

DMFAS Programme News

September 2015

2015 UNCTAD Debt Management Conference

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UNCTAD is organizing its 10th biennial Debt Management Conference from the 23 to the 25 November, in Geneva.

The Conference will explore current and topical issues in debt management and public finance. Themes include:

- Debt and sustainable development goals
- Debt issues of UNCTAD's Trade and Development Report
- Managing risk for effective debt strategies
- Managing the debt: competencies in debt management

The presenters will be a balance of national experts, academics and representatives of civil society and of international and regional organizations. The Conference will be interpreted simultaneously in Arabic, Chinese, English, French, Russian and Spanish.

All relevant information about the Conference including preliminary agenda and online registration available at:

<http://unctad.org/dmc2015>



DMFAS Programme Advisory Group Meeting and DMFAS Donors Consultations Meeting

The 10th DMFAS Advisory Group meeting (AGM) of the DMFAS Programme will take place on 26 and 27 November 2015, back-to-back the UNCTAD Debt Management Conference. It provides the opportunity for beneficiaries, donors and development partners of UNCTAD's DMFAS Programme to discuss the Programme's capacity building activities in debt management, its debt management and financial analysis (DMFAS) system, and the future direction of the Programme.

The provisional agenda of the AGM includes the following topics:

- The Business Model Review of the DMFAS Programme conducted by an independent consultant will be presented to the participants;
- Overview of the DMFAS Strategic Plan 2016-2019;
- Breakout sessions for current and potential users of DMFAS services;
- Country experiences with the DMFAS system and DMFAS Capacity-building modules

In addition, the DMFAS Donors Consultations Meeting will be organized in parallel of the breakout sessions on 27 November. Information on the AGM can be found in the DMFAS website: unctad.org/dmfas.

Congo improved management of its external debt statistics

The Republic of the Congo is publishing its first debt statistical bulletin, which is one of the concrete outcomes of the technical assistance provided by UNCTAD on the implementation of the DMFAS debt recording system. But, what does the publication of a debt statistical bulletin mean for the Congolese people?



The DMFAS team at the Caisse Congolaise d'Amortissement

Since 2012, the national debt office of the Republic of the Congo has received support from UNCTAD's Debt Management and Financial Analysis System (DMFAS) Programme and this has resulted in five tangible benefits.

- Statistical bulletins are a periodic set of statistical reports on public sector debt. Their publication demonstrates that the country is in a position to maintain a reliable, comprehensive debt database and produce accurate data. This improves the country's reputation which is critical for attracting domestic and foreign investment. But, to be able to publish statistical bulletins, the public administration needs to have a well-functioning database.
- An improved recording and validation of debt data enables the country to respond to international commitments and acquired obligations. The Republic of the Congo can now easily report to the World Bank Debtor Reporting System in compliance with international guidelines, as do 91 per cent of DMFAS-user countries.
- The Republic of the Congo has improved the quality of its debt database through enhanced recording and validation. The 2014 Public Expenditure and Financial Accountability assessment gave to the Republic of the Congo its highest grade on the performance indicator related to debt data recording and reporting. The Congolese government is now in a better position to create accurate debt statistics.
- The availability of high quality debt data not only contributes to better debt analysis but it is also vital for the effective management of debt. It is widely recognized that the availability of reliable and timely debt data is essential for prudent risk analysis and the elaboration of government strategies aimed at ensuring sustainable debt levels and, in the last analysis, contributing to the well-being of the Congolese people. The DMFAS Programme therefore also contributes to improving debt sustainability.
- Thanks to a sound debt database, the Congolese government now has the opportunity to integrate dependable debt data in their policy-making, enabling evidence-based policies. Hence, the Congolese people benefit from improved transparency and better governance.

The Republic of the Congo has become the 36th DMFAS-user country to produce a debt statistics bulletin.

But UNCTAD assistance does not stop here: the next major step for the country is to integrate the DMFAS debt database into the integrated financial management system. And UNCTAD will also work side by side with Congolese authorities to assist them in this endeavour. Once this is achieved, the DMFAS system will become the only source of data on government debt, thereby further enhancing the country's ability to manage its finances.

Strengthening debt management in Mauritania

Under the latest UNCTAD technical assistance project signed with the Islamic Republic of Mauritania in late 2014, more than 20 capacity-building activities in debt management are being implemented.

Financed by the European Union, this project is an integrated part of the EU's larger budgetary support programme for supporting Mauritania in implementing its poverty reduction strategy.

The comprehensive debt management component foresees the creation of a DMFAS database at the Ministry of Finance using the latest version of the DMFAS system; an interface of the DMFAS with the Ministry's public financial management system; and, strengthened debt management procedures and skills in data recording, operations, validation, production of statistics and debt analysis.

Full implementation of the UNCTAD project started in 2015. So far, it has included the modernization of the supporting IT environment within the Ministry, a study tour of Mauritanian debt officers to the Ivory Coast, the installation of DMFAS 6 within the Ministry, IT training and most recently basic functional training in DMFAS 6. The coming months will include the creation of the database itself, the documentation of procedures, advanced training in the DMFAS system and the start of activities related to interfacing DMFAS with other public financial management software.



The team of the External Debt Department in Nouakchott

Joint MEFMI-DMFAS workshop on DMFAS 6



As part of a long standing partnership, UNCTAD and the Macroeconomic and Financial Management Institute (MEFMI) organize yearly joint workshops on debt management. The objective of this year's workshop was to present the new refinements of DMFAS 6 to the user countries in the region.

The workshop was held in Kigali, Rwanda and with the attendance of participants and from Rwanda, Uganda, Zambia and Zimbabwe.

Both functional and technical dimensions were addressed during the workshop.

Database administrators were trained on DMFAS 6 installation and maintenance procedures, including DMFAS Oracle installation, and a number of bilateral meetings were held to provide required technical or functional clarifications to any country-specific issues.

At the functional level, users were trained on the new modules/functionalities of DMFAS 6.1 such as Drawing Request, Issuance Authorization, Extended Amendments, new Debt Service Operations (prepayment, buyback, stripping, and suspension), Closing Date, Data Validation, Auditing, and enhanced Security in Reports. Users and database administrators were also trained in the new Helpdesk policy, in the use of the Helpdesk email account and the TRAC system.

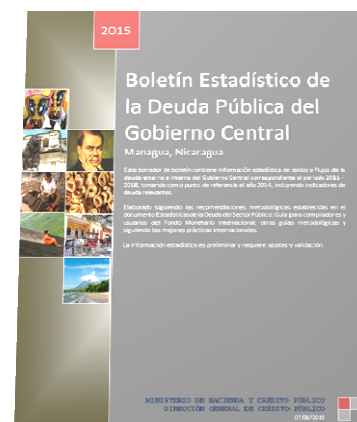
Additionally, country delegations presented their future needs for DMFAS 6 new modules and functionalities as well as their challenges allowing for an intense and fruitful sharing of experience.



Revamped debt statistics bulletin in Nicaragua

Publishing a debt statistical bulletin according to best international practices is in many ways the culmination of the debt management office's (DMO) efforts in collecting, validating and organizing debt data. Nicaragua has been the latest to renew the debt statistical bulletin thanks to a workshop that took place between 27 July and 7 August 2015 by two DMFAS experts, Mr. Jaime Delgadillo and Mr. José Flores.

This workshop was among the last activities of the technical assistance project between Nicaragua and the UNCTAD DMFAS Programme whose objective includes the installation of DMFAS 6 and the implementation of various debt management trainings such as this one. Given the national scope of this activity, it required a high level of coordination among the Ministry of Finance, the Central, and other government entities. For instance during the preparatory phase, the DMFAS Programme encouraged the DMO to invite a diverse set of stakeholders in order to obtain better insight from the perspective of the "consumers" of the debt information and for these stakeholders to obtain sufficient understanding to collaborate and provide feedback on the choice of information to publish.



Debt statistics bulletin workshop participants and trainers with the Vice-Minister of Finance. Mr. José Adrián Chavarría

The scope of the workshop curriculum included legal aspects, methodology, recent issues on internationally accepted classifications, debt in the macroeconomic context, drafting a calendar of publication and debt data coverage to name a few. Two additional elements contributed to the uniqueness of this workshop. It included an additional week to review practical analytical aspects using the DMFAS software and also benefited from the 2015 Debt Management and Performance Assessment (DeMPA) revised by the World Bank and its partners which includes many of the latest thresholds for achieving best practices in the publication of a statistical bulletin.

The group of 24 participants selected tables among numerous alternatives to capture the reality of Nicaraguan debt and decided upon the selection of a viable coverage and the periodicity of the publication. Selecting the information to include in a debt statistics bulletin is always a challenge: too little information published with an inadequate periodicity may fall short of expectations among its readers and key users, such as the press, therefore may be unable to use the data for constructive debate and optimal analysis. On the contrary, too much information overuses valuable resources of the government and is likely to create more confusion than clarity among concerned citizens.

The new draft debt statistical bulletin includes 20 tables, a word on the legal framework, a glossary, the methodology, and 15 illustrative graphs. It shall be published every 6 months.

It was formally handed by the group to Mr. José Adrián Chavarría, Vice-Minister of the Ministry of Finance, at the end of the workshop and the final publication is expected for the end of the year.

DMFAS 6 Update: the new data validation module in DMFAS 6.1.1

DMFAS 6.1.1 introduces a long-awaited and powerful new module offering comprehensive data validation. It complements the existing data validation queries already in the system. Data validation can be defined as the process of ensuring that debt data is complete, accurate and consistent in order to produce reliable and timely information that meets the needs of an institution.

Furthermore, this module promotes international practices in the area of operational risk management. Indeed its very purpose is to minimize operational risks.



The module also contributes to achieving sound debt management practices as measured by the World Bank's Debt Management Performance Assessment (DeMPA) through the following debt performance indicators:

- DPI 12 (debt administration and data security)
- DPI 13 (segregation of duties, staff capacity and business continuity)
- DPI 14 (debt records)

A key strength of this module lies in the automated and coordinated workflow it provides for data verification among different users. Now when a user attempts to records or modify any data, DMFAS notifies a specific supervisor or validator who must then check and confirm the data to be recorded. This additional level of control fundamentally improves recording operations, guaranteeing greater precision in debt data while ensuring its overall security. With the Data Validation module, the right person gets the right information about what needs to be done and in the right order.

In DMFAS, the related user types and roles such as Validator are set up through the Security module which was enriched to accommodate data validation. In addition, the Data Validation module can be easily parameterized through the Control Panel enabling it to be set up for one or more major DMFAS modules such as drawings or debt service operations.

Selected Current and Upcoming Events

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

Medium-term Debt Management Strategy (jointly with the World Bank), Vietnam, September

AFRITAC meeting on debt statistics, Gabon, September

DMFAS 6 advanced functional training, Honduras, September

Workshop on creating interface, Mauritania, September

DMFAS 6 installation and maintenance training, Mauritania, September

Workshop on creating interface, Honduras, September

Follow-up data validation workshop, Zambia, September-October

DMFAS 6 advanced functional training and design of procedures manual, Mauritania, October

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