



Debt Management and Financial Analysis System Programme

ANNUAL REPORT



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2021

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Debt Management and
Financial Analysis System
Programme



UNITED NATIONS

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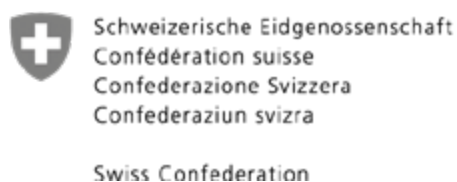
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NOTE

The designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgement 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 France, Germany, Ireland, the Netherlands, Switzerland and the European Union.



European Union

LIST OF ACRONYMS

| | |
|-----------------|---|
| ADB | Asian Development Bank |
| AGM | Advisory Group Meeting |
| Debt-DQA | Debt Data Quality Assessment |
| DeMPA | Debt Management Performance Assessment |
| DMFAS | Debt Management and Financial Analysis System |
| DMO | debt management office |
| DQAF | Data Quality Assessment Framework |
| DRS | Debt Reporting System |
| DSA | debt sustainability analysis |
| DSSI | debt service suspension initiative |
| ESCSA | Economic and Social Commission for Western Asia |
| GFSAC | Government Finance Statistics Advisory Committee |
| IFMIS | integrated financial management information system |
| IMF | International Monetary Fund |
| IPSAS | International Public Sector Accounting Standards |
| MEFMI | Macroeconomic and Financial Management Institute of Eastern and Southern Africa |
| MTDS | medium-term debt strategy |
| PEFA | Public Expenditures and Financial Accountability Framework |
| PFM | public finance management |
| QEDS | Quarterly External Debt Statistics |
| QPSD | Quarterly Public Sector Debt statistics |
| SDG | Sustainable Development Goals |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Programme |

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EXECUTIVE SUMMARY

This annual report describes the activities, achievements and financial situation of the DMFAS Programme of the United Nations Conference on Trade and Development (UNCTAD) in 2021. It is intended for the Programme's donors, development partners and beneficiary countries, and for all those interested in debt and development issues.

Over 40 years of existence, the Programme has provided assistance to 115 institutions in 74 developing countries. In 2021, two new countries joined the DMFAS community, Guinea and the Kyrgyz Republic, and two stopped using DMFAS. Over two-thirds of DMFAS clients had either low or lower-middle income levels.

The 2020–2023 strategic plan, approved by the DMFAS Advisory Group in November 2019, focuses on strengthening debt data transparency and capacity development in recording, processing, monitoring, reporting and analyzing public debt, the downstream areas of debt management considered as the foundations for effective debt management. This second year of implementation of the 2020–2023 strategic plan continued to be significantly affected by the COVID-19 pandemic. Serious concerns have been raised by the international community about the overall outlook for external debt sustainability in developing countries, and these problems have been aggravated by the pandemic. The stronger reliance on public borrowing to meet COVID-19 public spending-related demands has been accompanied by rising levels of public debt, increasing debt repayment burdens and higher risk of debt distress. Similarly, there are major concerns about problems with debt data transparency in a number of countries. It is widely recognized that in these circumstances, the effective management of public resources and liabilities, including public debt, has become even more necessary. Capacity to record, monitor and report effectively on public debt also remains crucial to mitigating the risks to debt sustainability while countries need to borrow significantly to address the socio-economic effects of the pandemic. Effective debt management, including debt data transparency, is also critical for the implementation of the emergency financing and debt moratorium measures adopted by the international community as a response to the crisis.

In this context, the DMFAS strategic plan continued to be very relevant as part of an effective response to the grave concerns about the overall outlook for external debt sustainability in developing countries and the related challenges associated with the COVID-19 crisis. Its overall development objective remained fully valid and relevant as it is to strengthen governments' capacity to manage their debt effectively and sustainably in support of poverty reduction, development, transparency and good governance.

For DMFAS user countries in 2021, the priority continued to be maintaining such capacity to ensure that comprehensive, accurate timely information on public debt is available in support of policy decisions and risk management in the context of the pandemic and catching up with the delays in recording and reporting incurred in 2020. In response to countries' needs, the Programme provided continuous support and guidance on ensuring the accuracy and completeness of public debt records and comprehensive and timely reporting. Technical advice was also provided for debt restructuring and debt relief, for example on the Debt Service Suspension Initiative (DSSI), including on the preparation of information needed for decision-making and for recording the results of the process into the database. The methods of delivery of activities changed in response to the restrictions on travel and were continuously adapted to the changing situation. The Programme increased the delivery of virtual training, including webinars, help desk and provided online support for remote access to the DMFAS software. In addition to online capacity-building, DMFAS restarted field activities where possible.

The Programme was therefore able to provide countries debt management offices with continuous support to improve their capacity to face the socio-economic challenges resulting from the COVID-19 pandemic. It also synergized its efforts in this direction with those of other organizations providing technical assistance in debt management.

In 2021, overall results improved compared to 2020. Under objective 1, they include *progress in debt coverage*, both in external and domestic debt recording. In relation to government and government-guaranteed external debt, 93% of DMFAS user countries had complete records in DMFAS, and 71 per cent of DMFAS 6 user countries responsible to manage domestic debt reported comprehensive domestic debt records. The indicators related to *enhanced transparency and reporting* also show improvements in the publication of debt statistics bulletins as well as in reporting to the World Bank Debtor Reporting System. However, due to the pandemic some reporting challenges remained in terms of timeliness of reporting to the World Bank Quarterly External Debt Statistics and Quarterly Public Sector Debt Statistics databases. Results also demonstrate the increasing importance of operational risk management, with improvements in both ensuring effective debt management procedures and disaster recovery arrangements. Progress was also made in *debt analysis* reflecting the need for many countries to prepare for debt restructuring initiatives. In relation to *strengthened public finance management integration*, countries' efforts to upgrade their information technology systems often included modifying the interfaces between DMFAS and national public finance management systems. In response, the Programme continued to support the 23 countries which already have interfaces between their own systems and DMFAS 6. Most debt management offices returned to normal operations in spite of the challenges raised by the pandemic. The Programme also continued to provide regular support to countries including higher levels of online support while travel restrictions and teleworking persisted.

The Programme provided continuous assistance for debt reporting and implementation of COVID-related debt reorganization initiatives. Implementation of the Debt Service Suspension Initiative (DSSI) and similar processes is often lengthy and complicated, hence the Programme continued to support debt management offices in recording the terms and conditions in the database, including updating the guidelines on how to handle DSSI in DMFAS.

Under objective 2, substantial progress was made in the major project *DMFAS 7 development*. Notwithstanding complications and delays caused by the Covid pandemic, development work continued in line with the priorities of the 2020–2023 Strategic Plan. In 2021, the development team was reinforced with additional staffing and partnership with an external software development company. Furthermore, a new project management framework was implemented and the resulting improvements have greatly facilitated the development process. Significant progress included completion of work on the User Interface Library ('front end'), providing the principal user interface components, and of the 'back end' of reusable business process components. Focusing on Release 1, a number of additional DMFAS 6 modules were migrated to the new platform, including the design and programming of enhancements to some modules. The critical Debt Securities module was redesigned to respond to increased business complexity and changing needs. In parallel with the development, the Programme also worked on the requirements for IPSAS compatibility and expanding data coverage. In addition, *DMFAS 6* development continued with the work on version 6.2 which will contain many important enhancements such as the interface with the medium-term debt management strategy tool and calculation of nominal value for debt securities. This version will be distributed in 2022.

Progress was also made on the *development and maintenance of capacity building products*, including self-learning material for users. The Programme localized the Basic Debt Concepts module into French to make it accessible to a wider audience. In relation to self-learning material, the Programme updated guidelines and tutorials.

In terms of *improved service delivery*, the Programme introduced a new version of its online help system, updated its online portal for technical documentation and released updated technical and installation guides. The help desk continued to be a key interlocutor for countries to ensure continued access, including remote access, to the system and received an increased number of demands.

Active cooperation with partners continued in 2021 and included participation in three partner events. In particular, the Programme actively worked with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa, MEFMI, in the delivery of joint activities. DMFAS and MEFMI are finalizing a

technical assistance partnership for supporting the countries of the region. The Programme also signed a new agreement with the World Bank to continue its role as an implementing partner in the Debt Management Facility, specifically for phase III.

In relation to *financing of the Programme*, in the context of the continuing COVID-19 crisis the Programme adjusted its budget for 2021 to enable it to provide the additional pandemic-related support needed by countries while still prioritizing its primary strategic plan objectives. DMFAS 7 software development, responding to countries' needs and fundraising remained priorities. In line with budget, significant investment was made in the development of DMFAS 7, including in outsourcing. The generous support of current donors to the Programme - namely France, Germany, Ireland, the Netherlands, Switzerland and the European Union – enabled the Programme to make considerable progress in these priority areas. The Programme also worked actively to attract new donors, resulting in France becoming a new donor to the central trust fund. The increased support provided to countries for remote access to DMFAS and remote training activities required adjustments to the budget. The postponement of a number of project activities resulted in reduced income from staff recovery. However, income from the cost-sharing by supported countries through the payment of maintenance contributions reached expected levels, demonstrating continued commitment to supporting the Programme. The year 2021 marks the twentieth year of implementation of maintenance fees. The financial vulnerabilities and increased risks of debt distress faced by developing countries, particularly the poorest, and aggravated by the COVID-19 health and economic crises, reinforced the need for effective debt management and debt transparency as intrinsically important components of public financial management. In this context, the DMFAS strategic plan 2020–2023 was demonstrated addresses these challenges.

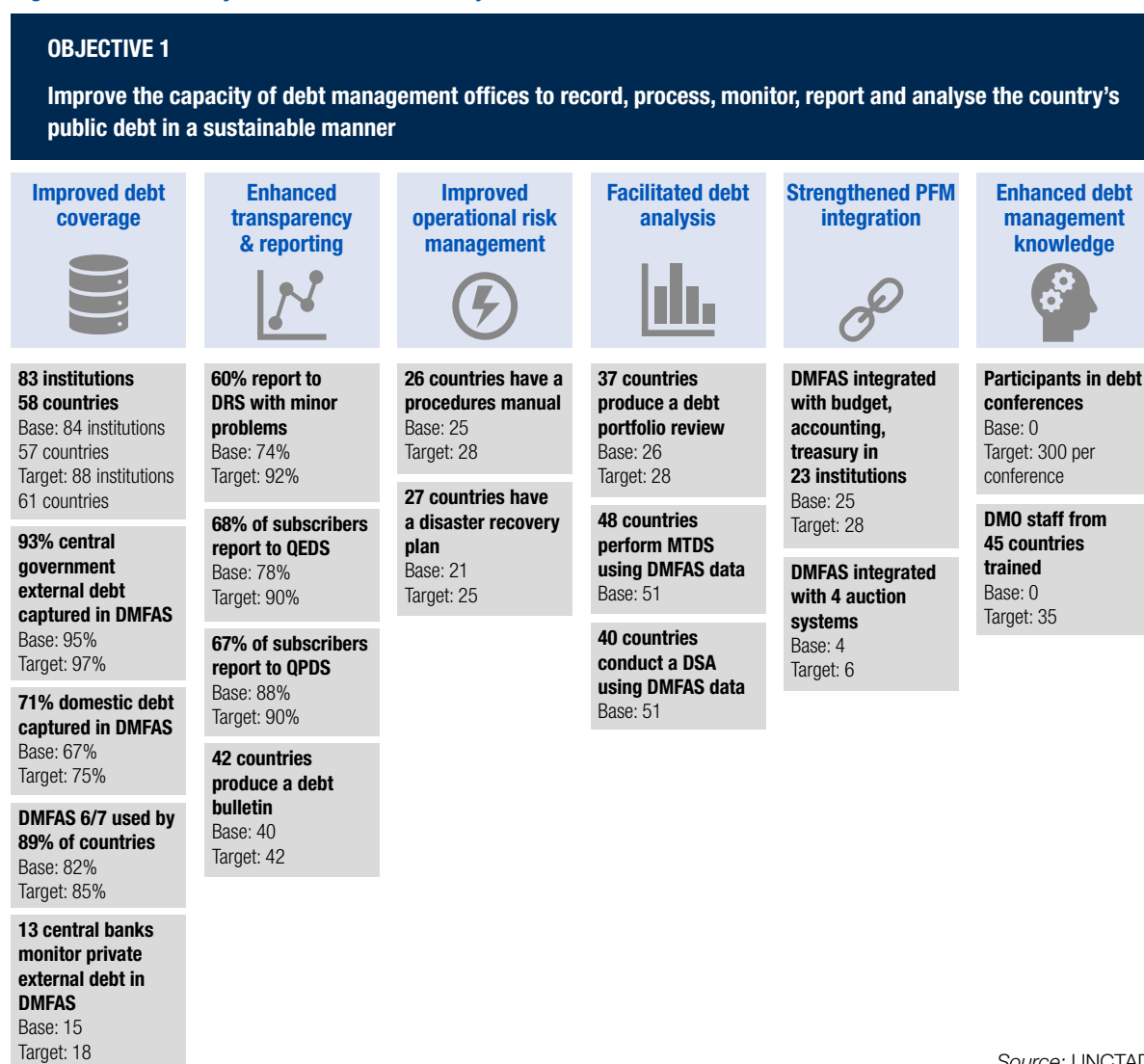
In conclusion, 40 years after the Programme's creation, developments during 2021 continued to highlight its relevance,. The Programme's activities during the year addressed the pressing needs of countries facing the challenges of financial vulnerabilities and increased risks of debt distress, aggravated by the COVID-19 health and economic crises. The DMFAS strategic plan 2020–2023 proved to be effective and adaptable in supporting countries' efforts to ensure the availability of comprehensive, accurate and timely information on public debt, thus contributing to external debt sustainability and debt data transparency.

OVERVIEW OF PROGRESS IN IMPLEMENTATION OF STRATEGIC PLAN 2020–2023

The COVID-19 pandemic continued to impose important limitations in 2021, despite implementing alternative ways of delivering assistance mainly using remote tools. Results achieved during the period in the implementation of the strategic plan under objectives 1 and 2 are summarized in figures 1 and 2.

Under objective 1, progress has been observed in the area of debt coverage, debt reporting and facilitated debt analysis while other indicators remained stable despite the challenging circumstances.

Figure 1 Summary of achievements on Objective 1 in 2021

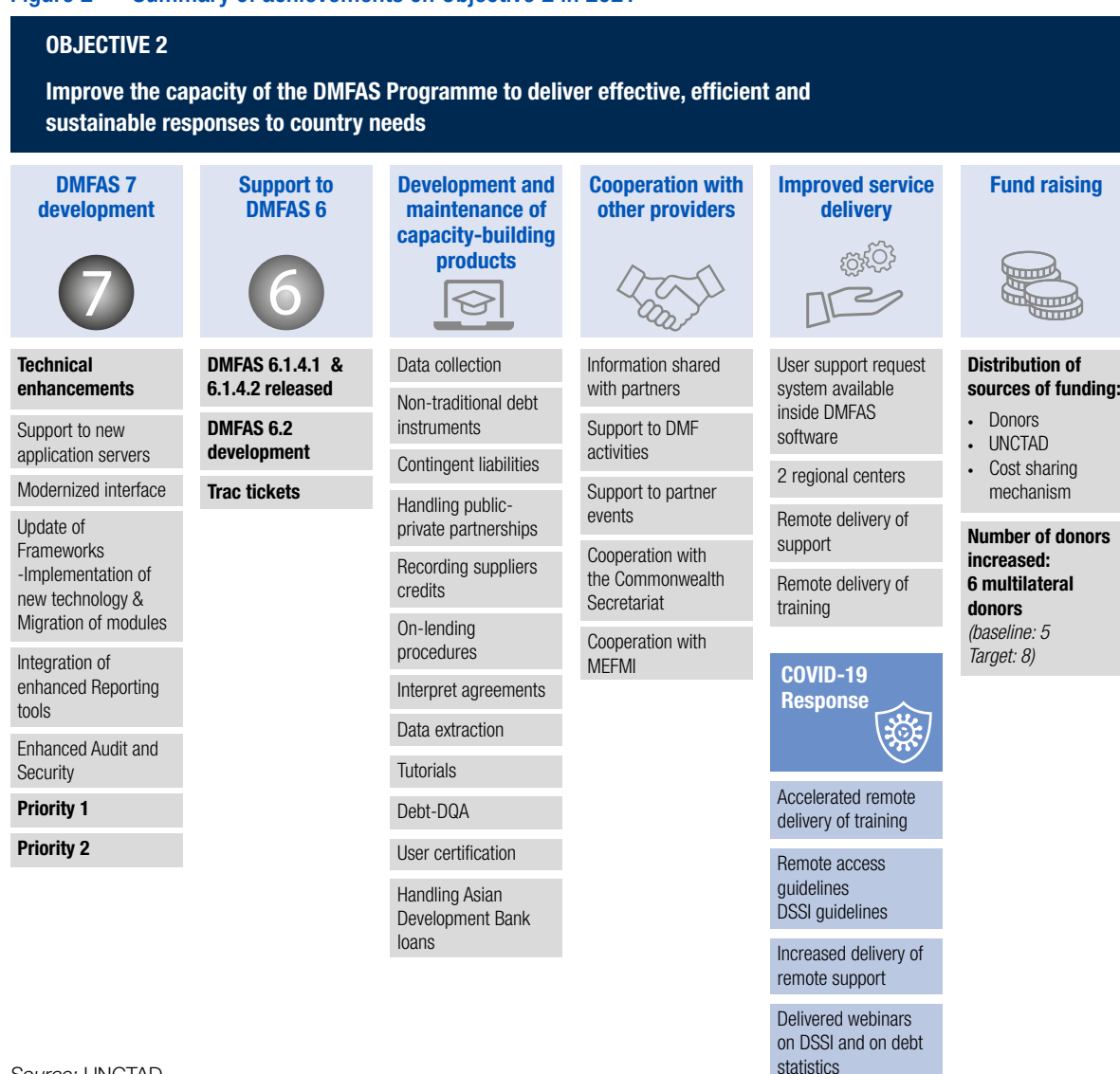


Source: UNCTAD

Under objective 2, results achieved are summarized in figure 2. Substantial progress has been made in the development of DMFAS 6 and DMFAS 7, and in adapting training provision to the continued exceptional circumstances. Progress has also been made in fundraising.

Figure 2 also includes information related to the Programme's response to the pandemic situation.

Figure 2 Summary of achievements on Objective 2 in 2021



Source: UNCTAD

PROGRESS IN IMPLEMENTING STRATEGIC PLAN

1. Overview of strategic plan 2020–2023

Approved by the DMFAS Advisory Group in November 2019, the current four-year strategic plan for the DMFAS Programme started in January 2020. It sets a forward-looking plan for the Programme to continue to deliver high-quality, relevant assistance to developing countries in response to their debt management needs.

The overall purpose of this strategic plan is to contribute to improvements in debt data transparency through helping developing and transition countries to strengthen their capacity for debt data recording, reporting and monitoring. The resulting improvements in debt data will contribute to improved debt management, risk management and debt sustainability analysis, and address the concerns raised by the international community about the overall outlook for external debt sustainability and the related problems with debt data transparency.

The development objective of the strategic plan is to strengthen Governments' capacity to manage their debt effectively and sustainably, in support of poverty reduction, development, transparency and good governance.

In line with the development objective and the Programme's comparative advantages, the plan concentrates on two main objectives. The first objective focuses on improving the technical and functional capacity of debt management offices to record, process, monitor, report and analyse the country's public debt in a sustainable manner. The second objective concentrates on improving the capacity of the Programme to deliver effective, efficient and sustainable responses to country needs. Figure 3 shows an overview of the DMFAS strategic plan 2020–2023.

Figure 3. Overview of the DMFAS strategic plan 2020–2023

| Areas of focus: | OVERALL DEVELOPMENT OBJECTIVE: | |
|--|---|--|
| | Strengthen Governments' capacity to manage their debt effectively and sustainably, in support of poverty reduction, development, transparency and good governance | |
| <ul style="list-style-type: none"> - Strengthening debt data transparency - Capacity development in downstream debt management - General government | Objective 1: Improve the capacity of DMOs to record, process, monitor, report and analyse the country's public debt in a sustainable manner | Objective 2: Improve the capacity of the DMFAS Programme to deliver effective, efficient and sustainable responses to country needs |
| | Capacity-building on debt data validation and Debt-DQA debt statistics, debt portfolio analysis, procedures manual | DMFAS 7 development |
| | Advisory services for IFMIS integration | Support to DMFAS 6 |
| | Certification of skills in DMFAS usage | Development and maintenance of capacity- development products |
| | Knowledge management through conferences, Newsletters, Website | Cooperation with other providers |
| | E-learning and self-learning | Establish regional centres |
| | Helpdesk response to user requests | Fundraising |

Source: UNCTAD

As in previous plans, the 2020–2023 strategic plan includes performance indicators that will allow monitoring the progress throughout its implementation. See annex 1 for the result framework of the strategic plan.

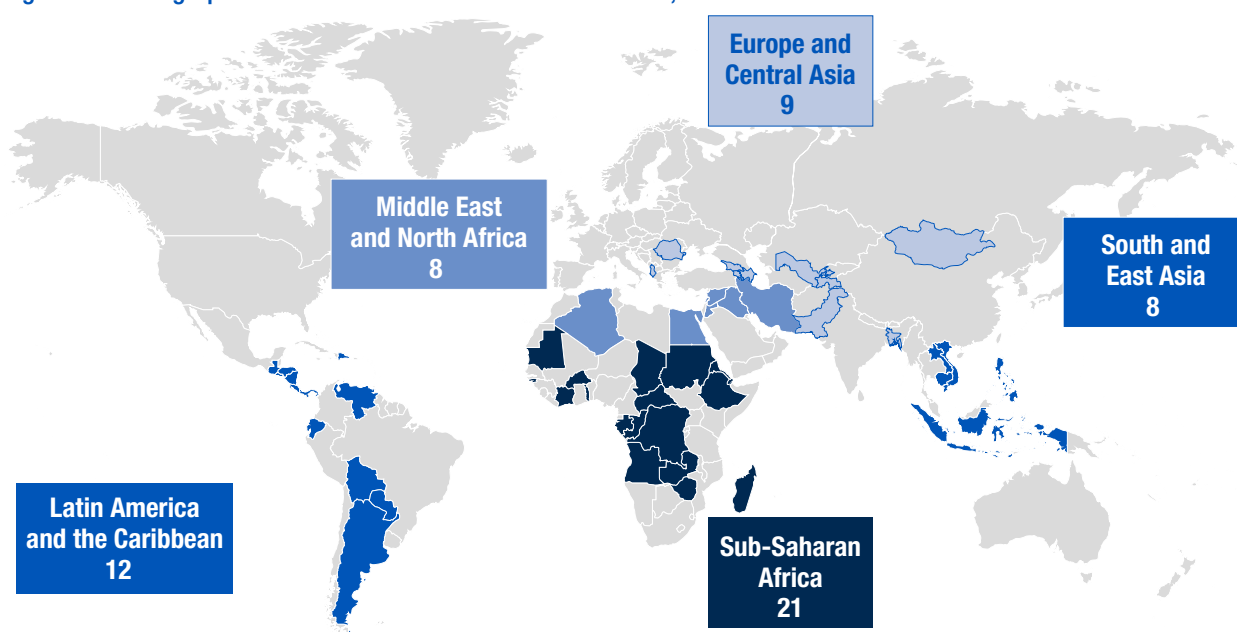
DMFAS user countries

Since its inception in 1981, the Programme has provided technical assistance to 115 institutions in 74 countries. In 2021, two new countries joined the DMFAS community, namely Guinea and the Kyrgyz Republic and two countries stopped using DMFAS, namely Haiti and Oman. The high number of DMFAS clients together with a fidelity rate of 78 per cent since the Programme's establishment shows the continued relevance of the system and related capacity-building services to developing countries.

In 2021, the DMFAS community is strong with 58 countries.

Figure 4 shows the geographical distribution of active countries. Approximately one-third of supported countries are in Sub-Saharan Africa, one quarter in Latin America and the Caribbean and the remainder spread across the Middle East, North Africa, Asia and Europe.

Figure 4. Geographical distribution of DMFAS user countries, 2021



Source: UNCTAD

2. Key results achieved in 2021

This report contains information on the Programme's performance indicators at the end of 2021. Annex 1 provides a summary table of the objectives and expected results, as well as overall achievements in 2021.

Results under objective 1

The indicators under Objective 1 show progress in the area of debt recording, debt reporting and portfolio reviews. Results for objective 1 include:

93% of external central government debt recorded in DMFAS



71% of domestic debt recorded in DMFAS



- Government information systems established for effectively managing complete, up-to-date and reliable debt databases. At the end of 2021, **58 countries**, including two new countries, Guinea and the Kyrgyz Republic, and 83 institutions, were actively using DMFAS.
- **93 per cent** of countries had developed comprehensive, reliable debt databases in respect of **central government and government-guaranteed external debt**, which is stable compared to 2020.
- **71 per cent of DMFAS 6 user-countries** whose debt management office is responsible for monitoring domestic debt, were using DMFAS to manage their entire **domestic debt portfolio**. This shows continued efforts of DMFAS countries to improve external and domestic debt records, such as in Ecuador, Guinea-Bissau and Uzbekistan.
- **13 central banks** were monitoring **private external debt** using DMFAS

In relation to *enhanced transparency and reporting*, 2021 saw a return to regular debt reporting, although some countries still faced challenges to report on a timely basis:

- **95 per cent** of low- or middle-income countries reported to the **Debtor Reporting System** of the World Bank, and 60% with no or minor issues.
- **69 per cent** of DMFAS user countries were participating in the **IMF-World Bank Quarterly External Debt Statistics database (QEDS)**, 69 per cent of which timely provided data for the third quarter of 2021. Two new countries started to report in 2021, Guinea-Bissau and Uzbekistan and six countries were only one quarter behind.
- **67 per cent** of DMFAS user institutions that subscribed to report to the **IMF-World Bank Quarterly Public Sector Debt database (QPSD)** reported. One country returned to timely reporting and three were one quarter behind.
- **42 countries produced debt statistics bulletins**. Countries that produced a debt bulletin for the first time or resumed publishing included Central African Republic, Guinea-Bissau, Lao Peoples' Democratic Republic, Uzbekistan, Zambia and Zimbabwe. As part of the new strategic plan, this indicator has been strengthened by adding the publication of the bulletin as a success criterion.



42 countries produced debt statistics bulletins

Improved results in operational risk management include:

- **26 countries have an up-to-date procedures manual** for back-office operations.
- **27 DMFAS user countries have a disaster recovery plan** for the DMFAS software.

For *facilitated debt analysis*, medium-term debt strategy and debt sustainability analysis targets, progress has been made in basic analysis and include:

- **37 countries were regularly preparing debt portfolio reviews**, including new countries such as Algeria, Cambodia, Central African Republic, and Zambia.
- DMFAS is the main source of debt data for preparing a medium-term debt strategy (MTDS) in 48 countries and for debt sustainability analysis in 40 countries.



37 countries produce regularly debt portfolio reviews

Under *integration with public finance management (PFM)*, **23 institutions in 18 countries had linked the DMFAS database with other integrated systems, 19 of which with treasury systems and four with auction systems.**

23 
interfaces

For *enhanced debt management knowledge*, most activities were delivered online and the webinars on the Debt Service Suspension Initiative and on debt statistics were largely attended by DMFAS users. In 2021, the Programme trained **616 officers from 32 countries** during training activities, **46 per cent of which were women**. After the complete suspension of field mission activities in March 2020, training activities were conducted remotely. Field activities resumed slowly and under strict conditions in September 2021.

46% of trained officials are women



Results under objective 2

Below is the list of expected results for immediate objective 2, with a description of progress made in 2021:

- **Major new DMFAS version developed: DMFAS 7** – development continued on the User Interface Library, on the migration of “back end”, on the Dashboard and on the Report module. The debt securities module was redesigned and requirements for IPSAS compatibility and expansion of data coverage were defined.
- **DMFAS 6 enhanced.** At the end of 2021, **DMFAS 6 was installed in 62 institutions in 49 countries**, representing 77 per cent of DMFAS user institutions and 89 per cent of DMFAS countries, including two installations, in the Ministry of Finance of the Lao Peoples’ Democratic Republic and in the Central Bank of the Philippines. In addition, DMFAS release 6.1.4.2 was distributed in February 2021 and the release of DMFAS 6.2 is expected in 2022. They contain a large number of enhancements, including the interface with the medium-term debt strategy tool of the World Bank /IMF and calculations of nominal value.

7 
6

In relation to development and maintenance of capacity building products, the Programme continued to develop learning products aiming at responding to the needs of users for personalized training. This year, the Programme published all **basic debt concepts fact sheets** in English and in French and updated several guidelines, including the one on the recording of the Debt Service Suspension Initiative in DMFAS.



In the area of cooperation with other providers the Programme has participated in **three partners events**. The Programme organized jointly with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) three DMFAS training including one regional. In relation to the Debt Management Facility, the partnership agreement for phase III was signed between the World Bank and the Programme in June. Cooperation with the World Bank also includes assisting and encouraging countries to report to international databases, including the DRS and QEDS/QPSD.

3 partner events



In the area of improved service delivery, the Programme adapted to the pandemic situation by accelerating the tailoring of its training and capacity building material to remote delivery and strengthening its remote support to countries. It provided effective support to user countries through its help desk, which responded to 258 requests. It delivered country-specific technical assistance through 36 capacity building workshops and other support activities in 14 institutions in 13 countries. The Programme also signed three new projects: with Chad, Kyrgyzstan and with Burundi. In addition, six amendments were signed to extend projects due to the COVID-19 crisis.

In relation to *fundraising*, the Programme has worked with current donors on new multi-year commitments and has reached out to new potential donors. In addition, the Programme prepared new material for fundraising purposes in line with its fundraising strategy, including a new brochure and a set of success stories for potential donors and a briefing to the Permanent Missions to the United Nations on the occasion of the DMFAS 40th Anniversary. In 2021, the Programme welcomed France as its latest new donor.

With regard to overall financing, the Programme worked actively to attract new donors resulting in France becoming a new donor of the central trust fund of the DMFAS Programme in 2021. In the context of the continuing COVID-19 crisis, the DMFAS Programme has adjusted its budget in 2021 while still prioritizing its primary strategic plan objectives and fulfilling the needs of beneficiary countries. The Programme has prioritized DMFAS 7 software development through significant investment in the resources required for it as well providing support to countries for remote access to DMFAS and remote training activities. In 2021, donors to the Programme were France, Germany, Ireland, the Netherlands, Switzerland and the European Union.



3. Activities implemented in 2021

This section describes the activities implemented by the Programme in 2021, including the solutions offered in response to the pandemic. It also describes the status of the Programme's capacity building activities at the country project level.

3.1 DMFAS response to COVID-19 pandemic



The Programme continued to adapt its support to countries' changing requirements as they faced the challenges of the COVID-19 crisis, as it had done since the general ban on international travel introduced in March 2020. It monitored the operational status of debt management offices in user countries and their needs to align its operations accordingly, including:

- Increased support in capacity building in debt reporting as preparation for debt reorganization and debt relief negotiations, including through webinars on debt statistics.
- Increased support in recording, reporting and monitoring COVID-related debt reorganization initiatives using DMFAS.
- Continued support for remote access to DMFAS
- Continued delivery of capacity-building activities when traditional face-to-face training is impossible due to travel restrictions. Starting from September 2021, field missions could be organized under strict conditions and field activities were conducted in Burkina Faso, Burundi, Egypt and in Guinea Bissau.

In 2021, DMFAS activities included:

- Help desk and advisory services
- Remote and field delivery of training, seminars and support
- Support for debt reorganization related to COVID-19
- Support for remote working
- Development of DMFAS 6 and DMFAS 7
- Synergies with other technical assistance providers

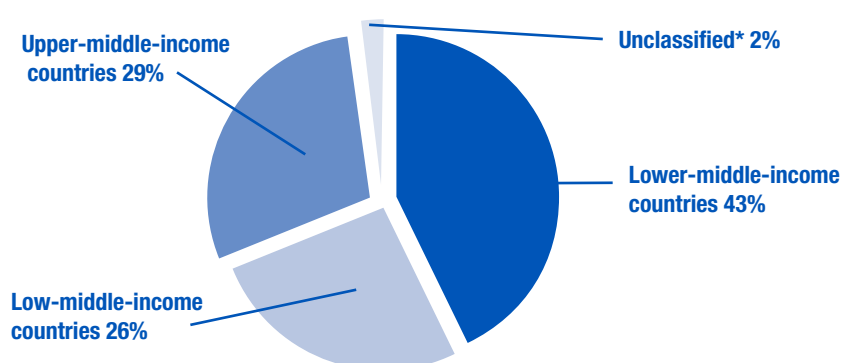
3.2 Country project activities

Despite the pandemic, discussions with countries for the Programme's products and services continued and the DMFAS Programme signed new project agreements with the ministries of finance of Burundi, Chad and Kyrgyzstan.

Respond to the 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 in 2021. As shown, the vast majority of DMFAS clients belongs to the low-income and lower-middle-income categories. See annex 4 for a breakdown by country.

Figure 5. Active users of DMFAS by income group, 2021



*Venezuela (Bolivarian Republic of) has been temporarily unclassified by the World Bank in July 2021 pending release of revised national accounts statistics.

Source: UNCTAD/World Bank

DMFAS projects are tailored to the different situations of countries and their income status. In addition to the current crisis, one major difficulty many low-income countries still face is the capacity to recruit and retain qualified staff, requiring repeated technical training as well as capacity building in the fundamentals of debt management, including debt recording and reporting. Middle-income countries are usually stronger at maintaining 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.

Several trends in debt management are shaping the range of services of the DMFAS Programme:

- The international focus on improving debt recording and debt reporting to enhance debt data transparency: the Programme continues to focus on debt reporting and debt statistics, in collaboration with other stakeholders.
- The growing importance of domestic financing: capacity building in domestic debt management is now included in all DMFAS projects.

Over two thirds of DMFAS user countries have a low-income level

- The need to integrate DMFAS into the larger financial or public finance management system: most of the new projects include an integration component. The main focus of the Programme with regard to these interfaces is to provide technical assistance in designing, building and maintaining the relevant links.

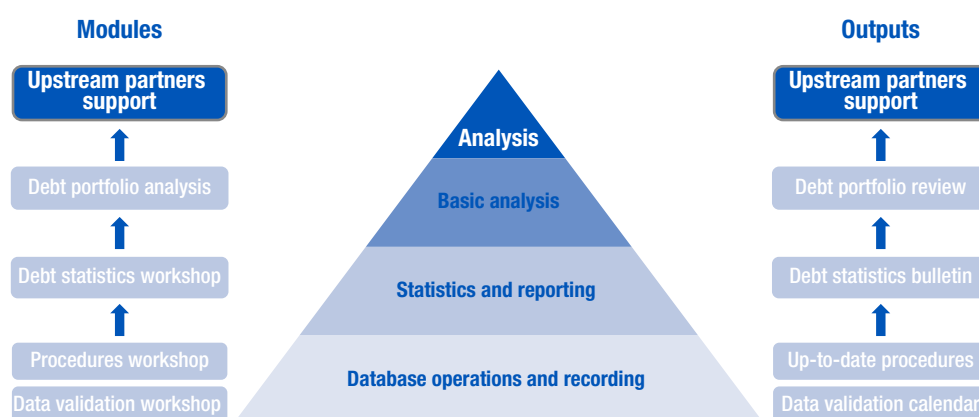
In addition, in 2020-2021, the COVID-19 pandemic accelerated certain changes in the modes of delivery for DMFAS support, in particular by developing the capacity to deliver its support remotely. The pandemic has reinforced the need for remote access to debt databases to ensure continuous recording, reporting and monitoring of public debt including in exceptional circumstances.

3.3 Implementation of capacity-building activities in 2021

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.

Figure 6. DMFAS capacity-building approach



Source: UNCTAD

Capacity building activities in times of pandemic

Remote delivery of capacity building

The suspension of official travel from March 2020 due to the COVID-19 crisis heavily impacted the delivery of DMFAS in-person capacity building activities. Nevertheless, in 2021 the Programme continued to offer online activities, including webinars, to client countries accepting the remote format. A number of countries declined this option, mainly due to technical difficulties (internet connection with weak bandwidth; limited capacity to work from home; etc.), preferring to wait until planned missions can be organized. The Programme began a gradual return to field activities at the end of the year.

Gender balance in DMFAS training

In 2021, the Programme had organized or co-organized 38 capacity building events, including technical and functional on-the-job training and a needs assessment mission. In addition, the Programme participated in three partner events including the Debt Management Facility Implementing Partners meeting and to a regional event with the IMF's CEMAC. In addition,

the Programme jointly delivered with MEFMI two functional training activities. In 2021, 613 officers from 32 countries were trained, of which 46 per cent were women.

Table 1 provides a breakdown of how DMFAS capacity building activities were distributed by region from January to December 2021. Of these, eleven were related to DMFAS functional training, and another six to DMFAS 6 installations and technical training, including the remote installation of DMFAS 6 in the Ministry of Finance of Lao PDR and in the Central Bank of the Philippines. Two data validation activities were organized in Azerbaijan (remote) and in Egypt (field mission). In-country missions also included two debt statistics workshops in Burundi and two on debt portfolio analysis in Burkina Faso. Finally, four webinars were offered on handling DSSI in DMFAS and on best practices on debt statistics.

Demand for capacity building continues to be high but further delays in implementing some activities in 2021 are directly linked with the continued COVID-19 crisis.

Capacity-building activities were carried out by central staff and 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.

Table 1. Regional distribution of DMFAS capacity building and other activities, 2021

| | East Asia and the Pacific | Europe and Central Asia | Latin America and the Caribbean | North America | Middle East and North Africa | South Asia | Sub-Saharan Africa | Total |
|--|---------------------------|-------------------------|---------------------------------|---------------|------------------------------|------------|--------------------|-----------|
| DMFAS functional training | 4 | 1 | | | 2 | | 4 | 11 |
| Information and communications technology: installations/training/links | 2 | | | | 1 | | 4 | 7 |
| Capacity building in data validation, debt statistics, debt portfolio analysis and other | 2 | 1 | | | 1 | | 11 | 15 |
| MTDS, DeMPA and reform plan | | | | | | | | 0 |
| Needs assessments | | | | | | | 1 | 1 |
| Project management | | | | | | | 1 | 1 |
| Partner coordination | | | | 1 | | | 2 | 3 |
| Total | 8 | 2 | 0 | 1 | 4 | 0 | 23 | 38 |

Source: UNCTAD

Table 2 lists the total number of capacity building activities implemented in countries in 2021.

Table 2. Implementation of capacity building modules, 2021

| Capacity-building modules | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------|-----------|-----------|-----------|-----------|----------|-----------|
| Debt portfolio analysis | 3 | 3 | 2 | 3 | | 2 |
| Debt statistics | | 3 | 5 | 3 | | 6* |
| Data validation | 10 | 6 | 9 | 5 | 2 | 2 |
| Other capacity-building modules | 2 | 2 | 4 | 3 | 2 | 4 |
| Total | 15 | 14 | 20 | 14 | 4 | 14 |

* Includes webinars on debt statistics

Source: UNCTAD

Maintenance and translation of learning products

In addition to the adaptation of existing material to deliver remotely capacity building support, the Programme continued its localization work to make the latest learning products accessible to a wider audience.

In particular, the full set of fact sheets on Basic Debt Concepts was localized in French and published in October in the client area of the website. This was an opportunity to make minor corrections and republish the English version of the fact sheets. Spanish localization will be the next and final phase of the Basic Debt Concepts project.

The learning goal of this self-learning material is for new staff of the back office 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 avoid common mistakes. The debt management offices can use this material to address staff turnover and rely on staff with the required knowledge of basic debt concepts.

3.4 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 this be through updates to the current versions or through the development of entirely new versions of the system.

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

- Development of version 7
- DMFAS 6 development on releases 6.1.4.2 and 6.2
- Support in integration.
- Support and maintenance.
- Remote implementation of DMFAS 6 and updates in countries.

**Basic Debt
Concepts fact
sheets in English
and French**

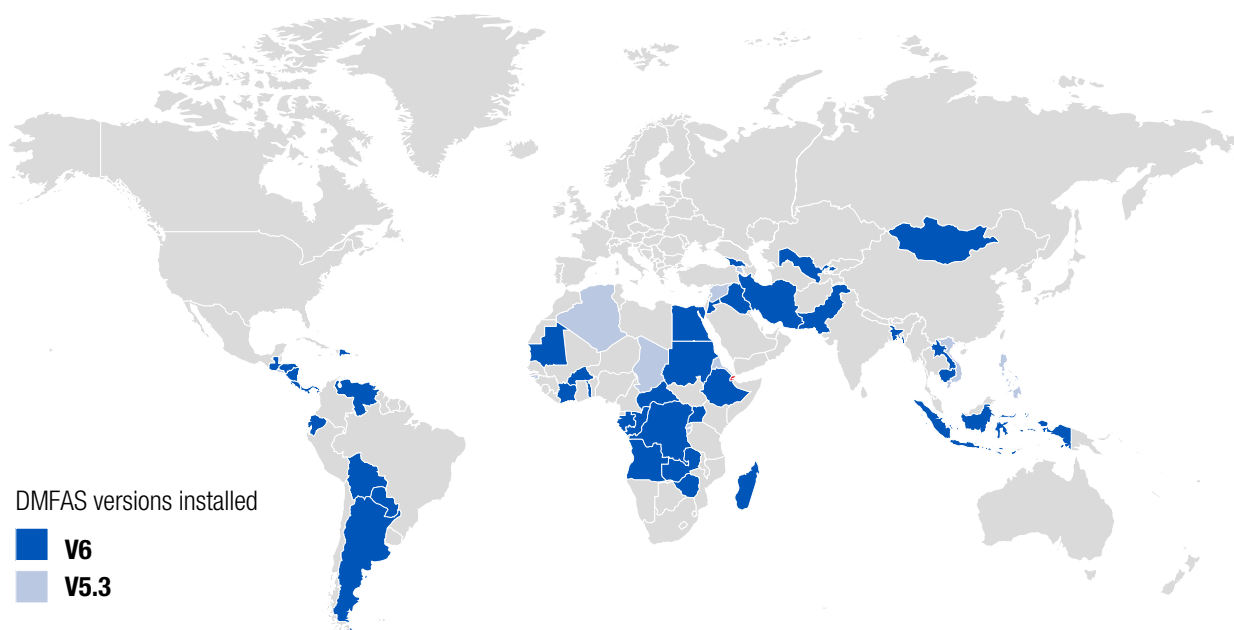
Overall DMFAS installations

DMFAS 6 is installed in 62 institutions in 49 countries, including one new country in 2021, the Ministry of Finance of the Lao People's Democratic Republic and one additional institution, the Central Bank of the Philippines that upgraded to version 6. DMFAS 5.3 is used in six countries (see figure 7 and annex 2 for more details). The installation of DMFAS 6 at the Ministry of Finance of Guinea and at the Ministry of Finance of Tajikistan have been postponed to early 2022 due to the COVID-19 crisis and delays in purchasing IT equipment linked to the shortage of semi-conductors.

89 per cent of countries use DMFAS 6

In 23 user countries, the system was being used by more than one institution. In about half of these, the system was shared by 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 finance management. More details can be found in annex 2.

Figure 7. DMFAS installations, 2021



Source: UNCTAD

Note: The boundaries on this map do not imply official endorsement or acceptance by the United Nations.

DMFAS 6 users: Albania, Angola, Argentina, Armenia, Azerbaijan, 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, Lao People's Democratic Republic, 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, Djibouti, Romania, Syrian Arab Republic, Viet Nam.

Development of DMFAS 7

Despite delays arising from the Covid pandemic and to a certain extent, from the semiconductor shortage, development work on DMFAS 7 continued throughout the year in line with the priorities of the 2020–2023 strategic plan.

DMFAS 7 will respond directly to the requirement to improve debt data transparency by expanding debt data coverage, enhancing reporting functions and implementing necessary major technical updates. It will enable comprehensive recording, reporting, monitoring, management and analysis of the full range of public sector debt. It will also facilitate exporting data for the purpose of medium-term debt strategy formulation, risk analysis and debt sustainability analysis.

DMFAS 7 will be released in two major blocks. The first release will include all DMFAS 6 functionalities, as well as enhancements on reporting and on existing modules (loans, reference files, security and audit, redesigned debt securities module, and customized calculations) as well as new modules for new debt instruments, for the link with the Debt Sustainability Framework and Debt Portfolio Review reports and for the interfacing with other systems. Figure 8 shows the priorities for DMFAS 7 development.

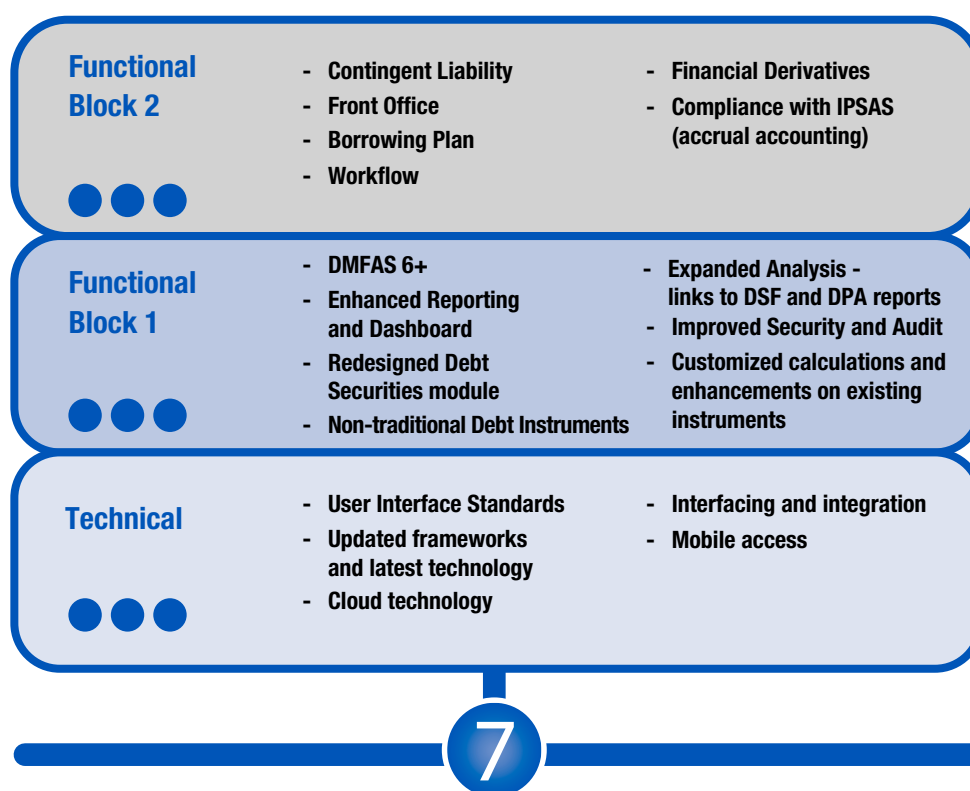
During 2021, the development team was reinforced through the addition of new staff to the development team in Togo and further collaboration with an external software development company. To support coordination between the expanded team and manage the complexity of the project, the project management framework Scrum was implemented. Scrum is a powerful, easily adaptable, flexible, and effective Agile framework that is intended for innovative and complex development projects. While the implementation of the methodology involved a considerable investment of time and effort, the resulting improvements in communication and coordination have considerably facilitated the development process.

During the year, the team completed the development of the User Interface Library, which provides the principal interface ('front end') components needed for the development of the individual modules of the system. Migration of the 'back end' also continued, creating a library of processing components, including reusable business functions, validation and database mapping. With a focus on Release 1, the team also redesigned the DMFAS 7 Debt Securities module, including a new user interface and enhanced navigation with the support of the external company, and the user experience testing for this module is planned before the end of the year. The technical and business requirements for the development of the Dashboard and the Reports module were defined and development of both modules was undertaken, with finalization also expected by December. A number of additional DMFAS 6 modules were migrated to the new platform during the year, with the migration process including the design and programming of enhancements to some existing modules. Hardware and software critical for the development was acquired.

In parallel, the development is working on business requirements for Release 2, including:

- IPSAS compatibility: identification of requirements for the calculation of amortized cost in DMFAS, undertaken in collaboration with Zurich University of Applied Science and the IPSAS board.
- Expanding debt data coverage: Analysis of requirements to facilitate sharing of data from one entity to another, for example between local governments or for state-owned enterprises and the central government and for private non-guaranteed debt through electronic forms and import/export functions. This work is conducted in collaboration with Angola and MEFMI.

Figure 8. DMFAS 7 functionalities



Source: UNCTAD

DMFAS 6 developments in 2021

DMFAS 6 is available in four United Nations languages: English, French Spanish and Russian.

A new update of DMFAS 6, release 6.1.4.2, was distributed in February 2021 as a sub release of version 6.1.4 which contains corrections and enhancements to existing features such as:

- New calculation for an annuity with variable interest rates
- Recording of commission refunds for loans.
- New standard operational report which displays detailed, real-time statistics about the instruments in the database in addition to a new report to display the security configuration of the system.

The release also included an updated version of the online help is available in three languages (English, French and Spanish).

Testing of release 6.2 is ongoing and its release is planned for 2022. This new release will contain a large number of enhancements and new features including:

- Calculation of nominal value for debt securities
- Interface with the medium-term debt strategy (MTDS) tool
- Enhancements in Data Export

Links with other systems

The DMFAS application has in-built web services to support and facilitate the integration with other applications and the Programme provides support to countries wishing to link DMFAS with other systems, including integrated financial management systems.

In 2021, 23 DMFAS installations in 18 countries were linked with other financial management systems, including 19 with treasury systems and 4 with auction systems (see annex 5).

Improved service delivery

In 2021, help desk support remains a key communication channel with users. Support was provided on a wide range of functional and technical issues through the Trac system, e-mails, remote access and through the UNCTAD FTP server. In 2021, the DMFAS help desk received a total of 420 client tickets on DMFAS 6. Of these, 258 requests were satisfactorily closed, and the remainder (162) was being processed (see annex 6).

During the pandemic the use of video conference and remote access services to provide support became a standard practice. In line with this, the help desk continued to receive increasing number of requests for technical support through remote access. This included interventions to resolve technical issues within the system, as well as other remote sessions to support the installation and verification of updates and other minor interventions providing database support.

The Programme distributed in the client area of its website a set of guidelines for the configuration of remote services in using DMFAS. These guidelines proved to be useful to many institutions implementing remote access services for their debt offices as part of their effort to continue with operational activities.

User documentation

Guidelines on Handling the Debt Service Suspension Initiative (DSSI) in DMFAS

An updated version of this document was released in English and French. This document briefly explains how agreements resulting from the Debt Service Suspension Initiative can be recorded in DMFAS. The guidelines are intended primarily for DMFAS users. A webinar was delivered in January in English, concluding a series initiated in 2020, to complement the guidelines and show users how to record the suspension in DMFAS.

Recording a Bond in DMFAS

This tutorial, initially released in 2020, was revised during the year to take into account feedback from users. It was also translated into French and Spanish. This tutorial covers the use of both the Debt Securities module and the Auctions module.

Glossary of Debt and DMFAS

A minor revision of the Glossary of Debt and DMFAS was launched this year to take into account recent developments with respect to LIBOR rates as well as new DMFAS features. In August, the new Glossary was delivered simultaneously in English, French and Spanish.

In addition, a first draft of a new user documentation supplement was produced; it relates to the new MTDS module to be delivered in the next release of DMFAS. The document will lead users through the different steps necessary to generate the export file containing the MTDS data set. It will be finalized in 2022.

All user documentation has been made available in the client area of the DMFAS website, including recordings of webinars.

Increased remote support

Updated DSSI guidelines and webinar

Technical Documentation

A new version of the online help systems for DMFAS 6 was released in January 2021, corresponding to version 6.1.4.2. For both online help systems, the English version was released simultaneously with the localized French and Spanish versions.

The portal for technical documentation was also updated with the latest versions of the documents. Introduced in 2019, this HTML5 interface provides online access to technical documentation directly from the DMFAS software. Resources include the installation guides, the installer program, database administrator guides, recent release notes and other useful material.

A new guide, the DMFAS 6 Installation Guide 19c, was finalized and delivered this year through the technical documentation interface.

In 2021, the Programme focused its efforts on translating the technical documentation. As a result, the following documents are now available in French and Spanish:

- Customizing DMFAS 6
- The Application Server Installer
- The DMFAS Installer Program
- Post Installation
- Creating a Replication Database

A new technical document on configuring DMFAS 6 to access the new Medium-term Debt Management Strategy (MTDS) module was produced and validated. It is intended for the DMFAS administrator and provides step-by-step instructions on how to configure version 6.2 of DMFAS to access this new module. It will be available for the next release of DMFAS 6.

3.5 Partner coordination

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.

[Updated Online help](#)

[Updated installation guidelines](#)



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. Actions included the regular sharing of information on technical assistance activities such as mission schedules and reports, and the organization of joint workshops and participation in each other's events. In 2021, this collaboration included participation in three partners events. In addition, the list of DMFAS missions was distributed to stakeholders through the DMFAS Newsletter and the DMFAS website, keeping them informed of the Programme's technical assistance activities.

Debt Management Facility

DMFAS has been an implementing partner to the Debt Management Facility (DMF) since it was established in 2009. Agreements between the World Bank Group and UNCTAD formalized DMFAS' participation through DMF I and II. A new partnership agreement for DMF III was signed in June 2021 under which activities will resume in 2022.

DMF III partnership agreement signed

To date, the DMFAS Programme has contributed to 72 DMF missions. Its participation in these activities received positive feedback from country beneficiaries and other stakeholders of DMF. In addition, the Programme participated in the Debt Management Facility Implementing Partners Council remotely in February 2021.

World Bank

The Programme collaborates with various departments involved in debt management within the World Bank. These include the World Bank Development Data Group and the Treasury department. In 2021, 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 2021, 60 per cent of DMFAS user countries in low- and middle-income categories provided qualitative data to the DRS database.

The Programme also cooperates with World Bank at country project level. For example, in implementing DMFAS 6 in Lao People's Democratic Republic, DMFAS works in close cooperation with the country office. The World Bank Project Implementation Unit provides logistical support to the project and regular exchange of information takes place with the World Bank counterpart.

The Programme also has regular exchanges on debt management issues with the Macroeconomics, Trade and Investment (MTI) Global Practice.

International Monetary Fund

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.

The DMFAS Programme also participates in the IMF Government Finance Statistics Advisory Committee (GFSAC), a group of internationally recognized experts that advises the IMF on government finance statistics-related matters. This role originated from DMFAS' membership of the IMF-chaired Inter-agency Task Force on Finance Statistics (TFFS). The Programme takes part in all meetings and provides inputs to the work of the committee.

The DMFAS Programme and the IMF Statistics Department regularly participate as resource persons in each other's training events for developing countries on debt statistics (external debt statistics and public debt statistics).

The Programme also collaborates with IMF regional technical assistance centres (RTACs) with the shared objective of helping countries strengthen their human and institutional capacities to design and enact policies that promote growth and reduce poverty.

The Programme also has an ongoing agreement with the IMF Statistics Department to collaborate in debt management-related areas of the Data for Decisions (D4D). This involves regular exchange of information on activities in DMFAS-user countries receiving support from the D4D. It also involves joint missions to DMFAS-user countries, although to date no opportunities have arisen for such missions.

Asian Development Bank

The Programme, with the support of UNCTAD administration and United Nations Legal Department in New York, is negotiating a Technical Assistance Framework Agreement with the Asian Development Bank (ADB). This agreement will facilitate the delivery of outputs by UNCTAD, financed by ADB technical assistance. Once finalized, it will not only be applicable to UNCTAD DMFAS projects but to the entire United Nations Secretariat

Macroeconomic and Financial Management Institute of Eastern and Southern Africa

The Programme has ongoing collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), which includes 14 countries from this region. Five of the countries belonging to MEFMI are DMFAS user countries, namely Angola, Rwanda, Uganda, Zambia and Zimbabwe. In 2021, the Programme and MEFMI actively cooperated delivering jointly delivering three online DMFAS activities: a workshop on debt statistics in Zambia, a technical training in Zimbabwe and a regional training on DMFAS 6 advanced functionalities. In addition, DMFAS and MEFMI are finalizing a Memorandum of Understanding for technical assistance partnership for the countries of the region.

Communauté Economique et Monétaire de l'Afrique Centrale

The Programme participated in the first annual meeting of the Economic and Monetary Community of Central Africa on public debt in May 2021 together with other technical assistances partners/providers. It focused on debt management performance and data quality issues, presenting the Debt -DQA methodology and new software developments.

United Nations Development Programme and United Nations Resident Coordinators

The DMFAS Programme's collaboration with the United Nations Development Programme (UNDP) in 2021 included logistical support and field recruitment in Argentina, the Philippines and in Togo for the DMFAS 7 development team.

In addition, in line with the United Nations reform program, the Programme exchanged information with the United Nations Resident Coordinators' offices where DMFAS is active to ensure smooth coordination between the United Nations agencies delivering technical assistance and avoid duplication.

Economic and Social Commission for Western Asia (ESCWA)

The Programme collaborated with the Economic and Social Commission for Western Asia (ESCWA) on a proposal for a project titled "Sustainable Debt Financing Strategies to Enhance Fiscal Space, Provide Financing for the SDGs and Address the Repercussions of COVID-19 in the Arab Region". The objective of the project is to support and provide technical assistance to member States in the Arab region in improving their capacity toward more effective debt management practices including improving debt transparency and reporting, better understanding mechanisms of debt relief and reduction, debt instruments, their risks and linkages to meeting contingencies and debt sustainability in the medium and long term.

Collaboration with regional partners

Collaboration with ESCWA

The main expected results of the project would be improved capacity of policymakers to better understand debt statistics, debt instruments and their risks, which can inform their decisions to establish medium to long term strategy on debt finance toward improving fiscal space and financing for the SDGs. The result would be demonstrated by evidence from a sample of pilot countries efforts on debt management strategies with use of the tools developed by the project. The project will also reach out to other external agencies such as World Bank and IMF during regional workshops/expert group meetings.

The project has been proposed for financing under the 14th Tranche of the UN Development Account. Should the project be approved, activities will start in 2022. The project will also reach out to other external agencies such as World Bank and International Monetary Fund during regional workshops/expert group meetings.

Latin American and Caribbean Debt Group

With 12 active DMFAS user countries in the Latin American and Caribbean region, UNCTAD takes a keen interest in the regional capacity building activities organized by the Latin American and Caribbean Debt Group and, where possible, coordinates activities. All user countries in the region provide timely data to the standardized debt database, which is a non-compulsory initiative of the Group.

Commonwealth Secretariat and the Debt Data Quality Framework

The DMFAS Programme 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 in the margins of the 12th UNCTAD Debt Management Conference in November 2019, and the full guidelines were published in 2020. In 2021, however, because of COVID travel restrictions, planned activities for Debt DQA were postponed

3.6 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 communication.

Synergies within UNCTAD

Within UNCTAD, the DMFAS Programme and the Debt and Finance Analysis Unit (its associate unit within the Debt and Development Finance Branch) collaborate on and jointly address debt issues. In 2021, collaboration covered areas such as debt sustainability and financing for development, and the preparation of UNCTAD reports for the Trade and Development Board, the UNCTAD secretariat and the Office of the Secretary-General of UNCTAD. The DMFAS Programme also contributed to a number of UNCTAD and United Nations reports. In 2021, these included the following:

- UNCTAD Annual Report 2020
- Annual trust fund progress reports

- Report by the UNCTAD secretariat on technical cooperation activities carried out in 2020 (cluster 11¹ on strengthening the debt management capacity of developing countries)
- Contribution to the Committee for Programme and Coordination report on United Nations System Support for New Partnership for Africa's Development (NEPAD).

Improved efficiency and effectiveness of the Programme's administration

In line with the second objective of the strategic plan, the DMFAS Programme continued to monitor and improve its efficiency. It systematically applied its monitoring and evaluation framework included in the strategic plan 2020–2023. 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 2021, 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 and conducted a final project evaluation mission in Burkina Faso at the end of November. In addition, in line with UNCTAD requirements, the Programme started to implement the new Umoja Integrated Planning, Monitoring and Reporting (IPMR) module. IPMR integrates other Umoja modules such as Strategic Management, Budget Formulation and Project System, and offers a holistic solution to manage the lifecycle of UN programmes and projects.

Related to the DMFAS software, the Quality Assurance and User Support Unit continued to implement tight quality-control and testing procedures for new deliverables of DMFAS 6 (release 6.1.4.2 and coming release 6.2).

Communications and information sharing, within and outside the Programme

In 2021, the Programme celebrated its 40th Anniversary and took this opportunity to further disseminate information about the work and impact of DMFAS. In this context, it organized a briefing for the Permanent Missions to the United Nations at the end of November. The material and video presented are available on the DMFAS website²

In addition, the DMFAS website is continuously updated as an important tool for the users to access DMFAS specialized content. During the period, the number of DMFAS users registered in the client area continued to increase, with 86 per cent of active DMFAS countries having at least one user registered in the client area (including two new countries in 2021). The website, fully available in English and in French, contains up-to-date information on DMFAS activities, documentation and releases of the software. Among the most downloaded documents are the DMFAS Annual report (both through the UNCTAD and DMFAS website), DMFAS 6 brochures, and Conference documents. The videos of the debt suspension initiative and debt statistics webinars have been seen in English and French over 650 times. For documents available in more than one language, 46 per cent are downloaded in English, 32 per cent in French and 22 per cent in Spanish. In addition, the Programme continues to regularly publish its newsletter and distributed it in January, April and August in three languages (English, French and Spanish). They are posted on the Programme's website.



¹ The Trade and Development Board decision 492 (LIV) of 2007 established thematic trust funds within and among divisions of UNCTAD. There are 17 thematic clusters and cluster 11 relates to technical cooperation in debt management. The DMFAS Programme plays an active role in the implementation of this cluster through strengthening the debt management capacity of developing countries.

² <https://unctad.org/dmfas/40thAnniversaryBriefingonthedmfasprogramme>

4. Funding and expenditures in 2021

This section presents an overview of the Programme's financial situation at the end of 2021. 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 DMFAS 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 2021.

Table 3. Income of DMFAS central trust fund, 2021 (Dollars)

| | |
|---|------------------|
| Balance as of 1 January 2021 | 875 896 |
| Donor contributions | 3 799 664 |
| Switzerland ¹ | 1 648 420 |
| Germany | 657 109 |
| Ireland ¹ | 351 843 |
| European Union | 423 634 |
| Netherlands | 597 372 |
| France | 121 286 |
| Cost sharing | 986 185 |
| Maintenance fees | 526 297 |
| Development contributions | 120 000 |
| From country projects funded by governments | 273 888 |
| Cost recovery | 317 449 |
| From country projects funded by donors | 296 199 |
| Payments for services (DMF & Other) | 21 250 |
| UNCTAD contribution | 974 886 |
| In kind | 862 630 |
| Financial | 112 256 |
| Interest and other Adjustments | -201 151 |
| TOTAL INCOME | 6 752 930 |

Source: UNCTAD

¹ Disbursements from Switzerland and Ireland were received in December 2020.

Note: Interest and Other Adjustments include interest, forex gains and losses, accounting adjustments, and any other income not otherwise listed.

The statement covers the core DMFAS Trust fund, trust funds for specific purposes, as well as payments from projects for specific services for which the source is country project trust funds. Based on current actual costs and subject to change related to currency fluctuation as well as changes in the UN conditions of service.

4.1.1 Donor contributions

For 2021, donor support received amounted to \$3.8 million, as shown in table 3, with contributions from Germany, France, Ireland, Netherlands, Switzerland, and the European Union. A history of donor contributions since the implementation of the central trust fund in 2002 is available in annex 7.

4.1.2 Cost sharing and cost recovery

A particular feature of the DMFAS Programme compared with other technical cooperation programmes is that it generates a large part of its income for the DMFAS central trust fund from 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 the client. As shown in table 4, maintenance fees are highly relevant as a source of constant and regular income for the Programme.

The year 2021 marked the twentieth year since maintenance fees were first implemented. Thanks to concerted efforts to collect arrears, the Programme collected \$526,797 in 2021. The trend in the number of signed agreements on maintenance fees remained stable in 2021, 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 payments of maintenance fees since the implementation of the cost-sharing mechanism.

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 2021, development contributions were received from Lao PDR and Guinea for a total of \$120,000.

Table 4. Income from cost sharing and recovery, 2002-2021 (Dollars)

| Year | Maintenance fees | Development contribution | Staff time recovery |
|--------------|------------------|--------------------------|---------------------|
| 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 |
| 2020 | 698 208 | 100 000 | 516 847 |
| 2021 | 592 297 | 120 000 | 591 337 |
| Total | 6 788 819 | 3 568 959 | 10 994 293 |

Source: UNCTAD

Note: 2014 and 2020 were exceptional years due to the payment by numerous countries of back payments; 2011 was an exceptional year for development contributions due to the launch of DMFAS 6 and its installation in many countries.

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 2021, several missions were postponed due to COVID-19 related travel restrictions. While some missions were replaced by remote activities, the overall level of recovery was lower than projected for the year. The overall amount recovered for DMFAS staff time dedicated to project activities (undifferentiated between cost sharing and cost recovery) in 2021 reached \$591,337 which was over 10% higher than in 2020.

4.1.3 Institutional support from UNCTAD

UNCTAD supports the DMFAS Programme by financing five posts from its regular budget. The professional category staff members supported by the regular budget of UNCTAD are the chief of the Programme, one programme officer and one communications officer. Two general services staff members are also employed in the Administration and Communication Unit. UNCTAD contributed a total of \$974,886 in 2021, of which \$862,630 was for the five posts and \$112,256 in financial contributions towards central team salaries.

4.2 Expenditures of the central trust fund

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

Overall and as budgeted, expenditures in 2021 compared with those of 2020 reflected a significant increase. This increase was primarily from non-personnel expenditures which included substantial additional investment for the development of DMFAS 7. This included the expansion of the software development team and contractual services as well as the necessary software and hardware for development. Personnel costs were slightly higher largely due the stronger Swiss Franc to the US Dollar in 2021 as compared to 2020.

Table 5. DMFAS Programme expenditures, 2021 (Dollars)

| | |
|---------------------------------------|------------------|
| Personnel | 5 018 546 |
| Central team | 4 155 916 |
| Regular budget staff | 862 630 |
| Non-personnel | 1 329 841 |
| Joint partner activities * | - |
| IT Systems development | 1 323 250 |
| Capacity building | 6 590 |
| Programme monitoring & evaluation | - |
| Miscellaneous | - |
| Total expenditures | 6 348 387 |
| Balance | 404 543 |
| Reserve for January 2022 Expenditures | 350 000 |
| Closing Balance | 54 543 |

Source: UNCTAD

4.3 Budget

DMFAS Programme budget needs were based on the full implementation of the strategic plan 2020–2023. 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 a reduced budget (scenario 2). The strategic plan was not fully financed in 2021 due to the initial shortfall in budgeted donor funding and a reduced number of project activities due to the COVID-19 crisis affecting cost recovery and cost sharing income.

Table 6. Budget for DMFAS strategic plan, 2021–2023 (Thousands of dollars)

| Scenario 1 | 2021 | 2022 | 2023 |
|--------------------------|--------------|--------------|--------------|
| Personnel | 6 401 | 6 122 | 6 235 |
| Joint partner activities | 59 | 60 | 61 |
| Capacity building | 1 107 | 1 075 | 1 149 |
| IT Systems development | 641 | 367 | 232 |
| Monitoring & evaluation | 35 | 35 | 36 |
| Miscellaneous | 33 | 21 | 21 |
| Total | 8 275 | 7 680 | 7 735 |

| Scenario 2 | 2021 (Actual) | 2022 | 2023 |
|--------------------------|---------------|--------------|--------------|
| Personnel | 5 019 | 5 070 | 4 830 |
| Joint partner activities | - | 27 | 27 |
| Capacity building | 7 | 62 | 261 |
| IT Systems development | 1 323 | 1 258 | 433 |
| Monitoring & evaluation | - | 50 | - |
| Miscellaneous | - | 23 | 23 |
| Total | 6 348 | 6 490 | 5 574 |

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.

As stated earlier, due to travel restrictions resulting from the COVID-19 crisis, project missions were reduced in 2021 but 50% higher than in 2020. This resulted in lower expenditures for country-specific trust funds than planned, amounting to \$942,435 to deliver technical assistance in 14 institutions. Table 7 provides a breakdown of countries' budget, expenditures and final balance available.

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 these are active DMFAS users which continue to receive support without funding for specific project activities.

Table 7. Country project trust funds and project expenditures: Available funding and expenditures, 2021 (Dollars)

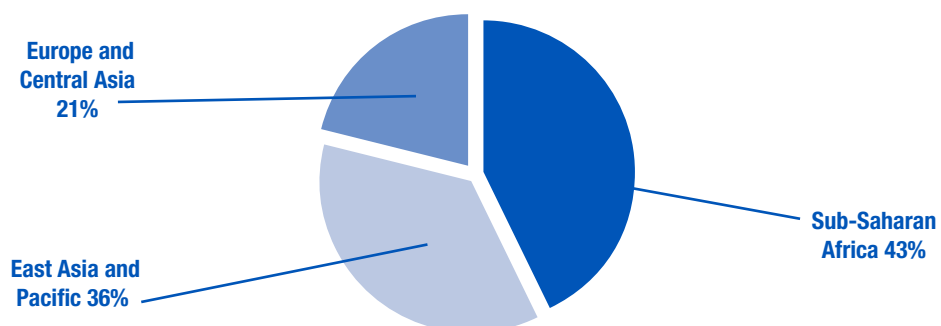
| Country | Budgeted funds | Expenditures | Balance |
|----------------------------------|------------------|----------------|------------------|
| Angola | 28 571 | 28 126 | 445 |
| Azerbaijan* | 1 026 664 | 79 911 | 826 887 |
| Burkina Faso | 57 478 | 54 483 | 2 995 |
| Burundi | 214 174 | 60 900 | 153 274 |
| Egypt* | | 119 866 | |
| Ethiopia | 94 591 | 54 523 | 40 069 |
| Gabon | 591 323 | 68 753 | 522 570 |
| Guinea (Conakry) | 364 149 | 88 457 | 275 692 |
| Lao PDR | 136 520 | 91 502 | 45 018 |
| Madagascar | 25 143 | 25 143 | - |
| Philippines (Central Bank) | 217 111 | 137 708 | 79 403 |
| Philippines (Bureau of Treasury) | 265 660 | 111 815 | 153 845 |
| Zambia | 10 450 | 10 450 | - |
| Zimbabwe | 10 800 | 10 800 | - |
| Total | 3 042 634 | 942 435 | 2 100 198 |

Source: UNCTAD

* Funding for four country projects including Azerbaijan, Egypt and Tajikistan have a remaining balance of \$826 887.

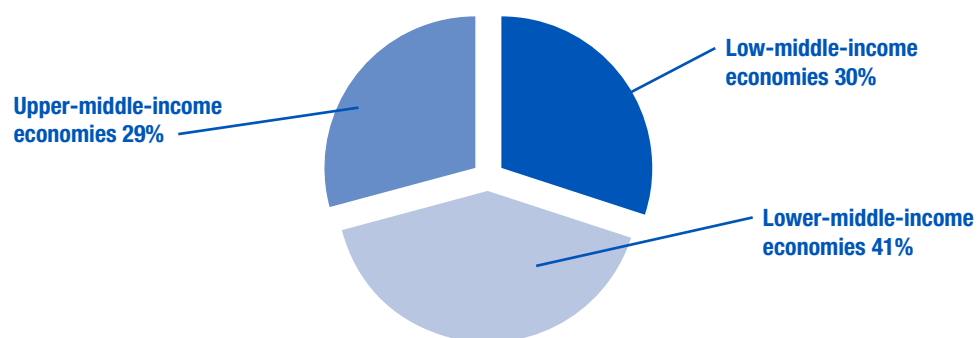
Figures 9 and 10 show the regional distribution and the income-level distribution of country project expenditures. Projects in East Asia and the Pacific accounted for 36 per cent of total expenditures, sub-Saharan Africa for 43 per cent, and Europe and Central Asia for 21 per cent. In terms of income-group distribution, figure 10 shows that the highest portion (71 per cent) of the Programme's project expenditures was in low-income and lower-middle-income economies.

Figure 9. Country project expenditures: Regional distribution as a percentage of total expenditures, 2021



Source: UNCTAD

Figure 10. Country project expenditures: income-level distribution as percentage of total expenditures, 2021



Source: UNCTAD

CHALLENGES AND THE WAY FORWARD

In 2021, the biggest challenge the Programme continued to be the restrictions associated with the COVID-19 pandemic including world-wide restrictions on travel and movement.

The Programme provided continuous support to enable debt management offices to access remotely when necessary to the debt database, and record, report and monitor public debt, including for debt suspension or relief initiatives

The pandemic highlighted the differences in technological development levels of countries. In 2021, several countries continued to partially telework due to national restrictions. In more advanced countries, debt management offices could move to teleworking as the staff had personal internet connections and sufficient home equipment. However, in less developed countries, in particular in sub-Saharan Africa, teleworking is generally not possible and debt offices have to maintain a minimum staff presence in the office to avoid accumulating delays in recording and preparing the necessary data for the discussions with creditors.

With often limited technical capacities in debt offices, the Programme continued to receive high demand for remote technical support for which it was necessary to allocate additional resources. Responding to unplanned clients' requests required the Programme to frequently adjust its work plan. This had an impact on the delivery of other services and activities, although work on priority areas continued.

Pandemic-related health issues and the necessary shift to teleworking also had consequences for the pace of development of DMFAS 7, affecting the staff of the development teams and the availability of support services. In addition, the pandemic also impacted the delivery of IT equipment, with the shortfall of semi-conductors, resulting delays on both the development of DMFAS 7 and country implementation (extended delays to purchase required IT equipment).

In terms of capacity-development, since 2020, the Programme largely adapted to the situation by providing increased remote technical support and strengthened its ability to deliver its capacity building activities remotely. The Programme delivered most of its assistance in 2021 remotely. Despite delivering an increasing number of activities remotely, a number of countries still preferred to postponed project activities until travel is authorized. Some of the countries are reluctant to move to virtual activities as they face technical difficulties, particularly in sub-Saharan Africa (no home equipment nor personal connections; insufficient band-width, difficulty to motivate users, etc.). Other debt management offices prefer to wait until planned face-to-face training activities can be resumed.

Technical assistance missions that could not be replaced by remote activities have to be rescheduled to an unknown future date. With the reopening of borders and flight connections, the Programme need to plan carefully in order to catch up with pending activity requests, in addition to new demands, to adjust its resource management and budget accordingly.

The COVID experience has clearly demonstrated that online training activities require longer duration and more human resources. In traditional field activities, participants spend between six to eight hours a day in the classroom with the trainer. In the case of online training, it is difficult to exceed four hours of training per day, even if delivered in two sessions. In addition, generally, one trainer was sufficient for field activities. For remote workshops, at least a second trainer is necessary to co-deliver (one speaking, one moderating chat and questions). Consequently, the implementation of remote activities takes almost twice as long as a traditional activity and, although there are no travel costs for a remote activity, costs are very similar.

Differences in technological developments

Remote capacity-building support

Extended duration of online training

For new countries that have ever used DMFAS, the initial installation and basic training is not recommended to be delivered remotely. The presence of the trainer with the new users is essential to validate the installation of the system in the institution and ensure effective transfer of knowledge to the new users so they feel confident working with DMFAS. In this case, a field mission is highly important to allow an institution to start on solid ground with the system.

Way forward:

In 2021, both user countries and the Programme adapted to the situation and lessons learned include:

- Countries ensured effective and timely recording debt data and maintaining the quality of the databases (remote or in presence).
- A number of countries continued implementing work from home including remote access to DMFAS.
- The Programme updated its COVID-19 specific responses to DMFAS users (e.g. updated guidelines including on how to record the debt suspension initiative in DMFAS)
- The Programme adapted to remote delivery its technical assistance activities
- Strong synergies were established with regional partners, in particular with the MEFMI.
- The Programme undergone and delays resulting from the pandemic on development work for the DMFAS software.

The pandemic will have a long-term impact in the way debt offices work, access and use the DMFAS software, as well as on the delivery of capacity-development support. The investments made by the Programme since 2020 would therefore serve countries beyond the current crisis. In the future, capacity building and technical assistance will be based on a blended approach combining face-to-face and virtual activities.

In addition, in 2021, the security situation deteriorated in some countries and affected 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.

In 2021, the importance of debt data transparency was higher than ever for the international community, in particular in the context of the accumulation of debt by developing countries reaching a record high. The need for readily available and detailed debt data was accentuated, highlighting the key role of the DMFAS Programme as a technical assistance provider in the downstream area of debt management.

Long term impact of the pandemic

Deterioration of security situation

ANNEX 1. DMFAS PROGRAMME RESULTS FOR 2020–2023

| Objective | Expected results | Results at the end of 2021 | Impact |
|---|---|---|--|
| <p>1. Improve the capacity of debt management offices (DMOs) to:</p> <ul style="list-style-type: none"> record process monitor report analyse <p>the country's public debt in a sustainable manner</p> | <p>1.1 Government information systems established for effectively managing complete, up-to-date and reliable debt databases</p> <p>1.2 Increased knowledge of debt management procedures and best practices</p> <p>1.3 Enhanced transparency through effective debt reporting and improved accessibility/availability of debt information</p> <p>1.4 Strengthened operational risk management</p> <p>1.5 Increased integration of debt management within Public Finance Management</p> <p>1.6 Facilitated debt analysis</p> | <ul style="list-style-type: none"> 93 per cent of user countries capture central government and government guaranteed external debt 71 per cent of DMOs responsible for domestic debt record it in DMFAS 613 participants from 32 countries trained 95 per cent of user countries report to DRS, of which 60 per cent provided qualitative reports 69 per cent of user countries report to QEDS and 49 percent to QPSD 42 DMFAS countries produce a debt statistics bulletin 26 user countries have a procedures manual 27 user countries have a disaster recovery and business continuity plan 23 institutions have linked DMFAS with another system, including four with auction systems 37 user countries produce a debt portfolio review at least once a year 48 user countries use the system to produce MTDS 40 countries use the system to produce DSA | <p>Governments manage their debt effectively and sustainably, in support of poverty reduction, development and good governance</p> |
| <p>2. Improve the capacity of the DMFAS Programme to deliver effective, efficient and sustainable response to country needs</p> | <p>2.1 Major new DMFAS version developed – DMFAS 7</p> <p>2.2 More comprehensive capacity development framework</p> <p>2.3 Improved coordination with other providers</p> <p>2.4 Improved service delivery</p> <p>2.5 More stable financing for Programme's activities</p> | <ul style="list-style-type: none"> Progress in DMFAS 7 development Progress in DMFAS 6 enhancement: 6.1.4.2 release and testing of 6.2 Debt DQA: new course on debt management procedures; 23 fact sheets on basic debt concepts produced in English and French, one new tutorial and DSSI guidelines updated Cooperation in 9 partner events and collaboration DMF III Regional centres: pending funding Stable in cost recovery | <p>Indirect Goal 1</p> |



Direct: Goal 17:

Target 17.4: 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)



Indirect Goal 1

ANNEX 2. USE OF DMFAS INSTALLATIONS IN COUNTRIES, 2021

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.

| Country | Institution | Start date in institution | Type of installation | | Language of software | Access rights | | | Version currently used | |
|----------------------------------|--------------------------|---------------------------|----------------------|---------------|----------------------|---------------|---------|-----------|------------------------|---|
| | | | Main | 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 | Inactive | | | | | | | |
| | Province of La Rioja | 2015 | ✓ | | SP | ✓ | | | | ✓ |
| Armenia | MoF | 2011 | ✓ | | EN | ✓ | | | | ✓ |
| Azerbaijan | MoF | 2020 | ✓ | | EN | ✓ | | | | ✓ |
| Bangladesh | MoF | 1992 | ✓ | | EN | ✓ | | | | ✓ |
| | CB | 2002 | | ✓ | EN | ✓ | | | | ✓ |
| (Belarus) | MoF | 1994 | Inactive | | | | | | | |
| 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 | | | | | | | | |
| (Colombia) | MoF | 2001 | Inactive | | | | | | | |

DMFAS PROGRAMME ANNUAL REPORT 2021

| Country | Institution | Start date in institution | Type of installation | | Language of software | Access rights | | | Version currently used | |
|----------------------------------|-------------------------------------|---------------------------|----------------------|---------------|----------------------|---------------|---------|-----------|------------------------|-------------|
| | | | Main | 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 | ü | | EN | ✓ | | | | ✓ |
| Guatemala | MoF | 1988 | ✓ | | SP | ✓ | | | | ✓ |
| Guineas | MoF | 2021 | | | | | | | | In progress |
| Guinea-Bissau | MoF | 1997 | ✓ | | SP | ✓ | | | | ✓ |
| (Haiti) | (CB) | 1985 | Inactive | | | | | | | |
| | (MoF) | 2009 | Inactive | | | | | | | |
| Honduras | MoF | 1988 | ✓ | | SP | ✓ | | | | ✓ |
| | CB | 1988 | | ✓ | SP | | | ✓ | | |
| | Supreme Court of Accounts | 2008 | | ✓ | SP | | | ✓ | | |
| | | 2018 | | ✓ | SP | | | ✓ | | |
| | National Electricity Company (ENNE) | | | | | | | | | |
| 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 | | | | | | | |
| Kyrgyz Republic | MoF | 2021 | | | RU | | | | | In progress |

DMFAS PROGRAMME ANNUAL REPORT 2021

| Country | Institution | Start date in institution | Type of installation | | Language of software | Access rights | | | Version currently used | |
|----------------------------------|--|---------------------------|----------------------|---------------|----------------------|---------------|---------|-----------|------------------------|---|
| | | | Main | 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 | | | ✓ | | |
| (Lithuania) | MoF | 1999 | Inactive | | | | | | | |
| Madagascar | MoF | 2001 | ✓ | | | ✓ | | | | ✓ |
| | CB | 2001 | | ✓ | | | | ✓ | | |
| Mauritania | MoF | 1995 | ✓ | | FR | ✓ | | | | ✓ |
| Mongolia | MoF | 2001 | ✓ | | EN | ✓ | | | | ✓ |
| | (CB) | 2001 | Inactive | | | | | | | |
| Nicaragua | MoF | 1997 | ✓ | | ES | ✓ | | | | ✓ |
| | CB | 1988 | ✓ | | ES | ✓ | | | | ✓ |
| (Oman) | (MoF) | 2010 | Inactive | | | | | | | |
| Pakistan | MoF | 1985 | ✓ | | EN | ✓ | | | | ✓ |
| | (CB) | 1985 | Inactive | | | | | | | |
| Panama | MoF | 1997 | ✓ | | SP | ✓ | | | | ✓ |
| Paraguay | MoF | 1996 | ✓ | | SP | ✓ | | | | ✓ |
| | CB | 1996 | | ✓ | | | ✓ | | | |
| | (Ministry of Planning) | 1996 | Inactive | | | | | | | |
| (Peru) | MoF | 1998 | Inactive | | | | | | | |
| 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 | ✓ | | | | ✓ |
| | (CB) | 2000 | Inactive | | | | | | | |
| (Sao Tome and Principe) | MoF | 1997 | Inactive | | | | | | | |
| | CB | 1997 | Inactive | | | | | | | |
| (Senegal) | MoF | 1997 | Inactive | | | | | | | |
| Sudan | CB | 1998 | ✓ | | EN | ✓ | | | | ✓ |
| | MoF | 2016 | ✓ | | EN | ✓ | | | | ✓ |
| Syrian Arab Republic | CB | 2001 | ✓ | | AR | ✓ | | | ✓ | |
| (North Macedonia) | CB | 1999 | Inactive | | | | | | | |
| Togo | MoF | 1984 | ✓ | | FR | ✓ | | | | ✓ |

DMFAS PROGRAMME ANNUAL REPORT 2021

| Country | Institution | Start date in institution | Type of installation | | Language of software | Access rights | | | Version currently used | |
|------------------------------------|----------------------|---------------------------|----------------------|---------------|----------------------|---------------|---------|-----------|------------------------|-------------|
| | | | Main | Remote access | | Full | Partial | Read only | 5.3 | 6 |
| Tajikistan | MoF | 2020 | ✓ | | RU | ✓ | | | | In progress |
| (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 | ✓ | | | | ✓ |

ANNEX 3. SCOPE OF DMFAS USE IN COUNTRIES IN 2021

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 publishing a statistical bulletin, defined as the existence of a 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 | CB5F1F1F ³ 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 | ✓ | | | |
| Azerbaijan | ✓ | ✓ | No | ✓ | | ✓ | |
| Bangladesh | ✓ | | Yes | | | | ✓ |
| Bolivia (Plurinational State of) | ✓ | ✓ | No | ✓ | ✓ | | ✓ |
| Burkina Faso | ✓ | ✓ | No | ✓ | ✓ | | ✓ |
| Burundi | ✓ | ✓ | No | | | | |
| Cambodia | ✓ | ✓ | No | ✓ | ✓ | ✓ | |
| Central African Republic | ✓ | ✓ | No | ✓ | ✓ | | |
| Chad | ✓ | | No | ✓ | ✓ | | |

³ Central Banks

DMFAS PROGRAMME ANNUAL REPORT 2021

| | Coverage of DMFAS databases | | | Reporting and analysis | | Operational risk management | |
|------------------------------------|----------------------------------|----------------------------------|--|------------------------|-----------------------|-----------------------------|--------------------------------|
| | Central government external debt | Central government domestic debt | CB5F1F1F ³ monitoring private external debt using DMFAS | Statistical bulletin | Debt portfolio review | Procedures manual | Disaster recovery arrangements |
| 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 | ✓ | | | |
| 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 | ✓ | ✓ | ✓ | ✓ |
| Pakistan | ✓ | | No | | ✓ | ✓ | ✓ |
| Panama | ✓ | ✓ | No | ✓ | ✓ | | |
| Paraguay | ✓ | ✓ | No | ✓ | ✓ | ✓ | |
| Philippines | ✓ | ✓ | Yes | ✓ | ✓ | ✓ | ✓ |
| Republic of Moldova | ✓ | ✓ | Yes | ✓ | ✓ | ✓ | ✓ |
| Romania | ✓ | ✓ | Yes | ✓ | ✓ | ✓ | ✓ |
| Rwanda | ✓ | ✓ | No | ✓ | | | |
| Sudan | ✓ | ✓ | Yes | | ✓ | ✓ | |
| Syrian Arab Republic | ✓ | | No | | | | |
| Togo | ✓ | ✓ | No | ✓ | ✓ | ✓ | |
| Uganda | ✓ | ✓ | No | ✓ | ✓ | ✓ | ✓ |
| Uzbekistan | ✓ | | No | ✓ | ✓ | ✓ | ✓ |
| Venezuela (Bolivarian Republic of) | ✓ | ✓ | No | ✓ | | | ✓ |
| Viet Nam | ✓ | ✓ | No | ✓ | ✓ | ✓ | ✓ |
| Zambia | ✓ | | Yes | | ✓ | | |
| Zimbabwe | ✓ | ✓ | No | | | ✓ | ✓ |

ANNEX 4. BREAKDOWN OF DMFAS CLIENT COUNTRIES ACCORDING TO INCOME GROUP, 2021

| Low-income countries | Lower-middle-income countries | Upper-middle-income countries | High-income countries | Total |
|---|---|-------------------------------|---|-----------|
| Current (15) | Current (25) | Current (17) | Current (0) | 58 |
| Burkina Faso (HIPC) | Angola | Albania | | |
| Burundi (HIPC) | Algeria | Argentina | | |
| Central African Republic (HIPC) | Bangladesh | Armenia | | |
| Chad (HIPC) | Bolivia (Plurinational State of) (HIPC) | Azerbaijan | Unclassified | |
| Democratic Republic of the Congo (HIPC) | Cambodia | Costa Rica | Current (1) | |
| Eritrea (HIPC) | Congo (HIPC) | Dominican Republic | <i>Venezuela (Bolivarian Republic of)</i> | |
| Ethiopia (HIPC) | Côte d'Ivoire (HIPC) | Ecuador | | |
| Guinea | Djibouti | Gabon | | |
| Guinea-Bissau (HIPC) | Egypt | Georgia | | |
| Madagascar (HIPC) | El Salvador | Guatemala | | |
| Rwanda (HIPC) | Honduras (HIPC) | Iraq | | |
| Sudan | Indonesia | Jordan | | |
| Syrian Arab Republic | Iran (Islamic Republic of) | Lebanon | | |
| Togo (HIPC) | Kyrgyz Republic | Panama | | |
| Uganda (HIPC) | Lao People's Democratic Republic | Republic of Moldova | | |
| | Mauritania (HIPC) | Romania | | |
| | Mongolia | | | |
| | Nicaragua (HIPC) | | | |
| | Pakistan | | | |
| | Philippines | | | |
| | Tajikistan | | | |
| | Uzbekistan | | | |
| | Viet Nam | | | |
| | Zambia (HIPC) | | | |
| | Zimbabwe | | | |

Note: *Venezuela (Bolivarian Republic of)* has been temporarily unclassified by the World Bank in July 2021 pending release of revised national accounts statistics.

Note: Countries in bold indicate a change in the income level during the year. For the current 2022 fiscal year, low-income economies are defined as those with a GNI per capita, calculated using the World Bank Atlas method, of \$1,045 or less in 2020; lower middle-income economies are those with a GNI per capita between \$1,046 and \$4,095; upper middle-income economies are those with a GNI per capita between \$4,096 and \$12,695; high-income economies are those with a GNI per capita of \$12,696 or more. This table also indicates the countries that qualified or were eligible or potentially eligible for the HIPC Initiative.

Abbreviation: HIPC, heavily indebted poor countries.

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

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 the estimation of the budget as revenue.
- (2) The budget execution interface covers exchange 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, participants information and back accounts, and budget line descriptions and budget information by instruments.

| Country | Link with treasury system | | Reference data (3) | Auction/central depository system | Other |
|--|---------------------------|---|--------------------|-----------------------------------|--|
| | Budget estimations (1) | (2) Disbursements – D payment orders – PO payment confirmation – PC | | | |
| Angola CB | ✓ | D PC | ✓ | ✓ | |
| Angola (MoF) | ✓ | D 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 |
| Burkina Faso | ✓ | | ✓ | | |
| Dominican Republic (MoF) | ✓ | D PO PC | ✓ | | |
| El Salvador | ✓ | D PO PC | ✓ | | |

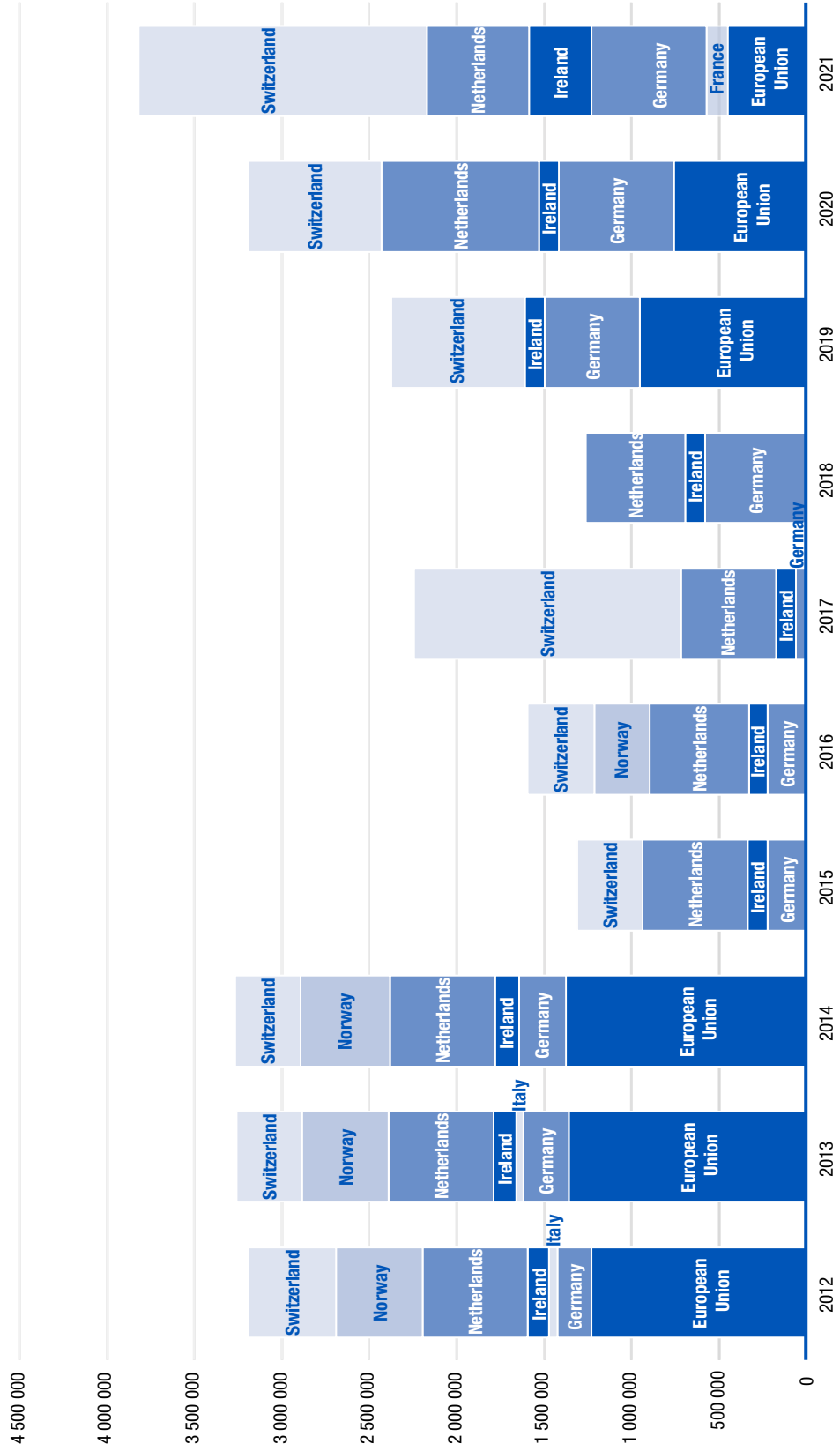
DMFAS PROGRAMME ANNUAL REPORT 2021

| Country | Link with treasury system | | Reference data (3) | Auction/ central depository system | Other |
|--|---------------------------|--|--------------------|------------------------------------|--|
| | Budget estimations (1) | (2) Disbursements – D payment orders – PO payment confirmation – PC | | | |
| Ethiopia (MoF) | ✓ | PO (external payments) PC (external payments) | ✓ | | |
| Gabon (MoF) | | PO | ✓ | | |
| Guatemala (MoF) | ✓ | D PO PC | ✓ | | 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 |
| 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 | ✓ | PO PC | | | |
| Venezuela (Bolivarian Republic of) (MoF) | ✓ | PO - Internal Debt only | ✓ | | |
| Discontinued links | | | | | |
| Albania | Discontinued | Link not active | | | |
| Costa Rica | Discontinued | Change in version | | | |
| Iran (Islamic Republic of) (CB) | discontinued | Change in version | | | |
| Jordan (MoF) | Discontinued | Change in version – new link under development | | | |
| Mauritania | Discontinued | Link not active | | | |
| 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 | | | |
| Viet Nam (MoF) | Discontinued | Link not active | | | |

ANNEX 6. HELP DESK TICKETS BY COUNTRIES, 2021

| Country | Incoming | Assigned | Closed |
|------------------------------------|------------|------------|------------|
| Albania | 2 | 0 | 2 |
| Angola | 33 | 10 | 23 |
| Argentina | 33 | 24 | 9 |
| Argentina (province of Rio Negro) | 6 | 0 | 6 |
| Azerbaijan | 8 | 6 | 2 |
| Bangladesh | 3 | 2 | 1 |
| Bolivia | 7 | 3 | 4 |
| Burkina Faso | 2 | 1 | 1 |
| Burundi | 11 | 6 | 5 |
| Central African Republic | 2 | 1 | 1 |
| Congo | 1 | 1 | |
| Costa Rica | 16 | 7 | 9 |
| Cote d'Ivoire | 14 | 1 | 13 |
| Dominican Republic | 2 | 0 | 2 |
| Ecuador | 12 | 2 | 10 |
| Egypt | 5 | 0 | 5 |
| Eritrea | 4 | 0 | 4 |
| Ethiopia | 4 | 3 | 1 |
| Gabon | 8 | 3 | 5 |
| Georgia | 2 | 1 | 1 |
| Guatemala | 6 | 3 | 3 |
| Guinea-Bissau | 2 | 0 | 2 |
| Honduras | 17 | 4 | 13 |
| Indonesia | 1 | 1 | 0 |
| Iran (Islamic Republic of) | 6 | 0 | 6 |
| Jordan | 2 | 1 | 1 |
| Lao People's Democratic Republic | 5 | 2 | 3 |
| Lebanon | 5 | 4 | 1 |
| Madagascar | 9 | 2 | 7 |
| Mongolia | 8 | 2 | 6 |
| Nicaragua | 21 | 1 | 20 |
| Pakistan | 10 | 3 | 7 |
| Panama | 3 | 2 | 1 |
| Philippines | 46 | 24 | 22 |
| Republic of Moldova | 10 | 4 | 6 |
| Rwanda | 6 | 1 | 5 |
| Sudan | 9 | 4 | 5 |
| Togo | 1 | 0 | 1 |
| Uganda | 10 | 5 | 5 |
| Uzbekistan | 3 | 3 | 0 |
| Venezuela (Bolivarian Republic of) | 6 | 2 | 4 |
| Zambia | 7 | 2 | 5 |
| Zimbabwe | 8 | 0 | 8 |
| Reported by Helpdesk | 44 | 21 | 23 |
| Grand total | 420 | 162 | 258 |

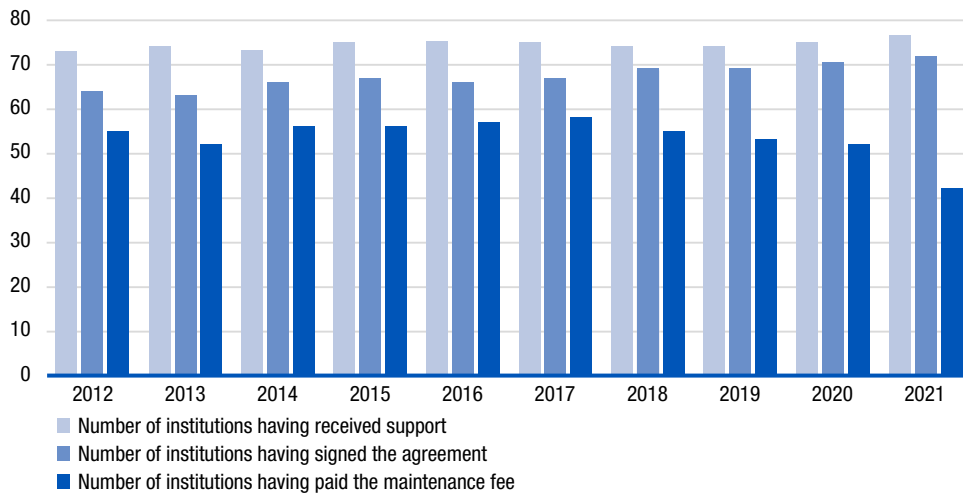
ANNEX 7. CONTRIBUTIONS TO THE DMFAS CENTRAL TRUST FUND PER DONOR, 2012-2021 (DOLLARS)



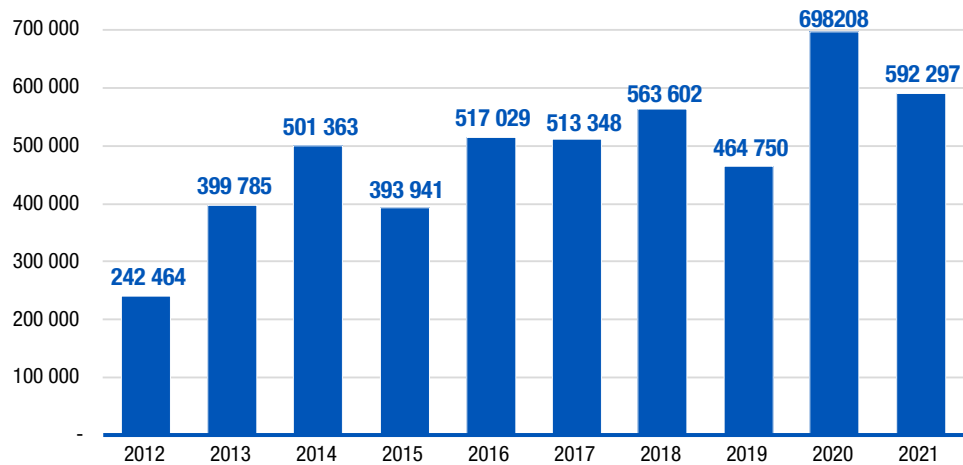
ANNEX 8. MAINTENANCE AGREEMENTS AND FEES

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, 2012–2021



Annex 8, figure 2. Maintenance fee payments received, 2012–2021 (Dollars)



ANNEX 9. CURRENT UNITED NATIONS AND INTERNATIONAL MANDATES RELEVANT TO THE WORK OF THE DMFAS PROGRAMME

United Nations General Assembly Resolution 76/193 on external debt sustainability and development (adopted on 29 December 2020)

- “*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;”
- “*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;”
- Paragraph 2: “*Emphasizes* the special importance of timely, effective, comprehensive and durable solutions to the debt problems of developing countries to promote their economic growth and development”
- 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;”
- 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;”
- 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;”

- 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;”
- Paragraph 11: “*Recognizes* that the long-term sustainability of debt depends on, inter alia [...] sustainable debt management,”
- 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, ...;”
- 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...”
- Paragraph 19: “*Further recognizes* the importance of the creation of robust, nationally appropriate legal and regulatory frameworks for sustainable national and municipal borrowing, on the basis of sustainable debt management,”
- Paragraph 21: “Recognizes with appreciation the steps taken by the Group of 20, including the extraordinary leaders’ summit hosted by Saudi Arabia on COVID-19, to provide a time-bound suspension of debt service payments for the poorest countries and calls for all official bilateral creditors to implement this initiative fully and in a transparent manner, while noting that more needs to be done, including to respond to the needs of countries not covered by the initiative, and in this regard reaffirms the growing urgency of dealing not only with liquidity, but also solvency risks, recommends. ... c) ... stresses the need in the medium term to strengthen information-sharing, as necessary, and long-term debt sustainability analysis, based on comprehensive, objective, transparent and reliable data”
- Paragraph 22: “ *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,...”
- Paragraph 25: “ 25. *Notes with appreciation* the holding of the fifteenth session of the United Nations Conference on Trade and Development in Barbados and Geneva from 3 to 7 October 2021, and the Bridgetown Covenant, and encourages the United Nations Conference on Trade and Development, in cooperation with the World Bank and the International Monetary Fund, to continue its analytical and policy work and technical assistance on debt issues
- Paragraph 32: “ *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; “

- Paragraph 34: “*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...”
- Paragraph 35: “*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;”

Bridgetown Covenant (TD/L.435) From inequality and vulnerability to prosperity for all (adopted on 6 October 2021)

- Paragraph 89. [...] continued inclusive dialogues and cooperation with international financial institutions and relevant actors are needed to advance the discussion on debt treatment, debt transparency, data quality, debt management capacity building and the rules of engagement, including with the private sector.
- Paragraph 127. UNCTAD, as the focal point within the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development, should continue its work through the three pillars, building on the Nairobi Maafikiano and based on the preceding policy analysis of the Bridgetown Covenant. Therefore, UNCTAD should: [...]
 - (ss) Continue its analytical and policy work and technical assistance on debt issues, including the Debt Management and Financial Analysis System programme, and 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;
 - (tt) Continue its existing work, in coordination with relevant partners, including the Inter-Agency 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;
 - (vv) Continue to contribute, in accordance with its mandate and complementing the work done by the World Bank and the International Monetary Fund and other relevant stakeholders to enhance the efficiency of the global economic system, international trade and debt sustainability, for the realization of the 2030 Agenda.

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

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

- 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.”

- 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;”
- 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;”

Sustainable Development Goal4 17.4 on debt sustainability

- “Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress”.

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

- Paragraph 34: “[...] We will work to strengthen debt management [...].”
- Paragraph 94: “We recognize the need to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate.”
- Paragraph 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, [...] debt management [...].”

⁴ The Sustainable Development Goals (SDGs) are a set of 17 goals to end poverty, protect the planet and ensure prosperity for all. They are part of the 2030 Agenda for Sustainable Development, which was adopted by world leaders at an historic United Nations summit in September 2015. While the SDGs are not legally binding, 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 12h 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 policy-making.
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 HelpdDesk 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

DMFAS PROGRAMME

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