

13TH DMFAS
ADVISORY GROUP MEETING



DMFAS Honduras' experience

8-9 December 2022, Geneva

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



DMFAS Honduras's Experience

Ginebra, December 2022



Gobierno de la República



HONDURAS PROFILE



- The Republic of Honduras, is a country in Central America.
- PIB of 2021 was \$28,451 millions.
- Credit Rating: BB+(Standard & Poors) B1 (Moody's)
- Total SPNF stock of debt is \$15,715.6 mm (55% of GDP) of with 53% external debt (\$8,321.7 mm) and 47% internal debt.
- Honduras received in 2005-2007 debt relieves
- Honduras is a Low-Middle Income Country.
- In 2016 a fiscal rule law was approved.

BACKGROUND OF DMFAS

1988

- DMFAS started with the first data base and since then, we had received the technical cooperation of UNCTAD.

2005

- The SIGADE-SIAFI interface was implemented focused on external debt.

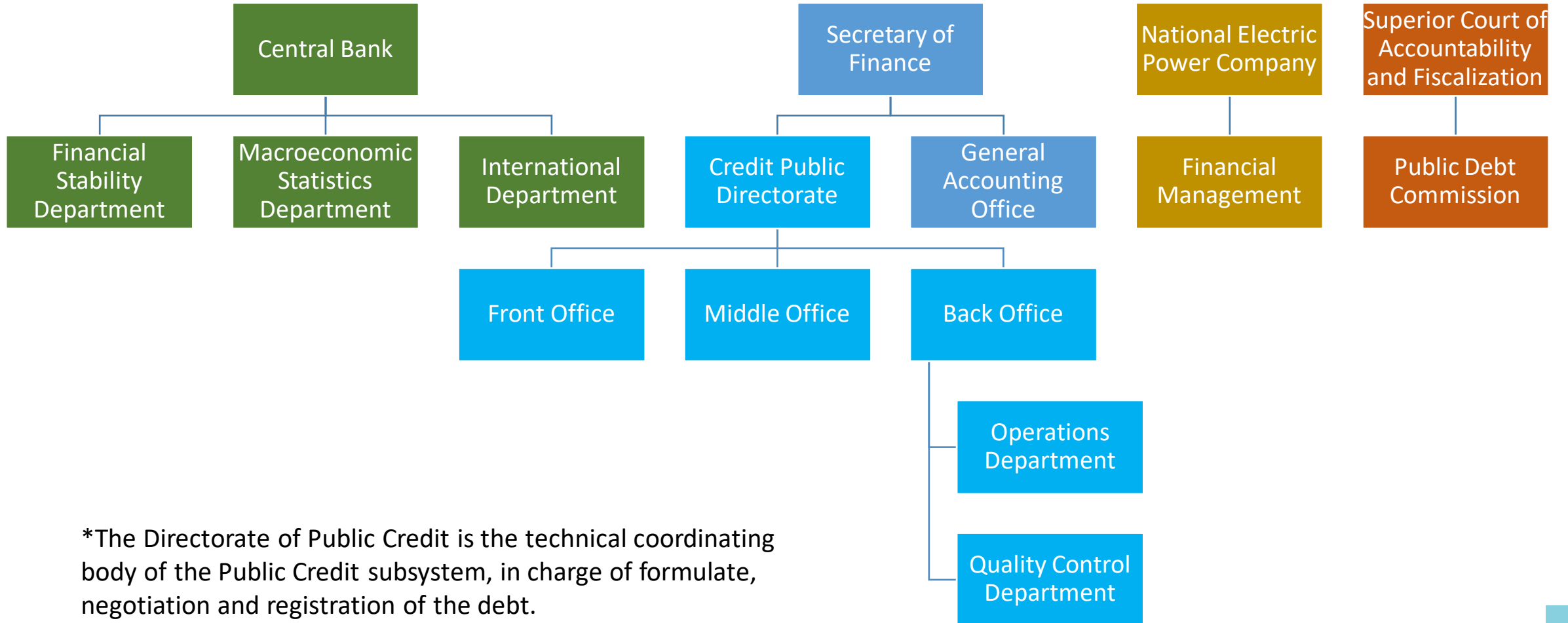
2017

- The system was changed to DMFAS 6.0 to a web environment, with a databases migration.

2022

- We're running the DMFAS v6.1.4.2, and we are in progress to update to version 6.2.0.0.

Institutions than use DMFAS



*The Directorate of Public Credit is the technical coordinating body of the Public Credit subsystem, in charge of formulate, negotiation and registration of the debt.

Debt Coverage

Instruments

- Domestic Bonds
- Eurobonds
- Domestic Loans
- External Loans
- On-lending
- Donations
- Condonations under HIPC and Paris Club 2005-2007

100% of external debt, that includes:

- External Debt of the Central Government
- NFPS External Debt
- External Debt of FPS
- External Debt of Private

95% of internal debt, that includes:

- 100% of Internal Debt of the Central Government
- 83% of NFPS Internal Debt

System that interact with DMFAS

- Integrated Financial Administration System (**SIAFI**): Planning, management, control and execution of budget public funds.
- Single Account System (**CUT**) for the administration and programming of cash flow and investments.
- National System of Public Investment of Honduras (**SNIPH**) physical and financial programming of investments, monitoring and closure of Projects.
- National Account System (**CGR**): Accounting record of the economic-financial and patrimonial operations of each of the Public Sector Institutions.
- The System of External Loan Executing Units (**UEPEX**) is a tool for the administration of funds provided by external financing, for specific programs or projects.

SIAFI-DMFAS interface

Both systems transfer information reflecting operations from one system to another, with the purpose that it is synchronized, of the following process:

- Debt Service: update of DMFAS through the automatic bank reconciliation process. (working).
- Cash Disbursement. (In process).
- Disbursements in species for Commissions (In process).
- Disbursements in species for direct payments (In process).
- Disbursement and services of direct charges (In process).

DEMPA Evaluation, June 2021

Under the new methodology, Honduras improved 23 indicators, maintained 9 and decreased 1, compared to 2014 evaluation.

The indicators regarding debt registration received 3 "A" Ratings, two "B" and one "D".

Indicador de desempeño de la deuda			Puntaje 2014	Puntaje 2021	Comparativo
DPI-12	Administración de la deuda y seguridad de los datos	12.1. Registro de transacciones relacionadas con la deuda	N/C	A	↑
		12.2. Pagos de deuda	N/C	B	↑
DPI-13	Seguridad de los datos y continuidad del negocio	13.1. Acceso a datos, copias de seguridad e infraestructura de UIT	N/C	B	↑
		13.2. Planes de continuidad del negocio (BC) y recuperación ante desastres (DR)	D	D	Igual
DPI-14	Registros relacionados con la deuda	14.1. Registros de deuda: integridad y puntualidad de los registros de GC	D	A	↑
		14.2. Registros de deuda: sistema de registro y titulares de deudas	B	A	↑

Learned Lessons

- DMFAS provides support and security to the other systems which it interact, at the same time it provides updated information for decision making.
- A greater number of DMFAS users, (include other institutions as Central Bank and the Auditing Body), have allowed a validated database. E.G. We have agreed procedures for generating reports on specific dates with the Central Bank; The regulatory body generate its own reports to valid consistency.
- Investing in data registration, processes and system will generate strength in the Public Credit Directorate, that will be positively evaluated by external entities, as Word Bank, Credit Rating Agencies.

Future Challenges

- We are implementing the GFSM 2013 than requires adicional information as nominal valuation, accrued interest, debt of PPP and payment arrears.
- Integration of additional processes to the DMFAS-SIAFI Interface, mainly by the Internal Debt Service
- Implementación del Audit mode (operation log)
- Design of a Business Continuity Plan.



Finanzas

Gobierno de la República