefore a major challenge in itself. Middle-income countries are usually stronger at the lower levels of the pyramid, and are therefore more concerned with receiving technical assistance from the Programme to improve their capacity at the higher strata of the pyramid (statistics, reporting and basic debt analysis).

In response to the needs of middle-income countries, the Programme worked to further improve the analytical functions in DMFAS 6.

The Programme continued to pay particular attention to the needs of heavily indebted poor countries. Of the 39 countries eligible for debt relief under the HIPC initiative, 20 were DMFAS clients. DMFAS assistance in helping countries build comprehensive debt databases actively contributed to their ability to reach completion point, as having a computerized debt-management system was one of the triggers for arriving at completion point.

The following two trends in debt management have shaped the range of services of the DMFAS Programme: the growing importance of domestic financing, and the need to integrate DMFAS into the larger financial or aid management system. First, capacity-building in domestic debt management is increasingly being included in DMFAS projects. Significant improvements in the ability of DMFAS to manage domestic debt are included in DMFAS 6. Second, linking debt management to general financial management as well as aid management has become

essential. The main focus of the Programme with regard to these interfaces is to provide technical assistance in designing, building and maintaining the relevant links.

## 1.2 Training modules

Table 2 provides a breakdown of how DMFAS capacity-building activities were distributed by region in 2015. Altogether, the Programme organized or co-organized 82 capacity-building events, including on-the-job training, national and regional workshops, study tours and interregional seminars, as well as needs assessments and project evaluation missions. Of these, 12 were related to DMFAS functional training and another 15 to DMFAS 6 installations, technical training and the development of links with integrated financial management systems. Demand for the capacity-building modules continued to be high. Nine training events were organized on advanced capacity-building in debt portfolio analysis, debt statistics, data validation and procedures manuals. They comprised six data validation workshops in Chad (two workshops), Côte d'Ivoire, Ethiopia, Gabon and Zambia; three debt statistics workshops in Côte d'Ivoire, Indonesia and the Philippines; one workshop on debt portfolio review in Nicaragua; and two capacity-building workshops on the elaboration of procedures manuals in Mauritania and Zimbabwe. In addition, the Programme participated in the following eight activities organized under the second phase of the World Bank Debt Management Facility: four debt management performance assessment (DeMPA) missions to Côte d'Ivoire, the Democratic Republic of the Congo, Rwanda and Tajikistan; three medium-term debt strategy missions to Bosnia and Herzegovina, Uganda and Viet Nam; and one training session on MTDS in Austria as resource person. The Programme also provided resource persons for 12 additional international and regional seminars organized by other technical assistance providers, including the Asian Development Bank, IMF, OECD, the World Bank and MEFMI.

**Table 2. Regional distribution of DMFAS capacity-building and other activities, 2015**

	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	North America	South Asia	Sub-Saharan Africa	Total
DMFAS functional training			3	3			7	13
Information and communications technology installations/training/links	2	1	4	2			6	15
Capacity-building in data validation, debt statistics, debt portfolio analysis and other capacity-building workshops	2		1				9	12
MTDS, DeMPA and reform plan	1	3					4	8
Needs assessments								0
Project management	3	1	1	1			5	11
Partner coordination	1	2	1		2	1	5	12
Other, study tours and training of trainers	6	3					4	13
<b>Total</b>	<b>15</b>	<b>10</b>	<b>10</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>40</b>	<b>84</b>

DMFAS missions are carried out by consultants and/or central staff. With the aims of encouraging South–South cooperation and sharing of best practices, the Programme regularly hires proficient DMFAS users from debt offices in developing countries as consultants to train new users in the debt offices of other developing countries. Advisers can be fielded for longer periods for certain projects to provide continued on-site support and debt-management advisory services.

As described in the strategic plan 2011–2015, the Programme is placing increasing emphasis on the results of capacity-building, using more objectively verifiable indicators. This new emphasis is reflected in the focus on outputs at the end the capacity-building workshops. The production of these outputs is made possible through the delivery of workshops, as the initial activity, followed by support provided directly from UNCTAD headquarters or through missions. Assistance is also extended to ensure that the products are sustainable. They are complementary to the activities of other international organizations at more advanced levels of debt analysis and debt strategies.

The outputs of the capacity-building modules correspond to the different layers of the Programme’s pyramid-based capacity-building framework and also build upon each other. Based on the validated database resulting from a validation workshop, for example, a debt statistics workshop can be conducted, resulting in the drafting of a comprehensive and relevant statistical bulletin. Sound and comprehensive data sets and relevant debt statistics data can be then analysed during a debt portfolio analysis workshop, which is the first step in debt analysis. The output of this capacity-building workshop is a portfolio review and the results can be used to perform risk analysis and debt sustainability analysis, for which support is provided by other international institutions.

Table 3 illustrates the total number of capacity-building modules that have been implemented in countries for the past five years. The result has been the production of statistical bulletins on debt, which may be used internally by the country or disseminated externally. Some examples of bulletins produced are as follows:

- A quarterly bulletin for Bangladesh;
- An annual statistical bulletin for Ethiopia;
- A quarterly statistical bulletin for Jordan;
- A joint Ministry of Finance–Bank of Indonesia monthly statistical bulletin on external debt for Indonesia and a quarterly central government debt bulletin by the Ministry of Finance;
- Yearly, quarterly and monthly bulletins for Paraguay;
- A bulletin for external debt for Rwanda;
- A half-yearly bulletin for the Sudan;
- A bulletin for external and domestic debt for Togo;
- An annual statistical bulletin for Viet Nam;
- A half-yearly bulletin for Yemen.

These capacity-building events have also led to the production of procedures for validation of debt data and improved the sustainability of the project results in the long term.

**Table 3. Implementation of capacity-building modules, 2011–2015**

	2011	2012	2013	2014	2015	2011–2015
<b>Total</b>	<b>6</b>	<b>22</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>62</b>
Debt portfolio analysis	2	5	4	3	0	14
Debt portfolio analysis: follow-up	0	1	1	0	1	3
Debt statistics	1	6	2	4	1	14
Debt statistics: follow-up	1	2	2	3	2	10
Data validation	2	7	2	1	4	16
Data validation: follow-up	0	1	0	0	2	3
Other capacity-building workshops	2	3	1	2	2	10
<b>Regional workshops</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>4</b>
Debt portfolio analysis	1	1	0	0	0	2
Debt statistics	0	0	1	0	0	1
Data validation	0	1	0	0	0	1
<b>National workshops</b>	<b>5</b>	<b>20</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>58</b>
Debt portfolio analysis	1	4	4	3	0	12
Debt portfolio analysis: follow-up	0	1	1	0	1	3
Debt statistics	1	6	1	4	1	13
Debt statistics: follow-up	1	2	2	3	2	10
Data validation	2	6	2	1	4	15
Data validation: follow-up	0	1	0	0	2	3
Other capacity-building workshops	2	3	1	2	2	10

### ***New developments in capacity-building modules, other training materials and consultants***

The Programme continued developing the new course on basic debt management. The scope, target audience, learning objective and content of the course were reviewed, which led to renaming the course "Basic Debt Concepts". Similar courses offered by other providers were also taken into account to ensure that this course was focused on DMFAS competitive advantage. The course is targeting new staff performing back-office functions in the debt office, who are involved in recording data in DMFAS 6. These can be junior staff or experienced staff recently reassigned to the debt office. The learning goal of the course is that new staff will grasp the basic and essential concepts of debt management, which will help them improve the quality and accuracy of data they record in DMFAS and avoid common mistakes. The debt management offices will therefore be able to rely on staff with the required knowledge of basic debt concepts to manage and record effectively debt-related data and operations in DMFAS. As a result, the content of the course is limited to basic and essential concepts, with no requirement of prerequisite knowledge. An essential aspect was to make it accessible on an as-and-when needed basis, and consequently the delivery mode selected was self-study fact sheets. The course will consist of around 25 fact sheets.

The Programme also commenced the development of a new course on debt reorganization. The course will provide an overview of the main concepts of debt reorganization and then review the specificities of the

Paris Club, London Club, bond exchanges and collective action clauses before presenting best practices in this area.

Development continued on the new learning product called "Mastering the basics of Government securities market and financial calculations". Its main objective is to strengthen the capacity of the national debt office to assess and select the most beneficial/cost-effective terms of debt securities and to issue those through an issuance policy in line with the debt strategy. To do so, it will first equip front/middle office staff with enhanced knowledge and skills in the field of capital markets and government securities, including characteristics of debt securities, market players, rules of calculations, issuance mechanisms and international standards. Learners will thus become familiar with commonly used debt securities and issuance mechanisms and will be able to perform securities related calculations. This course will consist of five modules delivered through a mix of distance learning and face-to-face instruction during a workshop.

The DMFAS Programme already developed three modules and deployed them on the learning management system (LMS) selected to deliver the distance learning part of the course. The LMS selected is a free application, which offers all the features of such platforms and supports different languages. This is a temporary solution that permits rapid development together with the possibility to test the system. The remaining two modules are expected to be completed in 2016.

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### **Uganda: Impact from improved debt management and dissemination of debt statistics**

Uganda has improved its capacity to effectively manage its debt with the support of the UNCTAD DMFAS Programme which has provided assistance to the country since 1985 in the area of public debt management. Significant improvement was achieved in the quality of the debt database in particular, as attested by the Public Expenditure and Financial Accountability (PEFA) Framework scores: improved transparency and accountability, improved debt reporting, debt sustainability analysis and medium-term debt strategy. DMFAS 6 is installed at the Ministry of Finance and at the Central Bank.

In 2015, the Government published its first statistical bulletin on debt, which is one of the concrete outcomes of the technical assistance provided by the Programme through the implementation of the DMFAS debt recording system. The concrete impact resulting from the above includes the following:

- Improved reputation, which is critical for attracting domestic and foreign investment. Publishing a statistical bulletin demonstrates that the country is in a position to maintain a reliable, comprehensive debt database and produce accurate data.



- Enhanced response to international commitments and acquired obligations. Uganda reports to the World Bank Debtor Reporting System in compliance with international guidelines, and also reports regularly to the Quarterly External Debt Statistics (QEDS) as well as to the Quarterly Public Sector Debt Statistics (QPSDS) databases.
- Improved capacity for debt analysis and strategy. In this respect, Uganda is elaborating its own yearly debt sustainability analysis which is made publicly available on the Ministry of Finance’s website. In addition in 2015, Uganda also has developed a new medium-term debt management strategy, which was equally made available on the Ministry of Finance’s website.
- Improved transparency and better governance. Through its sound debt database, the Government of Uganda now has the opportunity to integrate dependable debt data in their policymaking, enabling evidence-based policies.

The availability of high quality and timely debt data not only contributes to better debt analysis but it is also vital for the effective management of debt. Reliable and timely debt data is essential for prudent risk analysis and the elaboration of government strategies aimed at ensuring sustainable debt levels, hence contributing to the well-being of the people of Uganda.

### 1.3 Operational status of DMFAS in countries

At the end of 2015, 57 countries (84 institutions) were actively using (or reactivating) the DMFAS, out of 69 countries (107 institutions) using the system since the Programme’s inception. This represents a country fidelity rate of 83 per cent over a period of 30 years. The fidelity rate shows the continued relevance of the system to developing countries. In 22 client countries, the system was being used by more than one institution. In about half of these cases, the system was shared by the two institutions. Otherwise, each institution had its own database. Sharing between institutions is an option that is being selected more and more often by DMFAS clients, mainly because of the advanced security function of DMFAS 6, which manages access rights for the institutions involved and enables complete coordination in public financial management. More details can be found in annex 2.

The DMFAS Programme analysed the evolution of countries in their overall implementation of DMFAS. Five main stages of implementation have been identified, which are numbered from 1 to 5 (see annex 3). These stages reflect the DMFAS pyramid concept described in the introduction, with its three broad categories of database operations and recording, statistics and reporting and support for basic debt analysis. As the stages are progressive, only the highest stage per reported year is given, with the exception of stage 5, which is indicated separately. Where DMFAS is no longer being used by a country, the abbreviation “n/a” (not applicable) is used. Where DMFAS is

integrated within other national financial management systems, the abbreviation IFMIS is used. Annex 3 shows the operational status of the DMFAS software over the eight-year period up to 2015 (that is, 2006–2015), as evaluated and revised by the Programme.

If a country is shown as being at the highest stage – stage 5 – this means that staff have received training in the use of DMFAS for analysis, either in producing an analysis of the debt portfolio (that is, review) or in formulating debt strategies (that is, as part of an MTDS mission) during the year reported. It does not attest to the ability of staff to use DMFAS for debt analysis on a routine basis.

Stage 4 is reached when the country is regularly using the DMFAS database for external reporting and in many cases for the production of statistics. Not all countries at this stage use DMFAS to the same degree. Some, such as Indonesia, use it to produce regular debt statistical bulletins. Others may only use the system for external reporting to international organizations, such as the World Bank (one of the features of DMFAS is an automatic facility that allows countries to report to the World Bank Debtor Reporting System).

Stage 2 and stage 3 mean that DMFAS is being regularly updated and used for monitoring and internal reporting, without necessarily being used for external reporting or for the publication of statistics. Stage 1 status for a country in a reported year indicates that DMFAS was installed, but that the database was not completed or the system was not fully operational. In

most stage one cases, the database is still being built or being converted from a locally developed debt-management system to DMFAS.

Where countries have decided to discontinue use of the DMFAS software for the time being, the abbreviation n/a (not applicable) is used. In cases where countries have stopped using DMFAS, this has mainly been due to reasons beyond the control of the DMFAS Programme, such as institutional, staffing or political problems. In a minority of cases, countries have decided to develop their own systems.

## 2. Systems management

As countries constantly evolve in their debt-management capacities and in their borrowing choices, so must DMFAS constantly evolve both functionally and technically, in order to effectively serve countries' needs. Cutting-edge system development is therefore one of the main objectives of the Programme, whether this be through updates to the version already implemented by countries or through the development of entirely new versions of the system.

In line with the Programme's strategic plan, the Programme's systems management focused in particular on the following areas during the year:

- System development, including refining the new version of DMFAS – version 6 – in response to country needs;
- Implementation of the new version of DMFAS and updates in countries;
- Support and maintenance.

### 2.1 System development

#### *DMFAS 6*

The Programme officially launched DMFAS 6 at the DMFAS Advisory Group meeting in November 2009 and further refined it during the implementation of the

2011–2015 strategic plan. The system offers many new functionalities, as described in figure 5. In particular, DMFAS 6 offers the following benefits:

- Performs back office functions such as recording debt contracts, handling transactions and dealing with payment requirements;
- Facilitates interfaces with other analytical software, such as debt sustainability and risk analysis models;
- Facilitates data sharing by providing utilities for exporting data into other database software vendors and spreadsheets;
- Supports analysis activities such as determining the impact of future new borrowings, debt restructurings and assessing the risk of exchange and interest rate volatility;
- Facilitates debt portfolio analysis, runs simulations and sensitivity analysis and produces debt ratios directly from the database;
- Performs auctions or permits the transfer of detailed results from a country's specific auction software;
- Provides managerial information to front office officials in a consolidated and user-friendly manner;
- Allows use of the system through a web browser, on intranets and/or through the Internet, thus opening an entirely new range of possibilities for users, such as linking several institutions through the Internet;
- Uses powerful system security and offers an auditing module (reporting transactions at a given closing date and recording of extended amendments) and enhanced control panel components.

Figure 5. Functionalities of DMFAS



During the implementation of the strategic plan, the Programme’s development strategy to outsource the development of new features of DMFAS 6 was implemented in close coordination with the central team.

In 2015, a new version was released in February, DMFAS 6.1, which included corrections and enhancements in particular a new security feature for the reporting module. This version also contains a major technical improvement on the compatibility of the system with Apache Tomcat 7. Throughout the year, maintenance releases were sent to countries to help them with blocking issues, while other enhancements were prepared. The technical documentation and the automatic data conversion programmes continued to be updated, facilitating the distribution of enhancements and new features. In addition, a new version was developed and tested for distribution in January 2016, containing, among others, enhancements on modules such as:

- System’s reporting (including managerial and standard reports);

- Data entry modules, including enhancements to debt securities (issuance authorization), short-term external debt and private non-guaranteed external debt and debt service modules;
- Improved data sharing (data export functionality enhancements and generation of spreadsheets with debt data): an important update in this area is the implementation of web services, which are a technological improvement on the data-sharing mechanisms. These new interfaces will allow institutions to obtain information from DMFAS for their systems with little programming effort. These web services are currently under testing and implementation in some client institutions.

Significant progress was also made in the development of the Debt Sustainability Framework interface, the Debtor Reporting System, the Statistical Data and Metadata Exchange, as well as the managerial and template reports. New modules are already under

development and planned for distribution in the first quarter of 2016.

Integration with aid management systems was not implemented because no specific request was received from a client country. Overall, the majority of planned improvements to DMFAS 6 were implemented during this strategic plan. The remainder will be completed during 2016.

## **2.2 Installation of DMFAS and its updates in countries**

### ***Installation of version 6***

By the end of 2015, DMFAS 6 had been installed in 41 institutions in the following 34 countries: Angola (Ministry of Finance), Argentina (Ministry of Economy, Province of Buenos Aires and Province of La Rioja), Armenia (Ministry of Finance), Bangladesh (Central Bank and Ministry of Finance), Burundi (Ministry of Finance), Cambodia (Ministry of Finance), the Congo (Caisse Congolaise d'amortissement), the Democratic Republic of the Congo (Bureau de la dette), Côte d'Ivoire (Ministry of Finance), the Dominican Republic (Ministry of Finance), Egypt (Ministry of Finance and Central Bank), El Salvador (Ministry of Finance), Ethiopia (Ministry of Finance), Gabon (Ministry of Finance), Georgia (Ministry of Finance), Guatemala (Ministry of Finance), Honduras (Ministry of Finance), Indonesia (Ministry of Finance), the Islamic Republic of Iran (Central Bank), Iraq (Ministry of Finance), Jordan (Ministry of Finance), Lebanon (Ministry of Finance), Madagascar (Central Bank), Mauritania (Ministry of Finance), Mongolia (Ministry of Finance), Nicaragua (Ministry of Finance and Central Bank), Panama (Ministry of Finance), Paraguay (Ministry of Finance), the Philippines (Treasury), Rwanda (Ministry of Finance), Uganda (Ministry of Finance and Central Bank), the Bolivarian Republic of Venezuela (Ministry of Finance), Zambia (Bank of Zambia, with the Ministry of Finance sharing the same database) and Zimbabwe (Ministry of Finance).

In 2015, four new DMFAS 6 installations took place in Angola, the Argentinian Province of La Rioja, the Islamic Republic of Iran and Mauritania.

### ***Overall DMFAS installations***

More than 97 per cent of all institutions operating DMFAS in client countries have adopted one of the

latest versions of the software (DMFAS 5.3 or 6). Of the 74 installations, DMFAS 6 was installed in 41 institutions, DMFAS 5.3 was used in 32 institutions, DMFAS 5.2 was used in two institutions and older versions of DMFAS were no longer actively used (see annexes 2 and 3).

### ***Advisory services, including links with other systems***

The Programme provides support to countries wishing to link DMFAS with other systems, including integrated financial management systems.

The following 18 countries currently link DMFAS with other financial management systems, with some upgrading their links to DMFAS 6: Argentina (Ministry of Finance and Province of Río Negro), the Plurinational State of Bolivia (Ministry of Finance), Burkina Faso (Ministry of Finance), the Dominican Republic (Ministry of Finance), Guatemala (Ministry of Finance), Honduras (Ministry of Finance), Indonesia (link with internal systems, including treasury modules), the Islamic Republic of Iran (Central Bank), Jordan (Ministry of Finance), Madagascar (Central Bank, link with auction system), Nicaragua (Central Bank and Ministry of Finance), Panama (Ministry of Finance), Paraguay (Ministry of Finance), the Philippines (Bureau of Treasury and Central Bank), the Republic of Moldova (Ministry of Finance), the Bolivarian Republic of Venezuela (Ministry of Finance), Viet Nam (Ministry of Finance) and Yemen (Ministry of Planning and International Cooperation and Central Bank).

Three countries (Indonesia, Madagascar and the Philippines) have developed a link between the DMFAS and their auction systems.

In 2015, the Programme provided support to Cambodia, El Salvador (three workshops), the Islamic Republic of Iran, Mauritania (two workshops), the Philippines and Uganda in the development of a link between their own system and DMFAS 6 through workshops on conceptual design focused on creating an interface. The Democratic Republic of the Congo has validated the link with its integrated financial system.

### ***Ongoing DMFAS support and maintenance provided to countries***

In line with the objectives of the strategic plan, the DMFAS Programme successfully implemented a new help desk tool at the beginning of the strategic plan, the Trac system. It is an open-source web-based

application for communicating with the DMFAS help desk and is used to record, track and resolve client requests relating to DMFAS 6. A new installer was also set up with every new update of DMFAS 6 in order to support countries in the installation of a new release. From 2011 to 2015, many countries also benefited from solutions provided by the help desk through remote access sessions, which were coordinated with database administrators. Moreover, online help for DMFAS and documentation about Trac were made available to users.

In 2015, help desk support included assistance and advice on a wide range of functional and technical issues through fielding technical missions, the Trac system, e-mails, remote access and through the UNCTAD FTP server. Where applicable, databases were also sent by clients and installed in UNCTAD headquarters to facilitate the resolution of queries and problems. In 2015, the DMFAS help desk resolved all 44 client requests on DMFAS 5.3 (see annex 5a for details). It also received a total of 500 client tickets on DMFAS 6 during the same period. Of these, 308 requests were closed, 5 were reopened by the client country, and the remainder (187) are being processed (see annex 5b for details).

However, the strategic plan also included the development of a help desk platform (a centralized repository) for trouble-shooting assistance to help users resolve technical issues about DMFAS. An analysis was conducted but due to the limited resources, the implementation of this platform is postponed to the next strategic plan.

### ***User documentation***

This year, the user guides produced in 2014 were updated to keep in line with new software developments. As a result, a new version of the DMFAS 6 user's guide, the control panel user's guide and the DMFAS 6 Utilities were produced during the first semester of 2015. These guides were also translated into French and Spanish and made available directly through the online help systems and DMFAS website.

New versions of the English online help systems for DMFAS 6 and the Control Panel were released in May 2015, corresponding to version 6.1 of DMFAS. These were redelivered in June 2015 to take into account improvements in the help contextuality.

With regard to the French and Spanish versions of the user documentation, the last set of deliverables related

to the online help systems was received from the localization company in February 2015. It should be noted that the localization process results in a more advanced version of the English version compared with the French and Spanish ones.

The localization of the new online help systems was launched in July 2015 and will be completed at the beginning of 2016. In addition to French and Spanish languages, localization included a new target language: Russian, as a Russian version DMFAS 6 is going to be installed at the Ministry of Finance of Uzbekistan. In the context of this project, technical guides were also translated into Russian, including the DMFAS 6 installation guide.

A new documentation and localization plan was drawn up in February 2015, which reviews the challenges the DMFAS Programme currently faces in developing and maintaining user documentation. It identifies the strategy to be implemented to streamline the development and maintenance processes. As part of its documentation strategy, the Programme decided to move from multiple sourcing to single sourcing. Single sourcing is a content management method which allows creating content from one set of files and using this same content across different media and more than one time. The DMFAS Programme started the migration work required for the implementation of single sourcing and is in the process of creating a prototype for the control panel user documentation which would be fully singled-sourced, that is, allowing the production of multiple outputs such as an online help and user guides from a single set of files.

### **3. Programme management**

As part of its efforts to improve overall efficiency and effectiveness under the second objective of the strategic plan, and in order to better deliver on the first objective, a number of improvements by the Programme's management on administration and communication continue to be implemented in 2015. These changes are reflected in the following goals:

- Ensuring mutually beneficial relations and cooperation with external partners and other agencies in debt management;
- Strengthening synergies within UNCTAD;
- Mobilizing resources effectively and improving the efficiency and effectiveness of the Programme's administrative processes;

- Strengthening communications and information-sharing;
- Securing reliable, stable and predictable financing.

### **3.1 Mutually beneficial relations and cooperation with external partners and other agencies in debt management**

In recent years, momentum has intensified among the various providers to coordinate capacity-building efforts using a more holistic approach to meeting the multifaceted challenges that developing countries face in building their debt-management capacities. Efforts have been made to clearly understand the comparative advantage of each capacity-building provider compared with others, and partnerships have been strengthened. The DMFAS Programme actively supports this coordinated and harmonized approach for the provision of debt-management capacity-building services by providers of technical assistance to countries. Active collaboration also helps ensure that best practices are shared.

In 2015, efforts by the Programme to strengthen its collaboration with the other main organizations involved in providing debt management included the regular sharing of information on technical assistance activities such as mission schedules and reports, where possible, and also included organizing joint workshops and participating in each other's events. Additionally, collaboration included direct participation as an implementing partner in initiatives such as the second phase of the World Bank Debt Management Facility. Another important example is the continued participation by UNCTAD (through the DMFAS Programme) in the Inter-agency Task Force on Finance Statistics, which strives to improve the capacity of countries to produce reliable statistics.

#### ***Second phase of the Debt Management Facility (World Bank and IMF)***

Having contributed to the Debt Management Facility since its conception, the Programme officially became a partner of the Facility in 2009. The first phase of the Facility ended in 2014 and a new grant agreement was signed between the World Bank and UNCTAD to allow the Programme to support activities of the second phase of the Facility. The downstream activities of the Programme are complementary to the upstream work of the Facility, and there is a clear interdependency between the activities of the Facility and of the

Programme. Since 2009, the DMFAS Programme has contributed to 58 missions. The Programme's participation in these Facility activities received positive feedback from the stakeholders of the Facility as well as the country beneficiaries. In 2015, the following eight Debt Management Facility missions were completed: four debt management performance assessment missions (Côte d'Ivoire, the Democratic Republic of the Congo, Rwanda and Tajikistan); three medium-term debt strategy (MTDS) missions (Bosnia and Herzegovina, Uganda and Viet Nam); and one MTDS training session in Austria as resource person. In addition, the DMFAS Programme participated in the Debt Management Facility Stakeholders Forum held in the Philippines in June 2015.

#### ***World Bank***

The Programme collaborates with various departments involved in debt management within the World Bank. These include the World Bank Development Data Group, the Treasury, the Banking and Debt Management Group and the Economic Analysis and Debt Department. The Programme meets with each of these departments at least once a year to discuss modalities of cooperation.

In 2015, collaboration with the World Bank also included the Debtor Reporting System: the Programme both encourages and assists countries technically in providing information to the World Bank Debtor Reporting System.

#### ***International Monetary Fund***

The Programme is in regular contact with two main departments of IMF. These are the Statistics Department and the Monetary and Capital Markets Department. Contact with IMF also includes the co-organization of workshops on debt statistics and participation by both organizations in the Inter-agency Task Force on Finance Statistics, which has so far been active in developing guidelines for external debt, public debt and securities statistics, and in coordinating capacity-building activities in debt statistics. The DMFAS Programme hosted the annual meeting of the Task Force in its headquarters in Geneva, in February 2015.

The Programme also collaborated, where possible, with IMF regional technical assistance centres in Central and West Africa (Central AFRITAC and West AFRITAC), with

the shared objective of helping countries to strengthen their human and institutional capacities to design and enact policies that promote growth and reduce poverty.

### ***Macroeconomic and Financial Management Institute of Eastern and Southern Africa***

The Programme has ongoing collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), which includes 14 countries from this region. Five of the countries belonging to MEFMI are DMFAS client countries, namely Angola, Rwanda, Uganda, Zambia and Zimbabwe.

The Programme jointly organized with MEFMI a regional DMFAS 6 workshop in Kigali, Rwanda, in August 2015, and participated as resource person for a workshop in debt statistics in Lesotho.

### ***United Nations Development Programme***

The DMFAS Programme's collaboration with UNDP in 2015 included UNDP funding for certain country projects and information-sharing with the UNDP country offices in DMFAS client countries, as well as collaboration through the "One United Nations" framework.

### ***The Latin American and Caribbean Debt Group and the Inter-American Development Bank***

With 14 active DMFAS client countries in the Latin American and Caribbean region, UNCTAD takes a keen interest in the regional capacity-building activities organized by the Latin American and Caribbean Debt Group and, where possible, coordinates activities, including at the annual Group meeting in August 2015 in Barbados. All DMFAS user countries in the region provide timely data to the standardized debt database, which is a non-compulsory initiative of the Group.

### ***Statistical Data and Metadata Exchange***

SDMX standards are the result of an initiative aimed at studying business practices in the field of statistical information that would allow more efficient processes for the exchange and sharing of data and metadata. The DMFAS Programme decided to adopt the SDMX standards to follow evolving international practices. The Bank for International Settlements, the Commonwealth Secretariat (COMSEC), the European Central Bank, Eurostat, IMF, OECD and the World Bank are also participating.

A plan was discussed in 2010 between the DMFAS Programme, the World Bank and COMSEC delegates to utilize SDMX to produce and remit country information to the Debtor Reporting System. Development of the required specifications for the implementation of the new methodology began in 2011 and continues to be implemented.

### **3.2 Synergies within UNCTAD**

Within UNCTAD, the DMFAS Programme and the Debt and Finance Analysis Unit (its associate unit within the Debt and Development Finance Branch) collaborate and address debt issues jointly. In 2015, key examples of collaboration included the organization of the tenth Debt Management Conference and preparation of UNCTAD reports for the Trade and Development Board, the UNCTAD secretariat and the Office of the Secretary-General of UNCTAD. This collaboration also included the sharing of one staff member, who is responsible – among other duties – for helping improve and delivering the DMFAS Programme's capacity-building module in debt portfolio analysis.

The DMFAS Programme also contributed to a number of UNCTAD and United Nations reports. In 2015, these include the following:

- *UNCTAD Annual Report 2014*;
- Annual trust fund progress reports;
- Report by the UNCTAD secretariat on technical cooperation activities carried out in 2014 (cluster 11 on strengthening the debt-management capacity of developing countries).

In line with Trade and Development Board decision 492 (LIV) of 2007 to establish thematic trust funds within and among divisions of UNCTAD, the DMFAS Programme continued to play an active role in the implementation of a thematic cluster of technical cooperation in the area of debt management, namely cluster 11 of the 17 clusters, on strengthening the debt-management capacity of developing countries. These clusters aim to streamline UNCTAD technical cooperation.

### **3.3 Effective resource mobilization and improved efficiency and effectiveness of the Programme's administration**

In line with the second objective of the strategic plan, the Programme continued to monitor and improve its

efficiency. This is reflected in the points highlighted in the following sections.

### ***Quality assurance and user support***

In order to further tighten quality controls over the DMFAS software, the Programme established in 2014 a new unit called Quality Assurance and User Support. The unit's objective is to ensure that the DMFAS software is of high quality and responds to the needs of the debt management offices by conducting advanced testing of the system and by monitoring clients' requests and needs. It is also responsible to support clients through the help desk and Trac system. In 2015, this unit centralized all help desk queries into the Trac system which helped in providing a better service to its clients and to respond effectively and efficiently to all users. The unit has also implemented thorough testing procedures for new deliverables, starting with DMFAS 6.1, which was distributed to countries in February 2015. The unit also conducted a survey to gather information on countries' requests for future developments in DMFAS 6 as well as in capacity-building.

### ***Business model review***

The 2013 DMFAS Programme's Advisory Group and annual donor meetings recommended that the Programme conduct a review of its business model to provide recommendations for ensuring its financial sustainability. The review, conducted by an independent evaluator in 2014, assessed the Programme's current funding structure and identified and evaluated funding opportunities for the future. This review provides inputs for the next Programme's strategic planning and informs donors and potential donors on future financial support. The results of this study were presented at the annual DMFAS donors meeting in November 2014 and were discussed by the DMFAS Advisory Group at its tenth meeting in November 2015.

### ***Decentralization***

One objective of the Programme's strategic plan 2011–2015 was to establish two new regional support centres. The experience of operating two centres, in Buenos Aires and in Bamako, has provided the Programme with opportunities to improve the decentralization process, including incorporating lessons learned from the closure of the DMFAS centre in Mali in 2012 because of the security situation.

Attention is placed on finding alternative solutions and reliable funding for the regional centres.

Based on lessons learned, the Programme and its regional partner, the Macroeconomic and Financial Management Institute of Eastern and Southern Africa, continued discussions to create a regional centre in Harare. However, funding was insufficient to enable the Programme to make progress in this area.

### ***Results-based monitoring and evaluation***

Internal improvements were implemented in monitoring and evaluation procedures through the more transparent and inclusive involvement of stakeholders.

In line with the second objective of the strategic plan, the DMFAS Programme developed a framework to improve monitoring and evaluation of the technical assistance projects and to objectively measure their performance, including a comprehensive set of monitoring and evaluation activities, which was implemented in pilot countries for the first year in 2013 and generalized to all new projects in 2014. The monitoring and evaluation will strengthen monitoring of DMFAS technical cooperation projects used to track progress and better address the needs of countries. Evaluation of DMFAS projects contributes to assessing the Programme's effectiveness, ensuring accountability to stakeholders and strengthening internal coordination while facilitating information-sharing, workflow and learning.

In addition, the Programme conducted national evaluations of the effectiveness of the DMFAS 6 functional training delivered in 2015.

### ***3.4 Improved communications and information sharing, within and outside the Programme***

The DMFAS Programme revamped its website in 2013. It offers a more relevant, modern, accessible and interactive website with new functionalities, and the number of DMFAS users registered in the client area continued to increase in 2015. In December, 62 per cent of active DMFAS countries had at least one user registered in the client area (50 per cent of institutions). The website contains update information on the DMFAS activities, documentation and releases of the software. Among the most downloaded pages are the user documentation files and the capacity-building material. However, the interactive forum initially



planned in the strategic plan could not be implemented.

In addition, the Programme continued to implement its electronic newsletter, presenting in a short and attractive format the main current trends and activities in the work of the DMFAS Programme. Three issues of the DMFAS newsletter were published, in April, September and December, and were posted on the Programme's website in English and French.

Periodic activity calendars were distributed to stakeholders, keeping them informed of the Programme's technical assistance activities in countries, regional events and cooperation with implementing partners.

Since 2008, the Programme has been sharing its calendar of upcoming missions with its partners. This initiative has proved successful, as partners are increasing their coordination and exchanges of information. The Programme has since made this a standard communications activity, with the calendar sent out every two months to partners.

In keeping with its usual practice, the Programme produced an annual report for 2014, which presented the activities of the Programme until the end of December 2014.

In 2015, the Programme continued to actively contribute to the UNCTAD projects portal, an internal centralized database containing the most relevant information about UNCTAD projects, including descriptions of activities, incomes and expenditures.

### 3.5 Tenth Debt Management Conference and DMFAS Advisory Group

The tenth Debt Management Conference of UNCTAD was held from 23 to 25 November 2015 within the work plan of the UNCTAD Division on Globalization and Development Strategies. The Conference was immediately followed by the tenth DMFAS Advisory Group meeting on 26 and 27 November.

The Conference, organized by UNCTAD every two years, provides a regular forum for sharing experiences and exchanging views between Governments, international organizations, academia, the private financial sector and civil society on current issues in debt management. It brings together senior-level

national and international debt managers and experts from around the world to discuss some of the most pertinent topics in both external and domestic debt, debt management and public finance today.

This year, the Conference had a high level of participation, similar to the 2013 Conference, both in terms of representations from countries and user institutions. It was open by the President of Ireland and the Ministry of Finance of the Plurinational State of Bolivia.

This year the focus of the Conference was on debt and Sustainable Development Goals, managing risks for effective debt strategies and competences in debt management. Topics included the following:

- Debt and Sustainable Development Goals: challenges ahead;
- Financing options for development;
- Debt issues of the *Trade and Development Report*;
- Lessons from the recent debt crisis ;
- Exogenous shocks and debt;
- Mitigating the risk associated with contingent liabilities;
- Ensuring sustainability in the face of climate change;
- Debt management capacity-building needs.

### 3.6 Challenges faced by the DMFAS Programme

Besides the positive results attained from 2011 to 2015, the Programme also faced a number of challenges.

*High staff turnover.* In debt management offices, a recurrent challenge faced by developing countries in managing debt is dealing with high staff turnover and the updating of skills, organizational procedures and information management systems in order to keep pace with the dynamic changes in global finance and public financial management practices. The Programme thus needed to factor these realities into its support interventions, maintaining adequate flexibility to address these needs.

*Regional offices.* The Programme continued its efforts to seek funding for the creation of two regional offices. Initial steps were taken with MEFMI to set up the joint regional office in Harare. However, funding was

insufficient to enable the Programme to make progress in this area.

*DMFAS 5.3 maintenance.* The Programme continued providing support for DMFAS 5.3. However, with ever-evolving technology standards, it becomes more difficult and more expensive to provide this support due to incompatibilities with new technology (de-support by third-party suppliers of the technological platform of DMFAS 5.3). Hence, DMFAS 5.3 will be technologically de-supported beyond December 2016.

*Links with other financial systems.* Facilitating the development of links between the DMFAS software and other financial management systems requires countries to have the capacity to programme and maintain the links. However, a number of countries are still dependent upon DMFAS IT support and do not have the necessary resources to maintain the links in the long term. Requests made to the Programme to fully develop these links need to be carefully examined considering the limited resources.

*Increased demand for IT support.* The Programme received an increasing number of demands for IT remote support for which it was necessary to allocate resources while retaining local capacity. Responding to unforeseen clients requests for new software development, training missions and other additional support activities, required the Programme to continuously adjust its work plan. This impacted the delivery of other services and activities to clients.

*Multi-language software.* The DMFAS software is available in three languages, English, French and Spanish. In addition, a Russian version of the software was developed in 2015 in response of a country request, which was not originally planned, incurring additional workload and adjustments to IT development work plan. Ensuring that the interface, the documentation (technical and functional) and the capacity-building material were translated promptly with high quality standards was also a challenge for the Programme.

*Negotiation of agreements.* Negotiating agreements with institutional donors and partners is complex and often requires long negotiations to finalize agreements due to varying rules and regulations between organizations. Having standard agreements with some institutional donors would greatly facilitate project agreement finalization.

*Advanced capacity-building.* The Programme received numerous requests for advanced capacity-building in debt analysis, including for more upstream activities – for example in risk analysis and linkages. Many of these demands are beyond the areas covered by the strategic plan 2011–2015. The challenge the Programme has, and will have, is to try to fulfil these requests through coordination with partners specialized in those areas.

*Funding of the DMFAS Programme.* The strategic plan 2011–2015 budget was based on the full implementation of activities. Notwithstanding the excellent results achieved under the strategic plan, the available funding impacted the delivery of the Programme that could not deliver at the level of full implementation, resulting in fewer activities or activities reduced in scope. For instance, in 2015, the staff needed to carry out all the activities was not recruited and three vacant posts were frozen. In addition, the number of missions has been reduced, no regional workshops were organized (instead of two projected), the scope of the new website has been reduced (the forum has not been developed) and e-learning modules have also been reduced. At the end of 2015, the Programme was actively fundraising to cover the financial needs for the implementation of the 2016–2019 strategic plan. The Advisory Group stressed the importance of obtaining the funding necessary for the Programme to enable it to continue to respond effectively to the evolving demands of developing countries and countries with economies in transition for assistance in building capacity for the effective management of their public debt.

## Funding and expenditures

This section presents an overview of the Programme's financial situation in 2015.

The information presented here is not an official financial statement from UNCTAD. The information is provided based on available data at the time of writing and is subject to change.

### 1. Financial resources

The resources of the DMFAS Programme can be classified under the following four main categories:

- Donor contributions to the DMFAS central trust fund;
- Country-specific funding for project trust funds;
- Cost-sharing by beneficiary countries and institutions;
- Support from UNCTAD.

#### 1.1 DMFAS central trust fund

The core activities of the DMFAS Programme, such as the help desk, training and documentation, system maintenance and development, quality assurance and user support, and Programme management, are

financed through a multi-donor multi-year central trust fund. This trust fund was established in 2002 to ensure the efficient management and administration of the Programme. In this way, the central trust fund covers the Programme's core expenditures, such as personnel costs, travel, system development, workshops, consultancies and equipment. These are general expenditures that ensure the long-term impact and quality of the work done. Training or equipment purchases that are specific to the needs of a single beneficiary institution are not covered by the trust fund and are instead financed by country-specific trust funds.

At the end of 2015, overall donor support for the year amounted to \$1,308,480, as shown in table 4. In chronological order, donors included Germany, Switzerland, Ireland and the Netherlands.

Income was also received in 2015 as payment for services rendered in the form of cost recovery. For example the second phase of the Debt Management Facility managed by the World Bank agreed to cover the costs of the Programme's missions in support of that facility in 2015.

Table 4. Bilateral donor contributions in 2015

<i>Donor</i>	<i>Date</i>	<i>Contribution</i> (Dollars)
Germany	27 July 2015	220 994
Switzerland	27 July 2015	375 000
Ireland	28 September 2015	112 486
Netherlands	8 October 2015	600 000
<b>Total</b>		<b>1 308 480</b>

Annex 6 shows the contribution disbursements by bilateral donors to the trust fund from 2002 to 2015. Over the past five years, on average the total yearly contributions from bilateral donors have been close to \$2.6 million.

Table 5 describes the income and expenditures in 2015. The Programme's income comes from four different sources. First, UNCTAD contributes by financing five full-time posts, including the chief of the Programme, and one part-time post. The UNCTAD contribution totalled \$1,079,372. Second, the DMFAS mechanisms for systematic sharing of costs<sup>1</sup> with beneficiaries amounts to \$1,036,896. Third, DMFAS recovers the resources used in projects financed by the donor community and fourth recovers its costs from partners using DMFAS services. These amounted to \$510,781. Finally, donor contributions are the main source of income for the Programme and these represented \$1,308,480 in 2015.

Expenditures are divided into two main categories, personnel and non-personnel. Non-personnel expenditures include travel, system development, consultancy services, training, conference costs, equipment and miscellaneous items.

Overall, the figures in 2015 compared with those of 2014 reflect a decrease of income by \$2 million, which was tempered by an opening balance of 1.4 million. The expenditures decreased by \$350,000 in 2015 compared with 2014.

Cost sharing decreased by 10 per cent due to the receipt of maintenance fees which were not recorded in the United Nations account in 2015 but will be reported in 2016. Other sources of cost sharing, i.e. development contribution and recovery from country projects funded by Governments using DMFAS core resources, remained stable in 2015 compared with 2014. Cost recovery increased in 2015 by \$90,000, explained by the increase in the number of country projects financed by beneficiaries (with a corresponding decrease in donor-funded activities) and the increase of income from the provision of other services. Total donor contribution was over \$1.3 million in 2015, down from \$3.2 million in 2014. UNCTAD's financial contribution was almost identical in 2015, compared with 2014. Finally, the decrease in expenditures reflects the freeze of three vacant posts and an overall cut of non-personnel costs by 13 per cent, despite the expenditures for hosting the Debt Management Conference in 2015.

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<sup>1</sup> Cost sharing is defined as financial contributions to the central trust fund when paid from a government budget. It includes maintenance fees, development contributions and DMFAS staff time paid by country projects financed by government budgets.

Table 5. Income and expenditures for the DMFAS central trust fund, 2015<sup>2</sup>

(Dollars)

<b>Balance as of 1 January 2015</b>	<b>1 375 177</b>
<b>Other adjustments</b>	<b>45 321</b>
<b>INCOME</b>	
<b>UNCTAD contribution</b>	<b>1 079 372</b>
In kind	906 114
Financial	173 258
<b>Donor contributions</b>	<b>1 308 480</b>
Germany	220 994
Switzerland	375 000
Ireland (expected)	112 486
Netherlands (expected)	600 000
<b>Cost sharing</b>	<b>1 036 896</b>
Maintenance fees	383 941
Development contributions	216 128
From country projects funded by Governments	436 827
<b>Cost recovery (including payments for services)</b>	<b>510 781</b>
From country projects funded by donors	146 617
Payments for services (DMF and other)	364 164
<b>TOTAL INCOME</b>	<b>3 935 529</b>
<b>EXPENDITURES</b>	
<b>Personnel</b>	<b>4 822 010</b>
Central team	3 915 896
Regular budget staff	906 114
<b>Non-personnel</b>	<b>368 691</b>
Travel	59 508
System development	190 703
Consultancy services	85 009
Conference, workshops, documentation	27 041
Miscellaneous	6 430
<b>TOTAL EXPENDITURES</b>	<b>5 190 700</b>
<b>CLOSING BALANCE</b>	<b>165 327</b>

<sup>2</sup> Preliminary figures as final financial figures for 2015 were not available at the time of writing.

## 1.2 Budget

DMFAS Programme budget needs were based on the full implementation of the five-year strategic plan for 2011–2015. Financing all these needs would have been an ideal situation where all foreseen activities in the strategic plan would be achieved. The full financing of the strategic plan is detailed in scenario 1 in table 6. However, the strategic plan was not fully financed. Scenario 2 in table 6, details the level of financing effectively reached, which resulted in a reduction of activities.

**Table 6. DMFAS budget, 2014–2015**

(Thousands of dollars)

	Scenario 1		Scenario 2	
	2014	2015	2014	2015
Personnel	6 224	6 286	5 073	4 822
Travel	229	236	93	59
System development	434	331	245	191
Consultancy services	150	93	108	85
Conferences, workshops and documentation	430	476	0	27
Miscellaneous	103	106	17	6
<b>Total</b>	<b>7 570</b>	<b>7 528</b>	<b>5 533</b>	<b>5 190</b>

Compared with the first scenario, the implementation of DMFAS at the second scenario level has resulted in fewer activities or some activities being reduced in scope. The full complement of staff necessary to carry out the activities under the first scenario was not recruited, and three vacant posts were frozen. In concrete terms, the core support to the development of the system has been reduced, no regional workshops were organized (instead of two projected under the first scenario), the scope of the new website has been reduced (the forum has not been developed) and e-learning modules have also been reduced.

## 1.3 Country-specific project trust funds

Country-specific activities (that is, those that deliver the core products and services at the country level) are mostly financed on a bilateral basis by ad hoc country trust funds, to be used for the implementation of capacity-building activities in the country concerned, as per the project document that each country-project trust fund relates to.

The different sources of financing for country-project trust funds are the beneficiaries themselves, bilateral donors and other international organizations and institutions such as regional development banks, UNDP and the World Bank. An increasing number of middle-income countries are fully financing their national projects, paying directly for the products and services delivered by the DMFAS Programme.

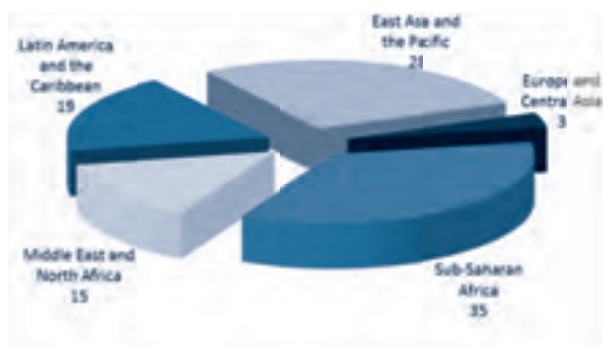
As of October 2015<sup>3</sup>, expenditures from country-specific trust funds amounted to \$1,682,864 to deliver technical assistance in 24 countries. Annex 7 displays the list of countries, the funds available, the expenditures and the final balance available. The number of countries listed in annex 7 does not necessarily coincide with the total number of countries and institutions using DMFAS. A number of these are active DMFAS users who continue to receive support without funding for specific project activities. Help desk assistance is partially covered by the voluntary maintenance fee agreements signed by beneficiary countries. These maintenance agreements remain valid beyond the time frame of the initial country project through which DMFAS was made available to the country or institution.

Figures 6 and 7 show the regional distribution and the income-level distribution of country project expenditures.<sup>4</sup> Projects in East Asia and the Pacific represented 28 per cent of total expenditures. Sub-Saharan Africa received 35 per cent; Latin America and the Caribbean, 19 per cent; and the Middle East and North Africa, and Europe and Central Asia received 14 per cent and 3 per cent, respectively. In terms of income-group distribution, figure 7 shows that the highest portion (90 per cent) of the Programme's project expenditures was in low-income and lower middle-income countries.

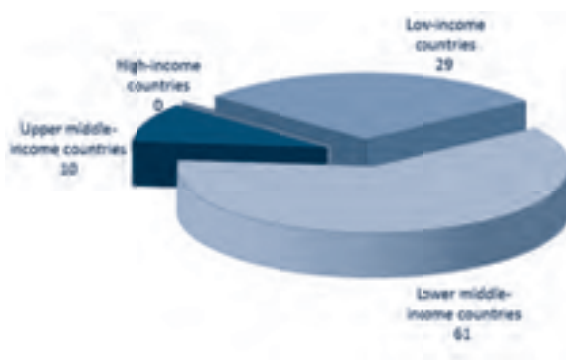
<sup>3</sup> Figures of expenditures at country level for the last two months of 2015 were not available at the time of writing.

<sup>4</sup> Countries are classified by income level and regional distribution according to World Bank country groupings.

**Figure 6. Country-project expenditures: Regional distribution, as a percentage of total expenditures**



**Figure 7. Country-project expenditures: Income-level distribution, as a percentage of total expenditures**



#### 1.4 Cost sharing by beneficiaries

A particular feature of the DMFAS Programme compared with other technical cooperation programmes is that it generates a part of its funds for the DMFAS central trust fund from cost sharing with beneficiaries. The following two different instruments have been designed to ensure effective cost sharing and to cover part of the Programme's running costs: maintenance fees and development contributions. They were created in 2002 to provide partial self-financing for the Programme. A graduation scheme was recommended at the November 2009 DMFAS

Advisory Group meeting, and its implementation was initiated as part of the current strategic plan. Accordingly, the annual maintenance contribution for the new system has been set according to the economic level of beneficiary countries as follows:

- \$10,000 for low-income countries;
- \$15,000 for lower middle-income countries;
- \$20,000 for upper middle-income countries;
- \$25,000 for high-income countries.

Similarly, the level of the development contribution for new beneficiary countries has been set as follows:

- \$50,000 for low-income countries;
- \$75,000 for lower middle-income countries;
- \$100,000 for upper middle-income countries;
- \$150,000 for high-income countries.

For existing DMFAS clients, the contribution has been set at \$50,000, except for high-income countries where it has been set at \$150,000.

Maintenance agreements are offered to new beneficiary institutions when DMFAS is installed, and they are signed on a voluntary basis. They contribute to the financing of help desk support, which is located at UNCTAD headquarters and is provided by the Programme at the request of the client.

As shown in table 7, maintenance fees are highly relevant as a source of constant and relatively regular income for the Programme. The year 2015 marked the thirteenth year since maintenance fees were implemented, with a total of \$3,429,583 having been collected since 2002.

**Table 7. Maintenance fee payments received, 2002–2015**

<i>Year</i>	<i>Payment (Dollars)</i>
2002	9 967
2003	104 933
2004	150 689
2005	189 709
2006	226 379
2007	198 636
2008	199 526
2009	268 232
2010	263 491
2011	290 470
2012	242 464
2013	399 785
2014	501 363*
2015	383 941
<b>Total for 2002–2015</b>	<b>3 429 583</b>

\* 2014 was an exceptional year due to the payment by numerous countries of back payments.

The trend in the number of signed agreements on maintenance fees was stable in 2015, as 87 per cent of institutions that benefit from DMFAS have signed an agreement. Annex 8 presents a complete list of the countries contributing to the maintenance of the DMFAS software.

#### ***Development contributions***

Development contributions were created to contribute to the enhancement of the DMFAS software. These contributions are made by the beneficiary institution when DMFAS is installed. Development contributions remained stable with four contributions in 2015, the same number as in 2014 but for a higher total amount. Angola, Ethiopia, Mauritania and Zambia were contributors in 2015, for a total amount of \$216,128, compared with \$162,500 in 2014.

#### **1.5 Institutional support from UNCTAD**

UNCTAD supported the DMFAS Programme in 2015 by financing five posts and a part-time position from its regular budget. The professional category staff members are the chief of the Programme, the Programme officer, one project manager and 40 per cent of the time of an associate economics affairs officer. Two general services staff members are employed in the Administration and Communication Unit.



## Annex 1. Summary of DMFAS log frame of the 2011–2015 strategic plan

Objective	Expected result	Results as of 31 December 2015	Overall progress
<p><b>1. Focus countries have the capacity and technology to manage their operational, statistical and analytical debt management functions</b></p>	<p>1.1 Government information systems established for effectively managing complete, up-to-date and reliable debt databases</p> <p>1.2 Government capacity improved for effectively reporting on debt, conducting debt analysis and providing inputs on debt strategy</p> <p>1.3 Government debt operational risk management and PFM integration enhanced</p> <p>1.4 Improved knowledge of debt management and access to information</p>	<p>1.1. DMFAS users: 84 institutions in 57 countries (DMFAS 6: 41 institutions in 34 countries (60 per cent of client countries and 49 per cent of institutions). Improved debt data coverage: 88 per cent of government and government-guaranteed external debt recorded using DMFAS (all versions); 61 per cent of DMFAS 6 user countries whose debt management office is responsible for monitoring domestic debt using DMFAS to manage their entire domestic debt portfolio. Fifteen central banks monitoring private external debt.</p> <p>1.2. Nineteen countries produced debt-data validation calendars, 19 client countries produce a debt portfolio review and 35 countries produce regularly a debt statistics bulletin. Ninety-six per cent of DMFAS countries reported to the Debtor Reporting System. Eighty-six per cent of DMFAS clients that committed to participating in the public sector debt statistics database reported in the third quarter of 2015 (32 out of 37 countries). End 2015: 65 per cent of DMFAS clients participating in quarterly IMF–World Bank external debt statistics database.</p> <p>1.3. Two countries integrated DMFAS V6 with their auction systems; 18 countries linked DMFAS to other financial management systems</p> <p>1.4. More than 1,040 participants from 110 countries attended 2011, 2013 and 2015 Debt Management Conferences.</p>	<p><b>On target</b></p> <p>Clear progress made in helping countries to build sustainable capacity to independently record, report and analyse their debt</p> <p>Increasing number of countries integrating debt with public financial management</p> <p>Steady implementation of DMFAS 6, with robust demand coming from existing and new client institutions</p>
<p><b>2. The DMFAS Programme has improved capacity to deliver effective, efficient and sustainable responses to country needs</b></p>	<p>2.1 Improved predictability, sustainability and cost sharing in Programme financing</p> <p>2.2 Programme operations coordinated with other debt management technical assistance providers</p> <p>2.3 Improved effectiveness and efficiency in Programme operations</p>	<p>2011–2015: Five multi-year commitments from donors, of which two continued in 2015; eight donors in total for the duration of the strategic plan</p> <p>Cost-sharing and cost-recovery implemented</p> <p>DMFAS 6 development ongoing in response to client requests during implementation stage</p> <p>Update of two capacity-building modules on debt statistics and data validation completed; development of two new learning products on government securities and financial calculations and basic debt management</p> <p>Continued discussion for a regional centre in Zimbabwe</p> <p>Participation in eight DMF events (four DeMPA, three MTDS and one MTDS training as resource person) and 12 additional joint events with other technical assistance providers</p> <p>Coordination with IATI for linkage between aid and debt management and SDMX harmonizing data exchange</p> <p>Implementation of monitoring and evaluation framework ; development of capacity-development framework</p>	<p><b>On target</b></p> <p>Successful broadening of donor pool, multi-year financing and cost sharing</p> <p>Avoided duplication through strong collaboration with partners, taking part in new initiatives</p> <p>Results-oriented planning and monitoring with transparent and inclusive involvement of stakeholders</p>

## Annex 2. Use of DMFAS in countries as at end 2015, with start date and indication of version installed

The table columns, from left to right, show the following information:

- **Country:** The country using the DMFAS software
- **Start date in country:** Start date of the first project for the implementation of DMFAS and related services in the country
- **Institution:** Institution in the country that uses the DMFAS software (usually either the finance ministry or the central bank and sometimes both)
- **DMFAS user status:** Indicates the institution's current user status regarding DMFAS software; marked as active, inactive or reactivating; does not refer to current technical assistance project status (i.e. to funding available for specific activities).
- **Installation:** Indicates where the main server is located (X = own database and R = remote connection)
- **Access:** Indicates whether the institution has full, partial or read-only access to the database; access rights to depend on responsibilities and mandates of respective institution in debt management
- **Version currently installed:** Indicates version of DMFAS currently used by the institution.

Country ( ) = historic	Start date in country *	Institution**  ( ) = historic	DMFAS user status  Active, inactive or reactivating	Installation  (X = own database, R = remote connection)	Access	Version currently installed (X = installation)		
						5.2	5.3	6
Albania	1998	MoF	Active	X	Full		X	
Algeria	2005	CB	Active	X	Full		X	
Angola	1999	CB	Active	Partial	Full		X	
		MoF	Active	X	Full			6
Argentina	1993	MoF	Active	X	Full			X
		Province of Rio Negro	Active	X	Full		X	
		Province of Catamarca	Inactive					
		Province of Chaco	Active	X	Full	X		
		Province of Buenos Aires	Active	X	Full			X
Province of La Rioja	Active	X	Full			X		
Armenia	2011	MoF	Active	X	Full			X
Bangladesh	1992	MoF	Active	X	Full			X
		CB	Active	X	Full			X
Bolivia (Plurinational State of)	1993	MoF	Active	X	Full		X	
		CB	Active	X	Full		X	
Burkina Faso	1997	MoF	Active	X	Full		X	
Burundi	1987	MoF	Active	X	Full			X
Cambodia	2007	MoF	Active	X	Full			X
Central African Republic	1995	MoF	Reactivating	X	Full		X	
Chad	2000	MoF	Active	X	Full		X	
Chile	2003	CB	Active	X	Full		X	
Congo	2003	SDMO	Active	X	Full			X

Country ( ) = historic	Start date in country *	Institution**  ( ) = historic	DMFAS user status  Active, inactive or reactivating	Installation  (X = own database, R = remote connection)	Access	Version currently installed (X = installation)		
						5.2	5.3	6
Costa Rica	1988	MoF	Active	X	Full		X	
		CB	Active	R	Read-only			
Côte d'Ivoire	1998	MoF	Active	X	Full			X
Democratic Republic of the Congo	2005	SDMO	Active	X	Full			X
Djibouti	1986	MoF	Active	X	Full		X	
Dominican Republic	1996	MoF	Active	X	Full			X
		(CB)	Inactive					
Ecuador	1995	MoF	Active	X	Full		X	
		CB	Active	X	Full		X	
Egypt	1986	CB	Active	X	Full			X
		MoF	Active	X	Full			X
El Salvador	1988	MoF	Active	X	Full			X
Ethiopia	1988	MoF	Active	X	Full			X
Gabon	2001	Ministry of Economy	Active	X	Full			X
Georgia	1998	MoF	Active	X	Full			X
Guatemala	1988	MoF	Active	X	Full			X
Guinea-Bissau	1997	MoF	Active	X	Full		X	
Haiti	1985	CB	Active	R	Partial			
		MoF	Active	X	Full		X	
Honduras	1988	MoF	Active	X	Full			X
		CB	Active	R	Read-only			
		Supreme Court of Accounts	Active	R	Read-only			
Indonesia	1988	MoF	Active	X	Full			X
		CB	Active	X	Full		X	
Iran (Islamic Republic of)	1997	CB	Active	X	Full			X
Iraq	2005	MoF	Active	X	Full			X
		CB	Active	R	Read-only			
Jordan	1998	MoF	Active	X	Full			X
Lao People's Democratic Republic	2011	MoF	Active	X	Full		X	
Lebanon	1993	MoF	Active	X	Full			X
		CB	Active	R	Read-only			
		CRD	Active	R	Read-only			
Madagascar	2001	MoF	Active	R	Full			X
		CB	Active	X	Partial			
Mauritania	1995	MoF	Active	X	Full			X
Mongolia	2001	MoF	Active	X	Full			X
		(CB)	Inactive					

Country ( ) = historic	Start date in country *	Institution**  ( ) = historic	DMFAS user status  Active, inactive or reactivating	Installation  (X = own database, R = remote connection)	Access	Version currently installed (X = installation)		
						5.2	5.3	6
Nicaragua	1988	MoF	Active	X	Full			X
		CB	Active	X	Full			X
Oman	2010	MoF	Active	X	Full		X	
Pakistan	1985	MoF	Active	X	Full		X	
		(CB)	Inactive					
Panama	1996	MoF	Active	X	Full			X
Paraguay	1995	MoF	Active	X	Full			X
		CB	Active	R	Partial			
		(Ministry of Planning)	Inactive					
Philippines	1987	MoF	Active	X	Full			X
		CB	Active	X	Full		X	
Republic of Moldova	1997	MoF	Active	X	Full		X	
		CB	Active	X	Full		X	
Romania	1993	MoF	Active	X	Full		X	
		CB	Active	X	Full		X	
Rwanda	1990	MoF	Active	X	Full			X
		CB	Active	X	Full		X	
Sudan	1998	CB	Active	X	Full		X	
Syrian Arab Republic	2001	CB	Active	X	Full		X	
Togo	1984	MoF	Active	X	Full		X	
Uganda	1985	MoF	Active	X	Full			X
		CB	Active	X	Full			X
Uzbekistan	1996	MoF	Reactivating					
Venezuela (Bolivarian Republic of)	1998	MoF	Active	X	Full			X
Viet Nam	1996	MoF	Active	X	Full		X	
		(CB)	Inactive					
Yemen	1999	MoF	Active	R	Partial			
		CB	Active	X	Full		X	
		Ministry of Planning	Active	R	Partial			
Zambia	1986	CB	Active	X	Full			X
		MoF	Active	X	Full			X
Zimbabwe	1986	CB	Active	X	Full		X	
		MoF	Active	X	Full			X
<b>57 current country users</b>		<b>84 active and reactivating institutions</b>		<b>74 main installations</b>		<b>1</b>	<b>32</b>	<b>41</b>

Country ( ) = historic	Start date in country *	Institution**  ( ) = historic	DMFAS user status  Active, inactive or reactivating	Installation  (X = own database, R = remote connection)	Access	Version currently installed (X = installation)		
						5.2	5.3	6
<b>FORMER DMFAS USERS</b>								
(Belarus)	1994	(MoF)	Inactive					
(Colombia)	2001	(MoF)	Inactive					
(Kazakhstan)	1996	(MoF)	Inactive					
		(CB)	Inactive					
		(Eximbank)	Inactive					
(Lithuania)	1999	(MoF)	Inactive					
(Peru)	1998	(MoF)	Inactive					
(Sao Tome and Principe)	1997	(MoF)	Inactive					
		(CB)	Inactive					
(Senegal)	1997	(MoF)	Inactive					
(The former Yugoslav Republic of Macedonia)	1999	(CB)	Inactive					
(Trinidad and Tobago)	1985	(CB)	Inactive					
		(MoF)	Inactive					
(Turkmenistan)	2001	(CB)	Inactive					
(Ukraine)	1995	(MoF)	Inactive					
(State of Palestine)	2000	(MoF)	Inactive					
<b>69 countries (historic) and 57 current users</b>		<b>107 institutions (current and historic)</b>						

Notes: \* Date when initial system implementation began in the country concerned; 1984 was the first year of availability of a comprehensive version of the DMFAS software.

\*\* Central Bank

Abbreviations: CB, Central Bank; CRD, Council for Reconstruction and Development; MoF, Ministry of Finance; SDMO, separate debt management office;

## Annex 3. Operational status of DMFAS in countries, 2006–2015

Stage 1: System installed but not or not fully operational  
 Stage 2: Database regularly kept up to date  
 Stage 3: System used for monitoring and internal reporting  
 Stage 4: System used for external reporting/statistics  
 Stage 5: In the reported year, staff trained in the system as an input to debt-portfolio analysis, debt-strategy formulation or debt-sustainability analysis  
 IFMIS: DMFAS is integrated or is being integrated within an integrated financial management system  
 n/a: System no longer in use or not yet in use

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Albania	4	4	4 and 5	4 and 5	4	4	4	4	4	4
Algeria	3	3	3	4	4	4	4	4	4	4
Angola	4	4	4	4	3	4	4	4	4	4
Argentina	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 and 5 IFMIS	4 IFMIS
Armenia	n/a	n/a	n/a	n/a	n/a	2	4	4	4	4
Bangladesh	1	1	1	4	4	4 and 5	4	4	4	4
Bolivia (Plurinational State of)	4	4	4	4	4	4	4	4 and 5	4	4
Burkina Faso	3	3	3	3	3 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS
Burundi	3	3	3	3	3	3	4	4	4	4
Cambodia			3	3	3	3	4 and 5	4	4	4
Central African Republic	n/a	n/a	n/a	2	4	3	1	1	n/a	n/a
Chad	3	3	4	4	4	4	3	3	3	3
Chile	4	4	4	4	4	4	4	4	4	4
Congo	3 and 5	3 and 5	3	3	4	4	4	4 and 5	4	4
Costa Rica	4	4	4	4	4 and 5	4	4	4	4	4 IFMIS
Côte d'Ivoire	4	3	3	3	4	4	4	4	4	4
Democratic Republic of the Congo	3 and 5	3 and 5	3 and 5	3	4	4	4	4 and 5 IFMIS	4 IFMIS	4 IFMIS
Djibouti	4	4	3	3	1	2	3	3	3	3
Dominican Republic	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 and 5 IFMIS	4 IFMIS
Ecuador	4	4	4	4	4	4	4	4	4	4
Egypt	4	4	4	4 and 5	4 and 5	4	4 and 5	4	4	4
El Salvador	4	4	4	4	4	4	4	4	4	4 IFMIS
Ethiopia	4	4	4	4	4	4	4	4	4	4
Gabon	4	4	4	4	4	4	4	4	4	4
Georgia	4	4	4	4	4	4	4	4	4	4
Guatemala	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 and 5 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS
Guinea-Bissau	n/a	n/a	n/a	1	1	1	3	4	4	4
Haiti	4	4	4	4	4	3	3	3	1	1
Honduras	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 and 5 IFMIS	4 IFMIS	4 IFMIS
Indonesia	4	4	4	4	4 and 5	4	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Iran (Islamic Republic of)	4	4	4	4	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS
Iraq	3	3	3	3	3	3	3	3	3	3
Jordan	4	4	4 and 5	4	4	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS
Lao People's Democratic Republic	n/a	n/a	n/a	n/a	n/a	1	4 and 5	4	4	4
Lebanon	4	4	4	4	4	4	4	4	4	4
Madagascar	4	4	4	4	4	3	4	4	4 and 5	4
Mauritania	1	1	1	1	1	1	1	1	1	1
Mongolia	4	4	4	4	4	4	4	4	4	4
Nicaragua	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 and 5 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS
Oman	n/a	n/a	n/a	n/a	1	1	3	3	3	3
Pakistan	4	4	4	3	3	3	3	4	4	4
Panama	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 and 5 IFMIS	4 IFMIS	4 IFMIS
Paraguay	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 and 5 IFMIS	4 and 5 IFMIS	4 IFMIS	4 IFMIS
Philippines	4	4	4	4	4	4	4	4	4 IFMIS	4 IFMIS
Republic of Moldova	4	4	4	4 and 5	4	4	4	4 IFMIS	4 IFMIS	4 IFMIS
Romania	4	4 and 5	4	4	4	4	4	4	4	4
Rwanda	4	1	4	4	4	4	4	4	4	4
Sudan	4 and 5	4	4	4 and 5	4 and 5	4 and 5	4	4	4	4
Syrian Arab Republic	3	3	3	3	4	4	4	4	4	4
Togo	3	3	3	4	4	4	4	4	4	4
Uganda	4	4	4	4	4	4	4 and 5	4	4 IFMIS	4 IFMIS
Uzbekistan	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Venezuela (Bolivarian Republic of)	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS
Viet Nam	3	4	4	4	4	4	4	4 IFMIS	4 IFMIS	4 IFMIS
Yemen	4	4	4	4 and 5 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS	4 IFMIS
Zambia	3	4	4	4 and 5	4	4	4	4	4 IFMIS	4 IFMIS
Zimbabwe	4	4	4	4	4	4	4	4	4	4
<b>Total number of countries that are active DMFAS users</b>	<b>54</b>	<b>54</b>	<b>58</b>	<b>55</b>	<b>54</b>	<b>56</b>	<b>57</b>	<b>56</b>	<b>56</b>	<b>57</b>

## Annex 4. Breakdown of DMFAS client countries according to income group, 2015

<i>Low-income countries</i>	<i>Lower middle-income countries</i>	<i>Upper middle-income countries</i>	<i>High-income countries</i>	<i>Total</i>
<p><b>Current (14)</b></p> <p>Burkina Faso (HIPC)</p> <p>Burundi (HIPC)</p> <p>Cambodia</p> <p>Central African Republic (HIPC)</p> <p>Chad (HIPC)</p> <p>Democratic Republic of the Congo (HIPC)</p> <p>Ethiopia (HIPC)</p> <p>Guinea-Bissau (HIPC)</p> <p>Haiti (HIPC)</p> <p>Madagascar (HIPC)</p> <p>Rwanda (HIPC)</p> <p>Togo (HIPC)</p> <p>Uganda (HIPC)</p> <p>Zimbabwe</p>	<p><b>Current (24)</b></p> <p>Armenia</p> <p><b>Bangladesh</b></p> <p>Bolivia (Plurinational State of) (HIPC)</p> <p>Congo (HIPC)</p> <p>Côte d'Ivoire (HIPC)</p> <p>Djibouti</p> <p>Egypt</p> <p>El Salvador</p> <p>Georgia</p> <p>Guatemala</p> <p>Honduras (HIPC)</p> <p>Indonesia</p> <p>Lao People's Democratic Republic</p> <p>Mauritania (HIPC)</p> <p>Nicaragua (HIPC)</p> <p>Pakistan</p> <p>Philippines</p> <p>Republic of Moldova</p> <p>Sudan (HIPC)</p> <p>Syrian Arab Republic</p> <p>Uzbekistan</p> <p>Viet Nam</p> <p>Yemen</p> <p>Zambia (HIPC)</p>	<p><b>Current (15)</b></p> <p>Albania</p> <p>Algeria</p> <p>Angola</p> <p>Costa Rica</p> <p>Dominican Republic</p> <p>Ecuador</p> <p>Gabon</p> <p>Iran (Islamic Republic of)</p> <p>Iraq</p> <p>Jordan</p> <p>Lebanon</p> <p><b>Mongolia</b></p> <p>Panama</p> <p><b>Paraguay</b></p> <p>Romania</p>	<p><b>Current (4)</b></p> <p><b>Argentina</b></p> <p>Chile</p> <p>Oman</p> <p><b>Venezuela ( Bolivarian Republic of)</b></p>	<p><b>57</b></p>
<p><b>Former (none)</b></p>	<p><b>Former (4)</b></p> <p>Sao Tome and Principe (HIPC)</p> <p>Senegal (HIPC)</p> <p>Ukraine</p> <p>State of Palestine</p>	<p><b>Former (6)</b></p> <p>Belarus</p> <p>Colombia</p> <p>Kazakhstan</p> <p>Peru</p> <p>The former Yugoslav Republic of Macedonia</p> <p>Turkmenistan</p>	<p><b>Former (2)</b></p> <p>Lithuania</p> <p>Trinidad and Tobago</p>	<p><b>(12)</b></p>

Source: World Bank, available at [http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Low\\_income](http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Low_income).

Note: Countries in bold indicate a change in the income level during the year. Economies are classified according to gross national income per capita in 2014, calculated by the World Bank atlas method: low-income countries, \$1,045 or less; lower middle-income countries, \$1,046–\$4,125; upper middle-income countries, \$4,126–\$12,735; high-income countries, \$12,736 and higher.

This table also indicates the countries that qualified or were eligible or potentially eligible for the HIPC Initiative.



## Annex 5a. Summary of DMFAS 5.3 help desk enquiries by country, 2015

<i>Country</i>	<i>Total incoming</i>	<i>Answered</i>
Albania	4	4
Algeria	3	3
Angola	7	7
Bolivia (Plurinational State of)	3	3
Central African Republic	2	2
Chad	2	2
Ecuador	9	9
Honduras	5	5
Jordan	2	2
Oman	1	1
Panama	1	1
Philippines	3	3
Republic of Moldova	2	2
<b>Total</b>	<b>44</b>	<b>44</b>

## Annex 5b. Summary of DMFAS 6 help desk enquiries by country, 2015

<i>Country</i>	<i>Total incoming</i>	<i>Closed</i>	<i>Assigned</i>	<i>Reopened</i>
Angola	11	4	7	
Argentina, Central Government	43	21	22	
Argentina, Province of Buenos Aires	3	1	2	
Argentina, Province of La Rioja	4		4	
Armenia	1		1	
Bangladesh	10	6	4	
Burundi	5	5		
Cambodia	12	8	3	1
Côte d'Ivoire	5	3	2	
Dominican Republic	12	4	8	
Egypt	22	15	7	
El Salvador	3	2	1	
Ethiopia	23	19	4	
Gabon	24	22	2	
Georgia	1		1	
Honduras	34	14	19	1
Indonesia	6	5	1	
Iran (Islamic Republic of)	21	8	13	
Iraq	7	7		
Jordan	16	11	5	
Lebanon	28	12	16	
Madagascar	14	12	1	1
Mauritania	22	19	2	1
Nicaragua	13	3	10	
Panama	29	21	8	
Paraguay	13	5	8	
Philippines	6	2	4	
Rwanda	11	6	5	
Uganda	31	22	8	1
Venezuela (Bolivarian Republic of)	27	15	12	
Zambia	9	7	2	
Zimbabwe	34	29	5	
<b>Total</b>	<b>500</b>	<b>308</b>	<b>187</b>	<b>5</b>

## Annex 6. Donor contribution disbursements, 2002–2015

### 6.1 Bilateral donor contributions to DMFAS central trust fund, 2002–2015

(Dollars)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
France	-	-	-	-	-	-	60 000	240 000 <sup>3</sup>	41 575 <sup>4</sup>	-	-	-	-	-	341 575
Germany	50 000	-	-	-	-	147 493	298 742	209 973	266 106	258 855	194 805	262 252	271 739	220 994	2 180 959
Italy	-	-	-	-	-	201 578	120 000	290 000 <sup>2</sup>	99 790 <sup>4</sup>	-	47 122 <sup>6</sup>	36 794	-	-	795 284
Ireland	-	-	-	-	-	-	-	150 602	138 889	142 857	122 549	130 738	135 870	112 486	933 991
Netherlands	222 262	-	-	900 000	300 000	300 000	-	-	600 000	600 000	600 000	600 000	600 000	600 000	5 322 262
Norway	975 000	1 275 000	1 575 000	1 943 054	1 607 824	1 571 937	1 746 324	1 214 459	1 291 177 <sup>5</sup>	500 000	500 000	500 000	509 541 <sup>7</sup>	-	15 209 316
Sweden	486 177	4 678 19	473 943	427 476	414 374	604 280	500 280	-	-	-	-	-	-	-	3 374 349
Switzerland	-	-	-	-	420 402 <sup>1</sup>	-	-	-	1 000 000	500 000	500 000	375 000	375 000	375 000	3 545 402
European Union	-	-	-	-	-	-	-	-	-	-	1 227 390	1 356 852	1 375 516	-	3 959 758
<b>Total</b>	<b>1 733 439</b>	<b>1 742 819</b>	<b>2 048 943</b>	<b>3 270 530</b>	<b>2 742 600</b>	<b>2 825 288</b>	<b>2 725 346</b>	<b>2 105 034</b>	<b>3 437 537</b>	<b>2 001 712</b>	<b>3 191 866</b>	<b>3 261 636</b>	<b>3 267 666</b>	<b>1 308 480</b>	<b>35 662 410</b>

<sup>1</sup> Transfer from a trust fund financed by Switzerland to the central trust fund.

<sup>2</sup> Composed of the salary for a junior professional officer (\$90,000) and \$200,000 for the trust fund.

<sup>3</sup> Composed of the salary for a junior professional officer (\$95,000) and \$145,000 for the decentralization of activities in French-speaking Africa.

<sup>4</sup> Composed of the salaries for junior professional officers.

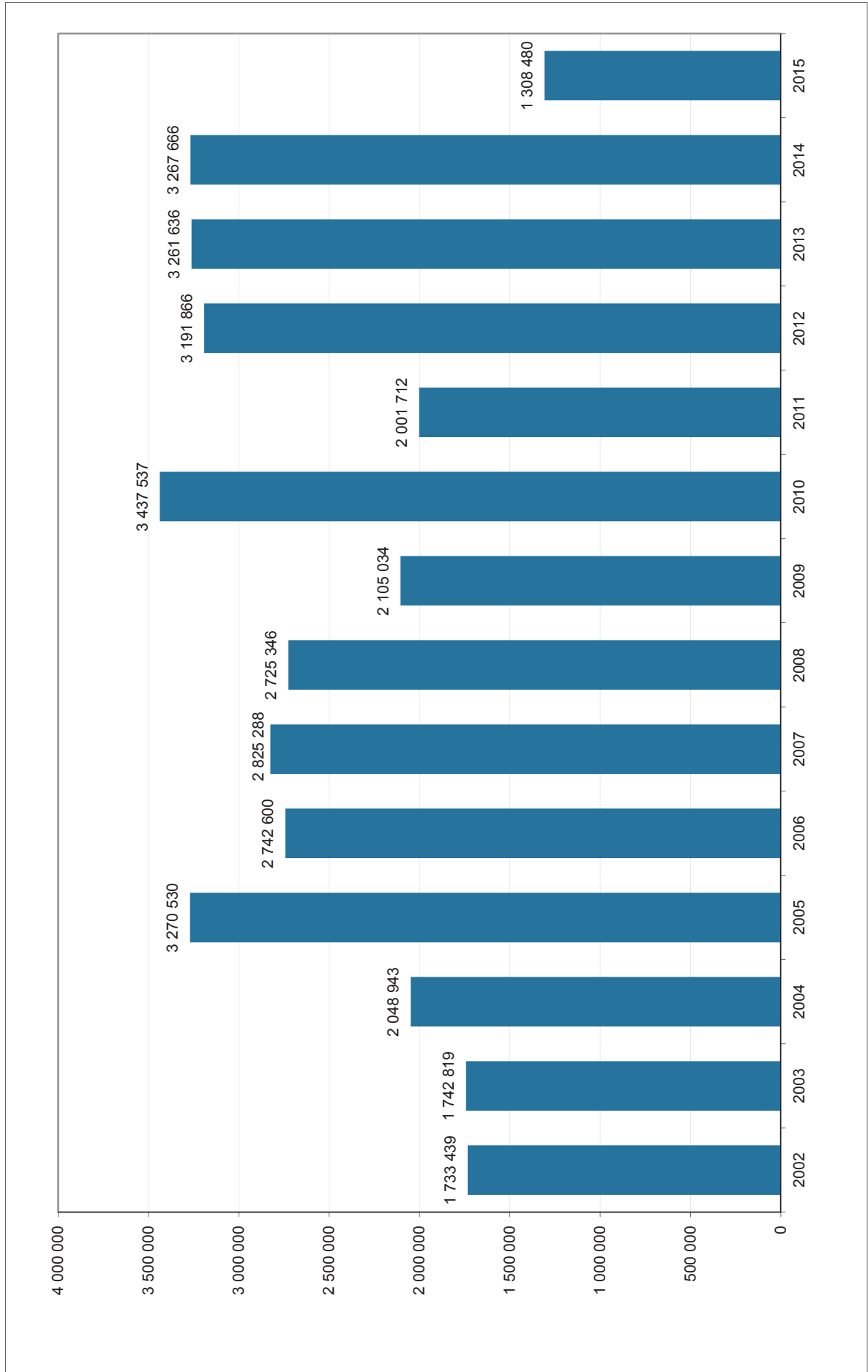
<sup>5</sup> Composed of one disbursement of \$524,710 in November 2009 and one disbursement of \$766,907 in February 2010.

<sup>6</sup> In-kind contribution, corresponded to the services of a fellow, in the context of Italy's overall fellowship programme administered by the United Nations Department of Economic and Social Affairs.

<sup>7</sup> Composed of a contribution of \$500,000 and a contribution of \$9,541 from the remaining funds of a completed project.

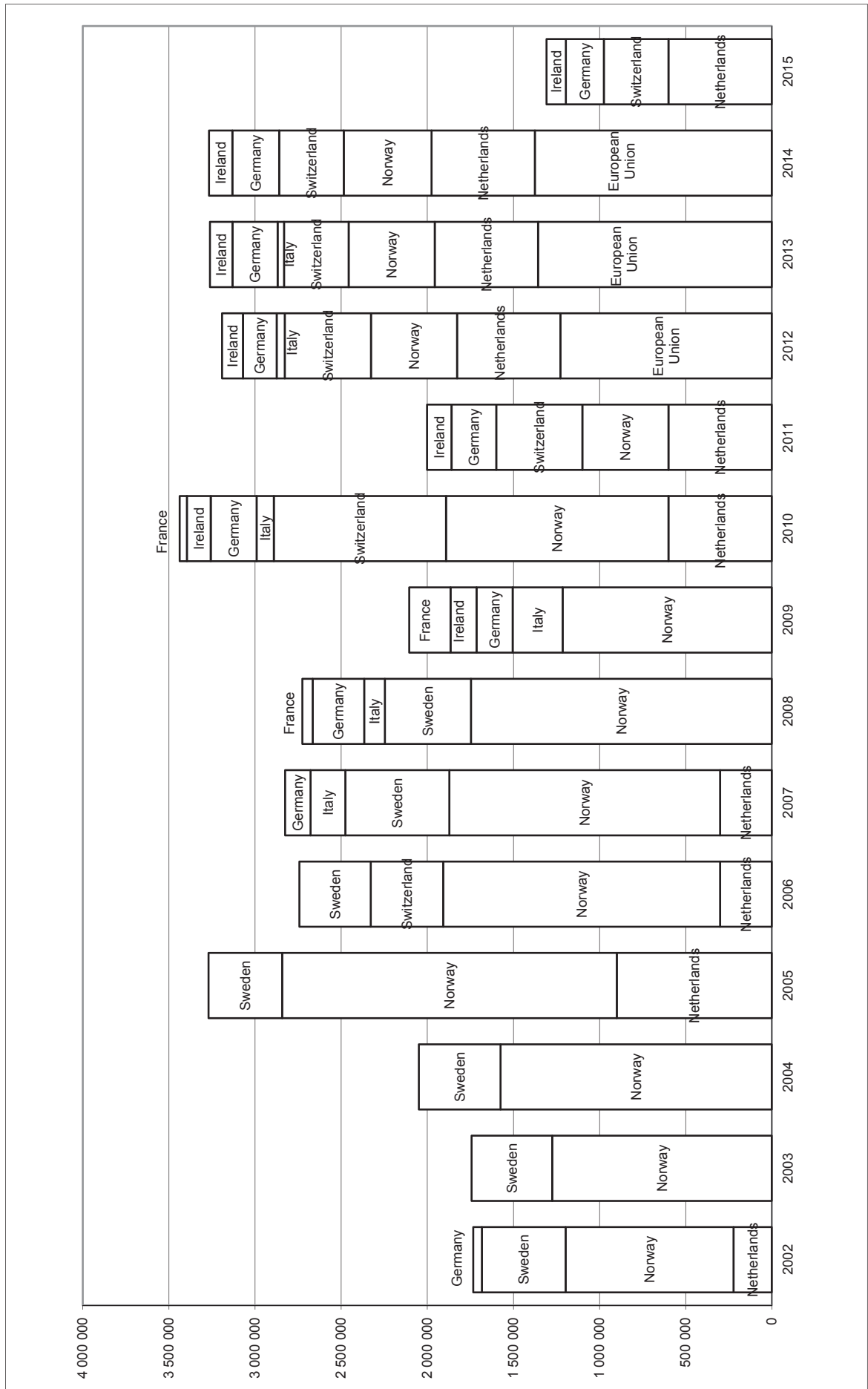
## 6.2 Bilateral donor contribution disbursements, 2002–2015

(Dollars)



### 6.3 Contributions to the DMFAS central trust fund per donor, 2002–2015

(Dollars)



## Annex 7. Country-project trust funds: Available funding and expenditures, as of October 2015<sup>5</sup>

(Dollars)

<i>Country (source of funding)</i>	<i>Funds available</i>	<i>Expenditures</i>	<i>Fund balance</i>
Argentina (Government)	17 515	5 015	12 500
Cambodia (Asian Development Bank)	41 685	18 842	22 843
Chad (World Bank)	30 200	25 666	4 534
Congo (Government)	117 294	40 507	76 787
Côte d'Ivoire (Government)	330 382	122 276	208 105
Democratic Republic of the Congo (Government)	51 980	36 080	15 900
El Salvador (Government)	164 189	56 727	107 462
Ethiopia (Government)	84 608	82 080	2 528
Gabon (Government)	570 056	58 443	511 614
Georgia (Government)	9 281	7 121	2 161
Honduras (Government)	68 410	36 682	31 727
Indonesia, Ministry of Finance (Switzerland)	567 501	170 874	396 627
Iraq (Government)	118 542	3 496	115 046
Jordan (Government)	71 481	40 175	31 306
Lebanon (Government)	55 822	37 244	18 578
Mauritania (European Commission)	386 121	164 366	221 755
Nicaragua (Government)	69 495	49 341	20 154
Philippines (Government)	1 620 828	456 804	1 164 024
Togo (African Development Bank)	14 464	11 048	3 416
Uganda (World Bank)	42 488	30 856	11 632
Uzbekistan (Asian Development Bank)	153 999	126 478	27 521
Venezuela (Bolivarian Republic of) (Government)	44 183	12 820	31 363
Zambia (Government)	285 377	49 116	236 261
Zimbabwe (UNDP)	33 881	32 432	1 449
<b>Total</b>	<b>4 948 267</b>	<b>1 682 864</b>	<b>3 265 403</b>

Note: Figures in budgeted funds, expenditures and budget balance include the Programme support costs. Only trust funds with activities in 2015 are included.

<sup>5</sup> Financial figures for country projects were not available for November and December 2015 at the time of writing.

## Annex 8. Maintenance agreements and fees

### 8.1 Total maintenance fee payments received in dollars per DMFAS user, 2002–2015

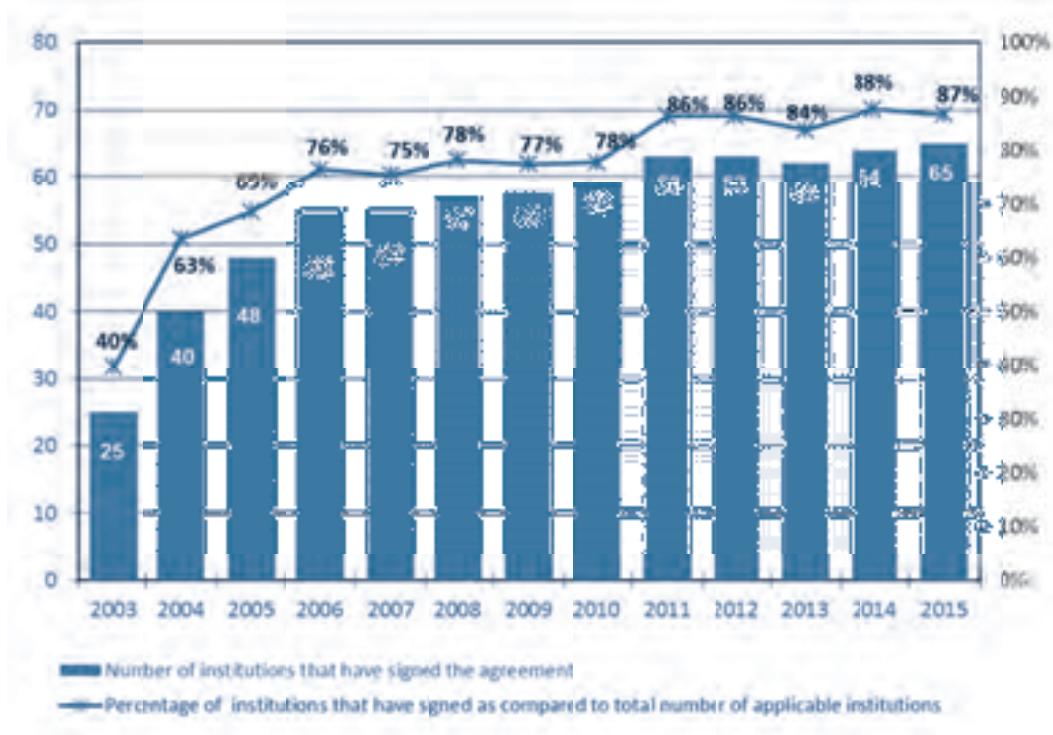
<i>Country</i>	<i>Payment</i>
Albania	41 766
Algeria	39 852
Angola	70 046
Argentina	75 000
Argentina (provinces)	12 000
Armenia	60 000
Bangladesh	45 000
Bolivia (Plurinational State of), (MoF and CB)	125 000
Burkina Faso	60 212
Burundi	56 012
Cambodia	70 000
Central African Republic	10 000
Chile	55 000
Congo	45 000
Costa Rica	44 940
Côte d'Ivoire	59 730
Democratic Republic of the Congo	50 000
Djibouti	22 795
Dominican Republic (MoF and CB)	93 548
Ecuador (MoF and CB)	115 000
Egypt	76 250
El Salvador	20 980
Ethiopia	39 835
Gabon	49 965
Georgia	70 000
Guatemala	65 000
Haiti	50 000
Honduras (MoF and CB)	69 896
Indonesia (MoF and CB)	139 922
Iran (Islamic Republic of)	40 841
Iraq	64 975
Jordan	75 000
Lao People's Democratic Republic	33 066
Lebanon	85 000
Lithuania	5 000
Madagascar	65 000

<i>Country</i>	<i>Payment</i>
Mauritania	10 000
Mongolia	75 662
Nicaragua (MoF and CB)	105 939
Oman	37 420
Pakistan	9 930
Panama	55 000
Paraguay	95 000
Philippines	74 907
Republic of Moldova (MoF and CB)	100 000
Romania (MoF and CB)	94 960
Rwanda	45 000
Sudan	54 446
Syrian Arab Republic	17 500
Togo	44 805
Trinidad and Tobago	35 000
Uganda (MoF and CB)	114 205
Venezuela (Bolivarian Republic of)	50 000
Viet Nam	54 816
Yemen	34 902
Zambia (MoF and CB)	109 875
Zimbabwe (MoF and CB)	108 584
<b>TOTAL</b>	<b>3 429 583</b>

*Note:* Contributions received in 2015 amounted to \$383 941.

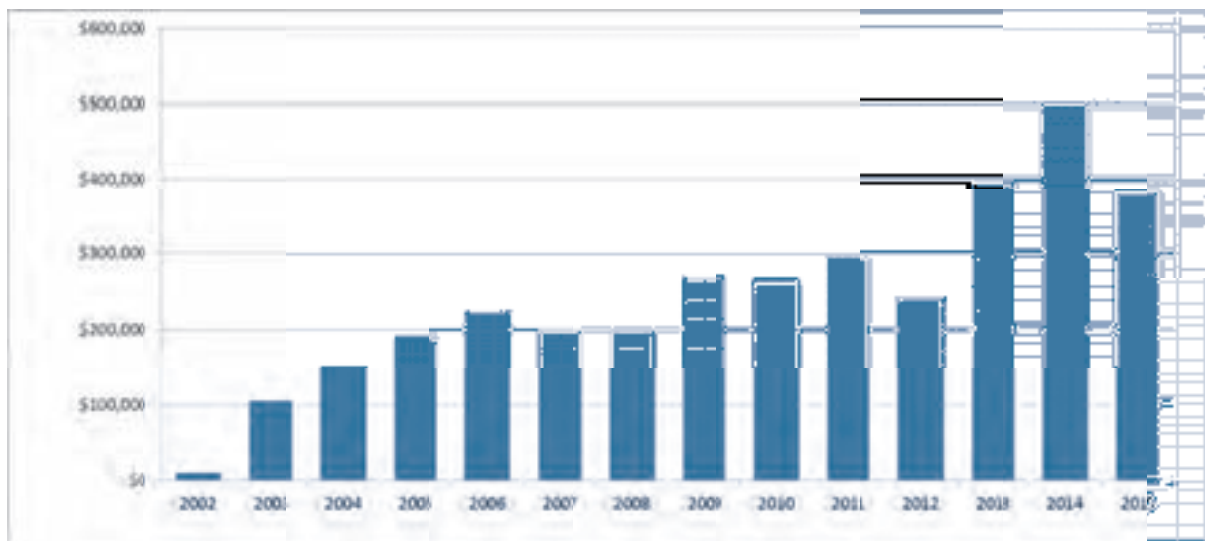


### 8.2 Evolution of signed agreements on maintenance fees, 2003–2015



### 8.3 Maintenance fee payments received, 2002–2015

(Dollars)



## Annex 9. Current United Nations and international mandates relevant to the work of the DMFAS Programme

- **Report of the Secretary-General on external debt sustainability and development (A/70/278)**
  - Paragraph 52: "For debt management to be effective in meeting those challenges, countries will need to invest in building adequate capacity and implementing sustainable reforms. This will require financial resources and technical assistance. Building sustainable capacity in debt management necessitates a long-term, continuous, iterative process of learning and adapting to change. Assistance should be provided to strengthen recipients' capacities to monitor their debt profiles and reduce vulnerabilities from the excessive build-up of debt and increased market exposure. Technical assistance providers, particularly UNCTAD, IMF and the World Bank, must ensure that the products and services offered are public goods that are continuously updated in line with the new requirements of countries and best practices. Providers must also maximize coordination and complementarity to minimize duplication and adopt a cooperative, holistic approach that covers both upstream and downstream activities, thus ensuring that the full spectrum of country needs is met. Similarly, the international community must ensure that adequate financing is provided to support the implementation of national reforms and the provision of technical assistance for public debt management as an effective tool for debt crisis prevention. Donor support for downstream activities in low-income countries will be particularly important."
  - Paragraph 57: "International support to ensure the effective management of day-to-day public liabilities, through financial and technical assistance and institutional capacity-building for public debt management, is critical to equipping developing countries with the means to manage and assess the market-based risks to debt sustainability. [...]"
- **Sustainable Development Goal 17.4 on debt sustainability:**
  - "Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress"
- **Addis Ababa Action Agenda (A/RES/69/313)**
  - Paragraph 34: "[...] We will work to strengthen debt management [...]"
  - Paragraph 94: "We recognize the need to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate."
  - Paragraph 52: "[...] We reiterate the importance of strengthening institutional capacity and human resource development. It is also critical to reinforce national efforts in capacity-building in developing countries in such areas as public finance and administration, [...] debt management [...]"
- **Doha Declaration on Financing for Development: Outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus – Draft resolution submitted on the recommendation of the Main Committee (A/CONF.212/L.1/Rev.1)**
  - Paragraph 64: "Technical assistance to manage debt and address debt problems can be crucial for many countries, in particular the most vulnerable. We reaffirm the importance of adequate capacities of debtor countries during debt negotiations, debt renegotiations and for debt management. In this regard, we will

continue to provide developing countries with the necessary assistance, including technical assistance, upon request, to enhance debt management, negotiations and renegotiation capacities, including tackling external debt litigation, in order to achieve and maintain debt sustainability.[...]"

- **Doha Mandate** (April 2012):
  - Paragraph 28: "Effective macroeconomic and debt-management policies play an important role in fostering debt sustainability and economic development and debt crisis prevention. Many countries have managed to sharply reduce their overall debt-to-gross domestic product (GDP) ratio, in some cases assisted by the Debt Management and Financial Analysis System (DMFAS) Programme, and relevant initiatives such as the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative. Progress is needed on restructuring public debt."
  - Paragraph 31(c): UNCTAD should "continue analytical work on how issues of debt and its impact on mobilization of resources can be addressed more effectively, and providing technical assistance and support for developing countries in building national capacities through the DMFAS Programme, in cooperation, where appropriate, with the International Monetary Fund, the World Bank and other stakeholders".
- **United Nations General Assembly resolution 68/202 on external debt sustainability and development** (adopted 20 December 2013):
  - "*Emphasizing* that debt sustainability is essential for underpinning growth, underlining the importance of debt sustainability and effective debt management to the efforts to achieve national development goals, including the Millennium Development Goals, and acknowledging that debt crises are costly and disruptive, including for employment and productive investment, and tend to be followed by cuts in public spending, including on health and education, affecting in particular the poor and vulnerable,"
  - "*Reaffirming* that each country has primary responsibility for its own development and that the role of national policies and development strategies, including in the area of debt management, cannot be overemphasized for the achievement of sustainable development,"
  - Paragraph 6: "*Recognizes* that the long-term sustainability of debt depends on, inter alia, economic growth, the mobilization of domestic and international resources, export prospects of debtor countries, responsible debt management..."
  - Paragraph 28: "*Notes* the changing composition of the sovereign debt of some countries, which has shifted increasingly from official to commercial borrowing and from external to national public debt, although for most low-income countries external finance is still largely official, also notes that the levels of national debt and the significantly increased number of creditors, both official and private, could create other challenges for macroeconomic management and public debt sustainability, and stresses the need to address the implications of these changes, including through improved data collection and analysis"
  - Paragraph 32: "*Invites* the international community to continue efforts to increase support, including financial and technical assistance, for institutional capacity-building in developing countries to enhance sustainable debt management as an integral part of national development strategies, including by promoting transparent and accountable debt-management systems and negotiation and renegotiation capacities and through supporting legal advice in relation to tackling external debt litigation and debt data reconciliation between creditors and debtors so that debt sustainability may be achieved and maintained"
  - Paragraph 33: "*Invites* the United Nations Conference on Trade and Development, the International Monetary Fund and the World Bank, in cooperation with the regional commissions, regional development banks and other relevant multilateral financial institutions and stakeholders, to continue and intensify

cooperation in respect of capacity-building activities in developing countries in the area of debt management and debt sustainability”

- Paragraph 34: “*Acknowledges* that timely and comprehensive data on the level and composition of debt are necessary for, inter alia, building early warning systems aimed at limiting the impact of debt crises, calls for debtor and creditor countries to intensify their efforts to collect data, and calls for donors to consider increasing their support for technical cooperation programmes aimed at increasing the statistical capacity of developing countries in that regard”
- **United Nations Millennium Declaration, adopted by the United Nations General Assembly on 8 September 2000:**
  - Paragraph 16: “We are also determined to deal comprehensively and effectively with the debt problems of low- and middle-income developing countries, through various national and international measures designed to make their debt sustainable in the long term.”
- **Millennium Development Goal 8 on developing a global partnership for development, target 15:**
  - “Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.”

## Annex 10. Conclusions of the DMFAS Advisory Group, November 2015

The DMFAS Advisory Group advises the Secretary-General of UNCTAD of the following conclusions of its tenth Meeting, held in Geneva, Switzerland, on 26 and 27 November 2015. The DMFAS Advisory Group:

### Strategic plan 2011–2015

1. Notes with satisfaction the excellent results achieved by the Programme in the implementation of the 2011–2015 strategic plan that will conclude in December 2015, contributing to concrete and sustainable progress for DMFAS client countries that includes improved external and domestic debt data recording, enhanced reporting and improved debt analysis capacities.
2. Expresses its appreciation that the strategic plan was extended by one year to enable the outcomes of the Business Model Review to be incorporated into the next plan and make it possible for this meeting of the Advisory Group to review the new Strategic Plan before its implementation.
3. Appreciates that the Programme continues to be highly relevant for developing countries, bilateral donors and other organizations, that there is a very high level of satisfaction among users of its products and services, and that users consider that DMFAS provides a cost-effective solution for their needs.

### Strategic plan 2016–2019

4. Endorses the new strategic plan proposed by the Programme.
5. Appreciates that the new plan is a forward-looking programme for DMFAS to deliver high-quality, highly relevant technical assistance that addresses critical needs of developing countries and countries with economies in transition.
6. Considers that the new plan is a valuable instrument for enabling the international community to satisfy its commitments to promote effective debt management as defined in the Sustainable Development Goals and the Addis Ababa Action Agenda.<sup>6</sup>
7. Agrees with the Programme's focus and strategic priorities for the period, in particular the prioritized continued development of the DMFAS system, including plans for a major new version, DMFAS 7, and the development of the new more comprehensive capacity-development framework.
8. Requests that the Programme take account of the following needs for the development of DMFAS 7 in addition to those foreseen in the draft strategic plan: Form 4 for DRS, improved validation tools, customized and intuitive reporting, generation of reports in the original currency of the loans, integration of Trac, and alerts for debt service falling due.
9. Requests that the Programme take account of the following priorities for the development of DMFAS 7: Total public debt, contingent liabilities, accrual accounting, front office, debt reporting and operational risk management.
10. Notes that the development of a new capacity development framework will provide countries with a range of options for satisfying their capacity-building needs and improve the effectiveness and efficiency of the Programme's responses to the problems of debt management offices such as high staff turnover.
11. Requests that the Programme take account of the following needs for the capacity development framework in addition to those foreseen in the draft strategic plan: accrual accounting module, negotiation to take account of

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<sup>6</sup> Transforming our world: the 2030 Agenda for Sustainable Development, resolution adopted by the General Assembly of the United Nations on 25 September 2015 (A/RES/70/1), available at <https://sustainabledevelopment.un.org/post2015/transformingourworld>; Addis Ababa Action Agenda of the Third International Conference on Financing for Development, endorsed by the General Assembly of the United Nations (A/RES/69/313), available at [http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf).

financial terms of debt instruments, SQL, query builder, and JAVA, and defining a comprehensive syllabus covering all the required training courses for a competent debt manager.

12. Stresses the importance of establishing collaboration platforms for knowledge sharing, such as a DMFAS users discussion forum, and the need to continue with traditional learning platforms to take account of possible connectivity issues.
13. Appreciates the plan to develop certification for DMFAS users because of its many benefits, such as standardizing the minimum competencies, facilitating identification of potential trainers, reducing staff turnover, increasing staff capacities, retaining institutional memory, professional recognition, enabling South–South cooperation and increasing the autonomy of debt management offices.
14. Notes also that expanding the scope and coverage of debt instruments in the Programme’s products and services will respond to the wide range of debt instruments with which debt management offices are increasingly faced, and that improving debt reporting and the availability of information will help to improve transparency and ensure that debt data is easily available for debt analysis and policymaking.
15. Appreciates that the new plan responds to the requests and recommendations of the Advisory Group in its previous meetings, and of the recommendations of external evaluations and reviews of the Programme, and that it meets the evolving needs of debt offices.
16. Understands that the de-support by third-party suppliers of the technological platform of DMFAS 5.3 raises difficulties for its continued support by the DMFAS Programme beyond December 2016, appreciates the Programme’s commitment to continue to provide as much support for it as possible for as long as the technology allows.
17. Reiterates its previous recommendation that countries still using DMFAS 5.3 or earlier versions upgrade to DMFAS 6 as soon as possible and urges the Programme to provide as much support as possible for users to migrate.
18. Understands that full implementation of the plan is subject to the availability of sufficient resources.
19. Stresses the importance of continued synergies between the DMFAS Programme’s technical assistance work and UNCTAD research and analytical work on debt management.
20. Requests that the Programme review the strategic plan on a regular basis to ensure that it remains relevant to evolving needs.

#### **DMFAS 6**

21. Appreciates that DMFAS 6 will continue to be fully operational and supported by the DMFAS Programme for many years to come and that this will not be affected by the research and development on DMFAS 7 that will begin in 2017, and will be completed at the earliest in 2019.

#### **Interfaces with other systems**

22. Recommends that the Programme continue to support countries in the development of interfaces between DMFAS and other systems, including by offering technical workshops.
23. Requests that the DMFAS Programme continue to provide support to requesting countries for linkages between DMFAS and aid management systems, based on demand.

#### **Monitoring and evaluation**

24. Requests the Programme to fully implement the monitoring, evaluation and reporting framework defined in the strategic plan.
25. Appreciates that client satisfaction will be tracked over time and the results incorporated in the periodic reports.
26. Asks that the Programme report back to the Advisory Group on progress in implementing the plan at its next meeting in 2017.

### **Communication/website**

27. Appreciates the improvements in communication offered by the new website portal, and the potential it offers for improving the timeliness and availability of information.
28. Requests the Programme to provide documents, communications and website in the working languages of user countries, to the extent feasible. The Advisory Group notes that this is a particular concern for French-speaking countries and requests that the Programme explore the possibility of obtaining support for translations from organizations such as the International Organization of la Francophonie. It notes also that requests have been made to ensure that the DMFAS 7 be available in Arabic.

### **Support/quality of services**

29. Appreciates the continued support provided to debt management offices and encourages the Programme to continue to prioritize high-quality products and services in response to evolving user requests.
30. Values the services provided by the DMFAS help desk, stresses the importance of continued high quality and timely support, and asks the Programme to take account of time and working week differences as much as possible.
31. Encourages the Programme to continue to facilitate debt sustainability and debt strategy formulation within its areas of comparative advantage.
32. Recommends that the Programme continue to provide support to subnational governments and that it benefits from the expertise of local staff to do so, wherever possible.
33. Proposes that the Programme consider the use of videoconferences for training at the regional level.

### **Cooperation and partnership**

34. Emphasizes the importance for the Programme to continue cooperation with other providers of technical assistance, including the Debt Management Facility, in line with its comparative advantages and in complementarity, as described in the plan.
35. Appreciates the efforts the Programme has made to strengthen its cooperation with the Commonwealth Secretariat and encourages the Programme to continue discussions with a view to cooperating to the maximum extent possible.

### **Business model and financing**

36. Appreciates the work and high quality of the Business Model Review (BMR) report that demonstrates an excellent understanding of the Programme, the environment in which it operates and its current business model, and that it clearly identifies the challenges and the opportunities and makes useful recommendations for improving the future financial sustainability.
37. Notes that the independent consultant considered that DMFAS is a highly successful and relevant programme that is highly regarded by all stakeholders.
38. Appreciates that the Programme has carefully examined the recommendations of the Business Model Review and has formulated relevant responses as part of its new strategic plan.
39. Concur with the BMR recommendation that the Programme should shift revenues from donor core funding to financing from services to the extent possible, while taking into account countries' ability to pay.
40. Concur also with the BMR recommendation that the Programme should maximize opportunities for cost reduction and increasing cost-sharing/recovery in line with countries' ability to pay, and in particular the low-income countries, and that the donor community should continue to provide long-term and predictable funding for core operations.
41. Expresses satisfaction with the positive implementation of the financial reform mechanisms of the current strategic plan as recommended by the 2009 Advisory Group meeting, including on cost-sharing mechanisms, cost recovery and donor funding, and recommends a clear differentiation between the maintenance fees and development contributions applied to low-income and middle- or high-income countries.

42. Endorses the Programme's plan to establish a graduation price for high-income countries based on full cost of services, to revise the pricing model for project services implemented as part of the recommended financial reforms, and to review the levels of maintenance fees and development contributions to coincide with the release of DMFAS 7.
43. Conveys its appreciation for the participation of beneficiary countries in the funding of the Programme through the cost-sharing and cost-recovery arrangements.
44. Expresses its appreciation for the financial support to the DMFAS Programme from the donor community, encourages current donors to continue their support and invites the participation of new donors.
45. Recommends that the Programme establish the promotion strategy outlined in the new strategic plan as a matter of priority.
46. Agrees with the recommendation of the BMR that UNCTAD should increase its support to the DMFAS Programme, and requests the Secretary-General of UNCTAD to consider increasing the resources made available from the regular budget to support the work of the DMFAS Programme, with the purpose of improving the balance between the different contributors to the funding of the Programme.
47. Encourages the Programme to seek the necessary funding to establish regional centres, prioritizing in the first instance two regional centres in Africa as previously recommended by the Advisory Group, and recommends that centres provide both functional and technical support.
48. Recommends that the Programme offer different types of maintenance contracts that offer varying services ranging from basic to more comprehensive options.
49. Stresses the importance of the Programme obtaining the funding necessary to enable it to continue to respond effectively to the many and evolving demands of developing countries and countries with economies in transition for assistance in building sustainable capacity for the effective management of their public debt.
50. Appreciates the intention of current donors to work together with the DMFAS Programme to promote a coordinated approach by the international community to the financing of downstream activities such as those undertaken by the Programme, highlighting the critical importance of these activities for achieving the Sustainable Development Goals.
51. Suggests that UNCTAD alert Governments benefiting from DMFAS services to the necessity of including allocations in their budgets to support DMFAS activities, within the scope of its regular interaction with Governments.



***DMFAS PROGRAMME***

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