

# DMFAS Programme News

October 2012

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## DMFAS Annual Report 2011



**The DMFAS Annual Report 2011 has been released this month and is available in the DMFAS website:**  
[www.unctad.org/dmfas](http://www.unctad.org/dmfas)

## Indonesia-UNCTAD-SECO public debt management project on track

The Ministry of Finance of Indonesia last year requested UNCTAD to provide support in strengthening the country's capacities in debt management. A project document was signed in December 2011 between Indonesia, The State Secretariat for Economic Affairs of Switzerland (SECO) and UNCTAD. Funding is provided by SECO and the Government of Indonesia. The purpose of this large project is to strengthen public debt management in Indonesia through enhancing its reporting and analytical capabilities, upgrading DMFAS (Debt Management and Financial Analysis System) installations in the Ministry of Finance, strengthening the related IT capacities and linkages with other application systems, and delivery of targeted training to its debt managers.

In January this year, UNCTAD undertook a mission to Jakarta to elaborate detailed work plans with the Government for project implementation. In February, an UNCTAD mission went to provide IT support for the implementation of the latest DMFAS software, version 6, in the Directorate General of Debt Management of the Ministry of Finance. In May, an UNCTAD mission was dispatched to establish the baselines for monitoring and evaluating the project, in coordination with the government and the local donor (SECO) office. This month, an Indonesian government mission of 5 officials came to UNCTAD's office in Geneva for additional training and to finalise the conversion of the Government securities debt database which is being consolidated into DMFAS 6.0.



## UNCTAD PARTNERSHIPS IN THE AREA OF DEBT MANAGEMENT

### *UNCTAD-MEFMI regional workshop in Harare moves forward on debt data validation procedures*

The yearly joint workshop of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) and UNCTAD's DMFAS Programme was held in Harare, Zimbabwe, in June, on debt data validation.

The workshop was attended by the five MEFMI countries currently using the DMFAS system: Angola, Rwanda, Uganda, Zambia and Zimbabwe, with a total of 25 participants from Ministries of Finance and Central Banks.



Since the creation of the MEFMI in 1997, UNCTAD and MEFMI have been collaborating closely on debt management issues. This strong capacity building partnership is materialized through the organization of regular joint events.

As emphasized by the Ministry of Finance's Permanent Secretary, H.E. Willard Manungo, in his opening statement to the workshop, debt data validation is a critical aspect of debt management, ensuring the quality of debt information upon which key policy decisions are taken.

Specifically, the workshop provided training on how to define debt data validation procedures and use DMFAS 6.0, to produce validation reports. At the end of the workshop, each country delegation produced a first draft of a debt data validation procedure manual. Upon return to their countries, the delegations presented the drafts to their authorities with the objective of implementing the validation procedures in their debt offices.

### *UNCTAD, a key partner of the DMF*

As partner of the Debt Management Facility (DMF), UNCTAD was invited to actively contribute to the Third DMF Stakeholders' Forum that took place on 25 and 26 June 2012, in Accra, Ghana. This forum discusses policy-relevant agenda on debt management and current challenges faced by developing countries with respect to debt management. This year, the Stakeholders Forum addressed the question "Does Debt Management Still Matter? Lessons from the Current Financial Crisis for Low Income Countries". One key conclusion of the meeting is that debt management is still critical to limit the vulnerability of countries in a situation of economic crisis. Debt management is needed today more than ever. UNCTAD chaired the session on "How does debt management matter?" and contributed to the session on "How does debt impact economic growth?". Presentations can be found in [www.worldbank.org/debt](http://www.worldbank.org/debt).



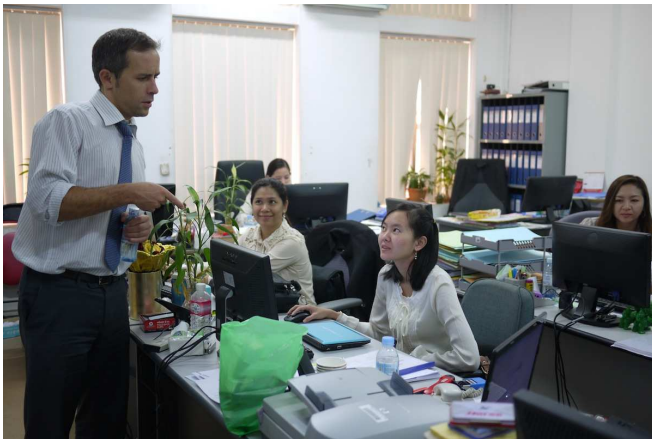
In parallel to the Stakeholders' Forum, the Technical Advisory Group (TAG) of the DMF, of which the Chief of the DMFAS Programme is a member, met in Accra. The TAG supports the Steering Committee of the DMF in ensuring the quality and relevance of DMF activities.

## Continued support to Cambodia

A delegation from the Cambodian Ministry of Finance and Economy (MEF) and the Asian Development Bank (AsDB) travelled to Geneva on 7-8 August 2012 to discuss the continuation of collaboration with UNCTAD on debt management. A Memorandum of Understanding (MoU) was signed between the three parties at the end of the mission. The current DMFAS 5.3 project in Cambodia came to an end in September 2012 with the organization of a debt portfolio analysis workshop (see below). The Cambodian delegation requested further assistance in DMFAS 5.3 advanced reporting as well as follow-up workshops on data validation and debt statistics. The upgrade to DMFAS 6 is envisaged within a framework of a new project possibly financed by AsDB, and preliminary discussions took place during the visit of the delegation as well as during the project evaluation mission in September 2012.



MoU signing ceremony in UNCTAD Headquarters



## DMFAS 6 update

DMFAS 6 is currently installed in 22 institutions in 19 countries and preparations have been initiated for installation by the end of the year in 2 more Institutions (MoF of Honduras, Irak),

As with the development of all progressive software, DMFAS 6 continues to be strengthened and refined in response to the experiences and requests of the clients. In line with this, new features in DMFAS 6 are being implemented and will be distributed by the end of the first quarter of 2013, these include:

- Debt Securities: recording of reopenings and recording of financial instrument complying with the Islamic Law (Sukuk);
- Security and Auditing features: the Extended Auditing module, including the possibility of generating reports on different closing dates;
- Data sharing modules: inclusion of a flexible Data exportation module to other database management systems (e.g. Access), and enhancements to the query tool allowing the users to access a greater number of tables in the database, as well as to export data from the Query tool to Excel;
- Other enhancements: the extension of Debt Reorganization features and the completion of Buyback functionalities; inclusion of the online help modules translated into French and Spanish.

Finally, a major update of the Application's development frameworks is under analysis, to facilitate the future implementation of more advanced features (e.g. Workflow features, extended reporting, security enhancements among other technical functionalities).

### Debt Portfolio Analysis (DPA)

On 10-20 September 2012 a DPA workshop took place at the MEF in Phnom Penh. Fourteen debt officers were trained in basic debt analysis concepts and techniques. The output of the workshop was a draft Debt Portfolio Review, which provides an overview of Cambodia's external debt structure and the related costs and risks. This document, which will be produced on an annual basis, will help the MEF authorities in analyzing the public debt stock and its yearly evolution against the backdrop of the recently approved Public Debt Management Strategy (2011-2018).





## Supporting Guinea Bissau's debt office

Guinea Bissau has been a DMFAS user country since 1997. Several projects have been implemented in the country to strengthen its capacities in debt management which resulted in the installation of the DMFAS system in the debt office and training for debt officers. However, the debt office and the debt database located there were destroyed during the civil war, and Guinea Bissau has been working since then to restore its capacities to manage the public debt.

In 2010, the International Monetary Fund (IMF) and the World Bank made important efforts to provide the country with a debt relief package. This was conditional on the achievement of a set of benchmarks as a HIPC country, including the consolidation of a database and better debt management. In this context, a project was signed with the DMFAS Programme and activities began in August 2011.



The project is tailored to the specific circumstances prevailing in the country. In addition, thanks to the collaboration of UNDP-Guinea Bissau, the DMFAS Programme installed a Portuguese version of the DMFAS system in the debt office. Ultimately, the benchmark set by the IMF on debt management was attained on time last March 2012 and Guinea Bissau has the majority of its debt instruments in the system updated by trained debt managers. The motivation of the national authorities and staff, as well as the collaboration with key partners, were critical factors in the success of this project.

## Selected current and upcoming events



**Debt statistic workshop, Oman, October**

**Analysis of workflows and business processes, Gabon, October**

**Study tour, Yemen, November**

**Debt statistic workshop, Madagascar, November**

**DMFAS 6.0 Conversion and technical training, Iraq, November**

**Installation and maintenance training, Honduras, November**

**Regional Debt Portfolio Analysis workshop, Argentina, November**

**Partner support, participation to a DMF Reform Plan missions, Central African Republic and Zambia, November-December**

**Debt statistics workshop, Guinea Bissau, November-December**

**DMFAS 6.0 Basic functional training, Honduras, December**

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