

# News from the DMFAS World

December 2019

Issue 28



## 12th DMFAS Advisory Group Meeting

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The DMFAS Advisory Group met on 21 and 22 November 2019 in Geneva following the 12th UNCTAD Debt Management Conference (see article on p.4-5). Nearly 145 participants from 50 current and potential DMFAS user countries, donors and partners attended the meeting.

The Advisory Group Meeting is a forum where beneficiaries, donors and development partners of UNCTAD's DMFAS Programme discuss capacity building activities in debt management, the Debt Management and Financial Analysis System (DMFAS), and the future direction of the Programme.

### Main conclusions of the 12th DMFAS Advisory Group meeting include:

- Appreciation of the very positive results in the implementation of the 2016-2019 strategic plan
- Endorsement of 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



- Endorsement of the new 2020-2023 strategic plan which responds to the recommendations of the Programme's stakeholders and supports its strategic priorities, in particular expanded debt coverage, development of DMFAS 7 and capacity-building (e-learning, self-study, video and certification)

- Request for additional support to countries integrating DMFAS with national public financial management systems

- Agreement on the planned functions for DMFAS 7 including dashboard, extended coverage of instruments including PPPs, contingent liabilities and derivatives, expanded

public institutional coverage, expanded reporting and strengthened audit functions

- Welcome to the new debt data quality assessment framework (Debt-DQA)
- Reaffirmation of importance of capacity development and request to further expand capacity-building services, including for auditors

“the positive evaluation findings which demonstrate the effectiveness and clear added-value of the program”

- Importance of continued cooperation and partnership with other technical assistance providers
- Importance for the Programme obtaining the funding necessary for the full implementation of the 2020-2023 strategic plan and continuing effectively responding to the evolving needs of debt offices.

The donors of the DMFAS Programme also met on 21 November 2019 and addressed the Advisory Group the next day. Representatives from the European Com-

mission, France, Germany, Ireland, the Netherlands and Switzerland participated in the meeting. In their statement, donors congratulated “the DMFAS program and the DMFAS user countries for the successful implementation of the 2016-2019 Strategy and the positive evaluation findings which demonstrate the effectiveness and clear added-value of the program.”

The conclusions and country presentations are available on the DMFAS website. [unctad.org/dmfas](http://unctad.org/dmfas)

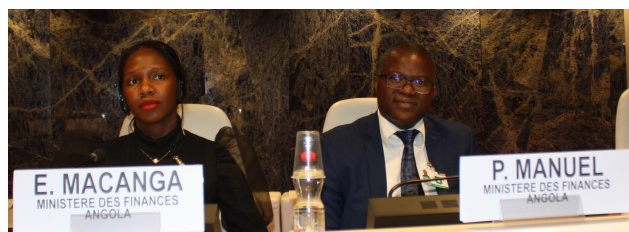


DMFAS Advisory Group plenary session

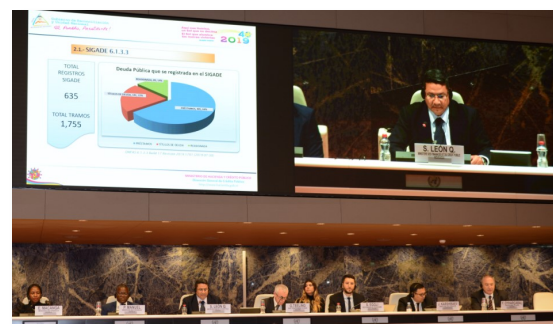
## Sharing country experience at the Advisory Group

During the advisory group, three countries shared their experience: Angola, Nicaragua and Uzbekistan.

**Angola** presented the DMFAS 6 project currently being implemented at the Public Debt Management Unit of the Ministry of Finance. Angola translated the DMFAS software into Portuguese. The speakers shared their progress on interfacing DMFAS with the Angolan financial system, the SIGFE. In Angola, DMFAS is used by the front office (records data related to financial agreements in negotiation), by the back office (management of active debt instruments, amortization tables, debt service, debt data validation, reports, etc.) and by the middle office (projections, debt statistics bulletin, analysis, medium-term debt strategy). For more information, see the [presentation made by Angola](#).



**Nicaragua** shared with the Advisory Group members the challenges in managing public debt. After introducing key debt information and the country's debt structure, Nicaragua presented the interfacing of DMFAS with the integrated financial system, the SICP. In addition, Nicaragua shared information on the tool that was internally developed to generate specific reports with additional parameters. Finally, the presentation concluded on the new disaster recovery plan and facilities put in place at the Ministry of Finance which also covers the DMFAS





database. For more information, [see the presentation made by Nicaragua](#).

**Uzbekistan's** presentation focused on the reforms implemented at the ministry of finance to improve debt management, as part of a wider strategy for development and modernization of the economy. Sharing with the audience the government debt structure showing low public debt levels, the head of the debt office further described the work on to the development of the domestic debt market and the issuance of the first sovereign Eurobonds. He presented the structure of the new debt management office organized around the front-back-middle office func-

tions. Uzbekistan recently installed DMFAS 6 and shared with the AGM the work undertaken to record the debt database and the training workshops. For more information, [see the presentation by Uzbekistan](#).



## Initiation of DMFAS projects in Azerbaijan and Tajikistan

**The DMFAS Programme is proud to welcome two new countries, Azerbaijan and Tajikistan, into the DMFAS user community.**

On October 25th, UNCTAD Secretary-General, Mr. Mukhisa Kituyi and Azerbaijan Minister of Finance, Mr. Samir Sharifov, signed the agreement in the capital, Baku, for the implementation of DMFAS 6 at the Ministry of Finance.



Samir Sharifov, Minister of Finance of Azerbaijan and Mukhisa Kituyi, UNCTAD Secretary-General

On 1st November 2019, the Minister of Finance of Tajikistan, Mr. Faiziddin Qahhorzoda, also signed with UNCTAD a technical assistance project for the implementation of DMFAS 6.

Both projects are mainly funded by the Swiss State Secretariat for Economic Affairs (SECO). They include comprehensive support for improving national public debt management in support of improved

debt data transparency and accurate reporting of domestic and private debt.

"It's hard to imagine the development of a contemporary financial system without debt. However, proper management of the debt can create economic growth and development" Mr. Sharifov said.

Both projects were launched simultaneously by a joint technical activity on Oracle-SQL training applied to DMFAS. This activity took place from 9 to 20 December in Geneva during which four technical experts from Azerbaijan and Tajikistan were trained in the administration and maintenance of an Oracle database and on the basics of SQL language in the framework of the DMFAS 6 application.

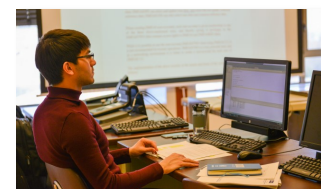
The next step for both projects will be the installation of DMFAS immediately followed by the DMFAS 6 basic training and will take place during the first quarter of 2020.



"Proper management of the debt can create economic growth and development"



Training workshop in Geneva  
9-20 December 2020



## 12th UNCTAD Debt Management Conference

The 12th UNCTAD Debt Management Conference took place from 18th to 20th November. This biennial conference, the biggest of its kind for debt management experts and practitioners, was attended by 370 participants from 114 countries, international institutions, and by representatives from NGOs and academia.

The Conference was opened by the Deputy-Secretary General of UNCTAD, Ms. Isabelle Durant. Noting rapidly increasing debt levels, she highlighted the financial vulnerability of developing countries as demonstrated in the [2019 UNCTAD Trade and Development Report](#). She said the recent debt explosion is largely explained by the rise in private rather than public debt, reflecting the rapid integration of developing countries into international financial markets. "Conditions are in place for a new debt crisis, which will inevitably affect developing countries much more harshly than in the past 10 years," Ms. Durant said.

She further emphasized the necessity to improve debt transparency as essential for mitigating the impact of a new debt crisis. She urged policymakers to identify suitable policy options as the situation requires urgent action and initiatives to make debt work for development.

The key note speech was then delivered by H.E. Mr. Carl H-G Schlettwein, Minister of Finance of Namibia.



Key note address by H.E. Mr. Carl H-G Schlettwein

An unhealthy dependence on debt for economic growth is threatening these countries' progress towards the Sustainable Development Goals (SDGs), said Carl Schlettwein.

"The spectre of increasing global debt is haunting the global development agenda. Global debt is now at historic highs" he said.

He emphasized that indebtedness of high-income developing countries should raise the most alarm with total debt-to-GDP at 215%, with the private sector accounting for over three quarters of this debt exposure. "The high levels of indebtedness inevitably mean that there is reduced room to adjust and manoeuvre when external shocks do come" he said.

He further noted that financial innovation has increased the complexity of instruments and also their management, representing a challenge for developing countries' debt management offices.

"Conditions are in place for a new debt crisis, which will inevitably affect developing countries"



Opening of the 12th UNCTAD Debt Management Conference

Mr. Schlettwein further shared the experience of Namibia after the GDP growth had declined sharply in 2016. “Lost fiscal space coupled with high debt burden meant Namibia had limited capacity to implement countercyclical policy to support the economic recovery” he said. He later described the policy-response from Namibia, targeting spending on development and pro-growth programs and deploying ring-fenced project financing with limited, but targeted debt commitments.

During the three days of the conference, panelists debated debt related topics including debt transparency, the securitization of development finance and implications for debt management, the 2030 agenda for sustainable development and long-term debt sustainability, debt and disaster relief and the support of the in-

ternational community in strengthening debt management.

The results of the satisfaction survey showed that a large majority of participants considered that the conference was a unique event and a great opportunity to exchange of experiences and learn from experts.

If you want to learn more on these topics, [speeches and presentations](#) are available on the DMFAS website: [unctad.org/dmfas](http://unctad.org/dmfas).

“Spectre of  
increasing global  
debt is haunting  
the global  
development  
agenda”



## Launch of the joint DMFAS-COMSEC the DEBT DQA

**The joint DMFAS-COMSEC framework for debt data quality assessment (Debt-DQA) was launched during the 12th Debt Management Conference on 19th November 2019.**

The foundations for effective debt management rely on the quality of debt records, validation, operations, reporting and statistics. The need for countries to maintain comprehensive, comparable and reliable data on debt is vital to enable policy-makers, financial markets and other debt data users to make informed decisions on sovereign debt management.

The UNCTAD DMFAS Programme and the Debt Management Unit of the Commonwealth Secretariat jointly developed a new framework for debt data quality assessment (Debt-DQA) to help countries maintaining qualitative databases. The Debt-DQA assesses the quality of the databases recorded in debt management systems in conformity with international standards and best practices for debt data compilation and dissemination.

Debt-DQA uses a set of standardized quality indicators to identify problems within the different components of debt instruments over their entire life cycle. These problems are verified with the aid

of an automated tool incorporated within DMFAS and COMSEC debt management softwares. It detects and quantifies weaknesses and gaps in debt databases and facilitates monitoring the evolution of debt data quality over time.

The Debt-DQA was designed to complement other assessment tools such as the debt management performance assessment (DeMPA), the data-quality assessment framework (DQAF) and the public expenditures and financial accountability framework (PEFA). The Debt-DQA adds granularity to all these initiatives, as it specifically targets the countries' data recorded in debt management software.

This new framework is expected to contribute to improvements in the quality of debt data used for reporting, policy formulation, including for debt sustainability analysis and formulation of debt strategies. It is therefore a valuable addition to the tools available for ensuring effective debt management and improving debt transparency.

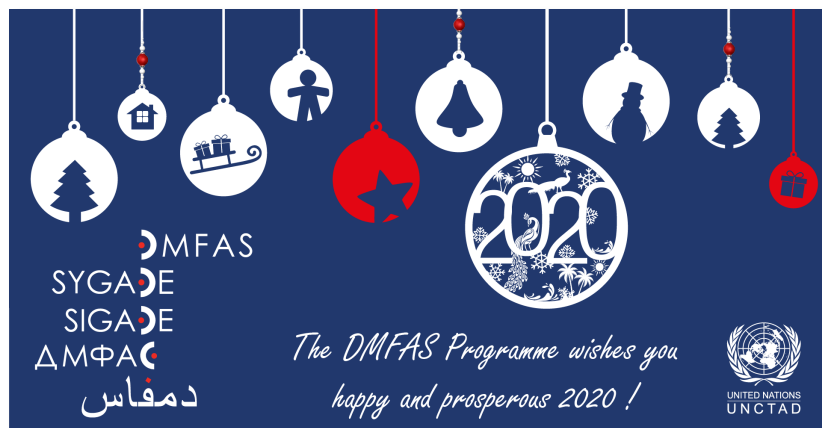


The Commonwealth



Launch of the Debt-DQA





## Current and planned upcoming events



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

- **Testing and validation of interface, Bolivia, October 2019**
- **Reform plan mission (partner collaboration), Benin, October 2019**
- **DMFAS 6 ad hoc functional training, Ecuador, November 2019**
- **Specialized workshop on Public-Private Partnerships, Côte d'Ivoire, November 2019**
- **Oracle-SQL DMFAS training, Azerbaijan and Tajikistan, December 2019**
- **OIF workshop on debt policies (partner collaboration), Rwanda, December 2019**
- **DMFAS 6 ad hoc functional training, Zambia, January 2020**
- **DMFAS 6 pre-conversion and technical training, Philippines, January 2020**
- **DMFAS 6 basic functional training, Uganda, February 2020**
- **Workshop on designing local modules, Angola, February 2020**
- **Data validation workshop, Egypt, February 2020**
- **DMFAS 6 installation and maintenance training, Egypt, February 2020**
- **DMFAS 6 installation and maintenance training, Azerbaijan, February-March 2020**
- **DMFAS 6 basic functional training, Egypt, March 2020**
- **DMFAS 6 basic functional training, Azerbaijan, March 2020**
- **Bangladesh needs assessment mission, March 2020**
- **Technical training on database structure, Ethiopia, March 2020**
- **DMFAS 6 installation and maintenance training, Tajikistan, March-April 2020**

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## Donors

This newsletter is produced by the DMFAS Programme with the support of the following donors:  
Germany, Ireland, the Netherlands, Switzerland and the European Commission



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