



## Conclusions of the 13<sup>th</sup> DMFAS Advisory Group Meeting

The DMFAS Advisory Group advises the Secretary-General of UNCTAD of the following conclusions of its 13<sup>th</sup> Meeting, held in Geneva on 8/9 December 2022. The DMFAS Advisory Group:

### Strategic Plan 2020-2023

1. Takes note of the findings and recommendations of the external evaluation (Midterm Review 2022) of the Programme.
2. Commends the very positive results achieved to date by the Programme in the implementation of its 2020-2023 strategic plan and that the programme is on track to meet its objectives.
3. Endorses the evaluator's conclusions that the DMFAS Programme continues to be highly relevant and that it has demonstrated high levels of effectiveness and efficiency in the implementation of its strategic plan.
4. Affirms the findings that the Programme has had a high, sustainable positive impact on debt management in DMFAS user countries including the availability of comprehensive and reliable databases, effective debt reporting, operational risk management and increased knowledge of debt management.
5. Welcomes the conclusion that the Programme makes a significant contribution to the achievement of the Sustainable Development Goals including poverty reduction and good governance.
6. Is encouraged by the very high levels of satisfaction of all the Programme's stakeholders (beneficiary countries, donors and partners) with the Programme's products and services.
7. Appreciates that the Programme was highly effective in responding and adapting to the needs of debt management offices resulting from the COVID-19 pandemic.

8. Acknowledges the setbacks in the completion of the DMFAS 7 development project resulting from financing challenges and the COVID-19 pandemic.
9. Notes the finding that the DMFAS Programme provides a high return on investment.
10. Requests UNCTAD to implement the evaluation report's recommendations, to the extent possible.
11. Recognizes that the COVID pandemic affected the implementation of some key elements of the current strategic plan and supports the proposal to extend it by one year to end in December 2024.

### **Capacity development**

12. Emphasizes the critical need of DMFAS-user countries to continue to receive technical assistance from the Programme.
13. Stresses the critical importance of providing continuous training and capacity development opportunities to Debt Management Offices, and particularly in light of the challenges of high staff turnover.
14. Requests UNCTAD to provide comprehensive training and capacity development to countries including certification, national and regional workshops, providing options for in-person and online training as appropriate to the users' environment and to the type and urgency of the training; training on new releases; training for auditors; training on data validation, reporting (including Statistical Bulletin, QEDS/QPSDS), analytical functions and contingent liabilities.
15. Acknowledges the usefulness of virtual learning in certain circumstances while stressing the critical importance of in-person training.
16. Encourages the Programme to continue to adapt its delivery methods to the specific circumstances of debt management offices.
17. Asks UNCTAD to facilitate sharing of information and experiences between countries, including study tours where possible.

### **DMFAS 6**

18. Appreciates the enhancements made to DMFAS 6 during the current strategic plan.
19. Acknowledges that the evolution of technology will require UNCTAD to de-support DMFAS 6 within the next few years and that investment in new functionality should focus on DMFAS 7.
20. Requests UNCTAD to continue to provide support for DMFAS 6 to the extent possible during the transition period while countries migrate to DMFAS 7.

### **DMFAS 7**

21. Appreciates that DMFAS 7 is designed to respond to the latest developments in debt management and technology, and to the recommendations of the DMFAS Advisory Group.
22. Appreciates that DMFAS 7 will enable expanded data coverage including contingent liabilities, facilitated registration of private sector non-guaranteed debt, state owned enterprises and

subnational debt, and non-traditional debt instruments (special drawing rights, deposits, repos, etc.).

23. Appreciates also that the new DMFAS 7 user interface is intuitive and user friendly and provides lists of values that correspond to the latest standards and includes automatic update of loan status after debt service, debt service notifications, recording of reopenings and facilitated saving functionalities.
24. Notes with satisfaction that the new version is designed to respond to important reporting and analytical needs: enhanced reporting including fast generation of reports and World Bank form 4, and enhanced analytical functions including sensitivity analysis, debt indicators, debt ratios, linkages to DSA and MTDS, and monitoring of borrowing plan.
25. Appreciates that DMFAS 7 provides full support for cloud computing, easier integration with other systems, enhanced security and auditing features, facilitated maintenance, automated distribution.
26. Requests UNCTAD to prioritize implementation of debt-DQA, facilitated recording of external data such as exchange rates and interest rates in DMFAS 7 and to explore the feasibility of integrating forms to support the reconciliation process.
27. Emphasizes the importance of providing to countries comprehensive information in the form of documentation or multimedia recording on the implementation of DMFAS 7, including: availability and timing of releases, benefits, cost implications of acquiring the new version, hardware and software requirements, new features, security risks, legal implications, implication for linkages/interfaces.
28. Requests that the DMFAS Programme undertake assessment missions where required for the implementation of DMFAS 7, provide support for pre-conversion validation of the DMFAS database and enable users to upgrade from all previous versions.
29. Recognizes that many developing countries will face challenges in securing the necessary funding to implement DMFAS 7 and requests the international community to provide assistance, in particular to the poorer countries.
30. Understands that an effective migration from DMFAS 6 to the new version will require the establishment of a new project between the government and UNCTAD.
31. Recognizes that the project will incorporate data conversion, capacity-building, upgrading of interfaces where relevant and may require upgrading of equipment.
32. Is encouraged by the improved installation tools that will facilitate the implementation of DMFAS 7 in debt offices.
33. Recommends that UNCTAD makes a proposal for a DMFAS 7 upgrade project to each government currently using DMFAS and establishes a comprehensive plan for implementation in countries as soon as possible.
34. Supports the recommendation of the Midterm Review to create a senior staff position to oversee the implementation of DMFAS 7.

35. Recommends that the Programme evaluates the possibility of expanding the number of trained consultants in regions, in order to implement DMFAS 7 quickly, widely and efficiently.
36. Requests UNCTAD to explore the feasibility of packaging the delivery of DMFAS 7 in a modular manner.

### **Support/Quality of Services**

37. Stresses the critical importance of continuous support from the DMFAS Helpdesk.
38. Requests UNCTAD to strengthen the DMFAS Helpdesk including provide support through remote connections, in real time where feasible; ensure fast response; give prioritization to urgent requests; review handling of leap years; provide support to remote access to DMFAS.
39. Appreciates that the new Helpdesk system that is being designed will make management of user requests more effective, efficient and transparent.
40. Requests that responses to Helpdesk requests be delivered as quickly as possible.
41. Encourages UNCTAD to provide support for priority areas, such as operational risk management including procedures, debt restructuring and debt data validation.
42. Reiterates its recommendation that the programme provides as much of its documentation and services as possible in all the United Nations official languages of the DMFAS user community.
43. Supports the Midterm Review recommendation that the Programme should continue to support increases in debt transparency and accountability, by (a) providing support to DMOs for incorporating fiscal contingencies systematically in debt databases, and (b) offering audit institutions training to improve their capacity to evaluate debt transparency and debt reporting.
44. Reiterates the importance of providing support for interfacing, supporting countries on integrating DMFAS with other Public Finance Management Systems (Budget, Accounting, Treasury).

### **Future evaluations**

45. Suggests that future evaluations provide comparisons of DMFAS with other systems.

### **Communications/Website**

46. Appreciates the importance of the DMFAS Website and in particular the Client Area for making documentation and self-learning material available to users.
47. Requests UNCTAD to continue to publish the DMFAS Newsletter on a regular basis.
48. Recommends that the Programme clearly communicates to government the different types of support it offers, including for developing interfaces with other financial systems and for expanding debt coverage.

### **Cooperation and partnership**

49. Values the improved coordination with other providers of technical assistance.
50. Encourages the Programme to continue to work in close coordination with other providers.

51. Reiterates the importance of continued synergies between the DMFAS Programme's technical assistance work and UNCTAD's research and analysis activities on debt.

### **Financing**

52. Emphasises the DMFAS Programme's essential role in assisting countries to build sustainable capacity for effective debt 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.

53. Stresses the importance of the Programme having the funding necessary to respond effectively to the critical and evolving needs of developing countries.

54. Restates its appreciation for the financial support from the bilateral donors to the Programme, encourages donors to continue their support and requests that the Programme continue its efforts to expand its donor base.

55. Reiterates 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.

56. Recommends that UNCTAD establishes a Software Development Trust dedicated to future development of the DMFAS system.

57. Requests UNCTAD to explore the feasibility of providing increased resources to the DMFAS Programme.

### **Strategic Plan 2025-2028**

58. Requests UNCTAD to prepare a comprehensive strategy for the DMFAS Programme for the period 2025 to 2028, responding to the latest developments in debt management and taking into account the feedback from stakeholders, including the present conclusions of the DMFAS Advisory Group.

59. Recommends that the new Strategic plan identifies all the contributions that the Programme makes for the achievement of the Sustainable Development Goals.

60. Asks UNCTAD to present the proposed strategy to the next meeting of the DMFAS Advisory Group.