Between April and July 2018, the DMFAS Programme implemented DMFAS 6 in the Central Bank and the Ministry of Economy and Finance (MEF) of Ecuador, in the framework of the ongoing project, financed by the Corporación Andina de Fomento and the Government. Both institutions have been using the system since 1994 for managing Ecuador’s external and public debt. While the MEF focuses on managing the domestic and external public debt and produces the countries’ debt statistics, the Central Bank is managing an impressive database on external private debt and uses the external public debt database for balance of payments calculations.

The Central Bank’s external private debt database contains approximately 98,000 loans and is continuously kept up to date by the Client Service Department.
“Central Bank’s external private debt database contains about 98,000 loans”

The information entered by the Central Bank in the DMFAS database is subsequently validated and, prior to the publication of debt figures, a consistency analysis is made on the basis of the fluctuations of historical information.

It is important to note that the Central Bank’s Guayaquil branch also participates in managing external private debt using DMFAS. The databases at the two sites, Quito and Guayaquil, are connected through a dedicated telephone line.

Both databases have been converted from DMFAS 5.3 to DMFAS 6 and 35 users from both institutions have been trained in the basic and advanced use of DMFAS 6. Since the end of the previous project in 2007, important organizational and staff changes had taken place. Therefore, the Ministry deemed a thorough data validation was necessary. This took place after the advanced training with the help of a DMFAS consultant. Moreover, the MEF requested further capacity building activities on debt statistics and debt analysis, so the new staff can be trained thoroughly. UNCTAD looks forward to further strengthening the cooperation with both the Central Bank and the MEF, beyond the project.

Implementation of DMFAS 6 in Guinea Bissau

Thanks to Guinea Bissau’s open-door policy and public sector reforms undertaken in recent years, international organizations have embarked on significant support to the country in its development efforts. It is in this context that the Ministry of Economy and Finance reorganized the debt office following the Front, Middle and Back Office model and that Guinea Bissau and UNCTAD concluded a technical assistance 2017, financed by the World Bank, to build capacity in debt management.

Under the project. The previous version DMFAS 5.3 was converted to DMFAS 6 and was installed early 2018 within the debt office. Several technical (installation and maintenance of the system) and functional training from were delivered recording to production of advanced report and data validation. The specificity of this project lies in the establishment of an in-depth field follow-up after each activity to ensure general and long-term support on public debt management issues. A 6-week specialized support mission is currently underway in the Debt Office.

Thanks to the efforts of the staff of the Debt Office and the DMFAS experts, the activities were implemented successfully and resulted in updating the database, training IT staff and debt officers on DMFAS, particularly those in charge of debt securities management. Indeed, strengthening the capacity of domestic debt officers is of prime importance as the
ratio of domestic debt to external debt rose from 22% in 2013 to 38% in 2018, highlighting the importance of comprehensive and accurate domestic debt data.

Capitalizing on the knowledge gained during the first activities, the conditions are now favorable for strengthening the Middle Office’s capacity by holding workshops on methodologies and tools on debt statistics and debt analysis to publish a debt statistical bulletin and a debt portfolio analysis review. These activities, planned for the end of the year, will complement successful efforts made to date to improve operations related to DMFAS debt database management.

Follow-up DMFAS training in Rwanda

The Ministry of Finance and Economic Planning of the Republic of Rwanda is one of the longest users of the DMFAS system, adopting it in 1990. A DMFAS 6 user since 2011, the Debt Unit requested the DMFAS Programme to organize two training workshops to further strengthen the use of DMFAS, in particular for newly recruited staff.

The first workshop provided technical training to the Debt Unit’s Database Administrator (DBA) and was held in Geneva from March 5 to 13 2018. The workshop provided technical training on the operational maintenance of the DMFAS for first-level technical support to DMFAS users including installation and maintenance of DMFAS 6 on a Linux Centos 7 distribution, configuration of the application server and installation and configuration of the Oracle Database server for DMFAS. It also covered the main DMFAS tables and relationships and the DBA was also trained in DMFAS database structure.

Finally, it also covered how to customize data from DMFAS into desired formats that can be used for Data Analysis.

The second workshop, a DMFAS functional training, was held in Kigali from April 17 to 26 2018. Under the framework of the ongoing collaboration between DMFAS and the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), Mr. Tiviniton Makuve, MEFMI Programme Manager, and Mrs. Susan Natteremb, MEFMI fellow candidate from the Bank of Uganda, also participated in this event.

The objectives of the workshop were to:

- Provide training on the use of DMFAS 6 covering following modules: administration, mobilization, debt service operations, reporting and utilities;
- Assist the Debt Unit in setting-up/reviewing the DMFAS functional configuration, including security environment and defining user system access.

The workshop responded in particular to the need to provide training to newly recruited staff from the Debt Unit.
A brief history of debt:
Part II — Greece

Greece emerged historically as of 1500 B.C. but its period of glory and prosperity coincided with the golden age of Athens, that is, the era between the 6th and 5th century B.C. Unlike Rome, Greece was not a state but a civilization made up of small city-states known as polis. Each polis had its own government and its own legislation.

In the Hellenic world, each city could coin its own money which explains the presence of money changers who naturally began to extend credit. The technique of credit was materialized in the form of contracts along with the development of operations of exchange and deposit thereby constituting the foundation of banking practices. This invention of money greatly aided the expansion of international trade. However, it also led to a creation of capital which brought about inflation, hoarding and speculation.

History has shown us time and time again that every major boom is inevitably followed by a collapse. In 594 B.C., a severe debt crisis arose in Athens prompting major reforms including the general cancellation of both public and private debt and the abolition of slavery for debt. A set of laws, known as seisachtheia (σεισάχθεια), was enacted by the Athenian poet and lawmaker Solon to rectify the widespread and rampant serfdom and slavery by debt relief.

Under the pre-existing legal status, according to the Constitution of the Athenians, attributed to Aristotle, debtors unable to repay their creditors would surrender their land to them, thus becoming helot, i.e. serfs who cultivated their own land and gave one-sixth of the production to their creditors.

If a debt exceeded the perceived value of a debtor’s total assets, then the debtor and his family would become the creditors’ slaves as well. The same would result if a man defaulted on a debt whose collateral was his personal freedom.

The seisachtheia laws immediately cancelled all outstanding debts, retroactively emancipated all previously enslaved debtors, reinstated property to the heltemori, and forbade the use of personal free-

dom as collateral in all future debts. In addition, the laws introduced a ceiling on the maximum size of a property—regardless of the legality of its acquisition, for example by marriage. This was intended to prevent excessive accumulation of land by powerful families.

Although the above measures were attacked on all sides, they were nonetheless adopted and paved the way for a more enlightened society.

The 4th century B.C. saw the regular use of public debt to finance wars, public construction and the purchase of grain by a type of subscription with private and often wealthy individuals.

Much later, during the 1st century A.D., priests and magistrates in Ephesus regularly borrowed so much public money that a high-ranking official had to intervene not to prohibit the practice but rather to force those persons in charge to limit all borrowings to the reimbursement capacity of the polis through its income for the current year. Such cases were frequent.

As the cradle of Western civilization, Ancient Greece was also famous for its philosophers many of whom would no doubt have had practical advice to give to their descendants in modern Greece as well as to the rest of us regarding debt.

Individuals or societies struggling with the problem of debt may do well to heed the words of the philosopher Socrates who said, “The unexamined life is not worth living for a human being”. By asking questions with tireless integrity, Socrates tried to get to the heart of complex matters. Often, no clear answer emerged but he insisted that we keep asking the questions. When it comes to debt where there are often no easy solutions. It is indeed the questions that can help show us the way.

Sources:
- Le Crédit des origines à nos jours : entre faveur et rejet – Lucie Barbot et Laura Marcelli, Université Jean Moulin, Lyon III, 2009
Recent and forthcoming events

The full list of activities is also available at: http://unctad.org/dmfas.

- Data validation workshop, Rio Negro, Argentina, June 2018
- Reform Plan mission (partner collaboration), Djibouti, June
- Workshop on creating interface, Zimbabwe, June
- Analysis or workflows and business processes, Sudan, July
- Debt Management Performance Assessment (partner collaboration), Moldova, July
- Debt Management Performance Assessment (partner collaboration), Zambia, July
- Validation and testing of interface, Togo, July
- DMFAS 6 specialized training, Rio Negro, Argentina, July
- Data validation follow-up workshop, Guinea-Bissau, July–August
- DMFAS 6 basic functional training, Côte d’Ivoire, August
- Data validation workshop, Angola, August
- Data validation follow-up workshop, Guinea-Bissau, August–September
- DMFAS 6 technical training and DMFAS 6 customized training, Egypt, September
- Workshop on creating interface (physical design), Côte d’Ivoire, September
- Project coordination mission, Angola, September
- Joint MEFMI–DMFAS workshop, Zimbabwe, September
- Medium-Term Debt Management Strategy (workshop) partner collaboration), Switzerland, September
- Needs assessment mission, Azerbaijan, Egypt, Kyrgyz Republic and Tajikistan, September–October
- Debt Management Performance Assessment regional workshop (partner collaboration), Côte d’Ivoire, October

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