



**MFAS**  
Programme





UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Debt Management and Financial Analysis System  
Programme  
Annual Report 2019



UNITED NATIONS

Geneva, 2020



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United Nations publication issued by the United Nations Conference on Trade and Development.

UNCTAD/GDS/DMFAS/2020/1

ISSN 1663-2265

## Note

The designations of country groups are intended solely for statistical or analytical purpose and do not necessarily express a judgment about the stage reached by a particular country or area in the development process.

All references to dollars are to United States dollars, unless otherwise specified.

The Debt Management and Financial Analysis System (DMFAS) Programme is largely financed thanks to the generous support of bilateral donors. Currently, these are Germany, Ireland, the Netherlands, Switzerland and the European Union.



*This report is dedicated to the memory of*

***Enrique Cosio-Pascal***

*Founding member and*

*former Chief of the*

*DMFAS Programme*

## List of acronyms

ComSec	Commonwealth Secretariat
Debt-DQA	Debt Data Quality Assessment
DeMPA	Debt Management Performance Assessment
DMF	Debt Management Facility
DMFAS	Debt Management and Financial Analysis System
DRS	Debt Reporting System
DSA	debt sustainability analysis
GFSAC	Government Finance Statistics Advisory Committee
IFMIS	integrated financial management information system
IMF	International Monetary Fund
LICs	low-income countries
LMICs	lower-middle-income countries
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MTDS	medium-term debt strategy
PFM	public finance management
QEDS	Quarterly External Debt Statistics
QPSD	Quarterly Public Sector Debt statistics
SDGs	Sustainable Development Goals
SDMX	Statistical Data and Metadata eXchange
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme



**Debt Management and Financial Analysis System Programme  
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## EXECUTIVE SUMMARY

This annual report describes the activities and financial situation of the Debt Management and Financial Analysis System (DMFAS) Programme of the United Nations Conference on Trade and Development (UNCTAD) in 2019. In addition, 2019 marks the end of the Programme's strategic plan for 2016–2019. Therefore, the report also presents the results achieved during the implementation of this strategic plan. It is intended for the Programme's donors, development partners and beneficiary countries, and for all those interested in debt and development issues.

Since its inception, the Programme has provided assistance to 110 institutions in 72 developing countries, including an additional four countries during this strategic plan period. In 2019, Azerbaijan and Tajikistan became the latest two countries supported. Currently, the majority of DMFAS clients have either low or lower middle-income levels (64 per cent).

The strategic plan 2016–2019 focused on the delivery of technical assistance in the Programme's areas of comparative advantage, the downstream area of debt management, considered the foundations of effective debt management. Over the past four years, the Programme has provided direct solutions to debt management offices to strengthen their capacities to record, process, monitor, report and analyse public debt.

For DMFAS user countries, concrete and sustainable results include improved debt coverage, enhanced transparency and reporting, improved operational risk management and greater integration with public finance management (PFM). By the end of the implementation of the strategic plan, the Programme had achieved its targets in almost all key areas under its main objectives.

Under objective 1, significant progress was made on the targets for *improved debt coverage*, on both external debt (exceeded target) and domestic debt (close to reaching target, as several countries are currently in the process of building their domestic debt databases). Increasing coverage of private non-guaranteed external debt remains a challenge, however, and will require particular attention and specific outreach in the future.

Substantial progress was also made on *enhanced transparency and reporting*. Almost all DMFAS user countries were reporting regularly to the World Bank Debtor Reporting System (DRS) and there was expanded participation in the International Monetary Fund (IMF) and World Bank Quarterly Public Sector Debt (QPSD) database. Good progress was also observed in the production of debt statistics bulletins, with 41 countries regularly publishing bulletins.

Nevertheless, only 78 per cent of countries subscribing to the Quarterly External Debt Statistics database (QEDS) reported in a timely manner.

For *facilitated debt analysis*, all of the targets were reached, with 26 countries regularly producing a debt portfolio analysis. In addition, all countries undertaking medium-term debt strategy (MTDS) and debt sustainability analysis (DSA) continued to use DMFAS to prepare the data.

For *improved operational risk management*, both targets were achieved, including after the upward adjustment in 2018. Twenty-five countries had up-to-date procedures manuals for back office operations and 21 had effective disaster recovery plans for the DMFAS software, showing the importance that countries place on better risk management.

For *integration with PFM*, 25 institutions had linked the DMFAS database with budget, accounting and treasury systems, including four with auction systems. This represents six additional integrations since 2016. Despite progress, many developing countries face challenges in this area as they often lack capacity in programming and maintaining links, and therefore rely on DMFAS support.

For *enhanced debt management knowledge*, the DMFAS Programme exceeded the targets and, through national, regional and international activities, trained over 3,250 participants from 54 countries, of which 41 per cent were women.

Significant progress was also achieved under objective 2. Between 2016 and 2019, the Programme distributed six releases of DMFAS 6, containing many technical and functional enhancements, including strengthened reporting and analysis functionalities. With regard to DMFAS 7, despite some delays due to resource constraints, the Programme progressed at both the technical and functional levels. Three modules have been migrated and tested and the new dashboard and other technical enhancements are in development.

To improve delivery of its capacity-building support, the Programme delivered several new learning products, including a new capacity-building module on procedures and a technical course on the DMFAS database structure to help countries building interfaces with other integrated systems. The Programme also distributed self-learning material, including three online courses and five DMFAS tutorials, to offer solutions to staff turnover in debt offices.

Active cooperation between the Programme and other technical assistance providers in public debt management has included participation in 20 missions of the second phase of the Debt Management Facility (DMF) led by the World Bank since 2016. The Programme also participated in 29 events organized by other partners, including IMF, the World Bank and the Macroeconomic and

Financial Management Institute of Eastern and Southern Africa (MEFMI). The Programme also regularly shared its mission calendar with other technical assistance providers to enhance coordination in countries. Furthermore, the Programme and the Commonwealth Secretariat jointly developed a new framework for assessing the debt data quality in country databases, the Debt Data Quality Assessment (Debt-DQA).

The importance of the Programme's obtaining adequate funding to respond effectively to beneficiary country requests was repeated at the twelfth DMFAS Advisory Group and during the midterm review. In 2019, the European Union signed a new multi-year funding agreement with the DMFAS Programme. At the end of the strategic plan period, donors to the Programme were Germany, Ireland, the Netherlands, Switzerland, and the European Union. The Programme continued its fundraising efforts to secure more commitments from past, current, and new donors.

Concerted efforts to increase cost sharing and cost recovery resulted in a 30 per cent increase in maintenance fees and an 18 per cent increase in staff time cost recovery compared with the previous strategic plan period. This continued the positive trend in consistent growth in cost sharing and cost recovery income as seen in previous periods. This is a good indicator of the Programme's importance to countries, which is further reinforced by the increasing number of middle-income countries that are fully financing their national projects.

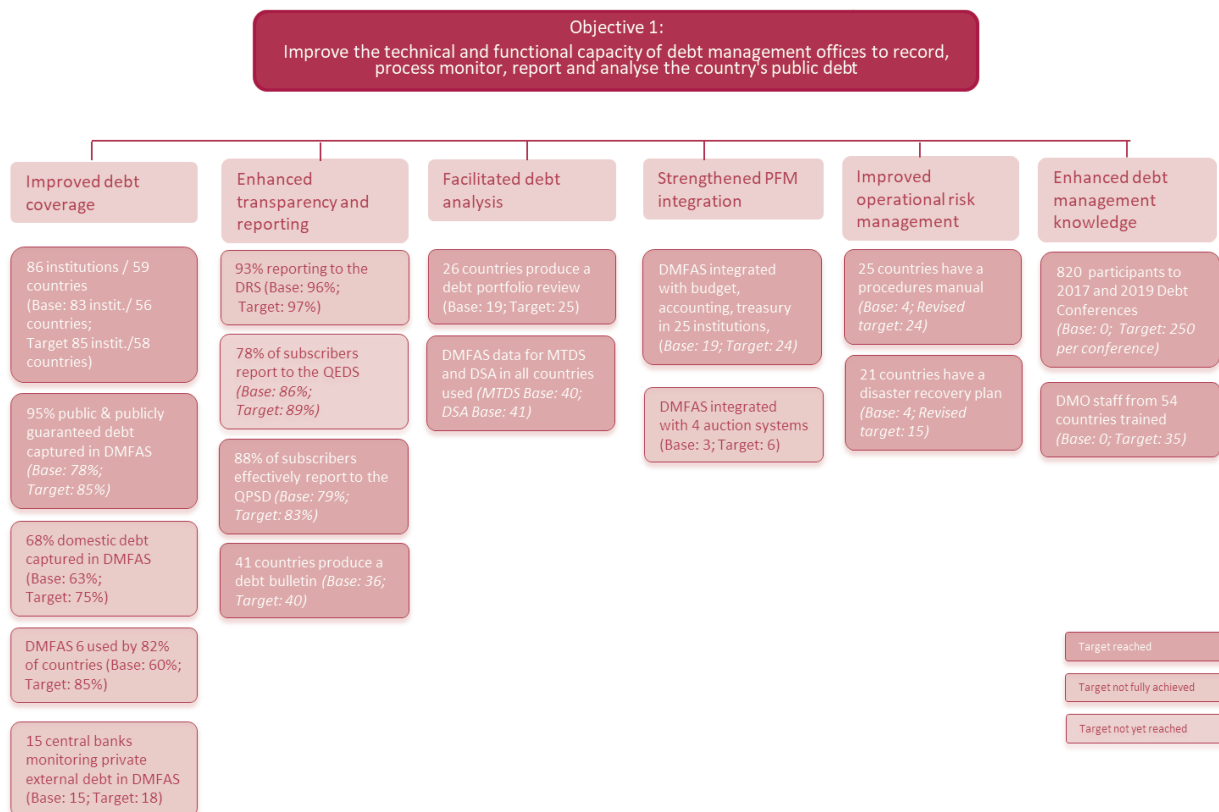
Overall, at the end of 2019, the results showed that the DMFAS Programme had achieved most of the targets.

The continued relevance of the DMFAS Programme and its high positive impact in core areas of public debt management relevant to debt data transparency was highlighted by the midterm review. Building on the positive results of its work over the past four years, the Programme is in a strong position to continue strengthening the capacities of Governments to manage their debt effectively and sustainably. Its new four-year strategic plan will be grounded on these results, lessons learned and midterm review recommendations. As such, the Programme can be expected to continue to make an important contribution to improving debt data transparency, decreasing the risks of debt distress, reducing poverty, promoting development and good governance, and achieving the Sustainable Development Goals.

## OVERVIEW OF STRATEGIC PLAN 2016–2019 IMPLEMENTATION PROGRESS AT THE END OF 2019

At the end of the implementation of the strategic plan, the Programme, had achieved its targets in almost all areas under both objectives (see figures 1 and 2).

**Figure 1. Summary of achievements under objective 1 of the DMFAS strategic plan 2016–2019 at the end of 2019**



Source: UNCTAD

Under objective 1, in 2019, the DMFAS community was enlarged by two new countries, Azerbaijan and Tajikistan<sup>1</sup>. Progress was made on the targets for *improved debt coverage*, especially on external and domestic debt. However, room for improvement remains in relation to monitoring private external debt using DMFAS. The situation at end 2019 was as follows:

- 95 per cent of user countries had comprehensive and reliable debt databases with regards to government and government-guaranteed external debt.

<sup>1</sup> Indicators are based on active DMFAS user countries, excluding countries with pending DMFAS installation.

- 68 per cent of DMFAS 6 user institutions responsible for domestic debt were using DMFAS to capture such debt.
- 15 central banks monitor private external debt using DMFAS (one new in 2019, the namely the Central Bank of Indonesia), but the Central Bank of Honduras is no longer using DMFAS 5.3 to monitor private external debt.
- 82 per cent of user countries use DMFAS 6.

Under *enhanced transparency and reporting* substantial progress was made in important areas, but results also highlight the challenges faced in some countries in reporting debt data, as follows:

- 93 per cent of low- and middle-income countries reported effectively in 2019 to the Debtor Reporting System of the World Bank.
- 65 per cent of DMFAS user countries participated in the IMF-World Bank Quarterly External Debt Statistics database (QEDS), 78 per cent of which provided data on time.
- 93 per cent of DMFAS user institutions that had subscribed to report to the IMF-World Bank Quarterly Public Sector Debt database (QPSD) did so. Between 2016 and 2019, three new DMFAS user countries committed to report to QPSD in 2019 representing, now representing 27 user countries.
- With 41 countries producing statistical bulletins, the Programme met the fourth target.

For *facilitated debt analysis*, medium-term debt strategy and debt sustainability analysis targets, all targets were reached. However, this area also showed high volatility during the period, highlighting the difficulties faced in countries in sustaining results. Results in this area include the following:

- 26 countries regularly produced a debt portfolio review.
- All countries in which a medium-term debt strategy (MTDS) is prepared used DMFAS data for its formulation.

The targets for *improved operational risk management* were reached, as follows:<sup>2</sup>

- The new target was set at 24 countries having an up-to-date procedures manual for back office operations and was reached with 25 countries reported as having fulfilled this indicator.<sup>3</sup>
- The new target was set at 15 countries having a disaster recovery plan for the DMFAS software and was reached with 21 countries reported as having effective disaster recovery plans for the DMFAS database in 2019.

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<sup>2</sup> The targets for *improved operational risk management* were adjusted upwards in 2018 to reflect progress in this area.

<sup>3</sup> For this indicator, an error in the baseline was found and corrected; the target has been adjusted respecting the original expected increase: new baseline: 19 and new target at 24.



For *integration with public finance management*, substantial progress was made on integration with budget, accounting, and treasury systems. Twenty-five institutions had linked the DMFAS database with other integrated systems (with an additional six during the strategic plan). One additional country integrated DMFAS with its auction system (four in total at the end of the strategic plan). With three additional countries working on the construction of their interfaces and many new requests received by the Programme, demand continued to be high for support in this area. However, there was no integration with aid management due to the absence of demand during the period.

For *enhanced debt management knowledge*, all targets were largely exceeded with 820 participants from over 110 countries participating in the UNCTAD Debt Management Conference in 2017 and 2019. In addition, the Programme trained debt officials from 53 countries during the strategic plan period. Forty-one per cent of the trained officers were women.

With regard to objective 2, most of the targets were reached (see figure 2).

Significant progress was made on targets related to *enhancing DMFAS 6*, including six releases of DMFAS 6 since 2016, with improved functionalities.

For the *development of DMFAS 7*, despite delays due to resource constraints, good progress was made at both the technical and functional levels.

Many improvements to the *capacity-building framework* were implemented, including new learning material, namely, a new module on procedures and a technical course on database structure, self-learning and online courses on basic debt concepts, reorganization and government securities market and financial calculations as well as tutorials. The scope and methodology for certification was developed and the module will be developed during the next strategic plan.

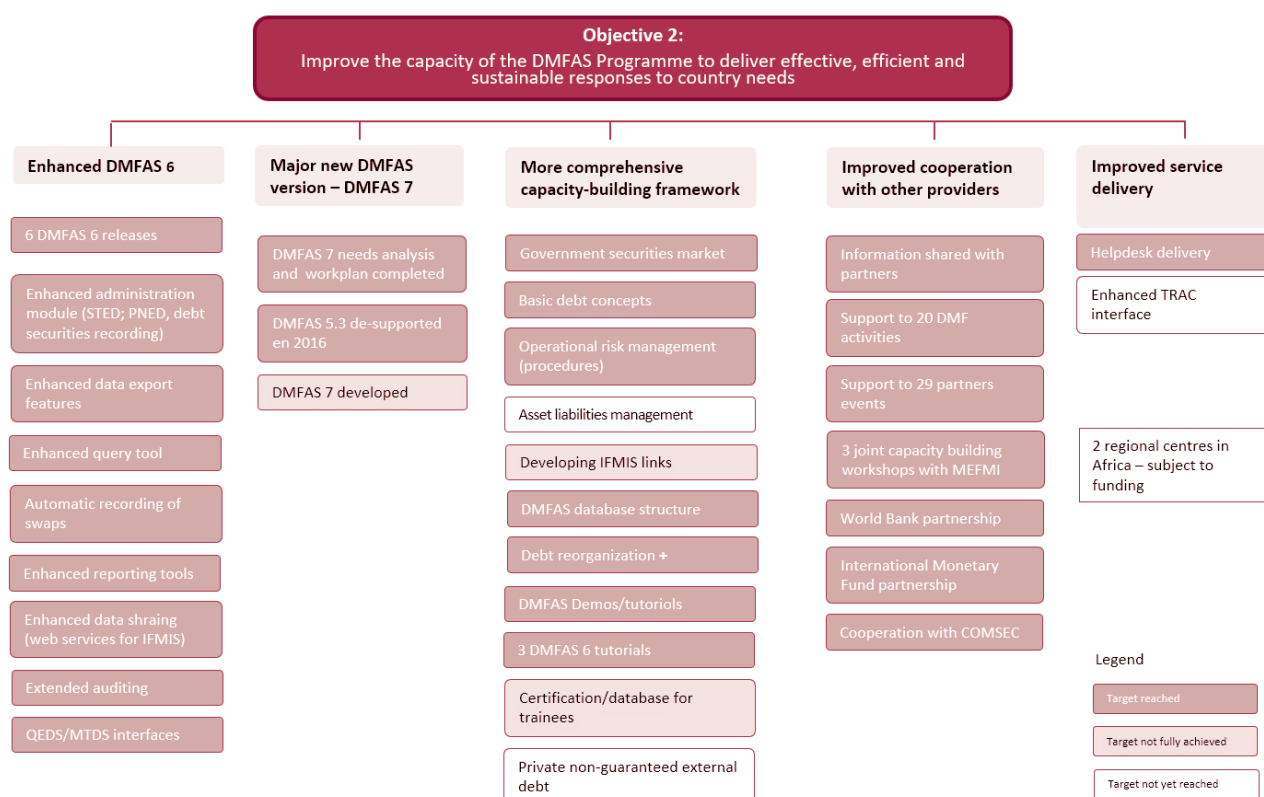
All expected results for *improved cooperation with other providers* are on target:

- Extensive cooperation and joint activities with the World Bank on Debtor Reporting System (DRS), the Debt Management Facility (DMF) (20 joint missions), and with the World Bank Treasury.
- Cooperation on debt statistics with IMF.
- Joint workshops with MEFMI.
- Development of new Debt Data Quality Assessment framework (Debt-DQA) with the Commonwealth Secretariat.

Finally, progress on improved service delivery has been mixed. The help desk service was delivered in 2019 as expected. However, the establishment of two regional centres in Africa is constrained by the lack of necessary funding.



**Figure 2. Summary of achievements under objective 2 of the DMFAS strategic plan 2016–2019 at the end of 2019**



Source: UNCTAD

While debt levels are increasing worldwide, it is interesting to note that the speed of indebtedness in DMFAS user countries in the low-income or lower middle-income category is slightly slower than average when examining debt service to gross national income (GNI) and public and publicly guaranteed debt to GNI ratios. Between 2015 and 2019, on average the debt service to GNI ratio in low-income countries (LICs) increased by 3.5 per cent<sup>4</sup> whereas in LICs that were DMFAS users, the average increase was lower, at 2.2 per cent. With regard to the public and publicly guaranteed debt to GNI ratio, the average increase in LICs was 0.24 per cent, whereas in LICs that are DMFAS users, the average increase was 0.12 per cent. In lower-middle-income countries (LMIC), the average increase was 1.65 per cent, whereas in LMICs that are DMFAS users, the average increase was 0.69 per cent.

<sup>4</sup> World Bank, 2019, World Development Indicators available at: <http://datatopics.worldbank.org/world-development-indicators/> (16 October 2019)

# PROGRESS IN IMPLEMENTING STRATEGIC PLAN 2016–2019

## 1. Overview of strategic plan 2016–2019

**A four-year strategic plan**

The four-year strategic plan for the DMFAS Programme which started in January 2016 came to an end in December 2019. Established as a forward-looking plan, it guided the Programme to continue to deliver high-quality, relevant assistance to developing countries in response to their debt management needs. The strategic plan was endorsed by the tenth meeting of the DMFAS Advisory Group in November 2015. Its overall objective was to strengthen Governments' capacity to manage their debt effectively and sustainably, in support of poverty reduction, development and good governance.

**Two immediate objectives**

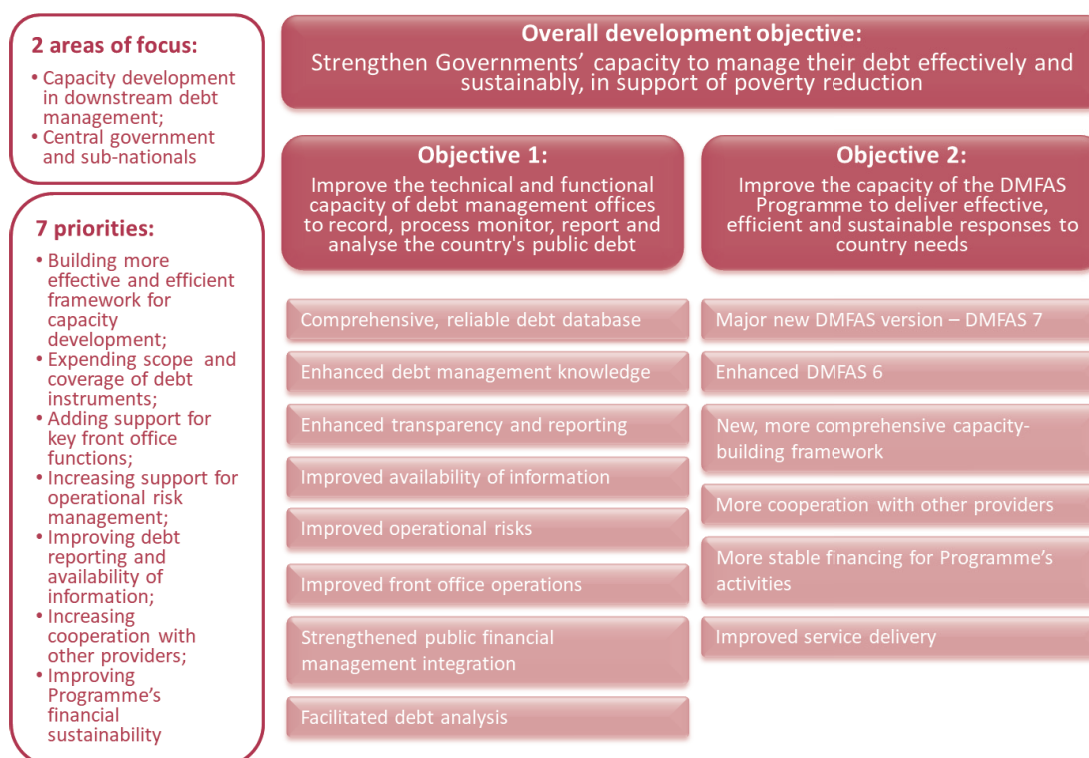
In line with the overall objective and the Programme's comparative advantages, the plan concentrated on two main objectives. The first objective focused on improving the technical and functional capacity of debt management offices to record, process, monitor, report and analyse a country's public debt. The second objective focused on the capacity of the Programme to deliver effective, efficient and sustainable responses to country needs. Under this objective, the Programme worked on making internal improvements to facilitate delivery of the first objective.

**Monitored against performance indicators**

The logical framework for the strategic plan included performance indicators that were measured throughout the implementation. Baseline statistics were defined in order to set benchmarks, through questionnaires and surveys with client institutions.

Figure 3 shows an overview of the focus of the strategic plan, its overall objective, its two immediate objectives, and seven priorities for the period 2016–2019.

**Figure 3. Overview of the DMFAS strategic plan 2016–2019**



Source: UNCTAD

## 2. Key results achieved in 2019

The expected results under objective 1, with a description of the achievements at the end of 2019, are as follows (see annex 1 for a summary table at the end of 2019):

- **Government information systems established for effectively managing complete, up-to-date, and reliable debt databases.** At the end of 2019, 57 countries, including one new country and 84 institutions, were actively using DMFAS. As a measure of the progress countries have made in debt recording assisted by DMFAS, 95 per cent of countries had developed comprehensive, reliable debt databases with regard to central government and government-guaranteed external debt. Sixty-eight per cent of DMFAS 6 user countries whose debt management offices were responsible for monitoring domestic debt, were using DMFAS to manage their entire domestic debt portfolio. This shows the continued efforts of DMFAS countries to improve external and domestic debt records. Fifteen central banks were monitoring private external debt using DMFAS, with one new user in 2019, and one no longer using DMFAS.

**Comprehensive debt databases**

### Qualitative debt reporting

- **Enhanced knowledge of debt management procedures and best practices.** In 2019, a total of 497 officers (286 men and 211 women) from 25 countries benefited from DMFAS training activities.
- **Enhanced transparency through effective debt reporting and improved accessibility and availability of debt information.** In 2019, there was improvement in reporting debt, in particular the increased number of countries subscribing to international initiatives. However, some countries experienced difficulties in reporting to international databases in a timely manner. Seventy-eight per cent of user countries that subscribed to QEDS reported effectively for the first quarter of 2019 (65 per cent of total DMAS countries committed to QEDS). In 2019, one new country subscribed to the Quarterly Public Sector Debt database (QPSD). In total, 47 per cent of DMFAS user countries subscribed and 93 per cent of these reported on time. In 2019, 93 per cent of low-income and middle-income user countries reported effectively to the Debtor Reporting System.
- **Improved operational risk management.** At the end of 2019, 25 countries had up-to-date procedures manuals. Twenty-one DMFAS user countries had a disaster recovery plan for the DMFAS software.
- **Strengthened integration of debt management within public finance management (PFM).** Twenty-five institutions had linked the DMFAS database to other information systems, 15 of which were with treasury systems. In addition, in 2019, one new country linked DMFAS with its auction platform, increasing the total number to four.
- **Facilitated debt analysis.** At the end of the period, 26 countries were regularly preparing debt portfolio reviews. The fluctuations in the results under this indicator over the strategic plan period showed the difficulty countries face in sustaining the results in regularly conducting a debt portfolio analysis. Furthermore, DMFAS data was used for preparing a medium-term debt strategy and debt sustainability analysis in all DMFAS user countries where these analyses were done.

### A new link with an auction platform

The expected results under immediate objective 2 are as follows, with a description of progress made by the end of 2019:

- **Major new DMFAS version developed: DMFAS 7.** Three modules were migrated and tested, and the dashboard and other technical enhancements related to reporting tools and features were developed. User definitions for the new debt securities module were completed and analysis related to non-traditional debt instruments was begun.
- **DMFAS 6 enhanced.** At the end of 2019, DMFAS 6 was installed in 58 institutions in 47 countries, representing 67 per cent of user institutions and 82 per cent of user countries. During the year, three additional institutions in two new countries adopted version 6. A new release of DMFAS 6 containing improvements in key functions, release 6.1.3.3, was distributed in 2019.
- **New, more comprehensive capacity development framework.** The capacity-building modules developed by the Programme and delivered through in-country and regional training courses yielded tangible results. In 2019, concrete results included the production or the update of a data validation calendar in four countries, the drafting of debt statistics bulletins in three countries, and the drafting of debt portfolio analysis reports in two countries.

In line with its strategy, the Programme continued to develop learning products aimed at responding to the needs of users for personalized training and learning material accessible when and where it is needed. In 2019, it finalized eight new fact sheets on basic debt concepts. The scope and methodology on certification were defined and will be developed during the next strategic plan period. An electronic learning course on the basics of government securities market and financial calculations was released and a self-learning course on debt reorganization is available on the DMFAS website. Four DMFAS 6 tutorials were completed and are available on the DMFAS website.

- **More cooperation with other providers.** The strategic plan placed considerable importance on coordination with other stakeholders and the Programme pursued this objective by increasing its coordination with other providers, avoiding duplication, and maximizing support. Focusing on its areas of comparative advantage, the Programme focused its debt management capacity-building approach on debt

**DMFAS 7  
development**

**82 per cent of  
countries use  
DMFAS 6**

**New learning  
products delivered**

recording, operations, statistics, basic analysis, and operational risk, also referred to as downstream activities. Cooperation also involved providing support to the activities of other providers in the upstream layers of debt management, i.e. risk analysis, debt strategy and debt sustainability analysis.

In avoiding duplication, the Programme continued its initiative of systematically sharing its mission calendar with other providers through its newsletter and website. In 2019, cooperation with other providers involved participation as resource persons in nine joint events organized by regional and international partners.

In sharing best practices and providing active support for new international initiatives that improved coordination, DMFAS was involved with other organizations in several areas. The Programme continued to be an important implementing partner of the second phase of the Debt Management Facility led by the World Bank. In 2019, the Programme participated in a reform plan mission in Benin and in a debt management performance assessment (DeMPA) mission in Zimbabwe.

#### Improved service delivery

- **Improved service delivery.** In 2019, the Programme provided effective support to user countries through its help desk, which responded to 376 requests during the strategic plan period. It supplied country technical assistance, delivering 79 capacity-building workshops and other activities. The Programme actively managed 28 technical assistance projects and signed eight new project agreements and three addenda to existing projects. In its efforts to further improve its efficiency and effectiveness, the Programme continued to implement its results-based management framework in line with the UNCTAD framework.

#### More stable financing for programme activities

- **More stable financing for Programme activities.** With regard to the Programme's financing, three mechanisms have been designed to ensure efficient cost sharing and to cover part of the running costs of the Programme: maintenance fees, development fees and staff cost recovery. The maintenance fee for DMFAS 6, adopted by the DMFAS Advisory Group in 2009, is based on the World Bank income-level classification to reflect the abilities of countries to share costs. In 2019, in line with the objective two of the strategic plan, all new DMFAS project documents included a maintenance agreement with the new graduated annual fees. Projects covered the costs of resources used to implement them. In addition, one new donor signed a multi-year funding agreement in 2019.

### 3. Activities implemented in 2019

This section describes the status of the Programme's capacity-building activities at the country project level in 2019. It also describes how capacity-building is provided by means of relevant training activities and summarizes the implementation and operational status of DMFAS in user countries.

#### 3.1 Country project activities

##### *Respond to increasing demands from DMFAS clients.*

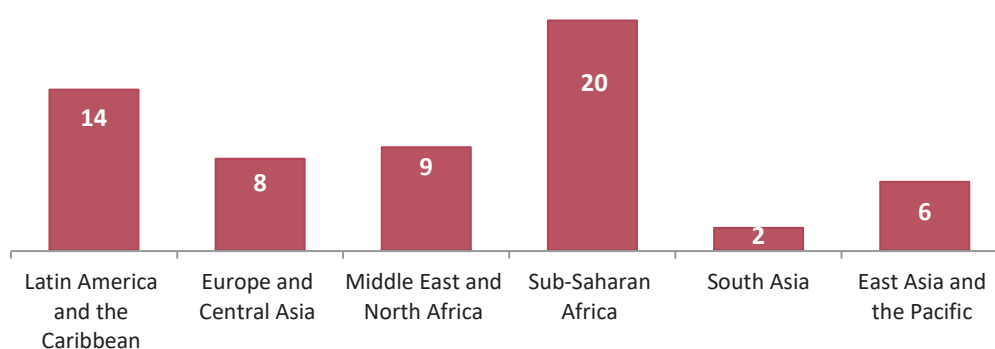
In response to the increase in requests from user countries for the Programme's products and services, the Programme signed new project agreements with six client institutions, namely the Ministry of Finance of Ecuador, the Ministry of Finance of Egypt, the Ministry of Finance of Paraguay, the Central Bank of the Philippines, the Central Bank of Sudan and the Ministry of Finance of Uganda. In addition, it signed a project with two new countries, Azerbaijan (Ministry of Finance) and Tajikistan (Ministry of Finance). It also signed three addenda to the existing projects with Angola, Uzbekistan, and Zambia.

**A new country joins the DMFAS community**

Since its inception in 1981, the Programme has provided technical assistance to 110 institutions in 72 countries, including two new countries in 2019. The increasing number of DMFAS users together with a fidelity rate of 82 per cent since the Programme's establishment shows the continued relevance of the system to developing countries. Figure 4 shows the geographical breakdown of active countries; the majority of user countries are in Africa and Asia.

**82 per cent of client countries supported by DMFAS are still active users**

**Figure 4. Geographical distribution of active DMFAS users, 2019**



Source: UNCTAD



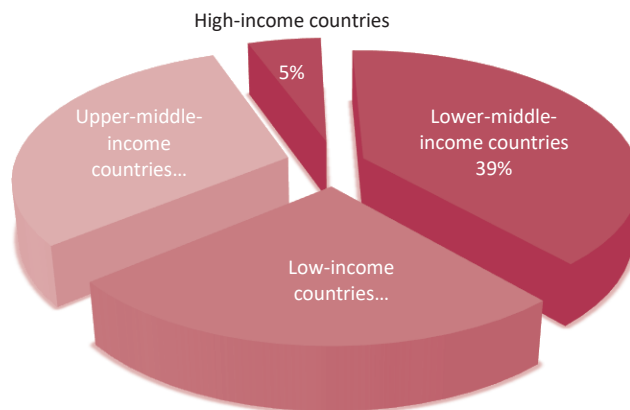
### ***Respond to changing nature of countries' needs for services in different areas of debt management***

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 5 provides a breakdown of the countries using DMFAS at the end 2019 (see annex 3). As shown, the vast majority of DMFAS clients belong to the low-income and lower-middle-income categories (see annex 4).

**Countries' needs vary with the level of development**

DMFAS projects are tailored to the different situations of countries and their income status. One major difficulty many low-income countries still face is with regard to capacity to recruit and retain qualified staff, requiring repeated technical training and capacity-building in the fundamentals of debt management, including debt recording and the introduction of appropriate information flows on debt data. Middle-income countries generally maintain an updated and validated database and are therefore more interested in receiving technical assistance to improve their capacity in producing debt statistics, in debt reporting and in basic debt analysis.

**Figure 5. Active users of DMFAS by income group, 2019**



Source: UNCTAD

**Trends in debt management**

Three trends in debt management are shaping the range of services of the DMFAS Programme: the growing importance of domestic financing, the need to integrate DMFAS into the larger financial or public finance management system and the international focus on improving debt recording and debt reporting to enhance debt data transparency. Capacity-building in domestic debt management is now included in all DMFAS projects. Linking debt management to general financial 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.

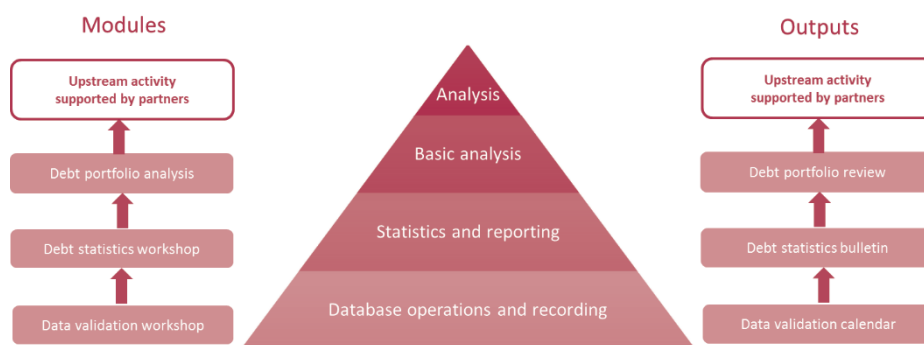
### 3.2 Training activities and capacity-building modules

#### DMFAS capacity-building approach

As described in the strategic plan, the Programme focuses on supporting countries in building sustainable capacity in the downstream areas of debt management. Therefore, it emphasizes on the results of capacity-building by focusing on delivering concrete outputs at the end of each workshop. The outputs of the DMFAS capacity-building modules build upon each other (see figure 6). They are complementary to the activities of other international organizations at more advanced levels of debt analysis and debt strategy.

Focus on concrete results and outputs

Figure 6. DMFAS capacity-building approach



Source: UNCTAD

Altogether, in 2019, the Programme organized or co-organized 79 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.

Table 1 provides a breakdown of how DMFAS capacity-building activities were distributed by region at the end of September 2019. Of these, 13 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 capacity-building continued to be high. Fourteen training events were organized on data validation, debt statistics, debt portfolio analysis and public-private partnerships. They comprised five data validation workshops

in Burkina Faso, Eritrea, Honduras (including a follow-up workshop) and Pakistan; three workshops on debt statistics in Burkina Faso, Ethiopia and one in Guinea-Bissau (follow-up workshop); three workshops on debt portfolio review in Guinea-Bissau and Zambia (including a follow-up workshop); two capacity-building workshops on public-private partnerships in Côte d'Ivoire and Honduras and an ad hoc activity to support data collection for municipal debt. However, the Programme was unable to organize regional workshops as recommended by the DMFAS Advisory Group due to insufficient resources.

DMFAS missions are mainly carried out by central staff, with the support of consultants when required. With the aim of encouraging South-South cooperation and the 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 sent to the field for longer periods for certain projects to provide continued on-site support and debt management advisory services.

**Table 1. Regional distribution of DMFAS capacity-building and other activities, 2019**

	<i>EAST ASIA AND THE PACIFIC</i>	<i>EUROPE AND CENTRAL ASIA</i>	<i>LATIN AMERICA AND THE CARIBBEAN</i>	<i>NORTH AMERICA</i>	<i>MIDDLE EAST AND NORTH AFRICA</i>	<i>SOUTH ASIA</i>	<i>SUB- SAHARAN AFRICA</i>	<i>TOTAL</i>
DMFAS functional training	1	1	5			2	4	<b>13</b>
Information and communications technology: installations, training and links	1	3	4		1	1	5	<b>15</b>
Capacity-building in data validation, debt statistics, debt portfolio analysis and other capacity-building workshops			3			1	10	<b>14</b>
MTDS, DeMPA and reform plan							2	<b>2</b>
Needs assessment						1	3	<b>4</b>
Project management			3			1	2	<b>6</b>
Partner coordination	1	4		2			2	<b>9</b>
Other, study tours and training of trainers	14		2					<b>16</b>
<b>TOTAL</b>	<b>17</b>	<b>8</b>	<b>17</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>28</b>	<b>79</b>

*Source: UNCTAD*

Table 2 lists the total number of capacity-building activities implemented in countries in 2019. Results of these workshops included the production of statistical bulletins on debt, which may be used internally by a country or disseminated externally (see box for examples of debt statistics bulletins), procedures for the validation of debt data and draft debt portfolio reviews and to the production of operational procedures for back-offices.

**Table 2. Implementation of capacity-building modules, 2016–2019**

	2016	2017	2018	2019
<b>TOTAL</b>	<b>15</b>	<b>14</b>	<b>20</b>	<b>14</b>
Debt portfolio analysis workshops	3	3	2	3
Debt statistics workshops		3	5	3
Data validation workshops	10	6	9	5
Other capacity-building workshops	2	2	4	3
<b>NATIONAL WORKSHOPS</b>	<b>15</b>	<b>13</b>	<b>20</b>	<b>14</b>
Debt portfolio analysis	3	3	2	3
Debt statistics		3	5	3
Data validation	10	5	9	5
Other capacity-building workshops	2	2	4	3
<b>REGIONAL WORKSHOPS</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
Debt portfolio analysis				
Debt statistics				
Data validation		1		

Source: UNCTAD

**Examples of debt statistical bulletins produced by DMFAS user countries**

- A quarterly bulletin for Albania
- A quarterly bulletin for Bangladesh
- A semi-annual bulletin for Cambodia
- A yearly bulletin for Côte d’Ivoire
- An annual statistical bulletin for Ethiopia
- 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

## Status of new learning products

### New training module on procedures

A new learning product on procedures was finalized in 2019, following the first workshop at the Ministry of Economy and Finance of Togo in 2018. The objectives of the course are to provide debt offices with keys to sound decision-making and to correct choices in the area of procedures, to foster ownership of the methodology for developing procedures and to promote best practices for producing efficient and sustainable procedures.

The training module targets officers involved in the drafting or revision of procedures. The training first addresses the fundamentals of procedures with hands-on exercises and is then followed by a drafting period by the institution, with remote support from the Programme. A follow-up workshop helps the institution to finalize procedures. The module was originally developed in French, and work on its adaptation to English started in 2019.

### Basic debt concepts fact sheets

In 2019, the Programme continued to work on completing the set of 25 fact sheets that are part of a new course on basic debt concepts: 13 have been delivered and published in the client area of the DMFAS website; 8 new fact sheets have been completed and are being localized in French and Spanish. The course will be delivered in the form of self-study fact sheets accessible on an as-and-when-needed basis. It targets new staff in a debt office performing back office functions and who are involved in recording data in DMFAS 6, for example junior staff or staff recently reassigned to the debt office. The learning goal is for new staff to grasp the basic and essential concepts of debt management related to the quality and accuracy of data they record in DMFAS and to help them avoid common mistakes. Debt management offices can use this material to address staff turnover and rely on staff with the required knowledge of basic debt concepts.

### Blended learning: basics of government securities market

The five modules of the new learning product on “mastering the basics of Government securities market and financial calculations” are available. This course is delivered through a mix of distance learning (online course) and face-to-face instruction during workshops. The main objective is to strengthen the capacity of national debt offices to assess and select the most beneficial and/or cost-effective terms of debt securities and to issue these through an issuance policy in line with their debt strategy. To do so, it equips front and middle office staff with basic knowledge and skills in the field of capital markets and government securities (debt securities characteristics, market players, basic financial calculations, issuance mechanisms and international standards). Learners thereby become familiar with commonly used debt securities and issuance mechanisms and are able to perform securities-related calculations.

### **3.3 Systems management**

Debt management capacities and borrowing choices have changed over the years and DMFAS constantly evolves both functionally and technically to serve countries' needs. Cutting-edge system development is therefore one of the main objectives of the Programme, whether through updates to the current versions or through the development of entirely new versions of the system.

In 2019, in line with the strategic plan, systems management focused in particular on the following areas:

- System development, including refining the latest version of DMFAS (version 6) in response to country needs.
- Implementation of DMFAS 6 and updates in countries.
- Support and maintenance.
- Development of DMFAS 7, with the architectural baseline and development plan for the migration of technology, as well as the migration of three modules to the new technological platform.

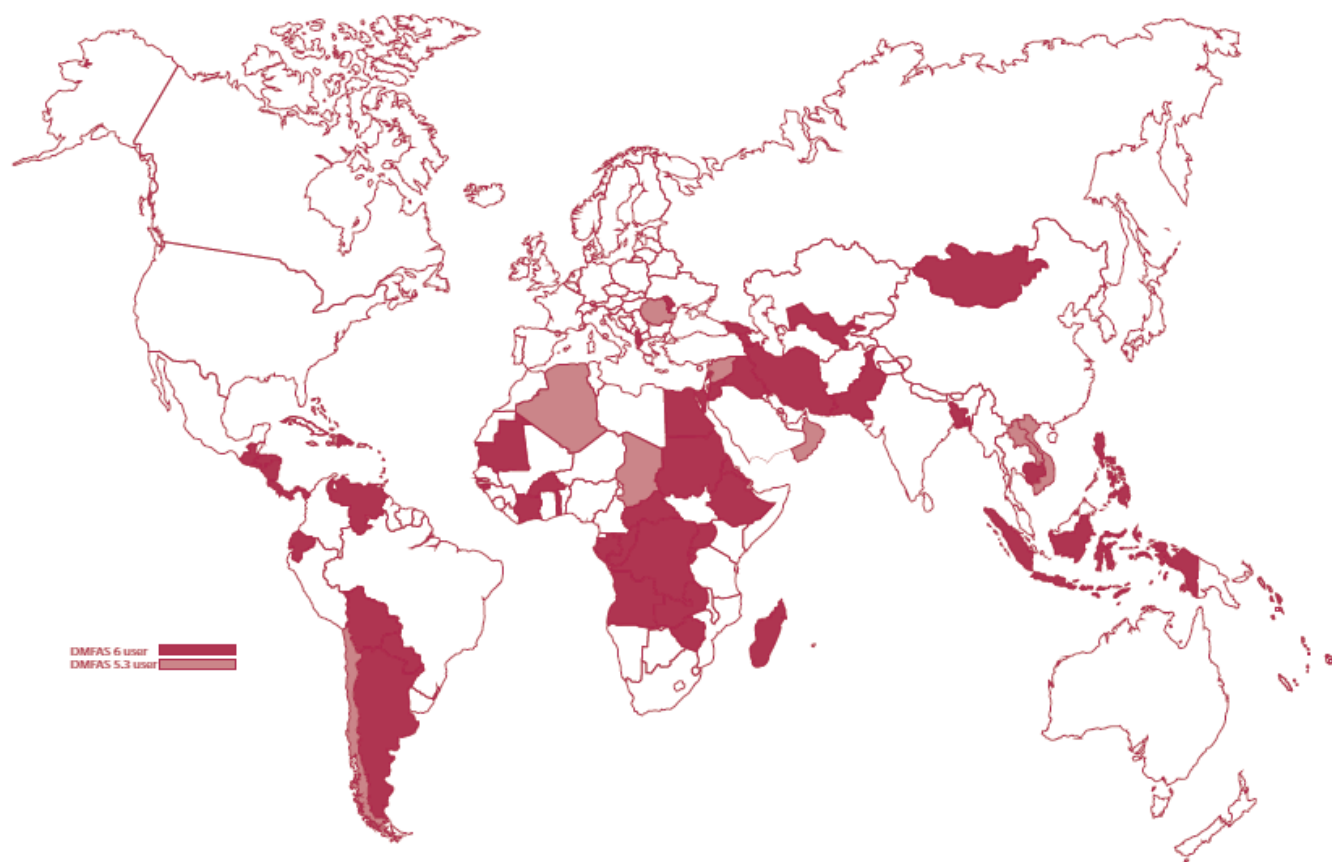
#### **Overall DMFAS installations**

All institutions operating DMFAS in user countries have adopted either DMFAS 5.3 or DMFAS 6. Of the 69 main installations, DMFAS 6 was installed in 58 institutions in 47 countries, and DMFAS 5.3 was used in 15 institutions in 14 countries (see figure 7 and annex 2).

**DMFAS 6 installed  
in 47 countries**

In 24 user countries, the system was being used by more than one institution, and in about half of these, the system was shared by the two institutions. Otherwise, each institution had its own database. Sharing between institutions is an option selected more and more often by DMFAS clients, mainly because of the advanced security functions of DMFAS 6, which manages access rights for the institutions involved and facilitates coordination in public financial management.

**Figure 7. DMFAS installations**



*Source: UNCTAD*

**DMFAS 6 users:** Albania, Angola, Argentina, Armenia, Bangladesh, Bolivia (Plurinational State of), Burkina Faso, Burundi, Cambodia, Central African Republic, Congo, Democratic Republic of the Congo, Costa Rica, Côte d'Ivoire, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Ethiopia, Gabon, Georgia, Guatemala, Guinea-Bissau, Honduras, Indonesia, Iran (Islamic Republic of), Iraq, Jordan, Lebanon, Madagascar, Mauritania, Republic of Moldova, Mongolia, Nicaragua, Pakistan, Panama, Paraguay, Philippines, Rwanda, Sudan, Togo, Uganda, Uzbekistan, Venezuela (Bolivarian Republic of), Zambia, Zimbabwe.

**DMFAS 5.3 users:** Algeria, Chad, Chile, Djibouti, Haiti, Lao People's Democratic Republic, Oman, Romania, Syrian Arab Republic, Viet Nam.

## DMFAS 6

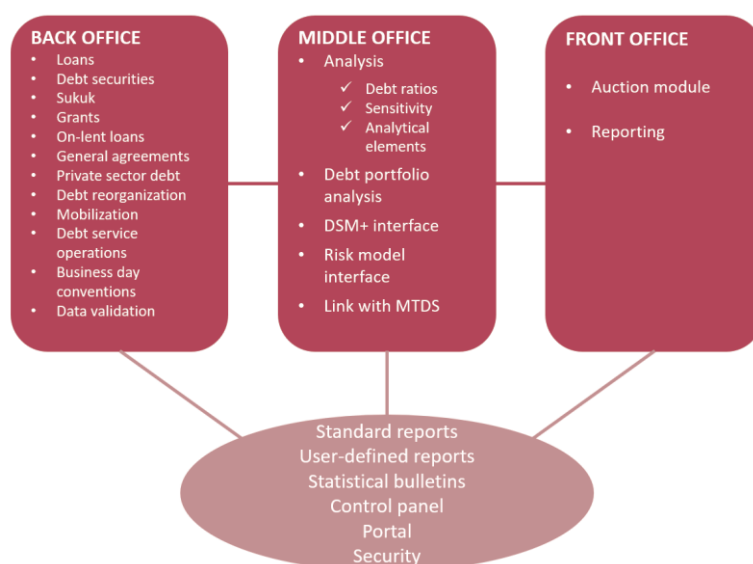
By the end of 2019, DMFAS 6 had been installed in 58 institutions in 47 countries. In 2019, three new DMFAS 6 installations took place in the Ministry of Finance of Pakistan, in the Central Bank of the Plurinational State of Bolivia, and in the Central Bank of the Sudan. Two new countries signed project agreements for installing DMFAS 6 in 2019, and the installations will take place in 2020.

DMFAS 6 is available in four United Nations languages: English, French, Russian and Spanish. Figure 8 summarizes the DMFAS 6 functionalities, including the following:

- Increased scope of instruments: private external and short-term debt, sukuk, and extended amendments and operations.
- Increased scope of transactions: prepayment and buyback modules; recording of drawing requests and issuance authorizations.
- Data-quality improvements: extended auditing module, including new module on data validation at recording level.
- Reporting and analysis: enhanced analytical reporting and risk indicators.
- Standard features for integration: module on centralized authentication service, full use of open-source libraries, generic interfaces and standard DMFAS 6 module (web services).

### DMFAS 6 functionalities

Figure 8. DMFAS 6 functionalities



## **DMFAS 6 developments undertaken in 2019**

### **DMFAS 6.1.3.3 release**

Release 6.1.3.3 was distributed in July 2019 and includes corrections implemented in different modules such as grants, deleting drawings, applying business day conventions, and generating user-defined reports in Excel. This release also contains many technical and functional enhancements such as new codes for variable rates and for the search facility. In addition, a feature was developed to postpone the calculation of commissions on a real drawing to the next period. Four new debt totals were also created in the Reports module on buybacks and reopening operations. A new option named “display debt service payment source?” was added in the DMFAS parameters, mainly for institutions having linked DMFAS with their payment systems. Moreover, several enhancements to the Application Programming Interfaces (APIs) to DMFAS (web services) were added, to facilitate data sharing between systems.

A new release (6.1.4) with additional enhancements is expected in 2020 and will be distributed as sub releases 6.1.4.1 and 6.1.4.2.

## **Development of DMFAS 7**

### **Three DMFAS 7 modules under testing**

In line with the 2016–2019 strategic plan, the Programme continued the development of the new major version of the DMFAS system (DMFAS 7). Despite resource constraints, progress was made in its development. In 2019, a third module of DMFAS was migrated to the new technological platform. The modules, namely “Participants”, “Exchange rates”, and “Grants”, were tested in order to validate their behaviour using the new technology and to evaluate the user experience of the new interface in terms of usability and navigation.

From a technical perspective, in addition to the migration work, the development of a dashboard module for the DMFAS 7 portal is ongoing, together with other technical enhancements related to reporting tools and features. To enhance the user experience, these enhancements include personalizing reports by using the latest business intelligence (BI) techniques and reporting tools, by integrating interactive BI tools, and by making use of data warehousing techniques to reduce reporting time.

From a functional perspective, the requirements for the new structure of the menu and the application’s workflow were identified, and a new user interface design standard is in development. In addition, the new module on debt securities was defined, as well as the new security and auditing features and enhancements to incorporate additional calculation methods. Analysis related to the modality of implementing non-traditional debt instruments



was begun. Work on contingent liabilities deriving from a public–private partnership contract continued in coordination with Côte d’Ivoire.

### **Links with other systems**

The Programme provides support to countries wishing to link DMFAS with other systems, including integrated financial management systems. Starting with release 6.1.1, the DMFAS application now provides a set of web services as part of the new features to support and facilitate integration with other applications.

**DMFAS 6 integrated  
with other systems  
in 25 institutions**

In 2019, 25 DMFAS installations in 21 countries were linked with other financial management systems, including 20 with treasury systems and four with auction systems (see annex 5). Angola was the latest country to integrate its auction platform with DMFAS.

In 2019, the Programme supported five countries in the development of a link between their own systems and DMFAS 6, through workshops on creating or validating interfaces in Ethiopia, Guinea-Bissau and the Philippines and through specific assistance in interface development (including testing and validation of interface) in Angola and the Plurinational State of Bolivia.

### **Improved service delivery**

In 2019, help desk support included assistance and advice on a wide range of functional and technical issues through technical missions, the Trac system, emails, remote access and the UNCTAD FTP server. Where applicable, databases were also sent by clients and installed temporarily at UNCTAD headquarters to facilitate the resolution of queries and problems. In 2019, the DMFAS help desk received a total of 489 client tickets on DMFAS 6. Of these, 376 requests were closed, and the remainder (113) are being processed (see annex 6). Differences in the use of the Trac system are directly linked to the mandate of the debt office and the modules of the DMFAS software used by the institution. At the end of 2017, the Programme ceased to provide technological support for version 5.3.

The help desk also received an increasing number of requests for technical support through remote access. This included interventions to resolve technical issues within the system (47), and other remote sessions to support the installation of updates (16), as well as other minor interventions to provide database support.

## User documentation

### Updated online help

New versions of the online help system for DMFAS 6 were released in March and July 2019. For both online help systems, the English version was released simultaneously with the localized French and Spanish versions. The following user documentation was updated:

- *DMFAS 6 Reports*
- *DMFAS 6 Control Panel User's Guide*
- *Historical Estimated Drawings*

In 2019, DMFAS 6 tutorials on recording a loan in DMFAS, registering an African Development Fund loan and recording money market instruments as well as on the DMFAS query tool were revised during the second quarter and further refined in September in response to feedback from users. They are available to be downloaded in the client area of the DMFAS website.

### Four tutorials in English, French and Spanish

All four of these tutorials have been localized into French and Spanish.

#### *Learning DMFAS Basics by Recording a Loan*

The purpose of this tutorial is to teach end users the main tasks involved in registering a simple loan agreement in DMFAS. It is based on a standard International Development Association (IDA) loan with one tranche. It begins with a presentation of the DMFAS Portal and interface. It then guides the user through the life cycle of the instrument, including the recording of basic loan information, reference files, reports, drawings, and debt service operations.

#### *Registering an African Development Fund (AfDF) Loan in DMFAS*

This is an advanced tutorial involving an AfDF loan with different currencies in multiple tranches. It is intended mainly for the user who may have completed the introductory tutorial yet wish to have more extensive practice with DMFAS. This tutorial may also be used by new users who are comfortable with more elaborate exercises.

#### *An Initiation to the Query Tool*

This tutorial focuses on the query tool, which is the bridge for accessing data in the DMFAS 6 database to create user-defined reports. It offers a review of basic technical concepts such as databases, SQL and queries and explains the query tool interface and the data sets returned. Finally, it provides 10 practical exercises to work with the query tool.

### *Recording a Money Market Instrument*

The purpose of this tutorial is to teach end users how to record a money market instrument, specifically a Treasury bill, in DMFAS. This tutorial covers the use of both the Auctions module and the Debt Securities module.

### *Recording a Bond in DMFAS*

A complete draft of a new tutorial on recording Treasury bonds in DMFAS 6 was produced and tested. This tutorial covers the use of both the Debt Securities module and the Auctions module. It will be released in early 2020.

### **Technical documentation**

The *DMFAS 6 Installation Guide 12c* was finalized and delivered in May 2019.

The Trac documentation was updated and delivered in January 2019.

A new interface in HTML5 containing all available technical documentation was produced for online access directly from the DMFAS Portal. It will be available for the next release of DMFAS 6.

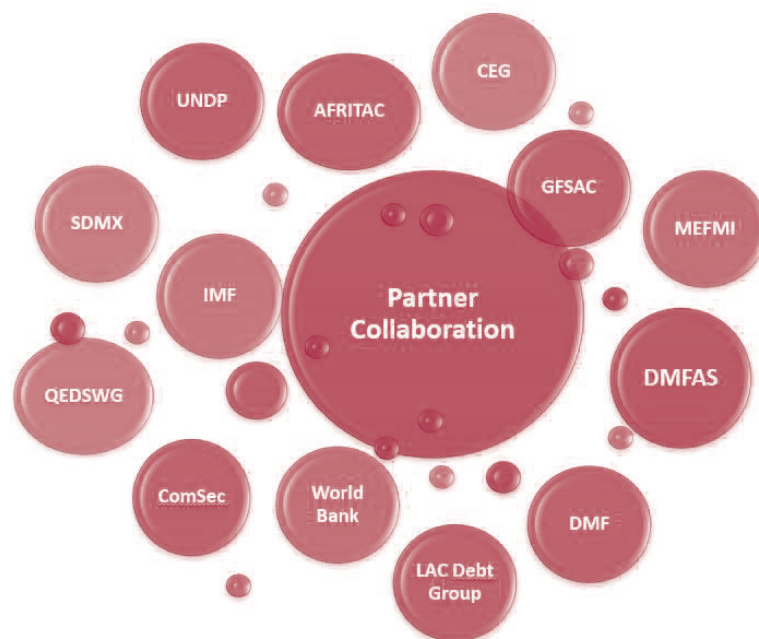
**New technical  
documentation  
available**

### 3.4 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, the Programme implemented several improvements to its administration and communications.

In recent years, technical assistance providers have improved coordination in their capacity-building efforts using a more holistic approach to meeting the multifaceted challenges that developing countries face in building their debt-management capacities. The DMFAS Programme actively supports this coordinated and harmonized approach (see figure 9).

**Figure 9. Partner collaboration**



The Programme pursued this objective by increasing its coordination with other providers, and adopting a policy of avoiding duplication, sharing best practices and maximizing support to other providers.

During the implementation period of the strategic plan, the Programme strengthened its collaboration with the other main organizations involved in providing debt management support. Actions included the regular sharing of information on technical assistance activities such as mission schedules

**Partner  
cooperation**

and reports, the organization of joint workshops and participation in each other's events. Over four years, the Programme provided resource persons for 29 international and regional seminars organized by other technical assistance providers (nine in 2019). In addition, the list of Programme missions was distributed to stakeholders through the DMFAS newsletter and the DMFAS website, keeping them informed of the Programme's technical assistance activities.

Having contributed to the Debt Management Facility (DMF) since its conception, the Programme officially became an implementing partner of the Facility in 2009. Since then, the DMFAS Programme has contributed to 72 missions. Its participation in these DMF activities received positive feedback from the stakeholders of DMF, as well as country beneficiaries. Reaching the end of the second phase of DMF, the Programme has participated over the past four years in 20 DMF missions: 11 debt management performance assessment missions (including one in 2019 in Zimbabwe), three medium-term debt strategy missions and two reform plan missions (including one in 2019 in Benin). It also co-organized four regional training sessions. In addition, the Programme participated in the Debt Management Facility Stakeholders Forum, held in Senegal in May 2019, and in the meetings of the DMF Implementation Coordination Group.

**Debt Management  
Facility (phase 2)**

The Programme collaborated with various departments involved in debt management within the World Bank. These include the World Bank Development Data Group and the treasury department. In 2019, collaboration with the World Bank also included the Debtor Reporting System (DRS). The Programme both encourages and assists countries technically in providing information to DRS. In 2019, 93 per cent of DMFAS user countries in the low- and middle-income categories effectively provided data for 2018 to the DRS database.

**World Bank**

The Programme was also in regular contact with three main departments of the International Monetary Fund (IMF), namely, the Statistics Department, the Monetary and Capital Markets Department and the Strategy, Policy and Review Department.

**International  
Monetary Fund**

The DMFAS Programme also participates in the IMF Government Finance Statistics Advisory Committee (GFSAC), a group of internationally recognized experts that advises IMF on government finance statistics-related matters. In 2019, the Programme participated in the GFSAC meeting held in Washington, D.C., in September.

**Government  
Finance Statistics  
Advisory  
Committee**

The Programme also collaborated, where possible, with IMF regional technical assistance centres in Central and West Africa and in South Asia (Central AFRITAC, West AFRITAC and SARRTAC) with the shared objective of helping countries strengthen their human and institutional capacities to design and enact policies that promote growth and reduce poverty.

**MEFMI**

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 user countries, namely Angola, Rwanda, Uganda, Zambia, and Zimbabwe. In the past four years, the Programme has jointly organized with MEFMI three regional DMFAS 6 functional training sessions. In addition, it has mentored two MEFMI fellows, one information technology expert and one debt expert.

**UNDP**

The DMFAS Programme's collaboration with the United Nations Development Programme (UNDP) in 2019 included logistical support and field recruitment for the development of DMFAS 7 and for certain country projects, information sharing with UNDP country offices in DMFAS user countries, and collaboration under the "One United Nations" initiative.

**LAC Debt Group**

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

**Commonwealth Secretariat**

The DMFAS Programme, as stated in strategic plan 2016–2019, is committed to assisting member countries in maintaining reliable debt data and thereby improving the quality of their databases. In this regard, the DMFAS Programme and the Debt Management Unit of the Commonwealth Secretariat jointly worked on the development of a new framework for debt data quality assessment, Debt-DQA, which aims to assess the quality of the data recorded in debt management systems in conformity with international standards and best practices. The Debt-DQA is based on best practices and international standards in debt management. It was launched jointly with the Commonwealth Secretariat on the margins of the twelfth UNCTAD Debt Management Conference in November 2019.

Debt-DQA uses a set of standardized quality indicators with the aim of identifying problems within the different components of debt instruments over their entire life cycle. These problems are verified through the aid of an automated tool incorporated within debt management systems. In addition, Debt-DQA provides a process to analyse the sources of problems and proposes a plan with recommendations to improve the quality of the debt database. The framework is comprehensive, as it includes a guidance note that describes the process of implementation, as well as technical documentation for the use of the automated tool. The tool was finalized in 2019, incorporating comments from partners, to ensure that its framework responds to the different sizes and compositions of debt databases found in most countries.

Debt-DQA was designed to complement other assessment tools such as the debt management performance assessment, the data quality assessment framework (DQAF) and the public expenditures and financial accountability framework (PEFA). Debt-DQA adds granularity to all of these initiatives, as it specifically targets country data recorded in debt management software. A distinct aspect of the framework is that it provides automatic assessment, compared with other tools that provide for manual assessment.

### **Synergies within UNCTAD**

Within UNCTAD, the DMFAS Programme and the Debt and Finance Analysis Unit (the associate unit in the Debt and Development Finance Branch) collaborate on and jointly address debt issues. In 2019, collaboration included the organization of the UNCTAD twelfth Debt Management Conference and the drafting of the report of the Secretary General to the General Assembly on external debt sustainability and development. Additional examples of collaboration included the preparation of UNCTAD reports for the Trade and Development Board, the UNCTAD secretariat and the Office of the Secretary-General of UNCTAD. Such collaboration also included the sharing of one staff member.

The DMFAS Programme also contributed to a number of UNCTAD and United Nations reports. In 2019, these included the following:

- *UNCTAD Annual Report 2018*
- Annual trust fund progress reports
- Report by the UNCTAD secretariat on technical cooperation activities carried out in 2018 (cluster 11 on strengthening the debt management capacity of developing countries)



In line with decision 492 (LIV) of the Trade and Development Board in 2007 to establish thematic trust funds within and among the 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.

### **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 as highlighted in this section.

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

The Quality Assurance and User Support Unit continued to implement strict quality-control procedures. In 2019, it centralized all help desk queries into the Trac system, which helped provide better service to clients and respond effectively and efficiently to all users. The unit also implemented thorough testing procedures for new deliverables of DMFAS 6 (release 6.1.3.3).

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

In line with the second objective of the strategic plan, the DMFAS Programme systematically applied its monitoring and evaluation framework. This includes the systematic development of logical frameworks with verifiable indicators of progress for all projects and the more transparent and inclusive involvement of stakeholders. In 2019, the Programme continued to implement and improve the monitoring of progress at the country level using its monitoring and evaluation framework based on refined DMFAS performance indicators. In addition, the Programme continued to conduct national evaluations of the effectiveness of the DMFAS 6 functional training delivered in 2019.

In parallel, the Programme also developed a proposal for the new strategic plan for the period 2020–2023 to continue delivering high quality assistance responding to developing country debt management needs. Building on the recommendations of the business model review and the midterm review of the Programme, and of DMFAS stakeholders, the new strategic plan was discussed during the twelfth meeting of the DMFAS Advisory Group.

### **Communications and information sharing, within and outside the Programme**

#### **DMFAS website**

The French version of the DMFAS website was completed in September 2019. The number of DMFAS users registered in the client area continued to increase in 2019. At the end of 2019, 80 per cent of active user countries had at least one user registered in the client area (72 per cent of institutions).



The website has up-to-date information on DMFAS activities, documentation, and releases of the software. Among the most downloaded pages are technical and user documentation files, Debt Management Conference presentations and DMFAS newsletters. Among the documents available in different languages, 50 per cent are downloaded in English, 33 per cent in Spanish and 17 per cent in French.

The Programme continued to produce its electronic newsletter, presenting in a short and attractive format the leading trends and activities in the work of the Programme. Three issues of the DMFAS newsletter were published, in April, August and December 2019. They were posted on the DMFAS website in English, French and Spanish.

In line with the recommendations of the midterm review conducted in 2018, the Programme is developing a new communication strategy to increase its visibility and attract potential new donors. In 2019, the Programme, also developed new products to further strengthen its communications and information sharing, including the SDG Pulse<sup>5</sup> available on the UNCTAD statistics platform and a brochure for DMFAS 7.

**Three DMFAS newsletters in 2019**

**New communication products**

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<sup>5</sup> UNCTAD's SDG Pulse is an annual statistical publication reporting on developments relating to the 2030 Agenda for Sustainable Development and the Sustainable Development Goals: <https://sdgpulse.unctad.org/debt-management-and-financial-analysis-system-dmfas-programme/>

## **4. Funding and expenditures in 2019**

This section presents an overview of the Programme's financial situation at the end of 2019. The information presented here is not an official financial statement from UNCTAD. It is based on available data at the time of writing and subject to change.

DMFAS activities are financed through a central trust fund and various country project trust funds. The central trust fund finances the core activities of the Programme, such as the help desk, training and documentation, system maintenance and development, quality assurance and user support and Programme management. The country project trust funds finance national activities, which are defined and agreed with beneficiary countries through a project document.

### ***4.1 Central trust fund of the DMFAS Programme***

The resources of the central trust fund can be classified under the following four main categories:

- Donor contributions.
- Cost sharing by beneficiary countries and institutions.
- Cost recovery for project activities and services.
- Support from UNCTAD.

Table 3 provides an overview of the income for the DMFAS central trust fund in 2019.

#### ***4.1.1 Donor contributions***

For 2019, donor support received amounted to \$2.37 million with contributions from Germany, Ireland, Switzerland, and the European Union.

An overview of donor contributions since 2010 is provided in annex 7. During the strategic plan 2016–2019 period, the average annual contribution was \$1.89 million from bilateral donors.

**Table 3. Income of DMFAS central trust fund, 2019**  
(Dollars)

<i>BALANCE AT 1 JANUARY 2019</i>	476 291
<b>Donor contributions</b>	2 370 188
Germany	547 046
Ireland	109 890
Switzerland	762 195
European Union	951 057
<b>Cost sharing</b>	1 344 639
Maintenance fees	464 750
Development contributions	248 709
From country projects funded by Governments	631 180
<b>Cost recovery (including payments for services)</b>	354 017
From country projects funded by donors	323 077
Payments for services (DMF and other)	30 941
<b>UNCTAD contributions</b>	1 030 025
In kind	924 639
Financial	105 386
<b>TOTAL INCOME</b>	5 575 160

*Source: UNCTAD*

*Note: The statement covers the core DMFAS trust fund, trust funds for specific purposes (DMF), as well as payments from projects for specific services (development contribution and maintenance fees) for which the source is country project trust funds.*

#### **4.1.2 Cost sharing and cost recovery**

A particular feature of DMFAS compared with other technical cooperation programmes is that it generates a large part of its income for the DMFAS central trust fund through cost sharing with beneficiaries. The following two mechanisms have been designed to ensure effective cost sharing and to cover part of the Programme's running costs: maintenance fees and development contributions. Annual maintenance fees and development contributions are graduated according to the income level of beneficiary countries.

### *Maintenance agreements and fees*

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

As shown in table 4, maintenance fees are highly relevant as a source of constant and relatively regular income for the Programme. The year 2019 marked the eighteenth year of implementation of maintenance fees, with a total of \$5,498,314 collected since 2002.

**Table 4. Income from cost sharing and cost recovery, 2002–2019**  
(Dollars)

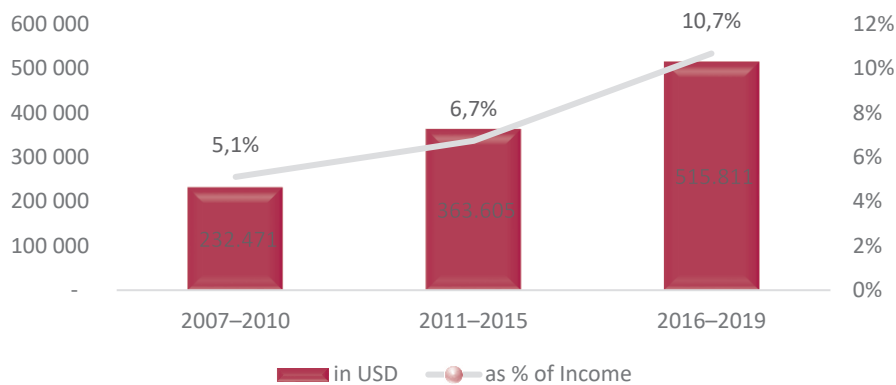
YEAR	MAINTENANCE FEES	DEVELOPMENT CONTRIBUTIONS	STAFF TIME RECOVERED FROM PROJECTS
2002	9 967	-	
2003	104 933	-	
2004	150 689	-	374 230
2005	189 709	183 000	396 742
2006	226 379	32 000	200 003
2007	198 636	50 000	386 000
2008	199 526	117 910	256 455
2009	268 232	210 000	513 246
2010	263 491	225 000	349 715
2011	290 470	712 500	889 606
2012	242 464	262 500	907 600
2013	399 785	200 000	640 884
2014	501 363	162 500	707 041
2015	393 941	346 128	583 444
2016	517 029	224 975	1 388 499
2017	513 348	212 500	909 377
2018	563 602	161 237	945 858
2019	464 750	248 709	954 256
<b>TOTAL</b>	<b>5 498 314</b>	<b>3 348 959</b>	<b>10 402 956</b>

*Source: UNCTAD*

*Notes: 2011 was an exceptional year for development contributions due to the launch of DMFAS 6 and its installation in many countries; 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 remained stable in 2019, as approximately 90 per cent of the institutions that benefit from DMFAS had signed an agreement. Annex 8 shows the evolution of signed maintenance agreements and the payment of maintenance fees since the implementation of the cost-sharing mechanism. Maintenance fees averaged \$515,811 during the strategic plan 2016–2019, representing an increase of 30 per cent compared with during the strategic plan 2011–2015 period (see figure 10).

**Figure 10. Maintenance fees by strategic plan periods (annual average)**  
(Dollars)



Source: UNCTAD

#### *Development contributions*

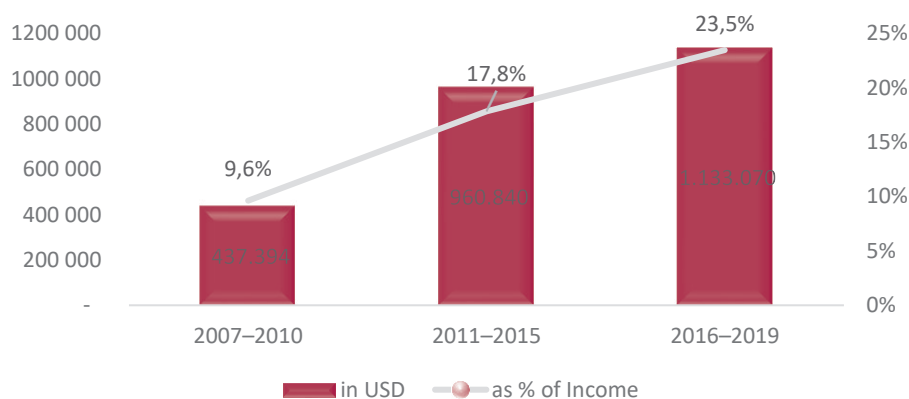
Development contributions were created to contribute to the enhancement of the DMFAS software. These contributions are made by the beneficiary institution when DMFAS is installed. In 2019, development contributions were received from Azerbaijan, Eritrea, Pakistan, the Plurinational State of Bolivia, Sudan, and Zimbabwe totalling of \$248,709.

#### *Recovery from project activities*

In accordance with the Programme’s cost-recovery policy, the time dedicated by DMFAS staff to projects is recovered from project budgets. This recovery is considered as cost sharing when the projects are funded by the budget of beneficiary Governments, and as cost recovery when they are funded by direct contributions from donors. In 2019, the overall amount recovered for DMFAS staff time dedicated to project activities (undifferentiated between cost sharing and cost recovery) was \$954,256. This level of recovery was higher than in 2018 and was the second highest level in the history of the Programme. For

the period 2016–2019, staff time recovery was 18 per cent higher than during the strategic 2011–2015 period (see figure 11).

**Figure 11. Staff time recovered from projects by strategic plan period (annual average)**  
(Dollars)



Source: UNCTAD

#### *Recovery for third-party services*

Income was also received as payment for services rendered in the form of cost recovery under the Debt Management Facility. In 2019, such income reached \$30,941.

#### *4.1.3 Institutional support from UNCTAD*

UNCTAD supports the DMFAS Programme by financing five posts and a part-time position through the regular budget. The professional category staff members supported by the regular budget of UNCTAD are the chief of the Programme, one programme officer, one communication officer and 40 per cent of the time of an associate economics affairs officer. Two general service staff members are also employed in the Administration and Communication Unit.

#### **4.2 Expenditures of the central trust fund**

Expenditures are divided into two main categories, personnel, and non-personnel. Personnel expenditures include core staff of the Programme financed by regular budget and extrabudgetary sources (see table 5). Non-personnel expenditures include travel, system development, consultancy services, training, conference costs, equipment, and miscellaneous items.

Overall, expenditures in 2019 compared with those in 2018 reflected an increase of \$297,828. This was primarily due to greater personnel costs, which increased by 5.1 per cent compared with 2018. This increase in personnel costs over 2018 was due to a slight increase in staffing for DMFAS 7 development. In addition, non-staff expenditures also showed a slight increase of \$61,065, compared with 2018, due to DMFAS 7 development. However, this increase followed a series of cuts, which had resulted in a 7.5 per cent decrease in staffing costs under strategic plan 2016–2019 compared with under strategic plan 2011–2015.

**Table 5. DMFAS Programme expenditures, 2019**  
(Dollars)

<i>EXPENDITURES</i>	
<b>Personnel</b>	4 858 112
Central team	3 933 473
Regular budget staff	924 639
<b>Non-personnel</b>	356 603
Joint partner activities	45 245
Information technology systems development	198 572
Capacity-building	78 084
Programme monitoring and evaluation	34 372
Miscellaneous	331
<b>TOTAL EXPENDITURES</b>	<b>5 214 715</b>
<b>CLOSING BALANCE</b>	<b>360 445</b>

*Source: UNCTAD*

*Note:* Central team and regular budget staff costs include total DMFAS personnel costs, including portions paid through cost sharing, cost recovery and UNCTAD contributions.

The closing balance at the end of 2019 was lower than in previous years, requiring early contributions from donors in 2020.

#### **4.3 Budget**

DMFAS Programme budget needs were based on the full implementation of the strategic plan 2016–2019. Financing all of these needs would have been an ideal situation wherein all foreseen activities in the strategic plan would have been achieved. Table 6 compares the full financing of the strategic plan

(scenario 1) with the actual budget (scenario 2). The strategic plan was not fully financed in each year of the plan due to the shortfall in budgeted donor funding. Scenario 2 details the level of financing reached, which resulted in delays in achieving some core activities.

**Table 6. Budget for DMFAS strategic plan, 2016–2019**  
(Dollars)

	<i>Scenario 1</i>			
	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
Personnel	5 196 008	5 351 888	5 512 444	5 677 818
Joint partner activities	118 000	121 540	125 186	128 942
Capacity-building	350 000	410 500	368 270	432 454
IT Systems development	421 000	601 980	627 012	444 822
Programme monitoring and evaluation	32 000	32 960	233 949	34 967
Miscellaneous	38 500	62 130	37 470	38 570
Contingency (4 per cent)	246 220	263 240	276 173	270 303
<b>Total</b>	<b>6 401 728</b>	<b>6 844 238</b>	<b>7 180 504</b>	<b>7 027 876</b>

	<i>Scenario 2</i>			
	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
Personnel	4 410 352	4 479 952	4 621 349	4 858 112
Joint partner activities	60 962	45 015	30 490	45 245
Capacity building	-	8 115	26 852	78 084
IT Systems development	194 266	237 028	170 645	198 572
Programme monitoring and evaluation	-	-	64 468	34 372
Miscellaneous	9 220	3 581	3 083	331
<b>Total</b>	<b>4 674 800</b>	<b>4 773 691</b>	<b>4 916 887</b>	<b>5 214 715</b>

*Source: UNCTAD*

#### **4.4 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.

The different sources of financing for country-project trust funds are the beneficiaries themselves, bilateral donors and other international organizations and institutions, such as the European Union, regional



development banks, the United Nations Development Programme and the World Bank. Middle-income countries are increasingly fully self-financing their national projects.

In 2019, expenditures from country-specific trust funds amounted to \$1,879,625, to deliver technical assistance in 28 institutions. Table 7 provides a breakdown of countries' budget, expenditures, and final balance available.

**Table 7. Country project trust funds and project expenditures: Available funding and expenditures, 2019**

(Dollars)

<i>Country (source of funding)</i>	<i>Budgeted funds</i>	<i>Expenditures</i>	<i>Balance</i>
Angola	197 161	121 729	75 432
Argentina, Province of La Rioja	3 592	2 529	1 063
Azerbaijan *	38 517	38 517	*
Bangladesh	904	904	-
Bolivia (Plurinational State of)	193 627	136 917	56 709
Burkina Faso	196 122	142 772	53 350
Congo	52 005	5 935	46 070
Côte d'Ivoire	316 847	53 090	263 757
Ecuador	25 000	23 767	1 233
Egypt *	17 221	17 221	*
Eritrea	157 885	96 099	61 786
Ethiopia	261 428	90 377	171 051
Gabon	670 864	31 018	639 846
Guinea-Bissau	161 672	122 355	39 317
Honduras	104 838	92 700	12 137
Iraq	56 706	7 399	49 307
Jordan	7 524	3 850	3 674
Nicaragua	19 979	14 747	5 232
Pakistan	173 202	173 171	31
Panama	1 598	1 598	-
Philippines (Central bank)	328 700	15 793	312 907
Philippines (Bureau of Treasury)	706 957	387 976	318 981
Sudan (Ministry of Finance)	101 630	26 367	75 263
Sudan (Central bank)	151 780	129 544	22 237
Tajikistan *	36 744	36 744	*
Uzbekistan	15 105	15 105	
Venezuela (Bolivarian Republic of)	22 267	19 054	3 213
Zambia	78 666	72 347	6 319
<b>Total</b>	<b>5 303 624*</b>	<b>1,879,625</b>	<b>3 423 999*</b>

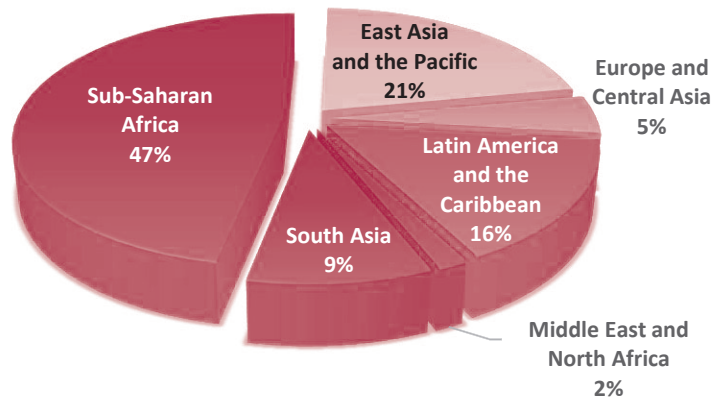
*Source: UNCTAD*

\* Funding for four country projects including Azerbaijan, Egypt and Tajikistan have a remaining balance of \$1,205,083.

The number of countries listed in table 7 does not necessarily coincide with the total number of countries and institutions using DMFAS, a number of which are active DMFAS users that continue to receive support without funding for specific project activities.

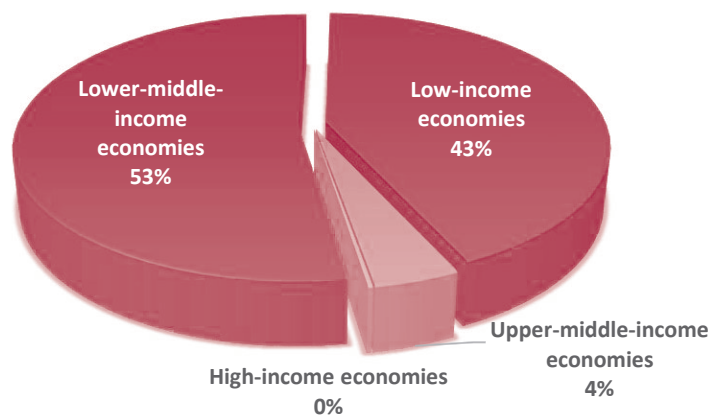
Figures 12 and 13 show the regional distribution and the income level distribution of country project expenditures. Projects in sub-Saharan Africa represent nearly half of all active projects. In terms of income group distribution, figure 12 shows that the highest portion (96 per cent) of the Programme’s project expenditures was in low-income and lower middle-income economies.

**Figure 12. Country project expenditures: Regional distribution as share of total expenditures, 2019**  
(Percentage)



Source: UNCTAD

**Figure 13. Country project expenditures: Income level distribution as share of total expenditures, 2019**  
(Percentage)



Source: UNCTAD

## CHALLENGES AND THE WAY FORWARD

During this strategic plan period, the Programme achieved significant results, reaching most of the targets. Yet countries continue to face specific challenges.

A recurrent challenge faced in developing country debt management offices is in dealing with high levels of 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. As in previous years, 2019 saw the continuation of a high level of demand for traditional support, as well as capacity-building missions outside the scope of formal technical assistance projects. The Programme therefore needed to factor such realities into its support interventions, maintaining adequate flexibility and providing more opportunities for self-learning to address such needs. Increased support outside the scope of technical assistance projects, such as regional training, could help further address the needs of debt management offices.

**High staff turnover  
and need for  
repeated training**

Debt offices have strengthened their capacity to publish debt statistics bulletins but face challenges in reporting high quality and timely debt data to international debt databases. The results observed over the past four years show that sustaining capacity in conducting debt portfolio analyses remains a challenge, highlighting the need for additional support in this area.

**Sustaining  
capacities**

In addition, technical capacities in debt offices are often limited and the Programme continued to see a high level of demand for remote technical support for which it was necessary to allocate resources. Responding to unplanned client requests required frequent adjustments to the Programme workplan. This had an impact on the delivery of other services to and activities with clients.

Facilitating the development of links between the DMFAS software and other financial management systems requires countries to have the capacity to program and maintain the links. However, a number of countries remain dependent upon DMFAS technical support and do not have the necessary resources to maintain the links in the long term. Considering the limited resources, requests made to the Programme to fully develop such links need to be carefully examined.

**Links with other  
financial systems**

The number of central banks monitoring private non-guaranteed external debt is still low, with only one additional central bank in 2019. Increasing the coverage of private non-guaranteed external debt is a challenge that will

**Private non-  
guaranteed external  
debt**

require particular attention in the future, including approaching central banks to present the DMFAS functionalities.

#### **Technology evolution**

To keep up with the evolution of technology and adapt the system to changes in debt-management practices, the Programme has started the development of the seventh major version of DMFAS. Despite significant progress in the development of DMFAS 7 with regard to its architectural baseline, some development activities for DMFAS 7 had to be postponed due to a shortage of resources.

#### **Conflicts**

The security situation in countries directly affects the work of the debt office. Experience has shown that consequences of conflicts range from important changes in staffing in a debt office to the destruction of the debt database or suspension of use of the system. In such situations, UNCTAD support is key to helping countries rebuild their capacities to effectively manage public debt.

#### **Multi-language software**

The DMFAS software is available in four languages, English, French, Russian and Spanish. Ensuring that the interface, the documentation (technical and functional) and the capacity-building material are translated promptly according to high-quality standards is also a challenge for the Programme.

#### **Programme financing**

The available funding for the full implementation of strategic plan 2016–2019 increased but could not be fully secured. The Programme worked between 2016 and 2019 at the level of scenario 2, the minimum operating financing level, which includes all core operations. In line with the recommendations of the Advisory Group, the Programme also continued its efforts to identify new donors and further strengthened its cost recovery process. While working on securing additional funding, the Programme prioritized support to clients and maintaining high-level quality training and software. However, this prioritization also had an impact on the core activities of the Programme, including on the pace of further development of the DMFAS system, in particular of version 7, and on the finalization of new capacity-building products.

#### **Regional offices**

Setting up DMFAS regional offices could help address such challenges and help the Programme outreach more effectively to user countries. The Programme continued its efforts to seek funding for the creation of two regional offices and will explore new options in the future for allocating adequate resources for their creation.

In 2019, the importance of debt data transparency continued to be high for the international community, in particular in a context of rising debt levels worldwide. This further highlights the key role of technical assistance

providers in the downstream area of debt management, including the DMFAS Programme.

The Group of 20 called for greater transparency, from both debtors and creditors, and the United Nations General Assembly has recalled 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 (see annex 9).

To address such challenges, the DMFAS Programme presented its new strategic plan for the next four years to the DMFAS Advisory Group in November 2019 (see annex 10).

**Focus on debt data  
transparency**

# ANNEX 1

## DMFAS PROGRAMME RESULTS, 2016–2019

Objective	Expected results	Results at the end of 2019	Impact	SDGs of focus
<p>1. Improve the technical and functional capacity of debt management offices (DMOs) to:</p> <ul style="list-style-type: none"> <li>record</li> <li>process</li> <li>monitor</li> <li>report</li> <li>analyse</li> </ul> <p>the country's public debt</p>	<p>1.1 Government information systems for effectively managing complete, up-to-date and reliable debt databases</p> <p>1.2 Enhanced knowledge of national DMOs of debt management procedures and best practices</p> <p>1.3 More effective debt reporting and improved accessibility/availability of debt information</p> <p>1.4 Improved operational risk management</p> <p>1.5 Strengthened integration of debt management within Public Finance Management)</p> <p>1.6 Facilitated debt analysis</p>	<ul style="list-style-type: none"> <li>95% of user countries capture public and publicly guaranteed external debt in DMFAS.</li> <li>68% of DMOs responsible for domestic debt record it in DMFAS</li> <li>Over 3,250 participants from 54 countries trained</li> <li>93% of user countries report to DRs</li> <li>51% of user countries report to QEDS and 44% to QPSD</li> <li>41 DMFAS countries produce a debt statistics bulletin</li> <li>25 user countries have a procedures manual</li> <li>21 user countries have a disaster recovery and business continuity plan</li> <li>25 institutions have linked DMFAS with another system, including four with auction systems</li> <li>26 user countries produce a debt portfolio review at least once a year</li> <li>49 user countries use the system to produce MTDS</li> <li>47 countries use the system to produce DSA</li> </ul>	<ul style="list-style-type: none"> <li>Governments manage their debt effectively and sustainably, in support of poverty reduction, development and good governance</li> </ul>	<p>17 PARTNERSHIPS FOR THE GOALS</p>  <p>Direct: Goal 17: Assist developing countries in attaining long-term debt sustainability through coordinated policies (Indicator 17.4.1: Debt service as a proportion of exports of goods and services)</p>
<p>2. Improve the capacity of the DMFAS Programme</p>	<p>2.1. Major new DMFAS version developed</p> <p>2.2 DMFAS 6 enhanced</p> <p>2.3 New, more comprehensive capacity-development framework</p> <p>2.4 More cooperation with other providers</p> <p>2.5 Improved service delivery</p> <p>2.6 More stable financing for Programme's activities</p> <p>2.7 Two regional centres established</p>	<ul style="list-style-type: none"> <li>Progress in DMFAS 7 development</li> <li>Progress in DMFAS 6 enhancement: six releases of DMFAS 6</li> <li>Two new self-learning capacity-building modules released and one new course on procedures; 21 fact sheets on basic debt concepts produced, four tutorials released</li> <li>Cooperation in 29 partner events and 20 DMF collaborations</li> <li>Regional centres: pending funding</li> <li>Progress in cost recovery</li> </ul>		<p>Indirect: Goal 1</p> 

## ANNEX 2

### USE OF DMFAS INSTALLATIONS IN COUNTRIES IN 2019

Abbreviations: AR, Arabic; CB, central bank; EN, English; FR, French; MoF, Ministry of Finance; RU, Russian; SP, Spanish.

*Note: Start date in institution refers to the year of the first project for the implementation of DMFAS and related services in the institution; type of installation indicates where the main server is located (main installation) or if remote access is used; access rights indicates whether the institution has full or partial access rights or read-only access to the debt database (access rights depend on debt management responsibilities and the mandates of the respective institution); countries or institutions no longer using DMFAS are enclosed in parentheses and shown in italics.*

\* Indicates that DMFAS 6 was installed but not used in the debt management office.

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	Remote access		Full	Partial	Read only	5.3	6
Albania	MoF	1998	✓		EN	✓				✓
Algeria	CB	2005	✓		FR	✓			✓	
Angola	CB	1999		✓	SP			✓		
	MoF	2015	✓			✓				✓
Argentina	MoF	1993	✓		SP	✓				✓
	Province of Rio Negro	2000	✓		SP	✓				✓
	Province of Chaco	2001	✓		SP	✓			✓	
	Province of Buenos Aires	2011	<i>Inactive</i>							
	Province of La Rioja	2015	✓		SP	✓				✓
Armenia	MoF	2011	✓		EN	✓				✓
Bangladesh	MoF	1992	✓		EN	✓				✓
	CB	2002		✓	EN	✓				✓
<i>(Belarus)</i>	<i>MoF</i>	<i>1994</i>	<i>Inactive</i>							
Bolivia (Plurinational State of)	MoF	1994	✓		SP	✓			✓	
	CB	1994	✓		SP	✓				✓
Burkina Faso	MoF	1997	✓		FR	✓				✓
Burundi	MoF	1987	✓		FR	✓				✓
Cambodia	MoF	2007	✓		EN	✓				✓
Central African Republic	MoF	1995	✓		FR	✓				✓
Chad	MoF	2000	✓		FR	✓			✓	
Chile	CB	2003	✓		SP	✓			✓	
<i>(Colombia)</i>	<i>MoF</i>	<i>2001</i>	<i>Inactive</i>							

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	Remote access		Full	Partial	Read only	5.3	6
Congo	MoF	2003	✓		FR	✓				✓
Costa Rica	MoF	1988	✓		SP	✓				✓
	CB	1988		✓	SP			✓		
Côte d'Ivoire	MoF	1998	✓		FR	✓				✓
Democratic Republic of the Congo	MoF	2005	✓		FR	✓				✓
Djibouti	MoF	1986	✓		FR	✓			✓	
Dominican Republic	MoF	1996	✓		SP	✓				✓
	(CB)	1996	Inactive							
Ecuador	MoF	1995	✓		SP	✓				✓
	CB	1995	✓		SP	✓				✓
Egypt	MoF	2008	✓		EN	✓			✓	*
	CB	1986	✓		EN	✓				✓
El Salvador	MoF	1988	✓		SP	✓				✓
Eritrea	MoF	2018	✓		EN	✓				✓
Ethiopia	MoF	1988	✓		EN	✓				✓
Gabon	MoE	2001	✓		FR	✓				✓
Georgia	MoF	1998	✓		EN	✓				✓
Guatemala	MoF	1988	✓		SP	✓				✓
Guinea-Bissau	MoF	1997	✓		SP	✓				✓
Haiti	CB	1985		✓	FR		✓			
	MoF	2009	✓		FR	✓			✓	
Honduras	MoF	1988	✓		SP	✓				✓
	CB	1988		✓	SP			✓		
	Supreme Court of Accounts	2008		✓	SP			✓		
	National Electricity Company (ENNE)	2018		✓	SP			✓		
Indonesia	MoF	1988	✓		EN	✓				✓
	CB	2004	✓		EN	✓				✓
Iran (Islamic Republic of)	CB	1997	✓		EN	✓				✓
Iraq	MoF	2005	✓		EN	✓				✓
	CB	2005		✓	EN			✓		
Jordan	MoF	1998	✓		EN	✓				✓
(Kazakhstan)	MoF	1996	Inactive							
	CB	1996	Inactive							
	Exim Bank	1996	Inactive							



Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	Remote access		Full	Partial	Read only	5.3	6
Lao People's Democratic Republic	MoF	2011	✓		EN	✓			✓	
Lebanon	MoF	1993	✓		EN	✓				✓
	CB	1993		✓	EN			✓		
	Council for Development and Reconstruction	1993		✓	EN			✓		
<i>(Lithuania)</i>	<i>MoF</i>	<i>1999</i>	<i>Inactive</i>							
Madagascar	MoF	2001	✓			✓				✓
	CB	2001		✓				✓		
Mauritania	MoF	1995	✓		FR	✓				✓
Mongolia	MoF	2001	✓		EN	✓				✓
	<i>(CB)</i>	<i>2001</i>	<i>Inactive</i>							
Nicaragua	MoF	1997	✓		ES	✓				✓
	CB	1988	✓		ES	✓				✓
Oman	MoF	2010	✓		AR	✓			✓	
Pakistan	MoF	1985	✓		EN	✓				✓
	<i>(CB)</i>	<i>1985</i>	<i>Inactive</i>							
Panama	MoF	1997	✓		SP	✓				✓
Paraguay	MoF	1996	✓		SP	✓				✓
	CB	1996		✓			✓			
	<i>(Ministry of Planning)</i>	<i>1996</i>	<i>Inactive</i>							
<i>(Peru)</i>	<i>MoF</i>	<i>1998</i>	<i>Inactive</i>							
Philippines	MoF	1987	✓		EN	✓				✓
	CB	2008	✓		EN	✓			✓	
Republic of Moldova	MoF	1997	✓			✓				✓
	CB	1997	✓			✓				✓
Romania	MoF	1993	✓		EN	✓			✓	
	CB	1993	✓		EN	✓			✓	
Rwanda	MoF	1990	✓		EN	✓				✓
	<i>(CB)</i>	<i>2000</i>	<i>Inactive</i>							
<i>(Sao Tome and Principe)</i>	<i>MoF</i>	<i>1997</i>	<i>Inactive</i>							
	<i>CB</i>	<i>1997</i>	<i>Inactive</i>							
<i>(Senegal)</i>	<i>MoF</i>	<i>1997</i>	<i>Inactive</i>							
Sudan	CB	1998	✓		EN	✓				✓
	MoF	2016	✓		EN	✓				✓
Syrian Arab Republic	CB	2001	✓		AR	✓			✓	

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	Remote access		Full	Partial	Read only	5.3	6
(North Macedonia)	CB	1999	Inactive							
Togo	MoF	1984	✓		FR	✓				✓
(Trinidad and Tobago)	CB	1985	Inactive							
	MoF	1985	Inactive							
(Turkmenistan)	CB	2001	Inactive							
Uganda	MoF	1985	✓		EN	✓				✓
	CB	1985	✓		EN	✓				✓
(Ukraine)	MoF	1995	Inactive							
Uzbekistan	MoF	2016	✓		RU	✓				✓
Venezuela (Bolivarian Republic of)	MoF	1998	✓		SP	✓				✓
Viet Nam	MoF	1996	✓		EN	✓			✓	
(Yemen)	MoF	1999	Inactive							
	CB	1999	Inactive							
	Ministry of Planning	1999	Inactive							
Zambia	CB	1986		✓	EN	✓				✓
	MoF	1986	✓		EN	✓				✓
Zimbabwe	CB	1986		✓	EN	✓				✓
	MoF	1986	✓		EN	✓				✓
<b>57 active country users</b>	<b>84 active institutions</b>								<b>15</b>	<b>58</b>

## ANNEX 3

### SCOPE OF DMFAS USE IN COUNTRIES IN 2019

**Coverage of DMFAS databases:** Describes what type of debt is being managed using the DMFAS installation (s) in each country.

**Reporting and analysis:** This section of the table describes whether a country is producing a statistical bulletin, defined as the existence of a stand-alone compilation of debt information published within the last 18 months which covers, at a minimum, composition and evolution of the debt stock and projection of debt services. This section also shows whether a country is producing a debt portfolio review, defined as the existence of a stand-alone compilation of debt information published within the last 18 months which covers the following: up-to-date situation of the existing debt portfolio and factors underpinning its evolution, composition and structure of the debt portfolio, debt ratios: values and trends, cost indicators and risk indicators (interest risk, currency risk, refinancing risk).

**Operational risk management:** This section of the table describes whether a country's debt management office has produced a procedures manual covering the major back office operations including, at a minimum, data entry, processing of debt transactions (disbursements, debt servicing), validation and reporting of debt, use of DMFAS and storage of agreements and transaction records. This manual has been validated by the head of the debt management office and updated within the last two years. This section also shows whether there exists within the country's debt management office a disaster recovery plan consisting of a documented set of procedures or arrangements to recover and protect the DMFAS installation in the event of a disaster. These arrangements specify actions and measures to be taken before, during and after a disaster. The relevant staff has received instructions on how to follow these procedures; these have been validated by the head of the debt management office and have been tested at least once in the last 18 months.

	Coverage of DMFAS databases			Reporting and analysis		Operational risk management	
	Central government external debt	Central government domestic debt	Central bank monitoring private external debt using DMFAS	Statistical bulletin	Debt portfolio review	Procedures manual	Disaster recovery arrangements
Albania	✓	✓	No	✓			
Algeria	✓		Yes	✓		✓	✓
Angola	✓	✓	Yes	✓		✓	✓
Argentina	✓	✓	No	✓	✓		
Armenia	✓	✓	No	✓			
Bangladesh	✓		Yes	✓		✓	
Bolivia (Plurinational State of)	✓	✓	No	✓	✓	✓	✓
Burkina Faso	✓	✓	No	✓	✓		
Burundi	✓	✓	No				
Cambodia	✓	✓	No	✓	✓	✓	

	Coverage of DMFAS databases			Reporting and analysis		Operational risk management	
	Central government external debt	Central government domestic debt	Central bank monitoring private external debt using DMFAS	Statistical bulletin	Debt portfolio review	Procedures manual	Disaster recovery arrangements
Central African Republic	✓	✓	No				
Chad	✓		No				
Chile	✓		Yes	✓			✓
Congo	✓		No	✓	✓		
Costa Rica	✓		No	✓	✓	✓	✓
Côte d'Ivoire	✓	✓	No	✓		✓	
Democratic Republic of the Congo	✓	✓	No	✓	✓	✓	
Djibouti	✓	✓	No				
Dominican Republic	✓	✓	No	✓	✓		
Ecuador	✓	✓	Yes	✓			
Egypt	✓	✓	Yes	✓	✓	✓	✓
El Salvador	✓	✓	No			✓	✓
Eritrea	✓	✓	No				
Ethiopia	✓	✓	No	✓	✓		
Gabon	✓	✓	No	✓			✓
Georgia	✓	✓	No	✓	✓	✓	
Guatemala	✓	✓	No	✓			
Guinea-Bissau	✓	✓	No	✓	✓		
Haiti	✓	✓	No	✓			
Honduras	✓	✓	Yes	✓	✓	✓	✓
Indonesia	✓	✓	No	✓	✓	✓	✓
Iran (Islamic Republic of)	✓		Yes	✓			
Iraq	✓		No				✓
Jordan	✓	✓	No	✓		✓	
Lao People's Democratic Republic	✓		No				
Lebanon	✓	✓	No	✓	✓		✓
Madagascar	✓	✓	Yes	✓	✓	✓	✓
Mauritania	✓		No				
Mongolia	✓		No				✓
Nicaragua	✓	✓	Yes	✓			✓
Oman	✓		No				
Pakistan	✓		No	✓	✓	✓	✓
Panama	✓	✓	No	✓	✓	✓	
Paraguay	✓	✓	No	✓	✓		
Philippines	✓	✓	Yes	✓	✓		✓

	Coverage of DMFAS databases			Reporting and analysis		Operational risk management	
	Central government external debt	Central government domestic debt	Central bank monitoring private external debt using DMFAS	Statistical bulletin	Debt portfolio review	Procedures manual	Disaster recovery arrangements
Republic of Moldova	✓	✓	Yes	✓	✓	✓	✓
Romania	✓	✓	Yes	✓	✓	✓	✓
Rwanda	✓	✓	No			✓	
Sudan	✓	✓	No	✓	✓		
Syrian Arab Republic	✓		No				
Togo	✓	✓	No	✓	✓	✓	
Uganda	✓	✓	No	✓	✓	✓	✓
Uzbekistan	✓		No				
Venezuela (Bolivarian Republic of)	✓	✓	No	✓			
Viet Nam	✓	✓	No	✓	✓	✓	
Zambia	✓		Yes			✓	
Zimbabwe	✓	✓	Yes			✓	✓

## ANNEX 4

### BREAKDOWN OF DMFAS CLIENT COUNTRIES ACCORDING TO INCOME GROUP, 2019

<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>
<b>Current (15)</b>	<b>Current (23)</b>	<b>Current (18)</b>	<b>Current (3)</b>	<b>59</b>
Burkina Faso (HIPC)	Angola	Albania	Chile	
Burundi (HIPC)	Bangladesh	Algeria	Oman	
Central African Republic (HIPC)	Bolivia (Plurinational State of)	<b>Argentina</b>	Panama	
Chad (HIPC)	Cambodia	Armenia		
Democratic Republic of the Congo (HIPC)	Congo (HIPC)	Azerbaijan		
Eritrea (HIPC)	Côte d'Ivoire (HIPC)	Costa Rica		
Ethiopia (HIPC)	Djibouti	Dominican Republic		
Guinea-Bissau (HIPC)	Egypt	Ecuador		
Haiti (HIPC)	El Salvador	Gabon		
Madagascar (HIPC)	Honduras (HIPC)	<b>Georgia</b>		
Rwanda (HIPC)	Indonesia	Guatemala		
Syrian Arab Republic	Lao People's Democratic Republic	Iran (Islamic Republic of)		
Tajikistan	Mauritania (HIPC)	Iraq		
Togo (HIPC)	Mongolia	Jordan		
Uganda (HIPC)	Nicaragua (HIPC)	Lebanon		
	Pakistan	Paraguay		
	Philippines	Romania		
	Republic of Moldova	Venezuela (Bolivarian Republic of)		
	Sudan (HIPC)			
	Uzbekistan			
	Viet Nam			
	Zambia (HIPC)			
	<b>Zimbabwe</b>			

Source: World Bank, available at <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

Note: Countries in bold indicate a change in income level during the year. For the 2020 fiscal year, low-income economies are defined as those with a GNI per capita, calculated using the World Bank Atlas method, of \$1,025 or less in 2018; lower middle-income economies are those with a GNI per capita of between \$1,026 and \$3,995; upper middle-income economies are those with a GNI per capita of between \$3,996 and \$12,375; high-income economies are those with a GNI per capita of \$12,376 or more. This table also indicates the countries that qualified or were eligible or potentially eligible for the HIPC Initiative.

Abbreviations: HIPC, heavily indebted poor countries

## ANNEX 5

### AUTOMATIC LINKS BETWEEN DMFAS AND OTHER SYSTEMS

DMFAS interfaces with public financial management information systems are aimed at providing support for three key processes, namely budget preparation (1), budget execution (2) and general data sharing (3) as follows:

(1) The budget preparation interface includes:

- Budget estimation: Includes screens for scheduled disbursements and scheduled debt service for external and domestic debt for active and pipeline instruments.

- Grants: These resources are not repaid and thus do not generate debt service; nevertheless, scheduled disbursement may need to be considered in the budget. This will allow for the estimation of the budget as revenue.

(2) The budget execution interface covers exchanges of information related to disbursements (D), payment orders (PO) and payment confirmation (PC).

(3) Reference data refers to common data exchanged between systems such as exchange rates, participant information and bank accounts, and budget line descriptions and budget information by instrument.

Country	Link with treasury system		Reference data (3)	Auction and/or central depository system	Other
	Estimations (1)	(2) Disbursements – D payment orders – PO payment confirmation – PC			
Angola CB	✓	D PC	✓	✓	
Albania		PO PC	✓		
Argentina (MoF)	✓	D PO PC	✓		
Argentina (Province of Rio Negro)	✓	D PC	✓		
Bolivia (Plurinational State of) (MoF)	✓	D PO			
Bolivia (Plurinational State of) (CB)					Interface with reporting and SWIFT system for payments
Costa Rica	✓		✓		
Dominican Republic (MoF)	✓	D PO PC	✓		
El Salvador	✓	D PO PC	✓		
Ethiopia (MoF)	✓		✓		
Gabon (MoF)		PO	✓		

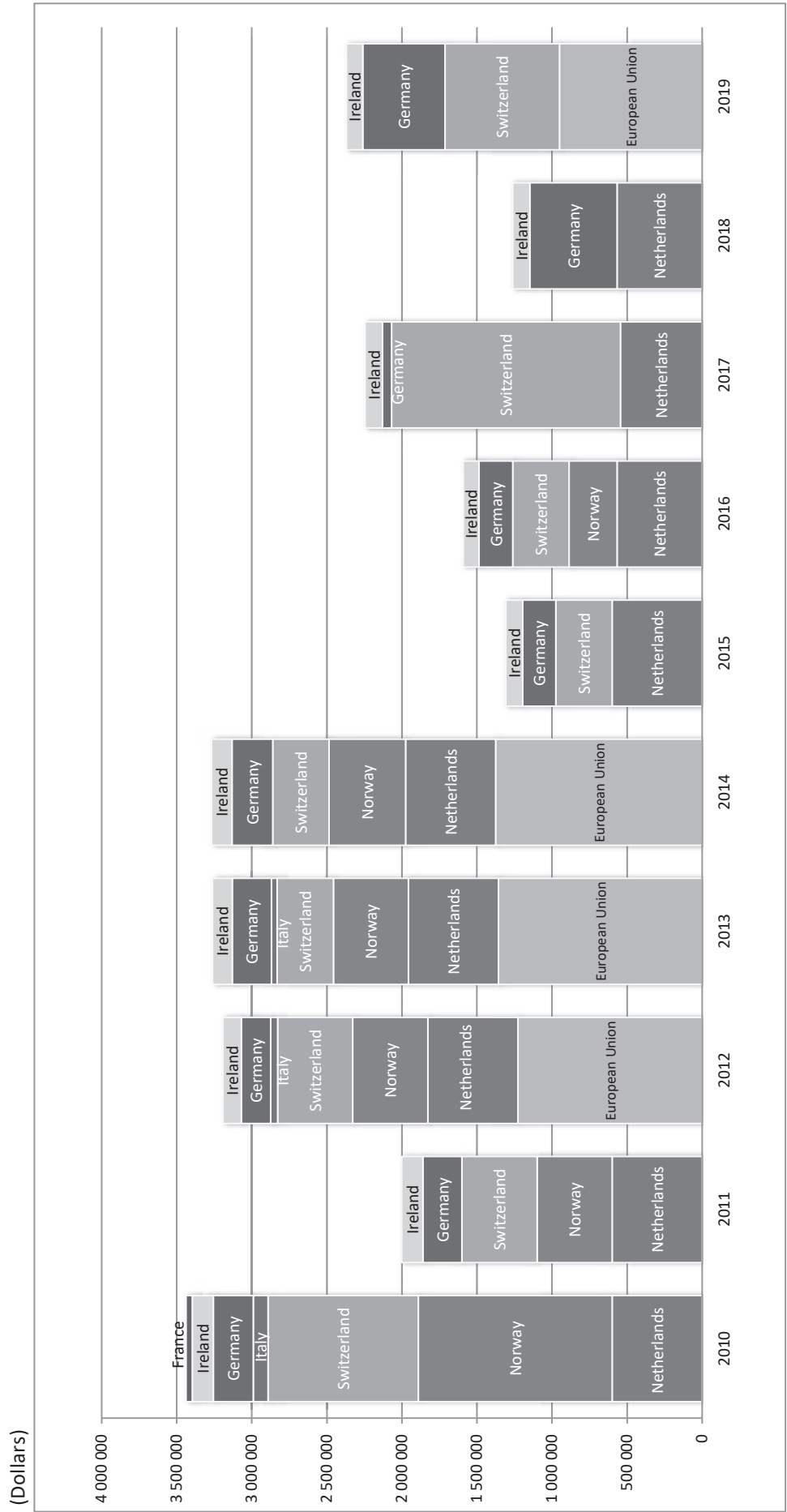
Country	Link with treasury system		Reference data (3)	Auction and/or central depository system	Other
	Estimations (1)	(2) Disbursements – D payment orders – PO payment confirmation – PC			
Guatemala (MoF)	✓	D PO			Interface with CB's domestic debt database
Honduras (MoF)	✓	D PO PC	✓		
Indonesia (MoF)	✓	D PO PC	✓	✓	
Indonesia (CB)	✓	PO PC	✓		Internal system
Madagascar (CB)	✓	PO		✓	Internal reporting tool
Mauritania	✓		✓		
Nicaragua (CB and MoF – shared database)	✓	D PO PC	✓		Link with CB's accounting system
Panama (MoF)	✓	D PO PC	✓		Internal reporting tool
Paraguay	✓	D PO	✓		
Philippines (Bureau of Treasury)			✓	✓	
Philippines (CB)			✓		Link with private debt database
Uganda	✓			✓	
Venezuela (Bolivarian Republic of) (MoF)	✓	PO - Internal Debt only	✓		
Viet Nam (MoF)	✓	PO PC	✓		
<b>Discontinued links</b>					
Burkina Faso	discontinued	New developments ongoing with regard to IFMIS			
Iran (Islamic Republic of) (CB)	discontinued	Change in version			
Jordan (MoF)	obsolete	Change in version – new link under development			
Republic of Moldova (MoF and CB)		Not a link as defined in the annex; replication environment for reporting purposes			
Madagascar (CB)	discontinued	Transfer of responsibilities			
Paraguay (MoF)	discontinued	Change in IFMIS version			



## ANNEX 6 DMFAS HELP DESK ENQUIRIES BY COUNTRIES, 2019

Country	DMFAS 6		
	Incoming	Closed	Assigned
Albania	11	9	2
Angola	56	50	6
Argentina	22	20	2
Argentina (Province of La Rioja)	3	2	1
Argentina (Province of Rio Negro)	6	5	1
Armenia	2	1	1
Bangladesh	7	5	2
Bolivia (Plurinational State of)	33	31	2
Burkina Faso	4	4	
Burundi	2	1	1
Cambodia	6	6	
Costa Rica	8	7	1
Côte d'Ivoire	5	5	
Dominican Republic	4	2	2
Ecuador	43	34	9
Egypt	5	1	4
Eritrea	4	4	
Ethiopia	2	1	1
Gabon	6	4	2
Georgia	4	1	3
Guinea-Bissau	1	1	
Honduras	8	6	2
Indonesia	8	6	2
Iran (Islamic Republic of)	3	2	1
Iraq	8	4	4
Jordan	4	4	
Lebanon	7	7	
Madagascar	2	1	1
Mongolia	17	11	6
Nicaragua	5		5
Pakistan	4	4	
Panama	11		11
Paraguay	9	6	3
Philippines	2	1	1
Republic of Moldova	10	6	4
Rwanda	9	9	
Sudan	8	6	2
Togo	3	3	
Uganda	23	16	7
Uzbekistan	47	35	12
Venezuela (Bolivarian Republic of)	9	9	
Zambia	1		1
Zimbabwe	4	2	2
Tickets reported by help desk	53	44	9
<b>Total</b>	<b>489</b>	<b>376</b>	<b>113</b>

## ANNEX 7 CONTRIBUTIONS TO THE DMFAS CENTRAL TRUST FUND PER DONOR, 2010–2019

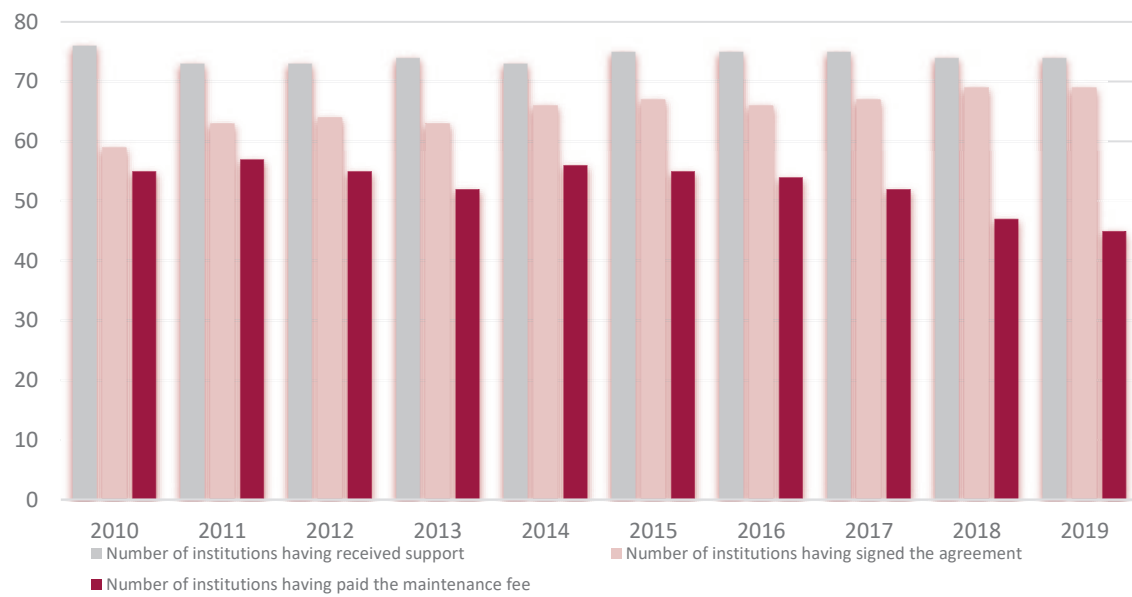


## ANNEX 8

### MAINTENANCE AGREEMENTS AND FEES

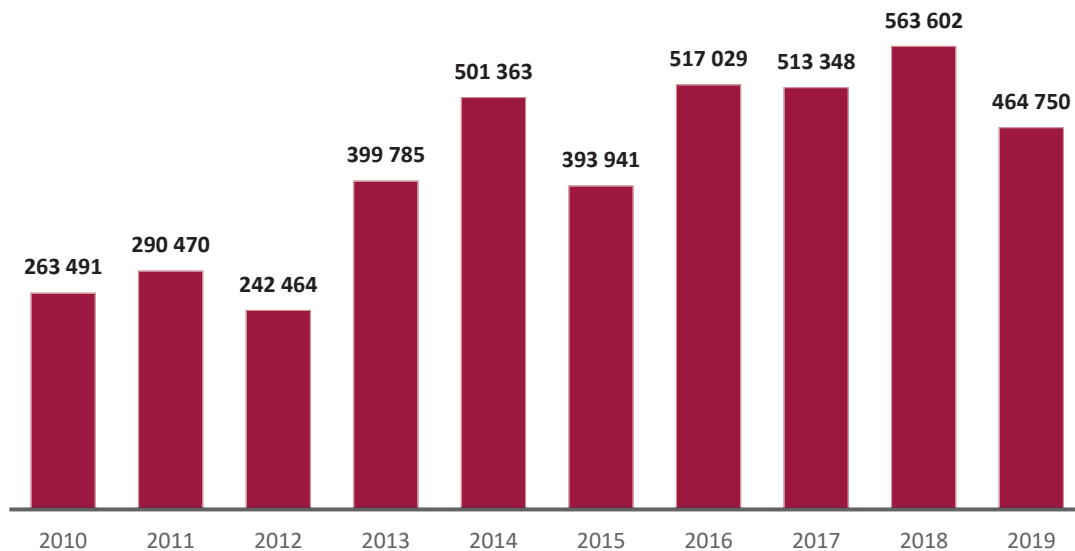
Fewer institutions appear to be paying the annual maintenance fee (see figures 1 and 2). However, this is due to some billing cycles starting late in the year for which the maintenance fees are paid the following year. Additionally, the DMFAS Programme makes a concerted effort to collect arrears.

**Annex 8, figure 1. Number of institutions that signed maintenance agreements and paid maintenance fees, 2010–2019**



**Annex 8, figure 2. Maintenance fee payments received, 2010–2019**

(Dollars)



## ANNEX 9

### EXTRACTS OF CURRENT UNITED NATIONS AND INTERNATIONAL MANDATES RELEVANT TO THE WORK OF THE DMFAS PROGRAMME

- **United Nations General Assembly Resolution 74/203 on external debt sustainability and development** (adopted on 19 December 2019)

- o " *Emphasizing* that debt sustainability is essential for underpinning growth, underlining the importance of debt sustainability, debt transparency and effective debt management to the efforts to achieve the Sustainable 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 the poor and vulnerable in particular,"

- o " *Reaffirming that* each country has primary responsibility for its own development, including through maintaining its own debt sustainability, and that the role of national policies and development strategies, including in the area of debt management, is central to the achievement of sustainable development, and recognizing that national efforts, including to achieve development goals and to maintain debt sustainability, should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty,"

- o Paragraph 7: "... stresses the need for improved data collection and quality in areas that include domestic public debt, domestic and external private debt, as well as legal and regulatory features, such as ownership, currency denomination and jurisdiction according to national priorities;"

- o Paragraph 8: "*Also reiterates* 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 and release data, where appropriate, welcomes the ongoing work of relevant institutions to apply innovative tools for monitoring financial stress in developing countries and to create a central data registry that includes information on debt restructuring, 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;"

- o Paragraph 9: "*Encourages* the United Nations system, including the World Bank Group, the International Monetary Fund and other relevant stakeholders, including the Development Assistance Committee of the Organization for Economic Cooperation and Development, to continue to conduct analytical activities and to provide policy advice and technical assistance to Governments, upon request, in the areas of managing debt, and operating and maintaining databases, and in this regard recalls that the United Nations Conference on Trade and Development should continue its analytical and policy work and technical assistance on debt issues, including the Debt Management and Financial Analysis System Programme, so that this extends not only to improvements in the timeliness and accuracy of debt data recording, but also to the enhanced coverage of public sector and other relevant debt data, including, in

particular, heretofore unrecorded or hidden debt instruments, contingent liabilities and more complex debt instruments;"

o Paragraph 10: "*Stresses* the need to strengthen information-sharing and transparency among all creditors and borrowers to make sure that debt sustainability assessments are based on comprehensive, objective and reliable data, including an assessment of national public and private debt, in order to ensure the achievement of sustainable development goals, encourages further improvement of the mutual exchange of information, on a voluntary basis, on borrowing and lending among all creditors and borrowers, and takes note of the Paris Forum initiative, which is aimed at gathering together sovereign creditors and debtors to share views and information, promoting greater debt transparency and preserving debt sustainability;"

o Paragraph 11: "*Recognizes* that the long-term sustainability of debt depends on, inter alia [...] sustainable debt management,"

o Paragraph 12: "Notes with concern that some low-and middle-income developing countries that were not part of the existing debt relief initiatives ... indicating a need to consider, as appropriate, stronger debt management initiatives for those countries, ...;"

o Paragraph 14: "*Stresses* the need for the international community to remain vigilant in monitoring the debt situation of developing countries, including the least developed countries, landlocked developing countries and small island developing States, and to continue to take effective measures, preferably within existing frameworks, when applicable, to address the debt problem of those countries, acknowledges that sound debt management initiatives can play a key role in liberating resources that should be directed towards activities consistent with the eradication of poverty in all its forms and dimensions, including extreme poverty, and with the promotion of sustained economic growth and development and the internationally agreed development goals, including the Sustainable Development Goals..."

o Paragraph 21: " *Recognizes* the role of the United Nations and of the international financial institutions, in accordance with their respective mandates, and encourages them to continue to support global efforts towards sustained and inclusive growth, sustainable development and the external debt sustainability of developing countries,..."

o Paragraph 24: " *Notes* the holding of the twelfth session of the International Debt Management Conference in Geneva from 18 to 20 November 2019, and encourages the United Nations Conference on Trade and Development, the World Bank and the International Monetary Fund to continue their analytical and policy work and technical assistance on debt issues and to promote policies for responsible, sustainable and transparent sovereign borrowing and lending, as appropriate;"

o Paragraph 31: " *Encourages* Member States, the United Nations system, the World Bank Group, the International Monetary Fund and other relevant stakeholders, and international financial institutions to scale up technical assistance in debt management, including debt data recording and reporting, and to provide greater coordination of advice, for the delivery of such technical assistance upon request, and to ensure synergies with the full spectrum of debt management mechanisms; "

o Paragraph 33: "*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 upstream and downstream debt management as an integral part of national development strategies, including by promoting transparent and accountable debt management systems..."

o Paragraph 32: "*Requests* the United Nations Conference on Trade and Development, and invites 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 activities relating to capacity-building and to early warning monitoring systems in developing countries in the area of debt management and debt sustainability with a view to contributing to the implementation of the 2030 Agenda for Sustainable Development;"

- **Nairobi Azimio** (TD/519/Add.1; adopted 22 July 2016)

o Paragraph 18: "We are aware of the negative effects of unsustainable debt on development, particularly for developing countries, and recognize the need to assist developing countries to achieve long-term debt sustainability through sound debt management and coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and to address the external debt of highly indebted poor countries to reduce debt distress."

- **Nairobi Maafikiano: From decision to action - Moving towards an inclusive and equitable global economic environment for trade and development** (TD/519/Add.2; adopted on 22 July 2016)

o Paragraph 22: "[...] Given growing concerns about external debt sustainability, public debt management to prevent and pre-empt financial and debt crises is important. The need for a central data registry, including information on debt restructurings, has also been recognized. In this regard, the long-standing work of UNCTAD on debt issues within the United Nations, including through promotion of its Principles on Responsible Sovereign Lending and Borrowing, is recognized."

o Paragraph 38(h): UNCTAD should "continue its analytical and policy work and technical assistance on debt issues, including the Debt Management and Financial Analysis System Programme, and to promote policies for responsible sovereign borrowing and lending, complementing the work done by the World Bank and the International Monetary Fund and other stakeholders, as appropriate;"

o Paragraph 38(i): UNCTAD should "continue its existing work, in coordination with relevant partners, including the Task Force on Finance Statistics, to contribute to statistical series and capacity in the fields of domestic debt, external private and public debt and debt composition;"

- **External debt sustainability and development, Report of the Secretary-General (A/70/278)**

o 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."

o 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. [...]"

- **2030 Agenda for Sustainable Development** (A/RES/70/1; adopted on 25 September 2015)

#### **Sustainable Development Goal 17.4<sup>6</sup>**

o "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"

- **United Nations General Assembly Resolution 69/313 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development**

o Paragraph 34: "We will work to strengthen debt management."

o 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."

o Paragraph 115: "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, [and] debt management."

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<sup>6</sup> The Sustainable Development Goals are not legally binding, but Governments are expected to take ownership and establish national frameworks for the achievement of the 17 Goals and their 169 targets.

## ANNEX 10

### CONCLUSIONS OF THE DMFAS ADVISORY GROUP, NOVEMBER 2019

The DMFAS Advisory Group advises the Secretary-General of UNCTAD of the following conclusions of its 12th Meeting, held in Geneva on 21–22 November 2019. The DMFAS Advisory Group, with due regard to the continuous efforts of UNCTAD:

#### *Evaluation of implementation of Strategic plan 2016–2019*

1. Recognizes the very positive results achieved by the Programme in the implementation of its 2016–2019 strategic plan.
2. Takes note of the findings and recommendations of the external evaluation (Mid-Term Review 2018) of the Programme.
3. Endorses the evaluator's conclusions that the DMFAS Programme is very relevant, that it continues to play an important role in debt data recording and reporting and that it has contributed significantly to capacity building in countries.
4. Agrees that DMFAS has had an important impact on establishing effective information systems for debt recording, debt validation and reporting, and that the performance indicators show clear improvements in debt data coverage and quality, debt data reporting and debt portfolio analysis.
5. Notes that the overall satisfaction with the Programme of donors, clients and partners is rated as very high and has improved compared with the previous evaluation in 2013.
6. Appreciates that the Programme has been rated highly in terms of cost effectiveness and timeliness of installation, adoption of necessary changes required and providing quality products and services.
7. Appreciates also that the quality rating increased for almost all areas and is particularly high for the DMFAS system, documentation, training on recording, data validation, the software and statistics.
8. Acknowledges that country needs and demand for DMFAS support remain very high, particularly for DMFAS software upgrades and its capacity-building services in debt recording, reporting, transparency and operational risk management.
9. Is encouraged by the evaluator's conclusion that Programme objectives are well-delivered, that the Programme is highly effective in the areas of debt recording and reporting and that, in relation to cost-effectiveness, the overwhelming majority of beneficiaries agreed that DMFAS is a cost-effective solution for their institution.
10. Is reassured that the Programme continues to make a significantly positive impact in the long term in terms of its relevance, effectiveness, efficiency and country specific sustainability.
11. Requests donors to recognize the conclusion that the Programme's financial sustainability, future development, installation and capacity building activities will require significant contributions from current and new donors.
12. Requests UNCTAD to implement the evaluator's recommendations, particularly in making further improvements for domestic debt, portfolio analysis and linkages to



analytical tools and in exploring how operational efficiency can be improved by more outsourcing, increased cooperation with partners, decentralization and more on-line usage.

### ***Consideration of proposed Strategic Plan 2020–2023***

13. Endorses the new Strategic Plan and corresponding implementation plan proposed by the Programme.
14. Appreciates that the new plan is a timely and very relevant response to the needs of developing and transition countries and to the concerns of the international community, including the G20 and the United Nations General Assembly, about the overall outlook for external debt sustainability in developing countries and the related problems with debt data transparency in a number of countries.
15. Welcomes that the new plan responds to the recommendations and requests of the Programme's stakeholders, including those of the DMFAS Advisory Group.
16. Considers that the new plan makes an important contribution to the achievement of the Sustainable Development Goals (SDGs) by promoting effective debt management in accordance with the Addis Ababa Action Agenda.
17. Supports the plan's focus and strategic priorities, and in particular the expanded debt coverage, the development and implementation of DMFAS 7 and capacity-building.
18. Emphasises that expanding the scope and coverage of debt instruments in the Programme's products and services will respond to the increasing complexity in debt portfolios and will help to improve debt data transparency and the availability of information for debt analysis and policymaking.
19. Requests the Programme to take account of the following needs for the development of DMFAS 7 in addition to those foreseen in the draft strategic plan:
  - Template with debt balances at the end of each year to be used for reconciliation with creditors.
  - Direct Access to Help Desk tool from the system.
  - Coverage of all costs associated with borrowing.
20. Stresses the importance of continued synergies between the DMFAS Programme's technical assistance work and UNCTAD's research and analytical work on debt management.
21. Highlights the critical importance of continuous support from the Programme's Help Desk and advisory services that provide guidance in key areas such as integration of debt management within the overall public finance management (PFM) framework.
22. Emphasises the importance of supporting DMOs with responsibilities related to Public Private Partnerships (PPPs).
23. Reiterates its recommendation that UNCTAD prioritises the establishment of DMFAS support offices in all regions to provide more effective decentralized support to countries using the DMFAS system, in accordance with the new strategic plan.
24. Appreciates that the plan includes the implementation of certification for DMFAS users which will provide many benefits for DMOs.

25. Considers that the Programme's capacity development framework will provide countries with practical solutions for meeting their capacity-building needs.
26. Appreciates that the new capacity development framework includes virtual learning methods such as E-learning and Self-study options and requests that the Programme provides as much as possible of these including online video training.
27. Understands that full implementation of the plan is subject to the availability of sufficient financial resources to cover the total estimated budget of 32 million USD over 4 years.

### ***Best practices***

28. Recommends to DMFAS user countries the following best practices:
  - Availability and implementation of a comprehensive legal framework for debt management, including the definition of responsibilities, effective coordination and information flows between institutions for the different types of public sector debt.
  - Institutional policy that promotes retention of trained staff in the Debt Management Office and provides learning opportunities when staff turnover occurs.
  - Periodic review and update, as required, of the debt procedures including those related to data processing.
  - Regular public debt management audit (compliance and performance) and external evaluations.
  - Strengthen corporate governance for state-owned enterprises (SOEs) debt management.
  - Install DMFAS in all public institutions and corporations with responsibilities for public debt or provide them with facilities for data sharing with Central government.
  - Framework defining the regional specifics regarding scope of debt, classification, and nomenclature in order to harmonise debt data of countries in the same region.
  - Implement as quickly as possible any regional instructions for data collection, management and dissemination.
  - Work collaboratively with the national Supreme Audit Institution.
29. Recommends that debt management offices have access to and follow guidelines for communicating with the public of government debt including explanation on why the government borrows.

### ***Public Finance Management (PFM) Integration***

30. Requests that UNCTAD provides the following support to countries integrating DMFAS with PFM systems:
  - Training to enhance knowledge in DMFAS database structure.
  - Assessment of feasibility of developing interfaces.
  - Support to IT Staff for the development, providing guidance for programming, and validation of the interface before implementation.
  - Support for the maintenance of interfaces.
  - Facilitate integration through providing an application program interface (API) that follows international accounting standards.

- Support for the use of new programming techniques, for example AGILE programming.

### ***DMFAS 7***

31. Emphasizes the importance of the following planned functions for DMFAS 7:
  - Facilitating imports of data such as exchange rates from other systems and platforms including Bloomberg and Reuters.
  - Optimized processing time for reports.
  - Dashboard with alert on actions to be taken by the DMFAS user.
  - Coverage of contingent liabilities.
  - New instruments such as derivatives.
  - Inclusion of loans to other countries, facilitating the calculation of net debt.
  - Market value.
  - Strengthened audit functions.
  - Secondary market.
  - World Bank Form 4.
  - World Bank statistical reports: QEDS, QPSD.
32. Welcomes the following functions planned as essential for ensuring debt data transparency:
  - Improved recording and monitoring of contingent liabilities.
  - Extended debt instruments coverage & facilities.
  - Expanded public institutional coverage.
  - Enhanced reporting with templates for Public Sector debt statistics.
  - New facilities such as electronic templates and forms for data sharing and collection between institutions including for Private Non-Guaranteed External Debt, enabling analysis of that debt.
33. Requests that UNCTAD involves government auditors in the design of specific functionalities to support internal audits.

### ***DMFAS 6***

34. Appreciates the enhancements to DMFAS 6 and in particular the link with MTDS and the calculation of nominal value in accordance with international debt statistics standards.
35. Requests UNCTAD to integrate any urgent new functionalities into DMFAS 6 if such functionality is needed before the release of DMFAS 7, to the extent possible.

### ***Debt Data Quality Framework (Debt-DQA)***

36. Welcomes the new Debt-DQA framework as a valuable addition to the tools available to debt managers for improving the quality of debt data.
37. Requests UNCTAD to integrate the automatic application of Debt-DQA in the DMFAS system as soon as possible.
38. Recommends that UNCTAD provides capacity building opportunities in Debt-DQA to all DMFAS user countries.

### ***Capacity Development***

39. Welcomes the following planned capacity building modules in contingent liabilities including PPPs, and nominal value and calculation for accrual accounting in conformity with IPSAS.
40. Emphasises the needs for countries to receive technical assistance to improve capacities for data validation, debt portfolio analysis and data preparation for MTDS.
41. Welcomes the addition of the new capacity building module on procedure manuals.
42. Highlights the need for DMFAS to provide debt management training for auditors.
43. Recommends that UNCTAD facilitates the provision of training outside formal technical assistance projects, for example through training courses at a regional level and/or in collaboration with other providers.

### ***Monitoring and evaluation***

44. Requests the Programme to organize in 2022 the mid-term independent external evaluation foreseen in the strategic plan and encourages all stakeholders to participate fully in the evaluation.
45. Asks that the Programme report back to the Advisory Group at its next meeting in 2021 on progress in implementing the new strategic plan.
46. Appreciates the results-based-management approach incorporated into the new Strategic Plan, including the well-defined and measurable expected results in the Logical Framework.

### ***Communication/Website***

47. Appreciates the improvements made to the DMFAS Website Portal, including regular updates, the availability in French and the addition of self-learning material and information on new learning modules, and requests the Programme to continue to make learning materials available on this medium.
48. Communicates its satisfaction with the Programme's successful efforts to make the Newsletter available in English, French and Spanish and requests UNCTAD to provide it in other user languages.
49. Requests UNCTAD to establish a common platform for DMFAS users to share experiences in the use of DMFAS and debt management in general.

### ***Support/Quality of services***

50. Reiterates its recommendation that the Programme provides as many services as possible in the different languages of the DMFAS user community, including documentation, release notes, help desk, workshops, website, and training materials.
51. Requests that responses to help desk queries be delivered as quickly as possible.
52. Recommends that UNCTAD seeks to establish a reserve fund for urgent training activities in between and post projects and considers including a contribution to this fund in future projects.

### ***Cooperation and partnership***

53. Emphasises 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.

### ***Business Model and Financing***

54. Reiterates the Programme's essential role in assisting countries to build sustainable capacity for the effective management of public debt, particularly in ensuring the availability of high quality debt data and statistics, and consequently assisting the international community to meet its commitments to promote debt transparency and debt sustainability as defined in the 2030 Agenda for Sustainable Development.
55. Stresses the importance of the Programme obtaining the funding necessary to enable it to fully implement its Strategic Plan 2020-2023 and to continue to respond effectively to the many and evolving demands of developing and transition countries for assistance in building sustainable capacity for the effective management of their public debt.
56. Conveys its appreciation for the donor communities financial support to the DMFAS Programme and encourages donors to continue their support and requests that the Programme continue its efforts to expand its donor base.
57. Expresses its appreciation for the participation of beneficiary countries in the funding of the Programme through the cost-sharing arrangements and requests all countries to make their annual maintenance fee payments in a timely manner and for UNCTAD to provide timely invoices.
58. Reiterates the need to ensure that the capacity of the poorest countries and of the ability of all DMFAS-user countries to pay is reflected in the implementation of these new cost-sharing arrangements.
59. Recommends that a financial mechanism be established to assist the poorest countries to upgrade to DMFAS 7, therefore facilitating faster upgrading.
60. Repeats its appreciation of the commitment 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 SDGs.





## DMFAS PROGRAMME

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